



# The CEO Water Mandate

## Key Outcomes of Conference on Corporate Water Stewardship and the Post-2015 Development Agenda – Mumbai, India

March 2013

### Overview

On 5 March 2013, the UN Global Compact's CEO Water Mandate convened a multi-stakeholder meeting among business leaders, civil society groups UN agencies and other intergovernmental institutions, and other interests to discuss the Post-2015 Sustainable Development Agenda and to explore specifically the role of business in advancing potential policy objectives relating to increased access to water, sanitation, and hygiene (WASH) services, improved water resources management and governance, efficient water use, and pollution reduction. These discussions were designed to act as a formal input for the water thematic of the global consultations regarding the Post-2015 Sustainable Development Agenda.

### Water Goal(s)

The sessions resulted in a variety of ideas for Post-2015 Sustainable Development Agenda, including:

- Achievement of goal(s) for water and sanitation are requisite to the achievement of numerous others sustainable development goals; as such water should be listed as its own standalone topic.
- Any targets and/or indicators should relate to and support one or more of the three subthemes identified in the water thematic global consultation: 1) access to safe drinking water, sanitation, and hygiene, 2) water resources management, and 3) wastewater and water quality.
- There should be a target related to effective water resources management (i.e., demand aligning with long-term renewable supply by region) ; this target should consider that water management needs and strategies will differ greatly at the national and local levels.
- Water resources management indicators should drive institutional capacity, while also allowing assessment of actual on-the-ground outcomes.
- There should be an indicator related to the treatment of all municipal and industrial wastewater.
- There should be an indicator related to the advancement of improved hygiene.
- Targets and indicators related to sanitation must be further stressed and prioritized to highlight the importance of and difficulty of this issue.
- Targets and indicators should look not only at water-related conditions, but also the core drivers of those problems in order to enact systematic change.
- The Post-2015 Sustainable Development Agenda should enable improved government and corporate accountability/measurement mechanisms that in turn drive good practice.
- Targets and indicators should better articulate the link between ecosystem services and human well-being.

### Barriers to Realization of Goals

The realization of sustainable development goals presents a great challenge to business and society more broadly. Learning from past experiences of the MDGs, there is recognition that the post-2015 Sustainable Development Agenda must look at water more broadly than a single focus on WASH and that more societal players, including the private sector will need to be involved in their achievement.

Businesses realize that that even though some are making a concerted effort to maximize water use efficiency and reduce pollution, water challenges still pose a great risk to their long-term viability. In many countries, particularly those of the Global South, water governance and management is weak, leading to a lack of reliable access to water among communities, businesses, ecosystems, and others. If the water sources upon which companies rely (e.g., municipalities, aquifers) are not managed sustainably, industries cannot thrive. Similarly, short-term efforts to increase access to safe drinking water are less meaningful if that water is not reliably delivered and sustainably managed more broadly.

Furthermore, there is a dearth of awareness, capacity, and knowledge that hampers more robust water governance. Further exacerbating the problem is an incongruity between where financial aid is most needed and where it is available. Middle-income countries have disproportionate access to water-related financial aid, despite the fact that low-income countries tend to struggle most with water governance and WASH issues. In many countries, such as India, large companies may have an awareness of and capacity to address water challenges, yet SMEs (often suppliers to these larger companies) still use outdated practices. Lastly, many of the current efforts to solve these issues occur in isolation of one another, not addressing the linkages between water, food, energy, hygiene, and other issues, and often with different sectors addressing common problems in silos.

### **Players and Their Roles**

Solving the many different water-related challenges facing the world will require concerted, collaborative efforts among different sectors and groups. In addressing water challenges, business' primary roles are to: 1) ensure their "own houses are in order" with respect to managing water-related impacts and 2) support and facilitate the realization of government-led efforts. Businesses must be responsible for their own impacts on communities and ecosystems, paying for wasteful water use and undue pollution. With respect to water resources management, businesses can provide a wealth of data (e.g., on water quality and groundwater depletion), expertise, and technology that allow governments to make informed decisions and implement them more effectively. With respect to WASH goals, industry can invest in pollution reduction and where appropriate greater access to services, simultaneously reducing their risks and advancing public policy goals.

However, in addition to providing needed resources, businesses can also act as an agent of change, encouraging governments to allocate resources to these important issues and promoting good practices among their employees and suppliers in the watersheds in which they operate. Business leaders can play an important role in mobilizing the global business community. Ultimately, to be true water stewards and advance sustainable development goals, companies must not only manage water as a business risk, but assume the role of enabler and facilitator of improved water management in the public interest.

Possible roles for other groups, as well as ways they can work in support of one another include:

- **Governments:** Governments are the only bodies with legitimacy to develop water policies and corollary implementation plans. They must ensure accountability to these commitments and provide redress mechanisms for the poor, while developing meaningful strategies directed at industry that incentivize good water management practices by business. Companies can support this role by encouraging governments to take immediate and bold action and by providing data and expertise that supports water management capacity.
- **Consumers/citizens:** Through their purchasing decisions and policy advocacy, people have the ability to incentivize responsible water management practices by business. Business, investors, and civil

society can all support the development of systems that allow consumers to identify and demonstrate their preference for good actors.

- Financial Institutions & Investors: Financial institutions can drive the realization of sustainability goals by establishing and utilizing systems that assess corporate water practice and/or water-related projects and by seeking to invest in and fund companies/projects that advance these goals.
- Civil Society: Civil society plays a critical role in helping to identify and implement methods for realizing sustainable development goals, building consumers' ability to identify responsible companies, and advocating for and empowering underprivileged communities and the environment. Responsible businesses acknowledge and support these important functions, and engage civil society to better understand how they themselves can drive progress.

### **Strategies**

A wide range of activities can advance the post-2015 sustainable development agenda, including:

- Businesses can contribute to water stewardship by adopting sustainable water policies and practices and by participating in good practice-sharing initiatives, such as the UN CEO Water Mandate.
- Businesses can also contribute by engaging in on-the-ground collaborative partnerships/collective action involving peer businesses, governments, UN agencies, civil society, and other interests. Companies can utilize innovative technology platforms, such as the CEO Water Mandate's Water Action Hub to pursue and establish such partnerships.
- Companies can engage their employee base to drive action, by demonstrating long-term top management support and showing how water impacts their careers, families, and communities.
- Corporate water assessment allows for a better understanding of water-related impacts and risks, and where action should be prioritized. Water challenges are inherently local in nature. Unlike carbon, when companies assess water challenges and develop response strategies, they must base them on the local context.
- Water champions within organizations help build commitment toward sustainable practice.
- In some cases, companies can achieve greater efficiencies (and reduced risk) by working with and improving practices of other water users in their watersheds.
- Participatory watershed structures help circumvent challenges related to undue corporate influence and a lack of meaningful voice for underprivileged communities.
- Public-private partnerships are an important strategy for leveraging change; private-private partnerships are equally important in combining resources in support of common goals.
- Businesses can report and disclose their water-related performance, risks, and impacts.
- Better benchmarks and standards around water use efficiency and wastewater quality can help drive improved performance by industry.

### **Questions**

Many critical questions were raised during the day's deliberations that had bearing on the Post-2015 Sustainable Development Agenda, but for which there was no conclusive answer, including:

- What are companies to do in the absence of effective public water governance systems that can develop and drive water-related agendas?
- How can companies practically engage in policy to simultaneously ensure that: 1) the public interest is advanced, 2) business risk is reduced, and 3) equitable access to decision making is assured?
- How can water's role as both as economic and social good be best balanced in order to enable its long term sustainability?
- Should WASH and WRM-related goals be separate or integrated?