Integrity in Water Stewardship Initiatives
Improving the Impacts and Effectiveness of Corporate Water Stewardship Initiatives

Stockholm World Water Week
02 September 2014
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Corporate Water Stewardship Maturity Progression

1. Ensure WASH services and health in the workplace
2. Measure and monitor water management practices
3. Drive operational efficiency and reduce pollution
4. Identify and understand stressed and high-risk basins
5. Integrate water management into business strategy
6. Leverage improved performance in the value chain
7. Advance sustainable water management and collective action

Internal operations → Contextual assessment → Strategy → Engagement
Often, the greatest risks come from conditions over which the company has the least influence.
## Water Stewardship Collective Action and Underlying Causes

### Inadequate Infrastructure System
- **Water Over-Allocation**: Efficient Water Use
- **Water Supply Unreliable**: Effluent Management/Wastewater Reclamation/Reuse
- **Water Quality Deterioration**: Community Level Access to Safe Water, Sanitation, and Hygiene (WASH)
- **Flood Damage**: Storm Water Management and Flood Control
- **Ecosystem Degradation**: Infrastructure Finance, Development, Operation, or Maintenance

### Ineffective Water Management
- **Sustainable Agriculture**
- **Climate Change Adaptation and Resilience**
- **Ecosystem/Source Water Protection/Restoration**
- **Monitoring and Knowledge Sharing**

### Poor Catchment Governance
- **Engaging in Participatory Platforms**
- **Public Awareness and Education**
- **Improved Water Governance and Policy Development**
Defining water stewardship initiatives

- Coordinated engagement among interested parties (generally involving businesses) to address specific shared water challenge(s).
- WSIs reflect structured forms of collective action, typically consisting of joint decision making, implementation, and accountability mechanisms.
The growing interest in water stewardship collective action

- CEO Water Mandate’s Water Action Hub:
  - 283 organizations; 142 projects (in 301 locations)

- Alliance for Water Stewardship international standard downloaded by 286 entities in 55 countries indicating their interest in “either implementation/verification, promotion of the standard or applying the standard in their organizations”
But what if this is what people say about a particular WSI...

“[Participants] just go where the money comes from. If it’s not personally profitable or politically useful they’re not interested.” (NGO Tz)

“There is control and gatekeeping and we’ve been side-lined – the way they do things is not fair” (Business Tz)

“We want to create our own future and make sure they can’t take the water away” (Business RSA)

“I see [government] relinquishing its power and responsibility to the private sector. I think [government] sees this as a capability, not a power capture thing, which is alarming.” (NGO RSA)
Hybrid example

Cash transfers to local authorities to tackle pollution in a river stretch

> 300,000
Integrity issues of the case example

- Cash transfers to a local authority that benefits from the pollution
- Affected communities / Beneficiaries not involved in the process
- Drain on senior government staff (Ministry and EPA)
- No strategic value for the population
What is needed?

WSIs with integrity ideally have:

1. Trustworthy, credible, and accountable participants;

2. Inclusive, transparent, and responsive processes that lead to informed and balanced decision-making;

3. Clear objectives and demonstrable outcomes that advance sustainable water management.
What’s to gain from integrity?

› Increasing effectiveness of achieving the initiative’s goals
› Earning credibility and reducing reputational risks
› Fostering long term engagement and cooperation
› Supporting staff and reducing risk of legal transgressions
Frequency / likelihood of hazard

Severity of integrity hazard

Stakeholder engagement
Planning & design
Monitoring, evaluation & learning
Financial management
Managing responsibilities, decision-making & communication

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Stakeholder engagement
Limited contribution to SWM

Capture: organizational resources & investment

Capture: regulatory action, policy and water

Perverse outcomes

Frequency / likelihood of hazard

Severity of integrity hazard

low

medium

high

low

medium

high

The CEO Water Mandate

water witness

BPD Water Coalition

giz

PEGASYS

WIN
Risks influenced by contextual factors

- Contestation of legitimate water needs of others stakeholders in the basin
- Transparency, accountability and responsiveness of the policy, regulation and investment context of the WSI
- Cultural and political realities linked to the judiciary and market systems and external events that affect WSI efforts
Operating principles to ensure integrity

› We ensure the WSI aligns with public policy priorities and advances sustainable water management and guard that the WSI does not undermine or negatively influence public institutions or water governance

› We ensure appropriate and balanced representation of interests throughout the course of the WSI

› We are clear and transparent about the roles and responsibilities of WSI participants and ensure that their capabilities are adequate (or are sufficiently developed) to fulfil them
Operating principles to ensure integrity

› We are clear and transparent about water challenge(s) being addressed by the WSI and the agreed scope and predicted benefits
› We are clear and transparent about the WSI’s governance approach
› We establish the mechanism(s) through which the WSI will deliver outcomes against stated objectives
› We foster an ethos of trust and establish expectations for behaviour of WSI participants
Specifying the principles

Example of key activities and considerations (shortened):

We ensure appropriate and balanced representation of interests throughout the course of the WSI

› Identify and map interests
› Determine whether all affected interests are appropriately represented through WSI participants
› Where needed, establish an appropriate external engagement mechanism with affected stakeholders to help shape the design of the WSI and its implementation.
› Establish equitable decision making and ensure effective communications among WSI participants
› Monitor representation and engagement and take action to balance out interests where needed
Operationalising these principles

› Key considerations and activities for each operating principle
› Derive a set of guiding questions for WSI practitioners
› Link guiding questions to each stage of the WSI project management cycle
› Provide a suite of supporting tools to address key WSI integrity risks