GAA
Global Agri-business Alliance

Action Brief 3.1

6 CLEAN WATER AND SANITATION

17 PARTNERSHIPS FOR THE GOALS

Action Learning Projects

Training materials from the
Alliance for Water Stewardship

Content partner

ALLIANCE FOR
WATER STEWARDSHIP

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The Global Agri-business Alliance (GAA) is a CEO-led coalition of supply-side companies who have come together to build sustainable landscapes and livelihoods and make a measurable and additional contribution to the Sustainable Development Goals (SDGs) in particular SDG 2, No Poverty. The GAA does this by providing a platform for engagement and facilitates collaborative action that 1) scales best practice through peer learning 2) contributes to thought-leadership and 3) informs and influences emerging policies. Current membership includes 18 companies from growers to processors and traders.

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Action Learning Projects

The Action Learning Projects are designed to kick-start GAA members along their water stewardship journey, using the application of the Alliance for Water Stewardship (AWS) Principles and Standard. These projects are not designed to achieve full implementation/ certification of AWS Standard. However, the projects will provide a good foundation for further investments and actions if that emerges as a company's priority.

The objectives of the Action Learning Projects are three folds –

1) Provide guidance to the host company on how to develop a water stewardship strategy and action plan for the catchment,
2) Inform the planned GAA Implementation guide for the agri-business sector on water stewardship, and
3) Contribute relevant and practical agri-specific learnings to the ongoing AWS standard revision.

The projects aim to assess the current water use trends, identify and map out the key stakeholders and their level of influence, shared water-related risks, challenges and opportunity at the site and catchment level and based on the findings develop a water stewardship plan for the site following the framework of AWS Standard.

Background
Growing populations and economies, changing lifestyles and global climate change are putting increasing pressure on our water resources. Major water users, governments, cities and citizens all recognize the urgent need to work together to ensure the sustainability of this vital resource on which we all depend. Water stewardship enables water users to work together to identify and achieve common goals for sustainable water management and shared water security.

Water risk and opportunities for businesses
India's growing water challenges have made businesses vulnerable to physical, regulatory, social and reputational risks. Water, now finds a place on the materiality issues for every business because it is either a direct operational challenge or a serious value chain concern. Companies' growing interest in water is driven by several factors, including pure operational efficiency, brand management, and corporate ethics. However, they are all ultimately driven by the desire to reduce related business risks whether that is to maintain social license to operate, build competitive advantage, encourage investment, or ensure long-term water supplies. The severity and type of these risks (as well as the appropriate mitigation strategies for them) depend on geographic location and type of industry sector and water use.

Water-related business risks

Water-related business risks are often divided into three general and inherently inter-related categories (Adapted from CEO Water Mandate):

1

Physical
Physical risks pertain to the inability to access adequate water supplies or services to effectively manage a company's operations. This can be caused by drought or long-term water scarcity (i.e. insufficient and/or unreliable access to water); flooding (causing damage to infrastructure and/or disruptions in supply); or pollution, to the extent that such water is rendered unfit for operational use. This is most often a problem for companies with water-intensive operations in water-scarce regions. In many of those regions, climate change is exacerbating the problems of water scarcity.

2

Regulatory
Regulatory risks manifest themselves when policymakers and/or water managers change laws or regulations or management practices in ways that alter companies' access to water supplies/services, increase the costs of operation, or otherwise make corporate water use and management more challenging.

3

Reputational
Reputational risks stem from stakeholder perceptions (i.e., consumers, investors, local communities, etc.) due to inefficient or harmful production activities (or products) that have (or are perceived to have) negative water-related impacts on watersheds, ecosystems, and/or communities. Reputational concerns can lead to decreased brand value or consumer loyalty or changes in regulatory posture and can ultimately threaten a company's legal and social license to operate.

The scale of risks involved exceeds any single company's capability for action necessitating a joint approach. There is evidence of increasing transparency by the private sector around water use and a willingness to collaborate with stakeholders, there is no platform that is able to leverage these commitments and experiences to drive change at scale. AWS provides that platform through a global consistent framework for AWS Standard, AWS Membership and Water Stewardship Networks to leverage these commitments and experiences to drive change at scale, to understand their water use and impacts, and to work collaboratively and transparently for sustainable water management within a catchment context.

Alliance for Water Stewardship

The Alliance for Water Stewardship is a membership-based, multi-stakeholder alliance of private sector, public sector and civil society organisations committed to advancing water security through the widespread adoption of good water stewardship practices. We achieve this through the development of locally owned, locally driven multi-stakeholder water stewardship networks.

AWS is the custodian of the AWS International Water Stewardship Standard (AWS Standard), the globally endorsed best practice framework to guide, assess and verify the performance of water-stewardship initiatives. Water stewardship networks and their members use the AWS Standard as a framework to shape and assess local stewardship projects that lead to improvements in water governance, water balance, water quality and the health of important water-related areas.

Water stewardship
Stewardship is about taking care of something that we do not own. Stewardship approaches focus on the management of common pool resources like forests, fisheries or, in this case, freshwater. Water stewardship is based on the principle of there being a collective need for sustainable water-resources and a collective need for effective responses to address shared water-related challenges by collaborating with governments, other businesses, NGOs, communities, and others to protect shared freshwater resources. For private sector, water stewardship is about businesses understanding the risks they face from water scarcity and pollution and taking actions to help ensure water is managed sustainably as a shared, public resource. Stewardship goes beyond being an efficient water user.

Introduction to the AWS Standard
The AWS Standard is intended to drive water stewardship, which is defined as *the use of water that is socially equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions*.

Good water stewards understand their own water use, catchment context and shared concerns in terms of water governance, water balance, water quality and Important Water-Related Areas, then engage in meaningful individual and collective actions that benefit people and nature. The Standard outlines a series of actions, criteria and indicators for how one should manage water at the site level and how water management should be stewarded beyond the boundaries of a site.

How does the AWS Standard work?

The AWS Standard offers a credible, globally-applicable framework for major water users to understand their own water use and impacts, and to work collaboratively and transparently with others for sustainable water management within the wider water catchment context. Implementers follow the steps and guidance in the AWS Standard to achieve good water stewardship practices that improve site water performance and contribute to wider sustainability goals.

The AWS Standard was developed through a four-year global, multi-stakeholder consultation seeking a framework that could be implemented by any site, in any sector, in any catchment around the world. The Standard provides water stewards with a six-step continual improvement framework that enables sites to commit to, understand, plan, implement, evaluate and communicate water stewardship actions (see Figure 1).

Each step contains a series of criteria and indicators. Following the steps and criteria will lead to improved performance in four areas: *water balance, water quality, healthy status of important water-related areas and water governance*. Fulfilment of each criteria is evidenced by the related indicators. Sites making claims to good water stewardship are audited and certified as meeting the indicators by credible, third party assessors independent of AWS or the site.

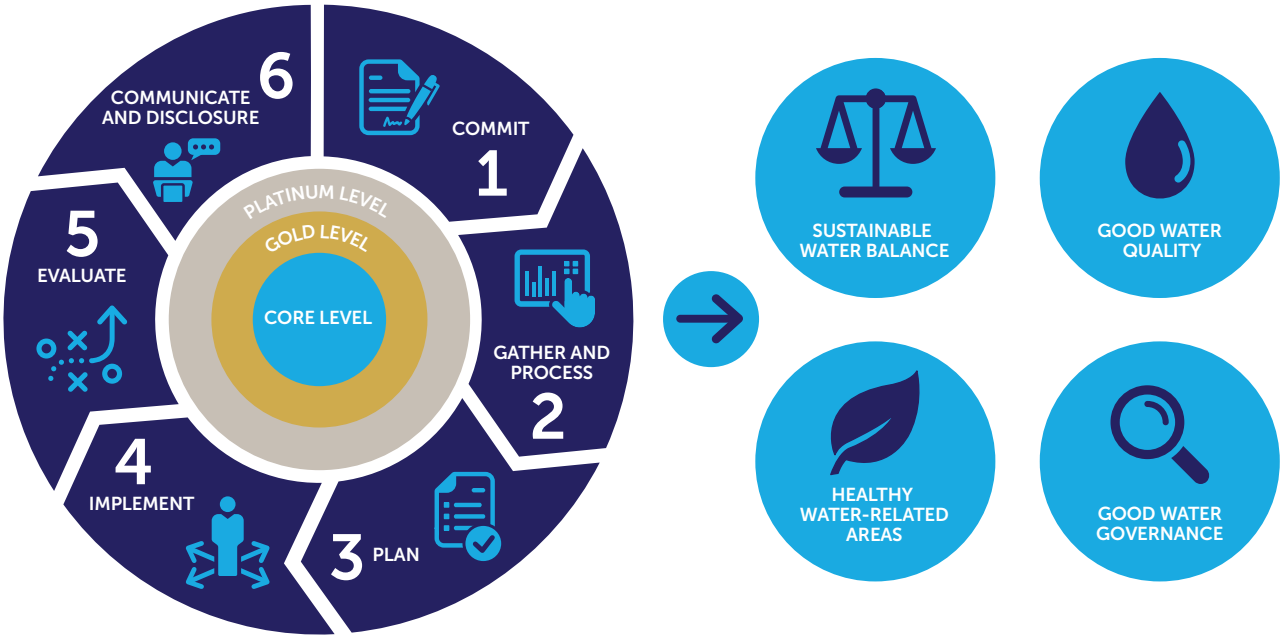
The AWS Standard is intended to encourage continuous improvement and does not need to be implemented beginning at Step 1 and proceeding through Step 6. Rather, it should be implemented as suitable for the site's purposes and may indeed require adaptive, iterative and non-sequential use of the steps and criteria. The Standard's structure allows for increasing levels of performance in water stewardship, which are recognized by Core, Gold and Platinum levels. At the Core level, all criteria are required. At the advanced levels, criteria have points attached to them, which reflect both the degree of effort required and the anticipated impact. The aggregation of points results in Gold or Platinum level performance.

Benefits of implementing the AWS Standard
Implementing the AWS Standard can bring about many benefits for a site. It supports them to:

- mitigate their water risks
- address their shared water challenges in the catchment
- ensure that responsible water stewardship actions are in place to minimize negative impacts and maximize positive impacts for everyone.

The Standard can be implemented by any site, in any sector, in any catchment around the world. In addition, the Standard can also be used by others interested in mitigating water risks including corporates, investors and public-sector agencies as a framework to evaluate and plan water stewardship practices.

Figure 1: The Alliance for Water Stewardship Standard



Step 1: Commit

Commit to be a responsible water steward
Step 1 ensures that there is sufficient leadership support to enact the rest of the criteria within the Standard. This step also relates to commitments to legal/ regulatory compliance and rights-related issues, which underpin water stewardship.

Step 2: Gather and Process

Gather and process data to understand shared water challenges and water related risks, impacts and opportunities
Step 2 ensures that the site gathers data on its water use and its catchment context and that the site employs these data to understand its shared water challenges as well as its contributions (both negative and positive) to these challenges and to water-related risks, impacts and opportunities.

Step 3: Plan

Develop a water stewardship plan
Step 3 focuses on how a site will improve its performance and the status of its catchment in terms of the AWS water stewardship outcomes. Step 3 needs to explicitly link the information gathered in Step 2 to the performance noted in Step 4 by describing who will be doing what and when. The monitoring methods in Step 5 should also reflect the plan.

Step 4: Implement

Implement the site's stewardship plan and improve impacts
Step 4 is intended to ensure that the site is executing the plan outlined in Step 3, mitigating risks and driving actual improvements in performance.

Step 5: Evaluate

Evaluate the site's performance
Step 5 is intended to review performance against the actions taken in Step 4, learn from the outcomes – both intended and unintended – and inform the next iteration of the site's water stewardship plan.

Step 6: Communicate and disclosure

Communicate about water stewardship and disclose the site's stewardship efforts
Step 6 is intended to encourage transparency and accountability through communication of performance relative to commitments, policies and plans. Disclosure allows others to make informed decisions on a site's operations and tailor their involvement to suit.

6

Understanding the Catchment

Catchment
The zone in which water is captured, flows through and eventually discharges at one or more points. The concept includes both surface water catchment and groundwater catchment. In different parts of the world, catchments are also referred to as watersheds or basins (see Figure 2).

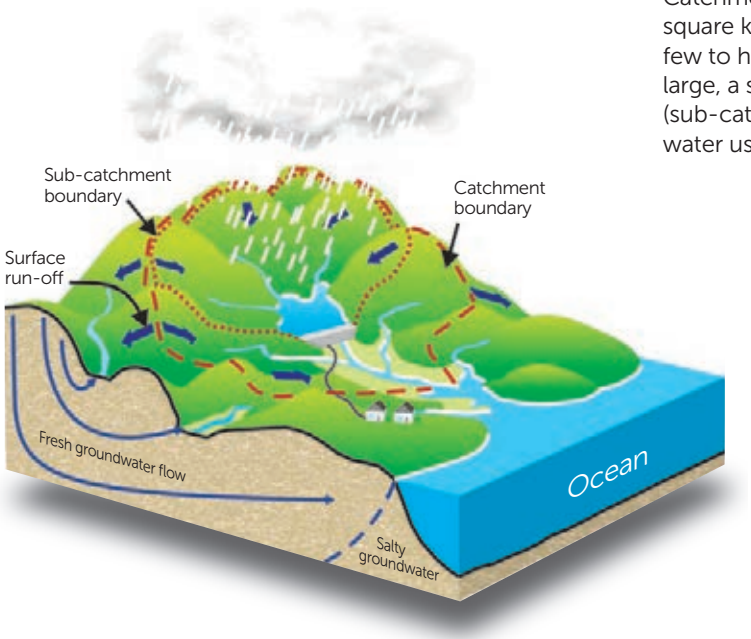
Surface water catchment
A surface water catchment is defined by the area of land from which all precipitation received flows through a sequence of streams and rivers into the sea or another outlet at a single river mouth, estuary or delta (except water that is used, evaporates or infiltrates).

Groundwater catchment
A groundwater catchment is defined by geological structure and groundwater flow paths. It is replenished by water that infiltrates at the ground surface and has vertical thickness as well as area. Depending on local conditions, surface and groundwater catchments may be interconnected.

Knowing your catchment is critical to effective water stewardship
With incomplete or incorrect knowledge of your catchment:

- You may miss important risks – to your business, or from your business to others
- You may fail to identify critical stakeholders,
- You risk focusing disproportionate cost and effort on the 'wrong' geography and/or stakeholders.

Figure 2: An illustrative example of a water catchment



Source: Adapted from the North and South Rivers Watershed Association (NSRWA) website, www.nsrwa.org.

The water catchment is the physical zone around your site which provides your water supply (upstream) and where your run-off and wastewater go (downstream). Your water supply – quantity and/or quality – may be impacted by what happens upstream, and your actions may impact on the downstream, including other water users and the natural environment. Upstream and downstream activities may overlap.

Examples of impacts from an upstream catchment:

- Pollution from industry or agriculture contaminates your water supply
- High rates of water use by others reduces the water available to your business
- Heavy rainfall causes flooding of your property

Examples of impacts from your business to the downstream catchment:

- Your water use reduces what is available to others
- Your wastewater contaminates natural water bodies or the water supply of others
- Removal of vegetation from your land increases run-off rates after heavy rain, increasing flood risk to downstream properties

The scale of catchments – what size is relevant to a given site?
For effective water stewardship, you need to define a catchment scale and boundary relevant to your situation. For too small a catchment, you can miss important risks and stakeholders. For too large a catchment, you may invest disproportionate effort and costs on low or negligible risks or non-relevant stakeholders. Catchments range from a few to many thousands of square kilometres. Aquifers range in thickness from a few to hundreds of metres. For a catchment that is very large, a site may need to identify a smaller portion (sub-catchment) that is relevant to its own scale of water use and discharges.

‘Good water stewards understand their own water use, catchment context and shared concerns in terms of water governance, water balance, water quality and Important Water-Related Areas, then engage in meaningful individual and collective actions that benefit people and nature.’

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Understanding the Stakeholders

Major stakeholders would include:

- Civil society (ensuring representation of women, children and youth, Indigenous Peoples and their communities, farmers etc.)
- Workers and Trade Unions
- Business and Industry
- Suppliers
- Local Authorities
- The Scientific and Technological Community/ Academic Institutions
- Public Sector Agencies
- Non-Governmental Organizations (NGOs)

Stakeholder concerns

A stakeholder is an individual, group or organisation on which the site may have an influence or impact, or which may have an influence or impact on the site. Stakeholders also include people or organisations with an active or passive interest in the site's activities, especially those who may have concerns for social or environmental impacts. Impacts may be physical or non-physical (e.g. regulatory, reputational). Below is a list (drawn from CDP Water with some modifications) of potential stakeholder concerns:

Physical

- Extreme events (i.e., climate change) including flooding
- Impaired or declining water quality
- Ecosystem vulnerability (due to volume and quality of water)
- Inadequate infrastructure
- Increased water scarcity. This may include long-term drought (and effects upon energy production – especially where there is a hydropower
- Dependency, food production and need for water for drinking and sanitation) as well as seasonal supply variability/interannual variability
- Projected water scarcity
- Increased water stress (including pollution of water supply)
- Projected water stress

Regulatory and governance

- Higher water prices
- Increased difficulty in obtaining water permits/ licenses/allocations and/or statutory water withdrawal limits/changes to water allocation
- Lack of transparency of water rights
- Limited or no catchment management agencies/ plans/actions
- Challenging mandatory water efficiency, conservation, recycling or process standards
- Poor coordination between regulatory bodies
- Poor enforcement of water regulations
- Regulation of discharge quality/volumes leading to higher compliance costs or service charges
- Regulatory uncertainty, including unclear and/or unstable regulations on water allocation and wastewater discharge

Other socio-cultural

- Infringement upon cultural and religious values
- Inadequate access to water, sanitation and hygiene
- Increased prevalence of water-borne diseases
- Infringement upon indigenous values

Tools for stakeholder engagement

One of the easiest ways to develop a stakeholder evaluation is to use a basic spreadsheet (e.g., Microsoft Excel). A basic table can then be created to provide general information about stakeholders; their leadership, networks and priorities; and a rough rating (e.g., low, medium, high) of each organization or opinion leader based on his or her:

- Willingness (or level of interest) to engage
- Level of influence
- Risk of engagement
- Opportunity for benefit

This rating system helps organisations rank stakeholders and establish engagement strategies that make best use of a company's/engagement manager's limited time and resources. The site should summarise how it engages with identified stakeholders and how often. For important stakeholders, engagement should be at least annual. Depending on the stakeholder, engagement may range from direct to passive, depending on importance or level of interest as indicated in Figure 3. At the start of the water stewardship journey, a site's influence may be wholly passive. For good water stewardship, this will be pro-active and targeted at relevant stakeholders.

Figure 3: Ranking stakeholders

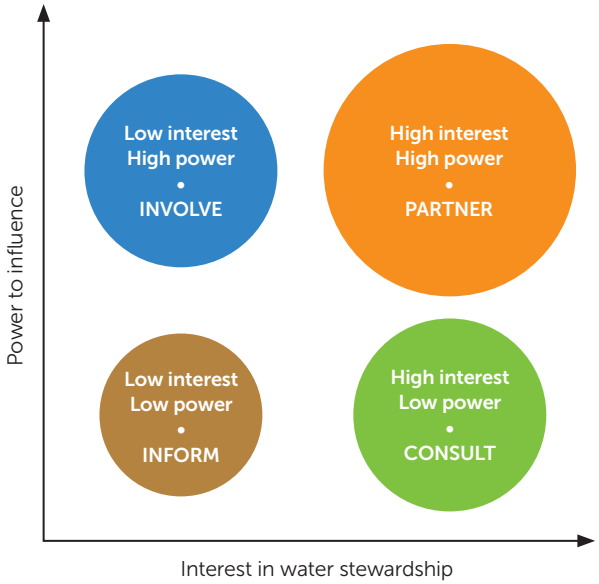
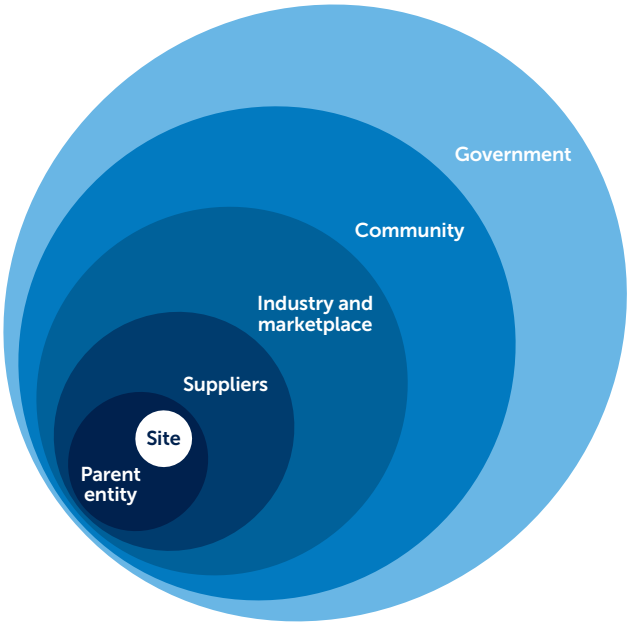


Figure 4: Sphere of influence



Sphere of influence
"Sphere of influence" is that a site has influence over those around it, with a greater degree of influence on those with closer ties to the site (e.g., staff/supply chain) and a lesser degree of influence on those less connected to the site (e.g., government). "Influence" can come in the shape of providing benefits to these stakeholders (e.g., jobs/work, income, taxes, water services) as well as being affected by these stakeholders (e.g., labour/skill shortages, regulations, supply chain interruptions).

Figure 4 illustrates that the site has a greater degree of influence on its suppliers, followed by its peers and clients (industry and marketplace), followed by the community and, finally, by government, in which it has the least degree of influence. While there are certainly exceptions to this general sphere, the site should describe their own sphere of influence in relation to its stakeholder mapping exercise at the catchment.

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Working with other tools to gather data and understand risks and opportunities
All these tools complement AWS Standard and in no way compete with the framework of AWS.

1

Global/India Water Tool
The India Water Tool Version 2 (IWT 2.0) is an online tool for companies and other users to understand their water-related risks and prioritize actions toward sustainable water management. IWT 2.0 combines data from Indian government agencies and water stress indicators from World Resources Institute (WRI) and Columbia Water Centre. It's freely available tool and can be downloaded at:

www.indiawatertool.in

2

Water Accounting+
Water Accounting (WA) integrates hydrological processes with land use, managed water flows and the services that result from water consumption in river basins. Based on global hydrological models and public domain remote sensing data sets, WA+ is a framework that provides consistent and coherent information on water resources and the services water provides, such as irrigation for agriculture, in a river basin or a country. The tool tracks sets of indicators and displays data using clear terminology and a standard data collection system with known quality standards, providing information through a number of standard reporting sheets, maps and tables, designed for individual purposes. The outputs are intended to help users to better understand the current state of water resources, issues, future challenges and opportunities for improvements in a particular area and are made available through the web portal.

www.wateraccounting.org

3

CDP Water Disclosure and Global Report Initiative (GRI)
Reporting and disclosure initiatives such as GRI and CDP enable companies to aggregate their site-level efforts into a summary of corporate water risk and response that supports water stewardship. Such corporate-wide disclosures are informed by impacts and challenges across facilities and across supply chains.

www.cdp.net/en/water

www.globalreporting.org

4

Water Risk Filter
Launched in 2012, the Water Risk Filter has developed into a leading and trusted tool to help companies across the world assess their water risk. Designed to be easy to use by non-water experts, this is the tool to assess both basin and operational water risk and provide customized guidance on how to respond. Covering all industries and countries, it has already been used to assess more than 200,000 sites by over 3,000 users.

http://waterriskfilter.panda.org

5

Aqueduct
Aqueduct's global water risk mapping tool helps companies, investors, governments, and other users understand where and how water risks and opportunities are emerging worldwide. The Atlas uses a robust, peer reviewed methodology and the best-available data to create high-resolution, customizable global maps of water risk.

www.wri.org/our-work/project/aqueduct

11

References/suggested reading

The AWS International Water Stewardship Standard v1.0
http://a4ws.org/our-work/aws-system/the-aws-standard/

Manage your Water Risk with Water Stewardship – The CEO Water Mandate
https://ceowatermandate.org/

US Environmental Protection Agency, "Getting in Step: Engaging and involving stakeholders in your watershed,"
http://cfpub.epa.gov/npstbx/files/stakeholderguide.pdf

The Value Of Water: A framework for understanding water valuation, risk and stewardship
http://d2ouvy59p0dg6k.cloudfront.net/downloads/the_value_of_water_discussion_draft_final_august_2015.pdf

Water Stewardship in Agriculture
http://d2ouvy59p0dg6k.cloudfront.net/downloads/waterstewardshipagri_lowres.pdf

WBCSD Global Water Tool
www.wbcsd.org/Programs/Food-Land-Water/Water/Resources/Global-Water-Tool

WWF Water Risk Filter
http://waterriskfilter.panda.org

Water Accounting
https://wle.cgiar.org/solutions/water-accounting

Global Report Initiative
www.globalreporting.org

CDP Water
www.cdp.net/en/water

World Resources Institute Aqueduct
www.wri.org/our-work/project/aqueduct

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