

Business Contribution to Implementation of Sustainable Development Goals Around Water Access, Sanitation, and Hygiene

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1. The Water, Sanitation, and Hygiene (WASH) Challenge

Access to water, sanitation, and hygiene remains a stark challenge. Though the past decade has shown marked improvement there are still over 768 million people without improved access to water and 2.5 billion people around the world who lack proper access to sanitation. The adoption of the right to water and sanitation by the UN General Assembly and the Human Rights Council in 2010 underscores the importance of water and sanitation as indispensable to ensuring human dignity as it serves as a prerequisite to a host of other rights, including health and livelihoods.

Businesses leaders recognize the business imperative to improving access to water and sanitation as central to their own long term growth. Not taking action, on the other hand, is untenable, leading to potential greater conflict over water resources, decreased social license to operate, and increased reputational risks. The business case for action on WASH is based upon the recognition that adequate water for employees, communities, and society is essential to the long term well-being of businesses. Improving access to water, sanitation, and hygiene ensures that businesses have a thriving work force and consumer base, ensures high levels of productivity, and overall economic wellbeing. The business sector is taking a number of approaches to increasing access to water and sanitation by first ensuring that they are meeting their responsibility to respect the human rights to water and sanitation, and in some cases are going even further to support the rights. In many cases, company action is heavily reliant upon not only sole company action, but greater cooperation across sectors, with governments, civil society, and academia.

Challenges in Implementation

There are clear responsibility boundaries in terms of business responsibility to respect the rights to water and sanitation. However, further action beyond respect comes into conflict with the central role of the government towards ensuring access to water and sanitation. Navigating these boundaries remains a challenge. For those companies that are taking steps towards promoting greater access to water access and sanitation through partnerships and social investments, ensuring their long term sustainability remains a central concern.

2. Tools, Guidance, Case Studies

Financing and Economics: Major water using companies have undertaken a number of different tactics towards contributing to financing for greater water and sanitation access. These have included major pledges and working with established NGOs who specialize in the implementation and delivery of WASH services. Companies are also engaging in co-financing projects that provide or upgrade local water infrastructure projects that serve not only their own needs but those of local communities. Finally, innovatively in India, a new CSR Law mandates companies contribute 2% of their profits to development initiatives, some of which can be earmarked directly to water and sanitation projects.

In the water services sector, companies are looking at implementing new models of financing to enable communities to have greater access to water, such as social funds, special tariffs, and special pricing particular for those who cannot afford it.

Case Studies:

- Anglo-American and Freeport McMoran: The implementation of water-reuse projects with local municipality support and buy-in. The investments made by the companies to both treat their used mine water and then return this to the local municipality has enabled these regions to improve their water security, particularly for communities living near the mines.
- Many others including Diageo, Pepsi, Nike, H&M, amongst many others are proactively joining in partnerships to meet targets around improved access to water and sanitation.
- Agbar's social funds and tariffs, community shared connections to improve access to water.

In many of these cases, the concern has turned to ensuring the long term sustainability of the projects with a focus on ensuring there is local ownership

premised upon ensuring that the projects are in line with local communities' needs and serve the public interest. In response, there has been increasing efforts taken by both companies as well as major international organizations to improve the effectiveness of these water stewardship projects through guidance that focuses on improving local stakeholder engagement (OECD water governance work), as well as guidance on business role in water policy (through the CEO Water Mandate's guidance documents, *Responsibility Business Engagement with Water Policy*, and the forthcoming *Management Guidelines on Improving the Integrity of Water Stewardship Initiatives*)

Capacity Development:

In order to properly meet their responsibilities around the human rights to water and sanitation, companies will need to make sure their own operations are in order. This fundamentally starts by ensuring that they provide WASH services for their employees. Companies beginning their journey around the HRWS will need to understand what changes they need to make in their own companies which often requires a significant amount of capacity building towards improving awareness, accountability, and action around the rights. This internal development is vital to any further action around the rights.

Most companies have codes of conduct for ensuring adequate facilities in operations. The main challenges arise in further expanding access beyond operations to their supply chain, and into local communities. In addition to improving internal capacity around the issues, companies will now also need to build greater understanding and develop tools that allow them to work with those with whom they have business relationships (suppliers and ensuring suppliers improve WASH) and with local communities who might be impacted by their operations.

Case Studies and Supporting Tools:

- The WASH Pledge
- WASH Pledge with associated guidance for self-evaluating their operations as well as guiding principles for the implementation of the pledge.
- Upcoming CEO Water Mandate Guidance for Business on Respecting the Human Rights to Water and Sanitation
- EDF and Nestle implementation of the WASH pledge

The WASH Pledge and the CEO Water Mandate Guidance document provide companies a framework for understanding how they might meet their responsibility to respect the rights to water and sanitation. The WASH Pledge and related support tools provide companies with guidance for what companies can do in terms of

engaging their employees, while the Mandate Guidance document gives companies a framework for how to manage for HRWS issues both within their companies and in the communities where they operate.

These documents and cases highlight the Importance of company buy-in and developing the case for action by companies. There is a need to develop a solid baseline understanding as well as the context (family, societal) where companies operate in order to ensure appropriate facilities and other means particularly with those organizations with whom a company has a business relationship (such as contractors), etc.

Technology:

Companies who are both water users and water service providers are developing new mechanisms to ensure greater access to WASH services. These focus on a variety of avenues from improved water delivery systems to the development of new products that focus on behavior change in consumers and local communities. Companies are looking not only at new innovations and technology, but also at ways of ensuring that these technologies are adapted to the needs of local communities. There is an increasing awareness of the need to change people's understanding of the value of water for both the present and the future.

Scaling-up solutions and ensuring the long term sustainability of projects lies at the heart of these solutions. The awareness raising as well as financial requirements of change behavior solutions at a scale that will effectively meet the water, sanitation, and hygiene challenge are daunting.

Companies recognize the need to work in an integrated manner to ensure that water, sanitation, and hygiene issues are tackled together rather than setting individual targets for each sub-issue. They are also looking at how to upscale the use of the technologies through partnerships and cooperation with a wide range of actors to get technology from development to adoption to scale.

Case Studies:

- Agbar – Aqualogy
- Unilever – Lifebuoy, Pureit, and Domestos programs that focus on increasing access to water, sanitation, and hygiene services for people.

Agbar and Unilever are undertaking different routes in technology to address the access to water and sanitation problem. The companies focus not only on innovation and products but also on how to get these innovations into the hands of consumers

that enable either greater access to water (through innovative community-shared connection) or better hygiene (through the use of products).

Governance

The governance gaps to ensuring access to water and sanitation has created space for new innovative ways for the public, private, and civil society sectors to explore how they can work better together to ensure the required resources and capacities for ensuring increased access to water and sanitation. The key will be to understand how to mechanisms and frameworks that involve the private sector are efficient, transparent, and accountable to the public. The session will explore emerging institutional frameworks for increased cooperation between the public and private sector to increase access to water, sanitation, and hygiene.

Recognizing that increased private sector participation in issues of water governance can help meet current needs, they also carry risks. A number of guides and documents have emerged in the past year focused specifically on trying to understand and provide frameworks for addressing these risks. These include the CEO Water mandate's Guide to Responsible Business Engagement in Water Policy, a forthcoming guidance document on Guidelines for Managing Integrity in Water Stewardship Initiatives, and the OECD's work around water governance, focused particularly on stakeholder engagement.

The importance of understanding the role of the state is paramount as is understanding how to develop an inclusive process involving key stakeholders in the process of engagement, particularly around those that involve governance of local water resources.

Case Studies:

The establishment of a new CSR Law in India provides an interesting case example of how new government frameworks encourage increased participation from the private sector towards meeting development goals.

The new CSR Law in India focuses specifically on trying to promote greater private sector financial contribution to meeting sustainable development. Companies in India will now be required to contribute 2% of their profits each year into social development projects, including those around water. This new financing measure, fills an important governance gap. Yet its implementation also provides an interesting study into how to best utilize the expertise of the private and the public sectors towards serving the greater public interest.

3. Key Discussion Topics

This session will explore broadly the following issues

- 1) What is the private sector's role vis a vis government and civil society in helping to meet and implement sustainable development objectives around water access, sanitation, and hygiene? What has already been accomplished and what more can be done?
- 2) What have you found to be key success factors? What tools, guidance, and/or frameworks have been particularly useful?
- 3) The UN Global Compact lays out businesses' responsibility to respect and to support the realization of human rights including the rights to water and sanitation. How are companies meeting these expectations? What success story (ies) stands out for you?
- 4) What are the major challenges to scaling-up WASH solutions and how might these challenges be overcome?

Specifically, in each area, the session will seek to understand:

Financing/Economics:

- The drivers for private sector investment in WASH as well as the major barriers for long success of such investments.
- How well have innovative financing models, such as social tariffs, worked in increasing access to water services? When are they used?

Capacity Development:

- Understanding what companies need to do in order to effectively ensure access to safe water, sanitation, and hygiene in their own operations and the challenges of implementation.
 - a. How do companies make the internal business case for action?
 - b. What barriers do companies face when discussing the rights to water and sanitation?
- A discussion of how increasing WASH services in operations might be up-scaled beyond operations to company's supply chain and beyond.

Technology:

What are effective mechanisms to ensure technology solutions can be scaled up to meet today's needs and what are its limits?

Governance:

- Where public sector policies provide a framework for private sector investment and engagement on sustainable development goals around water, how do you ensure that the outcomes serve the public interest?
 - o What mechanisms need to be in place to ensure both efficient delivery as well as transparency and accountability?