

# **Business contribution to managing drinking water, basic sanitation and Hygiene (WASH): tools and lessons**

**Session report, 16 January 2015**

## **Session Structure**

The session began with an overview presentation by Mai-Lan Ha, CEO Water Mandate, the session convener, focused on understanding the challenges and contributions that business can make to the realization of the post-2015 development goals around WASH. The succeeding panel discussion took place around the questions prepared by the convener. The panellists included: Carlo Galli, Nestlé and Ignasi Faine, Agbar. In answering, the panellists made reference to their case studies and highlighted those tools related to finance and economic instruments, capacity development, technology, and governance that are innovative/valuable for the SDGs implementation.

## **1. Implementation challenges for managing WASH**

### ***The business case: not taking action is untenable***

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.

### ***Implementation challenges: understanding governments and business roles***

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.

***Business actions go beyond providing core services but also through working with other partners***

Businesses are taking an array of actions to address water access, sanitation, and health concerns in their factories, in their value chains, in the communities within which they operate, and through their roles as service providers ensuring local water services are provided and systems are maintained. Actions they take often go beyond merely providing core services but also through working with other partners on local projects and through promoting education initiatives and policy reform that ensure the Human Rights to Water and Sanitation (HRWS) are appropriately understood and integrated into water planning processes.

**2. Addressing the challenges: Developing and using tools**

There are different tools, guidelines and other resources developed and used by business that may be useful to address implementation challenges and help ensure the provision of basic services

**Cases discussed**

**Capacity Development: Mai-Lan Ha, CEO Water Mandate**

The United Nations Global Compact's CEO Water Mandate launched a comprehensive guidance for companies about how to meet their responsibility to respect the human rights to water and sanitation. The 'Guidance for Companies on Respecting the Human Rights to Water and Sanitation: Bringing a Human Rights Lens to Corporate Water Stewardship' helps companies translate their responsibility to respect the human rights to water and sanitation into their existing water management policies, practices, and company cultures. This represents an essential first step to ensuring greater access to WASH for communities.

**Capacity Development: Carlo Galli, Nestle**

The WBCSD WASH Pledge aims to secure appropriate access to safe water, sanitation and hygiene for all employees at the workplace. By signing the Pledge companies commit to implementing access to safe water, sanitation and hygiene at the workplace at an appropriate level of standard for all employees under direct control within 3 years. By implementing the pledge, companies are taking an important first step towards respecting the rights to water and sanitation.

**Financing: Ignasi Faine de Garriga, Agbar**

Aqualogy Knowledge promotes the development of businesses, professionals and stakeholders in the water and environment sector through two key concepts: innovation and knowledge. The three lines of activity include: 1) R&D&I: promoting innovation and the application of the latest technology and trends in the sector, 2) Knowledge management and transfer: identifying, creating and transferring expert knowledge in the form of new products, services and solutions, and 3) Empowerment, training and educational services: through the School of Water, developing current and future professionals in the water sector and raising school children's and the general public's awareness of efficient water use.

### 3. Lessons learnt from implementing the tools

During the panel discussion, participants from the business community shared their experience in utilizing available tools and guidelines that can help ensure the provision of basic services. The panellists answered the following questions:

- 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?
- What have you found to be key success factors? What tools, guidance, and/or frameworks have been particularly useful?
- 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 stands out for you?
- What are the major challenges to scaling-up WASH solutions and how might these challenges be overcome?

#### ***Private sector should do its part by respecting and supporting the HRWS***

Carlo Galli, Nestle, highlighted that states have the obligation to realize the Human Rights to Water and Sanitation (HRWS), while private sector should do its part by respecting and supporting the HRWS. Corporate policy can embed and integrate the HRWS through specific actions, including WASH initiatives **in-house** (WBCSD WASH Pledge), **beyond the fence** (opportunities associated to WASH in their value chain, healthy communities means healthy suppliers, customers, consumers, employees) or via **partnerships** with civil society organizations, who may have specific WASH expertise and local community connections (e.g. PPP with the IFRC in Ivory Coast).

Another example is the Unilever's behaviour change model, focused on the development of products that drive consumer behaviour change for better hygiene practices.

The key success factors include working on **water stewardship and WASH** with multi-disciplinary teams (Human Rights with Water Specialists); collaboration with leading independent Human Right institutions to carry out human right assessments in selected countries; internal 'Water Resources Review', such as the one in Nestle where HRWS is becoming an integral pillar; the WBCSD WASH Pledge; and finally the CEO Water Mandate HRWS guidelines.

#### ***The WBCSD WASH Pledge is an important tool***

The **WBCSD WASH Pledge** speaks only about WASH for employees at work place, but is indeed already a relevant target for business to practically and tangibly address the global WASH challenge. If businesses want to speak about water stewardship and HRWS the first step is have their house in order (care for your people). There are multiple opportunities associated to it, such as a healthier and more productive workforce, lower reputational risks and more secured social license to operate. The positive cascaded effect beyond the facilities is evident, especially in hygiene promotion more than with water and sanitation, in fact behaviour change (eg. proper hand washing) can be exported from work place to families and communities.

### ***The private sector can deliver solutions at scale***

According to Carlo Galli, the private sector, given the right tools and incentives, can deliver solutions at scale. It plays an important role in the **dissemination of the knowledge, techniques and skills** (best practices). Examples are known where companies like Nestlé and Yara are working. For instance, Nestlé is engaging 50,000 coffee growers in Vietnam to build sustainable agricultural capacity that ensures resiliency of supply while contributing to large-scale improvements in water quality and quantity issues within key regions of the country. The coffee growers and roaster industry have improved the total water use efficiency of the coffee production, covering the irrigation/fertigation of the crops as well as the later washing and processing of the beans having direct impact on the local sustainable drinking water availability.

### ***Liabilities vs. improved resilience: misconceptions***

There are **misconceptions and miscommunications** that are leading to missed opportunities. For example, an overriding concern amongst many businesses that adopting a public commitment to respecting the human right to water and sanitation may in some way harm their business by exposing them to greater liabilities. In addition, many businesses view this issue as something additional rather than something that can be achieved as part of their overall efforts to reduce their impacts, eg. effective reductions in pollution from industrial effluent.

### ***Business Investing in improved local water management capacities***

The **lack of capacity**, in particular at sub-national levels, represent an important obstacle to meeting current and future demands and poses a serious and increasingly recognized threat to business. Nestlé shared an example of a reduction in business value at one particular site due to a loss of capacity within the local municipality. As a solution, they hired engineers to support the local municipality to enhance the system. A further example is that of Diageo, a beverage company. The company has established a collaborative effort in Nairobi involving government, local industry, and NGOs to identify and implement solutions to water scarcity that have the very real potential to limit growth not only for Diageo but for Nairobi as a whole.

### ***Business providing technology and disseminating knowledge***

In line with Ignasi Fainé, Agbar, businesses can support the implementation of the water SDG. The private sector can play an important role in improving water and energy efficiency as **technology provider** delivering the physical equipment (eg. water treatment plant, etc.), as a **technical and operating partner** for public services or in the **dissemination of the knowledge and innovation, techniques and skills** (eg. Agbar hygiene education programme).

### ***Responsible business putting political leverage on the governance opportunities***

Jack Moss, Aquafed, reflected on WASH as a political responsibility. The first step is to put political leverage on the governance opportunities. Proactive engagement in public policy

processes might help mitigate contextual risks to the HRWS. And secondly, engage the businesses with the local communities in the value chain.

## 5. Conclusions

The WASH goal cannot be met focusing on WASH alone. It should be integrated and addressed within water stewardship practices. Key issues that business might consider in the realization of the post-2015 development goals around WASH are:

- **Getting your house in order** by examining water use and risks in the value chain.
- **Multi-stakeholder cooperation.** Collaborating in a joint discussion with the company's home government, peer companies, international organizations, and others to identify or devise ways to address an endemic risk to the HRWS in a particular locale.
- **Understanding the local context.** The consideration of the hydrologic, ecological, socio-economic, and political context in which businesses operate is key.
- **Importance of stakeholder engagement.** Putting People at the Centre.

## Session Photos



Mai-Lan Ha, delivering the overview presentation.



Carlo Galli introduces the WASH Pledge.



Panel discussion, from left to right: Mai-Lan Ha, Carlo Galli, Ignasi Faine.