

Accelerating Action and Scaling Solutions for Shared Water Security and Access to Clean Water and Sanitation

A summary of expert perspectives from the 2019 AB InBev–GlobeScan SDG Leadership Forum on Goal 6: Clean Water and Sanitation

June 2019



Sustainable Development Goals Leadership Series







evidence and ideas. applied



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What we set out to do

On March 20, 2019, a diverse range of expert stakeholders joined hosts GlobeScan and AB InBev for the Sustainable Development Goal (SDG) Leadership Forum for Goal 6: Clean Water and Sanitation. Goal 6 focuses on ensuring availability and sustainable management of water for all. The United Nations identifies water scarcity, flooding, and a lack of proper wastewater management as significant hindrances to achieving this goal. They highlight the need for improved water management practices and increased water efficiency in order to more effectively meet water demands globally.

Our SDG Leadership Forum for Goal 6 focuses on accelerating action and scaling solutions to drive water accessibility and security. This live, text-based discussion took place over the course of two sessions held at different points during the day, with participants from 32 countries. Guest contributors from seven organizations acted as panelists to help facilitate the discussion and share their expertise on the topic.

Together, we discussed examples of best practices and critical barriers to scale in improving water management and increasing watershed security. This report summarizes the discussion and identifies key challenges and priorities for action. The report also shares results from several polls that participants were asked to answer during the Forum.

A full list of participating guest contributors is provided in the Appendix of this report.

The SDG Leadership Series is a set of 17 online discussions that bring together the world's leading thinkers to share and develop strategies for making progress on the Global Goals.



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Introduction from GlobeScan

At GlobeScan, we believe more leadership should inform, inspire, and catalyze collective action to address each one of the 17 <u>Global Sustainable Development Goals (SDGs</u>). Our SDG Leadership Series is a set of online discussions that connects some of the world's lead-ing and influential thinkers together.

Our 8th SDG Leadership Forum was co-hosted with AB InBev, the world's leading brewer, addressing SDG 6: Clean Water and Sanitation. Our aim was to bring together a community of water experts to discuss watershed security, water use efficiency, and water access, with a focus on new ideas and how we can reach scale in these critical areas.

Clean water is a basic human need, as well as a human right, and should be accessible to all. However, due to inadequate infrastructure and planning, as well as excessive consumption habits and inefficiency, water scarcity affects more than 40 percent of people around the world. This alarming figure is projected to increase with the rise of global temperatures and changing weather patterns resulting from climate change. Although 2.1 billion people have gained access to improved water sanitation since 1990, water scarcity and lack of proper water management are major problems impacting every continent. Improving water management and increasing watershed security are needed in order to balance these growing water demands globally across populations.

In this SDG Leadership Forum discussion there was widespread consensus among experts that multi-stakeholder collaboration and partnership are critically important in helping to accelerate progress on water access and security. In order to make progress on SDG 6, we will need dedicated and integrated commitments from government, corporates, and civil society. These organizations must facilitate long-term partnerships focused on evidence-driven solutions in order to scale progress. Organizations can facilitate more meaningful partnerships by improving stakeholder engagement efforts, demonstrating integrity through transparency and corporate accountability, and building long-term purposeful goals into the foundation of the organization.

Through listening to, engaging with, and responding to a variety of stakeholders, progress can be made to bring us closer to a 2030 where we can all live more sustainably while maintaining social and economic dignity.



Chris Coulter CEO, GlobeScan



Introduction from AB InBev

At AB InBev, our dream is to bring people together for a better world. Our water conservation and stewardship efforts around the world do just that. More than just a key ingredient in our beer, safe, accessible water is a critical resource for the economic, social, and environmental well-being of our communities.

Water scarcity is one of the most significant effects of climate change and holds back economic and social development for hundreds of millions of people around the world. Tackling water scarcity successfully will release untapped prosperity for everyone—from smallholder farmers to global businesses and entire national economies.

We at AB InBev have the opportunity to use our scale and expertise to contribute to a reliable, clean supply of water—through driving water efficiency internally and investing in watershed protection in the communities where we live and work. And yet we know we cannot do this alone. Today more than ever, it will take partnerships across industries and sectors to drive measurable impact at scale. We were honored to co-host this forum with GlobeScan, convening experts to accelerate change.

AB InBev has a long tradition of reducing the amount of water we use to make our great beers. For years, we have worked to increase our efficiencies within our breweries in order to drive sustainable growth.

We are also driving water stewardship efforts outside our brewery walls, improving the resilience of the watersheds where we operate, especially in areas where our facilities and local communities share high water risks.

Our ambition is that 100 percent of our communities in stressed areas will have measurably improved water availability and quality by 2025. We are committed to working with local stakeholders to ensure the improvement is tangible and visible, just as we are committed to contributing to the United Nations' Sustainable Development Goal 6.

A key step forward on this journey is our global water partnerships with organizations such as The Nature Conservancy (TNC), Water.org, and the World Wildlife Fund (WWF).

Lastly, we are also using the power of our brands to affect positive change. Stella Artois, in partnership with Water.org, has helped provide access to clean water for more than 1.7 million people in the developing world since 2015, with the goal of reaching 3.5 million people by 2020. This "Pour it Forward" campaign engages consumers to help ensure families have long-term, sustainable access to clean water and opportunities.

We look forward to continuing to learn from and work with others to drive collective action for meaningful impact, helping to secure water access for all.



Tony Milikin Chief Sustainability & Procurement Officer AB InBev



Executive Summary

Water governance is cited as both the most significant enabler and barrier to ensuring access to clean and safe water for all.

Effective governance is essential to address water management issues and promote and scale watershed security. There is no substitute for sound public policy and effective and efficient water institutions. However, new water governance goes beyond government: principal actors in the water sector should encourage joint efforts among multi-stakeholder groups and attempt to align investments, while creating an enabling policy environment and balancing economic, environmental, and social interests transparently and with integrity.

There is widespread consensus that multi-stakeholder collaboration and partnership are critically important in accelerating progress on water access and security.

Forum participants agree that making progress on water issues will require a focus on developing meaningful and impactful partnerships among diverse stakeholder groups. In order to be effective, these partnerships must be long-term, sustained commitments, built on a foundation of trust. However, experts note that building trust among diverse stakeholder groups can be a challenge to meaningful collaboration and will require significant time and commitment to establish.

The principal actors—government, civil society, and the private sector should bring their unique strengths to collaborative efforts.

Expert contributors believe that each actor should contribute to scaling successful water initiatives by bringing its own expertise into collaborative efforts and playing to its organizational strengths. Civil society actors are seen as educators, convenors, and facilitators; government actors are seen as regulators, while private sector players are viewed as stewards, investors, and innovators.

Lack of financing opportunities can limit investment in bringing proven initiatives to scale—but there are innovative tools to address this.

There are a number of innovative financing tools, such as blended finance, water funds, microfinance, and regulatory incentives that can be utilized to provide investment for deserving water initiatives. Instead of assuming a one-size-fits-all financing solution, we must institute broad-systems thinking to match specific financing mechanisms with suitable projects in order to foster successful and continued investment.



There must be a focus on the biggest water users, particularly the agriculture sector which uses 70 percent of all annual global freshwater abstraction.

Sustainable agriculture is essential to feed the growing world population, but care must be taken with the land and water resources used in this process. Improving efficiency in agriculture is essential in addressing water security and access issues. Experts recommend implementing sound land use planning and growing what makes sense for particular climate and soil conditions in order to significantly improve water efficiency. They also endorse training farmers on more efficient farming techniques and fostering access to technology in order to reduce water consumption.

While pilot projects and innovation are helpful in proving new concepts, experts recommend that efforts should focus on scaling proven initiatives.

Overwhelmingly, forum experts suggest that, in order to have significant global impact, there should be a focus on replicating and scaling what works rather than furthering innovation. There is already a wealth of robust knowledge, and efforts should be focused on channeling support and investment to the projects that have already proven to be effective, rather than reinventing the wheel.

Experts identified three priorities for improving scalability and impact of initiatives:

- **Capacity building and knowledge exchange:** Providing training and resources for water management to local and regional groups can empower them to maintain and manage infrastructure. Sharing knowledge cross-regionally can avoid mistakes being repeated by sharing best practices.
- **Culture of collaboration and holistic thinking:** Encouraging holistic thinking about water security, access, and hygiene can help reframe and broaden the scope of initiatives and promote integration across them. Fostering collaboration within organizations by encouraging long-term goals and joint accountability can integrate otherwise siloed initiatives and encourage larger systems-thinking.
- **Public engagement:** Making water a more central issue in the public sphere can drive political pressure and encourage more water conservation on a broad scale. Civil society has an important role to play in engaging the public through communication, science, and education to accelerate action on water access and security issues.



In order to facilitate responsible water stewardship, we must develop a more personal appreciation for water by rethinking its value.

Although water is an indispensable resource, its true importance is often not reflected in its market value. Responsible stewardship requires increased personal and societal appreciation of water. Educating consumers about water sources and threats to its access and security can foster a conservation ethic and behavioural change. Experts recommend using differential pricing and incentives and implementing water measurement to more accurately value water and reflect its true importance to society.

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We will only get to scale if we combine efforts, think beyond local projects, and get innovative in mobilizing finance and public sector commitment for local relevance to people and water challenges.

- Andre Fourie, AB InBev





Best Practices and Barriers to Scale

1. Characteristics of Successful Water Initiatives



We are seeing that we have the biggest impact in areas where we have a long-term interest and commitment to address water risk and collaborate with others—beyond short-term projects. Partnerships are essential.

- Andre Fourie, AB InBev

KEY TAKEAWAY

Meaningful and impactful water management and water security initiatives are created through collaborative, thoughtful, and dedicated efforts. The key characteristics of successful water initiatives cited by forum participants are long-term, collaborative, and sustained commitments, and an enabling policy environment.

The discussion began by asking participants to reflect on successful water management and water security initiatives or programmes and discuss the characteristics and attributes that help to ensure their success. The resulting ideas can be grouped into two themes:

a) Long-term, collaborative efforts

In order for water initiatives to have lasting impact, they need to have a long-term focus with sustained commitments from partners. By including diverse partners with a range of experience and knowledge, initiatives are more widely relevant and sustainable. These partnerships need to focus on shared value and longevity. This can be challenging as most companies work on annual budgets or short-term payback horizons, and therefore tend to focus efforts on small, iterative projects. However, in order for these initiatives to have meaningful and scalable impact, they need to be multi-year investments. Short-term projects do not last long enough to build meaningful relationships and trust between multi-stakeholder groups or endure through political changes. Long-term partnerships will require a collective vision, robust project management, and authentic purpose-driven commitment from the tops of organizations. Defining roles based on partners' strengths and implementing ongoing impact measurement can help to increase the longevity and effectiveness of collaborations.



Sustained commitments are hugely important. Small, iterative projects are positive, but efforts must be pulled together to have truly meaningful and lasting impacts.

- Nick Martin, The Beverage Industry Environmental Roundtable (BIER)



b) Alignment with public policy and local realities

Finally, initiatives must be aligned with public policy and regulation in order to facilitate collective action with buy in from government. It is important that initiatives are facilitated in an enabling policy environment in order for them to have the potential for lasting, scalable impact. Public sector collaboration and political leadership are fundamental for meaningful and successful initiatives based on sound insights into needs of local communities, the economy, and the environment. Developing strong public policy collaboratively should come first, with programs and projects following.

Projects need to align with, and ultimately be embedded within, public policy to scale.

- Jason Morrison, Pacific Institute

A question posed to participants quantifies the perspectives above, citing improved collaboration and partnerships, and stronger governance as the most promising methods for driving progress on SDG 6.

Which of the following do you believe would be most effective in driving progress on SDG 6? (n=80)





Case Study: 2030 Water Resources Group

2030 Water Resources Group is a public-private and civil-society platform that facilitates conversations around water management and the development of proposals aimed to improve the management of water resources. Its mission is "to help countries achieve water security by 2030 by facilitating collective action on water between government, the private sector, and civil society." The action framework in each country is based on ACT (Analyze, Convene, and Transform) so that each project is tailored to the country's specific needs.

In South Africa, for example, water demand is expected to rise over the next 20 years while its supply is likely to decline, anticipating a water supply-demand gap of 17 percent by 2030. A partnership between the South Africa Department of Water Affairs (DWA) and the Water Resources Group (WRG) was declared as a response to South Africa's Minister of Water Affairs' request at the World Economic Forum Annual Meeting 2011 in Davos, Switzerland.

After a preliminary analysis, the DWA-WRG Partnership decided to focus on helping the government develop country-level support to achieve water conservation/ demand management through increasing water use efficiency (in agriculture, industry, and households) and leakage reduction from distribution networks, and to diversify the water sources. As a result of the DWA-WRG partnership, a public-private expert leadership group—called Strategic Water Partners Network and chaired by the Director-General of the DWA—has been formed to oversee the activities and progress of the work. It involves existing and new stakeholders in the water sector of South Africa. Private partners like South African Breweries, Anglo-American, the Coca-Cola Company, Nestlé, Eskom, and others are also undertaking tangible projects in order to close the water gap by 2030.

Learn more here.



2. Barriers to Scale

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It feels many days like there is too much focus on challenging the success of highly impactful interventions because they are not fully measurable, developing new frameworks or methods, launching new initiatives from scratch. We have learned a lot the past decade, it's time to trust and leverage this experience and insight.

- Nick Martin, The Beverage Industry Environmental Roundtable (BIER)

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Financing, poor or weak policy environments, insufficient capacity.... But there are solutions for all of these.

- Dan Bena, Independent Sustainability and Water Expert

KEY TAKEAWAY

In considering the success of water security and water management initiatives, it is crucial to understand and address the barriers that prevent their implementation and scalability. A lack of strong governance is cited as the most prominent barrier limiting access to clean and safe water for all. Experts identified three additional challenges that prevent the success of water initiatives: a lack of trust and collaboration between multi-stakeholders, a tendency for initiatives to be short-term and siloed, and limited financing opportunities.

A poll question posed to forum participants asked what they believe to be the biggest challenge preventing access to clean and safe water. Responses indicate that there is an overwhelming sense of a lack of strong governance in the water security and accessibility space, with over half of respondents noting this as the most significant obstacle.





What do you believe is the biggest challenge preventing access to clean,

Forum participants were also asked to reflect on the leading barriers preventing implementation of successful water management and water security initiatives. Experts cite a wide range of challenges that affect the scalability and impact of these initiatives.

Barrier #1: Limited trust and collaboration between stakeholders

Collaboration and partnership between multi-stakeholder groups is fundamental for creating meaningful initiatives and driving progress on water issues. However, there is often a lack of trust between these stakeholder groups, with government, the private sector, and civil society often operating in isolation from one another. Building lasting, strong relationships and trust between these different groups can be time-consuming and feel unrewarding, requiring true commitment and long-term dedication to slowly build these relationships. There must be a commitment to transparency, openness, and accountability in order to build trusted relationships. Organizations in these partnerships should begin all efforts with their purpose in mind, focusing on furthering progress on their purpose in order to make efforts more authentic. Flexibility and commonality of language and targets can help to foster trust between partners.

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We see it takes time to build trust among governments, public sector, and civil society. There are many cases of collaboration between government-civil society, government-private sector, civil society-private sector, but building trust among all the stakeholders takes time and commitment.

– Karin Krchnak, 2030 Water Resources Group at World Bank Group



Barrier #2: Siloed, short-term initiatives

Water initiatives are often siloed and isolated from one another, with a focus on innovation and reinvention rather than scale. Organizations often prefer to launch their own initiatives in order to ensure they are recognized for leadership rather than focusing on shared value. This results in a patchwork of disconnected initiatives, instead of integrated, scalable solutions. Initiatives tend to have a short-term outlook as many organizations work on annual timelines with short-term budgetary constraints. In GlobeScan's experience, siloed engagement between sustainability departments rather than organization-wide, top-down commitment can also be a significant constraint. There is limited access to past learnings and success stories which often results in new projects repeating preventable errors and limiting the ability to scale initiatives from proven learnings. GlobeScan's research indicates that collaborative efforts should begin with a collective vision in mind, and ensure partners are aligned on goals and targets. Partner roles should be defined in order to leverage organizational strengths, and a clear strategy for project management and impact measurement must be in place.



The way we think about accountability sometimes drives well-meaning institutions—public, private, non-profit—toward results that are specific by the original plan but not optimal for shared outcomes.

- Andre Fourie, AB InBev

Barrier #3: Financing limitations

The majority of investment in water initiatives tends to focus on the costs of constructing new infrastructure but does not consider the costs associated with operating and maintaining infrastructure over time. Resources primarily focus on the implementation of infrastructure and innovation rather than providing financing to scaling existing solutions and proven projects or building the capacity of enabling institutions.

C6 The annual financing gap stands at \$89.6 billion. The World Bank estimates \$114 billion a year is needed to achieve safely managed water and sanitation and meet the SDG 6 targets. And those are only the costs for constructing new infrastructure, not the costs of operating and maintaining infrastructure over time.

– Vedika Bhandarkar, Water.org



Crucial Actors for Driving Progress

1. Roles of Organizations



I find that each entity tends to think they should be a one-stop solution. The reality is that these issues are wicked and require a lot of experts to come together and co-develop solutions. We should each excel at something and bring that to bear alongside the others for a comprehensible plan for achievement.

- Lesley Pories, Water.org

KEY TAKEAWAY

In order to drive progress and scale for effective water management and watershed security, there is a need for collaboration between multi-stakeholder groups, with each actor bringing their own expertise and playing to organizational strengths. Experts identify civil society's role as that of an educator, convenor, and facilitator, government's role as a regulator, and the private sector's role as a steward, investor, and innovator.

A poll question posed to forum participants asked which actor they believe to be most crucial in driving future progress on global water security and water management. National governments and private sector actors were cited as the most important potential actors for future progress.







Which of the following actors is most crucial in driving future progress on

Forum participants were asked to reflect on how particular types of organizations can contribute to driving progress on water management and watershed security. Experts primarily refer to three types of organizations in their responses: civil society, government, and the private sector. While collaboration and adaptability between all actors is fundamental, there are particular areas that each actor can champion based on their expertise and positioning.

Civil Society

Actors in civil society can provide support by:

- Ensuring accountability from government and private sector actors;
- Convening various stakeholders and creating an open space for dialogue, ensuring that marginalized stakeholders are not ignored;
- Educating and explaining market complexities, while demonstrating evidence of successful initiatives to foster the market to replicate and scale;
- Creating accessible frameworks and knowledge hubs to facilitate the transfer of enabling knowledge and technologies between markets.



Government

Government can contribute by:

- Developing enabling policies and regulations that will promote responsible water stewardship;
- Enforcing regulations to ensure accountability and penalize water waste, and encourage efficient water use and conservation;
- Utilizing public finance and subsidies to scale proven initiatives while also attracting private investment in those areas public finance cannot address;
- Developing initiatives that will be sustained and last beyond political leadership changes;
- Convening other government bodies (local, regional, federal, provincial, foreign).

Private Sector

The private sector can facilitate progress by:

- Getting "house" in order by reducing water usage and efficiency throughout internal operations and supply chain;
- Looking for opportunities to support public entities in their efforts to promote responsible water stewardship;
- Investing in watershed partnerships and new technology and innovation;
- Building good infrastructure;
- Contributing philanthropic contributions to catalytic and scalable solutions;
- Bringing resources (financing, technology) to public-private partnerships.

A poll question asked forum participants to identify which initiatives private sector companies should prioritize in order to best support future progress on SDG 6. Leading by example by ensuring water is managed responsibly throughout internal operations and supply chain, and engaging in multi-stakeholder partnerships were cited as where private sector actors should focus their efforts.





Which of the following initiatives should large private companies prioritize





Case Study: The Techstars Sustainability Accelerator

For the second year in a row, The Nature Conservancy (TNC) and Techstars are working together on the Techstars Sustainability Accelerator. This is a mentorship-driven program that helps selected entrepreneurs and tech companies with innovative and commercially viable solutions for sustainability to scale up their business and impact. Every year ten entrepreneurs with the most promising ideas on sustainability technology are selected and have access to an equity fund that investors provide as seed funding for the start-ups and a three-month program designed to help them grow their business. At the end of the program, the entrepreneurs will showcase their technologies to potential investors for subsequent funding rounds.

Some examples of the innovations that the participants of the 2018 Sustainability Accelerator brought to the market related to water management are:

- A data collaboration platform for the sustainable management of water— Acqualytics;
- A patented technology that allows municipal water companies to find leaking pipes, save water, and protect infrastructure—WatchTower Robotics;
- An environmental data science platform to drive financial stability in the water sector— Lotic Labs;
- Smart urban watersheds that provide customers with real-time information they need to identify, track, predict, and prevent pollution and flooding—StormSensor;
- A software platform that rewards employees for reducing their core utilities consumption—Sustain.

Learn more here.



2. Effective Water Governance



Water governance requires democratic accountability, public capacity, operational excellence, and local stakeholder relevance. It's about more than government—but how we conceive of water as a shared resource.

Andre Fourie, AB InBev

KEY TAKEAWAY

Effective water governance structures are essential in promoting and scaling water management and watershed security initiatives. Forum participants cite intergovernmental organizations and national governments as having played the most influential role in improving global water security and water management to date. Experts suggest three central roles for strong water governance to play: encouraging collaboration between multi-stakeholder groups and aligning investments, creating an enabling policy environment to help initiatives thrive, and using transparency to balance economic, environmental, and social interests.

When asked, Forum participants identified national governments and intergovernmental organizations such as the United Nations as being the most influential actors in the space to date. Experts identify private sector actors and citizens as playing a relatively weak role to date, indicating a potential opportunity for increased ownership in this space.



Which of the following actors has played the most influential role in

Experts were asked to reflect on the role of governance in successfully scaling water management and watershed security initiatives and what good water governance looks like. Expert suggestions for the role of water governance fall into three core themes: encouraging collaboration and aligning investment, creating an enabling policy environment for water initiatives to thrive, and balancing competing interests with transparency and integrity.

a) Encourage collaboration and align investment

Effective water governance structures should strongly encourage collaboration by bringing multiple stakeholders to the table and facilitating or funding partnerships and alliances built on trust. This can help to coordinate initiatives and ensure values and incentives are aligned among different actors. Strong governance can draw attention to those areas in need of support and help to define where public financing should be targeted to address those areas not covered by private financing. Collaboration with multi-stakeholders can help to align investment priorities and provide funding to areas that are underserved. In order to maintain strong governance, local and regional priorities must also be aligned and aim to address and account for nuances between different local stakeholders needs.

- We need to aggressively partner, and invest the time it takes to build trust. And that takes boots on the ground and long-term financial support. Better funding for building partnerships and alliances would help.
 - Andrea Erickson-Quiroz, The Nature Conservancy
- Water is interconnected with many different uses and needs by a range of sectors—we need to align values and incentives among these actors. This requires better governance to enable this exchange for collective action to occur.
 - Tom Iseman, The Nature Conservancy

b) Create enabling policy environment for water initiatives

A key role for effective water governance structures is to regulate water usage and promote accountability and responsible water stewardship. Strong water governance must promote and enforce policies and regulations that help to mitigate wasteful water practices and support wastewater usage and water recycling. Effective governance can also serve to create an enabling policy environment to help worthy water initiatives thrive through incentives, subsidization, and other regulatory tools.



Regulatory effectiveness is a key part of the governance piece, both in promoting accountability and in the interface between regulation and financing.

- Sam Drabble, Water & Sanitation for the Urban Poor (WSUP)



It is important to at least have regulations that are increasingly progressive and supportive of water reuse and recycling.

- Nick Martin, The Beverage Industry Environmental Roundtable (BIER)

c) Balance competing interests with transparency and integrity

Improved water governance is needed in order to balance competing interests and needs in a holistic and transparent manner. Good governance structures must not be dominated by specific interests. Instead, there must be balanced representation across all interests, with particular attention to citizens and the natural environment, rather than extractive private interests. Governance should also serve to give a voice to poor communities and empower those who are underserved. There should be transparency and legitimacy to all decisions and a focus on maintaining public integrity.

There has to be recognition that good governance needs to move away from hierarchical power structures. We should be embracing concepts of accountability, transparency, legitimacy, public participation, justice, and efficiency.

- Dean Muruven, WWF

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We can help to ensure that water stewardship initiatives have integrity and are not dominated by specific interests, through a number of different means. Perhaps most importantly, projects can be transparent about who is involved and why, ensure balanced authority among interests, and implement project governance plans to which they are held accountable.







Case Study: Zambia and the City of Lusaka

Coordination of stakeholders along with limited financial resources represent a real challenge in addressing water-related issues. Zambia is a positive example where local authorities were able to work with different partners from different sectors to achieve water security and meet national and international goals. Set in 2006 through a nation-wide collective effort that covered the 72 districts of the Republic, Zambia's 2030 vision is to become "a prosperous, middle-income nation by 2030."

This ambitious vision is implemented through five-year national development plans. Water security, among others, is part of the socio-economic development objectives set to reach the 2030 vision: "to provide secure access to safe potable water sources and improved sanitation facilities to 100 percent of the population in both urban and rural areas." Lusaka—the capital and the largest city of Zambia—struggles to meet water demand with a shortfall between current demand and available supply. Only 85 percent of Lusaka residents have access to safe water.

In order to meet the growing need for clean water and encourage a coordinated multi-stakeholder action, the government of Zambia started a series of sector reforms that involved the implementation of more cohesive water sector management, the introduction of new ministries and reorganization or consolidation of old ones, a more collaborative effort of multiple actors across different sectors (water resource management, water supply and sanitation, environmental protection and pollution control sectors), and a shift to a multi-sector approach to planning and development with multi-sector bodies working in clusters organized by "strategic areas."

Although not all the institutional changes at the national level have been translated to all sub-national levels, the incremental water sector reforms that took place in the last 20 years in Zambia are leading to improvements in Peri-Urban Areas (PUAs) and multi-stakeholder initiatives. This enables local companies such as Zambia Breweries to partner with WSUP and local government to improve water access.

Learn more here.



Opportunities for Impact

1. Innovative Financing



When it comes to water and sanitation, we should be bold in rethinking common assumptions. There are roles for different forms of financing.

- Rich Thorsten, Water.org

KEY TAKEAWAY

There are many innovative financing opportunities that can be effective in accelerating action on water security and water access issues. Encouraging long-term investment timelines, utilizing systems-thinking, and matching specific financing opportunities with suitable projects can be useful in driving impactful investments. Financing tools such as blended finance, water funds, microfinance, and regulatory incentives can provide opportunities to further progress on water issues.

Experts were asked to discuss which funding or investment structures could be effective for driving more action and collaboration on water security and water access issues. A number of initiatives and ideas were suggested:

- Blended finance structures strategically use donor finance to catalyze private investment and pool public resources with private sector financing in order to mobilize investment;
- Generating portfolios which pool multiple water projects and opportunities together can help balance risk and make projects more bankable;
- Microfinance can help to connect families with water sources and improve accessibility;
- Portfolio guarantees can help to attract commercial capital;
- Water funds gather investments from water users and direct the funding toward the protection and restoration of water sources;
- Regulatory incentives and mechanisms such as tax credits;
- Hybrid public-private financing mechanisms such as Hybrid Annuity Models help to spread risk between government and developers by using government funds to finance the upfront cost of a water project to help cut debt and improve returns and private sector funds to finance the remainder;
- Certifying water projects as green bonds;



• Grants and competitions can bring successful projects to scale by launching initiatives and attracting investors around projects.

In discussing specific financial tools that can be utilized to accelerate progress on water security and access, experts also shared key learnings that should be incorporated into finance thinking:

- Involving a range of stakeholders in investment opportunities ensures that they all have a sustained commitment and vested interest in the success of the project and can bring a diversity of knowledge;
- Investments must be multi-year at a minimum, as short-term annual investments are not ideal for water access and security initiatives which require longer payback time-lines;
- There is no one-size-fits-all solution. It is important to recognize that different funding streams bring different value, thus, project investment terms, conditions, and returns should be matched with particular sources of finance based on suitability;
- Utilizing broad systems-thinking can be useful rather than crowding investment in one space. For example, government can direct public finance to less commercially viable efforts where private capital is less likely to invest to ensure all worthy projects receive support.





Case Study: Water Funds

Environmental issues such as deforestation, pollution, soil erosion, and agricultural runoffs reduce water quality and water users will have to bear the cost of treating the dirty water when it reaches the city. Similarly, having healthy lands around water sources will have a positive impact on water quality and reliability, both upstream and downstream. The natural consequence for water users would then be to incentivize the use of good farming practices for upstream landowners and invest in restoring and conserving natural areas that affect water sources.

The idea that drives water funds is that it is more cost effective to prevent water problems upstream (for example investing in green infrastructures) than it is to solve them further downstream. Multiple stakeholders—public and private organizations and individuals—invest in a fund to support upstream water and soil conservation measures, resulting in improved water quality and supply. Therefore, water funds—developed by cities and conservation practitioners including The Nature Conservancy (TNC)—connect land stewards in rural areas and water users in urban areas to improve water-related issues like water quality (e.g., reducing sediment and/or nutrient loadings), biodiversity loss, climate change impacts, groundwater infiltration, etc.

An example is the Upper Tana-Nairobi water fund in Africa. The Upper Tana River plays a critical role in the Kenyan Economy as it is home to 5.3 million people, supplies 95 percent of Nairobi's water, fuels one of the country's most important agricultural areas, and provides half of the country's hydropower output. After several forests and areas of wetlands have been converted to agriculture, water insecurity started to be a real challenge for a growing number of residents. After an economic viability assessment, the water fund was created with the vision to have a "well-conserved Upper Tana watershed that provides the quantity and quality of water needed for all users, including Nairobi's water supply and Kenya's hydropower generation, while improving the livelihoods of the people in the watershed."

Learn more here.



2. Improving Efficiency in Agriculture

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Only 10 percent of global water use is for domestic consumption—the rest goes to agricultural and industrial uses. Any efforts to address water security issues on a global scale will have to be multi-sector collaborations—and the private sector will be a key partner. Supply chains in the agricultural sector are key.

- Andrea Erickson-Quiroz, The Nature Conservancy

KEY TAKEAWAY

As the agricultural sector is responsible for 70 percent of all freshwater usage, it is essential to address water efficiency in this space. Experts suggest that implementing sound land use planning, promoting and supporting efficient farming techniques, and developing public-private partnerships can be useful in driving more efficient water usage in agriculture.

Globally, agriculture is responsible for 70 percent of all freshwater usage. In addressing water security and water access issues, it is critical that initiatives target this space. Experts were asked to share their ideas on how to improve efficiency in agriculture:

- Supporting and enabling farmers to reduce water consumption through training and access to technology to promote more efficient farming techniques;
- Implementing sound land use planning by growing what makes sense according to climate and soil conditions to limit water usage;
- Developing public-private partnerships to focus on enhancing productive use of agri-water, reduce run-off pollution and increase farm productivity;
- Demonstrating adaptive rather than prescriptive learning to address the varying conditions across different communities and markets;
- Implementing allocation regimes to ensure supply and demand balance;
- Reducing or eliminating "use or lose" water incentives.
- We need a combination of water-efficiency solutions, infrastructure development, local water governance, good agricultural and sustainability practices, and market linkages, supported by an enabling policy and regulatory environment.
 - Karin Krchnak, 2030 Water Resources Group at World Bank Group



3. Accelerating Action and Scaling Solutions



The SDGs are already mobilizing action in ways we haven't seen before; now we need to ensure that progress accelerates.

- Sam Drabble, Water & Sanitation for the Urban Poor (WSUP)

KEY TAKEAWAY

In order to drive progress on water security and water accessibility, multi-sector stakeholders and consumers must be mobilized and there should be a focus on scaling proven solutions. Experts suggest in order to accelerate action there should be a focus on scaling what works rather than furthering innovation, concentrated efforts around capacity building and cross-regional knowledge exchange, integration between siloed initiatives, and utilizing strong communication and scientific evidence to engage the public to encourage conservation and political advocacy.

Experts were asked to reflect on how best to accelerate action, mobilize consumers, governments and businesses, and scale up solutions around water security and water access. The resulting ideas can be grouped into three themes: scaling what works rather than reinventing the wheel, focusing on local and regional capacity building, and engaging the public on the issues.

a) Scale what works

Experts suggest that future efforts to address water security and water access issues should first identify which initiatives are proven to be effective and then focus on replicating and scaling these methods. Channeling support and investment to scale the projects and models that are already working will be more effective than implementing pilot projects and focusing on innovation. Experts agree that there is already a wealth of robust knowledge and a strong sense of what works, and efforts should be focused on providing support and scale for effective projects and initiatives rather than reinventing the wheel.

Often, the fascination for being "innovative" comes at the cost of scale. – Vedika Bhandarkar, Water.org

b) Focus on capacity building and knowledge exchange

In order to effectively scale water initiatives and drive impact, it is crucial to build the capacity of local institutions and communities and share knowledge cross-regionally. Providing training and resources for water management to local and regional groups can drive direct outcomes and allow these institutions to take ownership and act jointly. Cross-regional knowledge exchange is needed in order to demonstrate effective models and approaches and share lessons and failures to avoid repeating mistakes. Providing first-hand exposure



and concrete examples of best practices to local and regional decision-makers can empower them to effectively implement these successful initiatives. In order to facilitate capacity building initiatives, there is a significant need for funding in order to provide necessary support and resources.

We're trying to build the capacity of local, regional, and global actors around the world to lead collective action. This will help us to achieve the transformational scale that we know is needed and possible.

- Tom Iseman, The Nature Conservancy

c) Engage the public

Experts suggest that in order to motivate action, water security and water access must become more central, focal issues in the public sphere. Discussions around water issues must move beyond engaging water experts and leading organizations exclusively, and expand the conversation to engage communities, sectors, and consumers more broadly. Utilizing learnings from the climate change movement and its ability to facilitate political momentum and draw wide-scale attention to the issue through communication and robust, scientific evidence could be helpful, despite relatively limited climate action to date. Engaging multi-sectors in water conferences, demonstrating a simplified business case, and utilizing consumer campaigns and education can all be helpful in drawing more attention to water issues and accelerating public action.

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We need to make water a main street issue for everyone and find the political momentum to tip into better water management.

- Andrea Erickson-Quiroz, The Nature Conservancy

d) Integrate siloed initiatives

Experts agree that a lack of collaboration and integration between various water initiatives limits their potential scalability and impact. Water access and water security initiatives are often siloed and there is a lack of wide, collaborative systems-thinking. In order to effectively integrate siloed initiatives, it is important to foster more collaborative thinking and planning within organizations. Encouraging organizations to move away from annual, internal goals and toward overarching goals with joint accountability can help to encourage more meaningful, sustained collaboration. Creating common metrics, broad multi-purpose outcomes and common neutral branding can encourage collaborative solutions rather than isolated initiatives. Beginning with stakeholder consultation, negotiation, and community engagement before project design can help to focus initiatives. Experts also suggest utilizing more holistic thinking around water security, water access, and sanitation, and recognizing that each is dependent on the other can help to integrate initiatives rather than addressing each in isolation. Collaborative platforms and hubs can also help to inform and integrate siloed initiatives, preventing common mistakes being repeated and sharing success stories and learnings. These platforms can help to crowdsource support where needed or share information on current and previous initiatives.



We need to shift from a patchwork of disconnected initiatives, hoping that it all miraculously comes together, and start thinking about larger systems and end goals.

- Nick Martin, The Beverage Industry Environmental Roundtable (BIER)

66 Different sectors can align and integrate their approaches first by reaching consensus on the key water priorities facing their basins of interest, and what type of and how much action is needed. This allows them to set goals and targets that are grounded in on-the-ground realities and around which their strategies can coalesce.

- Jason Morrison, Pacific Institute

Case Study: CEO Water Mandate and the Water Action Hub

The CEO Water Mandate is a multi-stakeholder initiative of the UN Secretary-General and the UN Global Compact—implemented in partnership with the Pacific Institute that aims to "address global water challenges through corporate water stewardship, in partnership with the United Nations, governments, civil society organizations, and other stakeholders." Established in 2007 and endorsed by global companies from a variety of industry sectors, the Mandate supports endorsers with their water stewardship practices and policies. It represents a platform where endorsers can share best practices on water stewardship and develop multi-stakeholder partnerships to address water related challenges (e.g., water scarcity, water quality, water governance, water access, and sanitation).

The CEO Water Mandate launched the Water Action Hub which represents a global online collaboration and knowledge sharing platform aimed to facilitate collaborations and partnerships for water stewardship and improve water security. The Hub allows multiple stakeholders to propose new stewardship projects and visualize organizations' water stewardship projects as well as organization locations on a global map. In this way, the Hub helps companies and organizations to increase their awareness of water stewardship projects, their knowledge of leading organizations around the world, and facilitate partnerships and collective actions.

Learn more about the Water Action Hub

Learn more about CEO Water Mandate



Realizing the True Value of Water

1. Valuing Water to Encourage Responsible Stewardship



We have sufficient motivation to act, the world is not on track to achieve SDG 6 by 2030, we have lost 83 percent of freshwater species since 1970, yet we still struggle to value water. Perhaps the answer is coming together with one voice as the private sector, civil society, and governments to call for action now.

– Dean Muruven, WWF

KEY TAKEAWAY

In order to facilitate responsible water stewardship on a personal and societal level, a fundamental appreciation and value for water must be encouraged. Educating consumers through school curriculums and awareness campaigns, utilizing differential pricing and incentives for different forms of water usage, and implementing water measurement and benchmarking tools can help to revalue water and more accurately reflect its true importance throughout society.

Forum participants were asked to reflect on how to build more societal appreciation for water and encourage less-wasteful behaviours. Experts agree that responsible water stewardship on a personal and societal level requires a more accurate reflection of the true value of water through education, measurement and benchmarking, and pricing.

a) Consumer education

In encouraging responsible water stewardship, it is essential to engage consumers through education. Tailored educational curriculums to build stronger water conservation ethics could be administered in schools. Teaching children to value water can create a foundation for responsible water stewardship throughout their lifetime. In educating the public, it is also important to help consumers understand what the source of their water is to enable a more personal connection to nature and raise awareness of water challenges. Educational awareness campaigns can also be helpful to build more appreciation for water. For example, a global day without water where consumers pledge to live that day with a limited amount of water can help to drive home the potential impact of water scarcity and increase public sensitization around the issue.



Knowing the source of our water is the first step in keeping it clean and readily available.

- Tom Iseman, The Nature Conservancy



b) Differential pricing and incentives

Implementing differential pricing for water based on users and potential uses can help to enforce more responsible water management and conservation. Agricultural and industrial water usage is often under-priced, which can result in over consumption. Experts suggest basic water needs for households should be reasonably priced, but any water usage above that should cost considerably more. Instituting higher pricing of water for businesses can help to ensure there is less wasteful behaviour in the agricultural and industrial industry and that water is more accessible and affordable for those who need it. Governments can institute regulations that provide incentives for purchasing products sourced from wastewater or financial penalties for water waste. Governments and regulators can also play an important role in determining the amount of water used by essential crops like rice, compared to luxury crops, and enable subsidizations for those crops that are most indispensable.

CC The ability to flexibly share water and get a financial benefit could really change how we use water. Market-based approaches can work if we protect vulnerable people and the environment.

- Andrea Erickson-Quiroz, The Nature Conservancy

c) Measurement and benchmarking

Experts suggest that there are significant gaps in water measurement. In order to improve water management practices, there must be increased efforts to accurately and consistently measure water usage. Water utilities often track usage based upon payments rather than water use performance. Measuring water usage through water foot-printing would allow consumers and companies to evaluate how much water they are actually using and make educated decisions about conservation efforts. Establishing a consumption protocol with adequate measurement and using statistics could be helpful in awareness campaigns to demonstrate the amount of water that was wasted and could have been saved. Water utility benchmarking can appeal to competitive instincts by comparing utility and domestic user water usage to peers and encouraging conservation practices. Reporting leaks and water waste can be effective in holding relevant actors accountable and preventing future incidents.

- We've seen water utility benchmarking in some countries. Utility managers often want to see how they're doing, and how their leaders perceive them, in relation to their peers. This can be effective. So can showing individual consumers how much they consume relative to their neighbours.
 - Rich Thorsten, Water.org



Case Study: WWF's #JourneyofWater

The campaign #JourneyofWater seeks to connect people with the source of their water. The WWF campaign was first organized in South Africa in 2013. Its goal is to demonstrate that water does not merely flow from taps, but instead goes through an arduous journey as it makes its way to consumers. By chronicling the journey of water from rivers and dams to taps, the campaign helps to more directly connect users with water sources, building a fundamental value and appreciation for water.

Learn more <u>here</u> and <u>here</u>.

Case Study: Stella Artois and Water.org—Buy A Lady A Drink Campaign

In partnership with Water.org, Stella Artois launched the "Buy A Lady A Drink" campaign in 2015 with the aim to help end the global water crisis. Founded by Gary White and Matt Damon, Water.org aims to bring water and sanitation to the world by leveraging sustainable financial solutions that empower people by giving them access to affordable financing. To increase the effectiveness of the campaign, Stella Artois created a series of short films that tell the stories of people affected by the campaign.

For example, the story of Anita shows how having tap water inside the house changed her and her family's life. Because her and her children do not have to go to line up at a local water source, she has the opportunity to focus on the family business and plant crops instead of having to go for a long journey to the center of Nagpur to buy vegetables and her children can attend school regularly. This is the ripple effect called "Pouring It Forward." Since 2015, Stella Artois has donated more than \$21 million to Water.org—through direct donations and the sale of chalices, packs, and pours—and has helped provide access to clean water for more than 1.7 million people in the developing world. The campaign focuses on raising more awareness on the water crisis, and is now active in ten countries—Argentina, Australia, Brazil, Canada, Chile, Mexico, South Africa, the U.K., Uruguay, and the U.S. In 2017, Stella Artois and Water.org announced a new four-year commitment to help provide 3.5 million people in the developing world with long-term, sustainable access to clean water by 2020.

Learn more <u>here</u> and <u>here</u>.



List of Expert Contributors

Thank you to the ten expert guest contributors who joined us for the Forum and contributed their invaluable ideas:

- Andre Fourie, Global Director Water Sustainability, AB InBev
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- Andrea Erickson-Quiroz, Global Managing Director for Water Sustainability Security, The Nature Conservancy
- Karin Krchnak, Program Manager, 2030 Water Resources Group at World Bank Group
- Sam Drabble, Head of Research and Learning, Water & Sanitation for the Urban Poor (WSUP)
- Nick Martin, Executive Director, The Beverage Industry Environmental Roundtable (BIER)
- Jason Morrison, Head, CEO Water Mandate, and President, Pacific Institute
- Dean Muruven, Global Policy Manager Freshwater, WWF
- Vedika Bhandarkar, Managing Director of India, Water.org
- Rich Thorsten, Chief Program Officer, Water.org



SUSTAINABLE DEVELOPMENT GOALS

Additional Case Studies and Resources

- 1. NASA's <u>GRACE Mission</u> aims to measure groundwater changes from space, by observing changes in the Earth's gravity field. It provides a more than ten-year-long data record that can be used by scientists for scientific analysis and/or water managers to understand how water resources are being consumed over the long term.
- 2. As a result of active local engagement, WWF, in collaboration with ABInBev—the parent company of Zambian Breweries—conducted and <u>published a study</u> on the water of the Lower Kafue Sub-Basin that highlights that local water resources have been used unsustainably and are under increased pressure. The results confirm the need for stronger collaboration with the private sector and more initiatives like the Kafue Flats Joint Action Group (KF-JAG)—a water stewardship platform developed by WWF Zambia with the intent to engage the private sector in a joint effort to reduce business-related water risks.
- 3. The <u>Beverage Industry Environmental Roundtable</u> (BIER) is a coalition of leading beverage companies around the world that work together to "reduce consumption, mitigate impacts, and ensure sustainable continuity and future of the beverage sector."
- 4. <u>Chinese Water Risk</u> strives to develop better understanding and knowledge around water risks through collaborations with experts, research and scientific institutes, IGOs, and NGOs—proprietary research, policy briefs, and investor engagement.
- 5. The Nature Conservancy (TNC) published the <u>Water Share Report</u> that outlines a solution for managing scarce global water resources more sustainably to satisfy the needs of people and nature.
- 6. The Nature Conservancy in partnership with the Natural Capital Project, Forest Trends, the Inter-American Development Bank and the Latin American Water Funds Partnership conducted a global analysis called <u>"Beyond the Source"</u> to document the positive impact that source water protection activities have on natural water resources.
- 7. A new theoretical lens has been developed in the <u>"Water and Circular Economy"</u> white paper. It aims to understand the effect of applying circular economy principles to water systems and incorporating sustainable water management principles in other sector circular initiatives.
- 8. Water & Sanitation for the Urban Poor (WSUP) developed an <u>urban WASH sector</u> <u>functionality framework</u> to track sector progress over time in six countries.
- 9. Safe Drinking Water Foundation organizes <u>student competitions</u> where students learn about water sources, work on how to conserve water, and encourage others to take action. They developed a <u>Community Water Footprint program</u> to help students calculate how much water (source water) is needed in order to produce one litre of drinking water in their community.



- 10. The <u>Murray Darling Balanced Water Fund</u> established by the Nature Conservancy Australia in partnership with the Murray Darling Wetlands Working Group and Kilter Rural aims to provide water security for farmers while protecting culturally significant wetlands that support threatened species and ecosystems. The Fund invests in permanent water rights in the region and allocates those rights based on supply and demand.
- 11. The OECD, as part of the OECD Water Governance Initiative, developed 12 <u>water</u> <u>governance principles</u> that were adopted in 2015 by the 35 OECD member countries to help them design and implement effective, efficient, and inclusive water policies.
- 12. On March 19, 2019 during the 40th session of the United Nations Human Rights Council (UNHRC), the United Nations World Water Development Report 2019 called <u>"Leaving no one behind"</u> launched, as part of the commitment of the 2030 Agenda for Sustainable Development.
- 13. As a lab for financial innovation, strategic dialogue, and partnerships, <u>IDB Natural</u> <u>Capital Lab</u> is a space where governments and businesses work together to incubate innovation in financing conservation, biodiversity, and marine ecosystem projects leveraging blended finance and public-private strategic partnerships.
- 14. Water.org, IRC and The World Bank published a working paper <u>"Mobilising finance</u> for WASH: getting the foundation right" that strives to have a better understanding about the enabling environment for WASH finance, the critical foundational issues that need to be addressed to reach SDG targets 6.1 and 6.2 and the solutions that can be promoted to overcome these foundational issues.



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