



The CEO Water Mandate



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Framework for Responsible Business Engagement with Water Policy Brings Business and Stakeholders Together to Reduce Water-Related Risk

June 22, 2010, Oakland, Calif.: Access to water is an important strategic concern for many companies, but increased threats to the supply, quality, and reliability of global water resources add substantial pressure and immediacy for businesses to improve the way they manage water risk. Recognizing that business, government, and civil society share a critical interest in reducing water-related risks through common solutions, the UN Global Compact’s CEO Water Mandate has released a *Framework for Responsible Business Engagement with Water Policy* to facilitate effective water policy engagement.

The *Framework*, prepared by the Pacific Institute in collaboration with WWF International, provides a way for companies to address risk and capture opportunities from external conditions that cannot be achieved through internal strategies alone. The bottom line is the need for policy that integrates environmentally sustainable, economically viable, and socially equitable water management approaches.

“We have an innovative model for companies to think about managing their business risk by engaging water policy and driving toward sustainable water management,” said Jason Morrison, director of the Pacific Institute’s Globalization Program and technical director of the CEO Water Mandate. “Ultimately, solving water problems requires not only better public policy and stronger institutions, but also inclusive and meaningful stakeholder involvement in decision making.”

The *Framework for Responsible Business Engagement with Water Policy* broadens the understanding of corporate engagement as not just policy advocacy and lobbying, but also consideration of initiatives that involve interaction with government entities, local communities, and/or civil society organizations with two objectives: 1) the responsible internal company management of water resources within direct operations and supply chains, and 2) the sustainable and equitable management of the river basins in which companies and their suppliers operate.

“In the context of this *Framework*, sustainable water management addresses social equity, economics, and environmental issues in order to maintain the supply and quality of water for a variety of needs over the long term,” said Gavin Power, deputy director of the UN Global Compact and head of the CEO Water Mandate. “In many parts of the world, sustainable water management

efforts could benefit from corporate engagement – provided that this involvement is grounded in the concepts of equity and accountability, which must include stakeholder participation.”

The *Framework* itself will be supported with an extensive *Guide* coming out at the end of the year which will provide detailed insights, strategies, and tactics for responsible engagement.

“Many companies, large and small, can benefit from practical guidance on possible entry points for engagement, how to set clear boundaries, and how to avoid pitfalls,” said Stuart Orr, freshwater manager of WWF International. “This *Framework* can facilitate companies’ responsible and transparent engagement with water policy in a way that reduces business risks while advancing policy goals and positively impacting nearby communities and ecosystems.”

The primary principles laid out in the *Framework for Responsible Business Engagement with Water Policy* include advancing water management that is sustainable, respects public and private roles, and is inclusive, accountable, and transparent.

The *Framework* details how companies engaging with governments and other stakeholders to advance sustainable water policies and management can take a variety of approaches:

- Encouraging efficient water use across a catchment
- Contributing to the development of effective and equitable policy and regulations
- Supporting research, advocacy, and monitoring
- Aiding environmentally and socially responsible infrastructure development
- Sharing or gathering data related to water resources
- Establishing or engaging in participatory platforms and other democratic processes for water governance decision making or oversight
- Advancing public awareness of water resource issues
- Working with communities to remedy or prevent water resource problems
- Assisting with rehabilitation finance in failure of local water supply systems

“This *Framework* works to facilitate equitable processes through which all affected parties can come together and contribute to mitigating shared water risks,” said the Pacific Institute’s Morrison. “It can be a powerful tool for combating this century’s emerging water issues.”

The *Framework for Responsible Business Engagement with Water Policy* is a product of the CEO Water Mandate, drafted by the Pacific Institute in its capacity as the “operational arm” of the Mandate Secretariat in consort with World Wildlife Fund (WWF) International, and with the support of Pegasys Strategy and Development Ltd, Ross & Associates Environmental Consulting, Ltd., and Water Witness International. It can be downloaded at:

http://www.pacinst.org/reports/responsible_business_engagement_framework/index.htm

The CEO Water Mandate is a UN Global Compact initiative designed to help the private sector better understand and address its impacts on and management of water resources.

http://www.unglobalcompact.org/Issues/Environment/CEO_Water_Mandate/

Based in Oakland, California, the Pacific Institute is a nonpartisan research institute that works to create a healthier planet and sustainable communities. Through interdisciplinary research and partnering with stakeholders, the Institute produces solutions that advance environmental protection, economic development, and social equity – in California, nationally, and internationally.

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