

ADDRESSING THE EMERGING GLOBAL WATER CRISIS

10 Practical Actions for Companies

March 2007



Water is our most precious natural resource, but year on year population growth, poorly managed catchments, wastage and climate change are producing water shortages across the globe – affecting health, destroying livelihoods, exacerbating environmental decline and provoking conflict.

Clean water and sanitation is vital to human development, and a necessity if we are to achieve the Millennium Development Goals.

It is in the interests of businesses to operate in healthy, sustainable communities, so there is a clear rationale for business to tackle the growing water crisis. Water management is a matter of risk management for many companies, and will increasingly be linked to a firm's licence to continue to operate in areas where water access is challenged.

The 'ten practical actions' overleaf are aimed at providing a framework that most companies can use to help tackle the emerging water crisis.

Critical among all the actions overleaf is that companies consider how partnerships with governments, research institutes, local communities and NGOs can advance the development of more effective water management systems.

Water facts: at a glance

- 1 Nearly half of all people in developing countries are suffering at any given time from a health problem caused by water and sanitation.**
- 2 Sub-Saharan Africa loses about 5% of GDP, or some \$28.4 billion annually, as a result of water and sanitation deficits. This figure exceeds total aid flows and debt relief to the region in 2003. Most of the losses are sustained by households living below the poverty line.**
- 3 It takes 2,400 litres of water to produce a hamburger.**
- 4 The poorest people in the world pay up to 10 times more for water than residents of New York, Paris or London.**

(Taken from UNDP's 2006 Human Development Report, FT special report on Business & Water, March 2007)

10 practical actions for companies

Core business activities

Companies should manage their own water footprint

Workplace

- 1 Companies should make water management an integral part of their risk management approach.
- 2 Companies should invest in systems that raise water efficiency, reduce water use and improve waste management to ensure that waste material does not contaminate local water supplies.
- 3 Water use should be specific to the regional water supply and availabilities – where water is limited, companies should adjust their operations accordingly.

Marketplace

- 4 Some businesses can develop products and services which can help lower water use or enable water to be utilised in more areas – such as water purification units, solar-powered water filters, etc.
- 5 Businesses should examine opportunities for products that use less water in their production.

Supply Chains

- 6 Companies should support firms in their supply chain by sharing best practice and supporting implementation of water management systems, and over time make good water management standards part of supplier choice conditions.

Social Investment

Mobilise core competencies and resources to help support and strengthen local communities

- 7 Businesses, governments and NGOs should share good water management skills, resources, technology and emergency planning with communities in a way that ensures the active participation of local groups and the development of local capacity.
- 8 Businesses can engage in social marketing to promote lower water use to consumers through advertising and support public education about water use, personal hygiene issues etc.

Policy dialogue and advocacy

Support initiatives that improve the environment for water management

- 9 Companies should support governments in their work to improve watershed management and strengthen water governance and regulatory frameworks.
- 10 Companies can work together to promote the need for increased investment in water infrastructure, as well as greater international understanding of the magnitude of the task.