Review of the International Water Stewardship Programme
- for lesson-learning

Opportunities and challenges of promoting water stewardship, for practitioners, policy-makers and donors

REPORT to DFID
Peter Newborne, ODI and James Dalton, IUCN
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# Table of Contents

List of Acronyms .......................................................................................................................... 3
Boxes and table/figures .................................................................................................................. 4
Executive Summary ....................................................................................................................... 5
1. INTRODUCTION .................................................................................................................... 9
2. WATER STEWARDSHIP: opportunities and challenges .......................................................... 13
3. REVIEW of WATER STEWARDSHIP EXPERIENCES of IWaSP .................................................. 21
4. M&E ........................................................................................................................................ 49
5. LESSONS .................................................................................................................................. 53
6. CONCLUSIONS and RECOMMENDATIONS ........................................................................... 62
   ANNEX 1 – Organisations interviewed .................................................................................. 66
   ANNEX 2 – Framework of Analysis ..................................................................................... 67
   ANNEX 3 – Participants at the roundtable in London on May 17th, 2019 ............................... 68
   ANNEX 4 – Agenda of the roundtable .................................................................................. 69
   ANNEX 5 – Outputs from the small group discussions at the roundtable .............................. 70
   ANNEX 6 - Target values under selected KPIs ...................................................................... 74
   ANNEX 7 – M&E: measurement methodologies .................................................................... 75
### List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AWS</td>
<td>Alliance for Water Stewardship</td>
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<tr>
<td>BMZ</td>
<td>German Federal Ministry for Economic Cooperation and Development</td>
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<tr>
<td>CDP</td>
<td>Carbon Disclosure Project</td>
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<tr>
<td>CMC</td>
<td>Catchment management committee</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)</td>
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<tr>
<td>HQ</td>
<td>Headquarters</td>
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<tr>
<td>IUCN</td>
<td>International Union for Conservation of Nature</td>
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<td>IWaSP</td>
<td>International Water Stewardship Programme</td>
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<tr>
<td>IWRM</td>
<td>Integrated Water Resources Management</td>
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<tr>
<td>KWSP</td>
<td>Kilimanjaro Water Stewardship Platform</td>
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<tr>
<td>KPI</td>
<td>Key performance indicator</td>
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<tr>
<td>LuWSI</td>
<td>Lusaka Water Security Initiative</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MNC</td>
<td>Multi-national company</td>
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<td>MTR</td>
<td>Mid-term review</td>
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<td>NAWASCO</td>
<td>National Water and Sanitation Council, Zambia</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<tr>
<td>ODI</td>
<td>Overseas Development Institute</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>Operation and maintenance</td>
</tr>
<tr>
<td>PBWO</td>
<td>Pagani Basin Water Office</td>
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<td>SBL</td>
<td>Serengeti Breweries Limited</td>
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<tr>
<td>SME</td>
<td>Small/medium enterprise</td>
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<td>SUWAMA</td>
<td>Sustainable Water Management initiative (Tanzania)</td>
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<td>TAHA</td>
<td>Tanzania Horticultural Association</td>
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<tr>
<td>TBL</td>
<td>Tanzania Breweries Limited</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<td>WARMA</td>
<td>Water Resources Management Agency, Zambia</td>
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<td>WRAF</td>
<td>Water Risk and Action Framework</td>
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<td>WUA</td>
<td>Water user association</td>
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<td>WWI</td>
<td>Water Witness International</td>
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**Boxes and table/figures**

**Box 1**: Scope/purposes of the review

**Box 2**: The view of a farmer who has benefitted from the SUWAMA project

**Box 3**: The Rwizi Partnership - in Uganda

**Box 4**: Partners in LuWSI

**Table A and Figures 1-4**: Performance of IWaSP against selected indicators
Executive Summary

The aim of the International Water Stewardship Programme (IWaSP) has been to improve water security for people in target countries, through partnerships between private and public actors, as well as civil society, i.e. a combination of roles.

Water security will have to be achieved in the face of a number of factors including *inter alia* population pressure and climate change. In many areas/regions, climate change is manifesting itself in increasing temporal and spatial variability in rainfall distribution, with shorter and more unpredictable rainy seasons causing more intense periods of drought, as well as flooding due to intense precipitation events.

When IWaSP began in 2013, water stewardship was a new area of practice. The concept was still being developed, with very few examples in action. IWaSP, thereby, effectively took on the role of a *pioneer*. It did so as the largest (in terms of funding) international water stewardship programme (at least, labelled as such). DFID and BMZ as sponsors of IWaSP threw down the challenge to the IWaSP teams (and to their own processes – see below) of learning what opportunities and challenges exist for water stewardship as an approach to solving water problems.

Experience has shown that building collaborations, including medium/long term partnerships, which combine private and public sectors, and civil society, takes considerable time and resources. For such a wide range of interests to come together in joint or coordinated actions to address complex water problems effectively is *not easy* - a substantial challenge. In particular, achieving mutual understanding and respect between representatives of government and corporate executives can be very hard. To overcome this, ‘brokers’ of water stewardship partnerships need solutions-oriented mind-sets combined with entrepreneurship and creativity. As to why private companies are called upon to take part, one reason is slowness on the part of governments in discharging their duty to intervene – to implement integrated water resources management (IWRM) under Sustainable Development Goal (SDG) 6.5 - in the face of the same complexities of water resources management.

The purpose of this review has been to draw lessons from the experience of IWaSP in three countries, Uganda, Tanzania and Zambia.

The IWaSP country teams have taken up the challenge. They have devised ways through the complexities to create some very interesting examples of partnerships. IWaSP has thereby performed its role as an ‘honest broker’ and has succeeded in bringing a wide range of public, private and civil-society actors together. The experiences of IWaSP yield interesting and important lessons.

If water stewardship is to succeed, businesses - large and small - need to be actively involved, as part of the solution to water security problems. Small firms are often well rooted in particular locations, while, for directors of large companies, water risks in a given catchment/locality may be just ‘pin points’ on the map of a country, region or the globe. This top down enterprise level understanding tends to leave actions predominantly site-focused, and not catchment-wide, unless a corporate HQ allocates to site managers adequate resources and business time/space to take account of the ‘bigger picture’ of water resources in the area around those operations. The IWaSP teams have engaged with small farmers and medium-sized farming businesses (in northern Tanzania), companies which are large in their country (e.g. western Uganda) and multinationals such as Diageo and Coca Cola.
In Uganda, the Kiiha project has brought together a private company, an NGO and local government to restore riverine forest and wetland, also adding other activities, e.g. solid water disposal. The company in question, Kinyara Sugar, has learnt ‘soft’ skills in its relations with neighbours, as opposed to its ‘fence-it-off’ approach and ‘guard them out’ approach. The question remains how Kinyara will take account of the needs of other water users in the catchment alongside its own plans for the future.

In Tanzania, the Sustainable Water Management (SUWAMA)- project has supported the development and operation of a Water Users Association (WUA) in a watershed of the Usa river in the north of the country. The WUA brings together farming businesses (medium and small), local communities, the water utility serving the area, hotels and other water users, as well as government, including the river basin agency. The WUA is, in other words, a multi-stakeholder forum of the kind which water stewardship is designed to support. A lesson from this successful work in the north of Tanzania is that IWaSP activities in that country could usefully have been more focused geographically, with a local presence established sooner so as to be close to the water stewardship activities on the ground, as was the case in Zambia. It is recommended that future water stewardship programmes focus down geographically, with the intention of arriving at a greater concentration of resources. The choice of which countries and areas within countries to focus on can usefully be guided by a focus on sectors/industries which are known to make substantial demands and impose major impacts on water resources, e.g. in agriculture, textiles, and mining.

The Lusaka Water Initiative in Zambia (LuWSI) is a good showcase of what it takes to shape and operate a water stewardship programme, and why water stewardship can be important and useful. The IWaSP country coordinator and team have done a remarkable job in mobilising and empowering a wide range of actors across an increasing number of subjects where water has remained the thematic anchor holding the stakeholders together. The work of LuWSI was founded on broad acceptance of the central water problem needing to be solved - the intense demand on the aquifer which supplies Lusaka, combined with the quality of the water in the aquifer. That has been the principal stimulus to action. The challenge of innovation and entrepreneurialism was realised. LuWSI has succeeded in being a catalyst and a catalyst at scale, given that the area of Lusaka city is broad, as is the group of stakeholders involved. LuWSI can be seen as a model, or at least a leading example for other cities in Zambia, and other countries. Like LuWSI, water stewardship initiatives can look to collaborate with city mayors and city authorities, for example in industrial zones.

LuWSI’s long list of partners shows that it is not an example of a 1:1 partnership between a stewardship ‘broker’ and a single private company. The 1:1 format has perhaps an initial attraction because of its simplicity and apparent low risk, but that can often be illusory. There is a need for balance around the table of participants, avoiding domination by one or more large private companies, especially when these turn out to be irregular and inconsistent participants in the partnership.

GIZ has supplied to ODI/IUCN M&E data against 12 key performance indicators in each of the three countries up to end March 2019, as recorded in the country teams’ M&E systems. Overall, the level of achievement as so presented has been good as compared with the target values set at the start of the programme. The conventional mode of project design employed by IWaSP has in some respects not helped in this context of a programme tasked with delivering a fast evolving area of work. The indicators chosen for IWaSP reflected development rather than business perspectives. There was a lack of ‘soft’ indicators to measure corporate evolution/advance towards sustainability. Some of the measures for assessing progress within IWaSP have actually distracted attention from that, for example the target for financial contributions by private companies which is not a reliable indicator of change in corporate culture.
One of the most fundamental issues facing brokers of partnerships with the private sector is the approach to growth. Private profit-making companies will naturally tend to focus on improving efficiencies to reduce costs and increase profits. When, however, the profit motive becomes all dominant and growth takes precedence over all other objectives, with competition ruling out cooperation, relations with neighbouring water users suffer, even if this is not apparent in the short term. The IWaSP experience in Uganda, for example, shows that water stewardship projects need to reflect on what kind of commercial and economic growth they are helping to promote, keeping in mind equity of water access. It is recommended that water stewardship teams adopt and apply a due diligence process to compile and collate information about companies with whom they are contemplating a partnership including reviewing the company’s policies/plans relating to sustainability (environmental and social). What evidence is there that the company is ready to make a meaningful shift to sustainability? IWaSP has demonstrated that challenges remain in ‘ground-truthing’ the ambition of water plans and targets from corporate HQ downwards.

Water quality concerns were present in all three countries reviewed, but IWaSP did not focus on water quality, nor does water stewardship generally.

The extent of take-up of the Alliance for Water Stewardship standard by IWaSP has been rather disappointing. The AWS standard sets out a clear code for aspiring water stewards to follow, beginning with ‘Step 1’ through which they ‘gather’ information/data and ‘understand’ the bigger picture, including the realities of how other actors within a broad physical and political/administrative scope can have an impact on their access to water supply and vice versa. GIZ preferred to use the Water Risk and Action Framework (WRAF), a generic framework on partnerships which is not specific to water (it refers to ‘water’ only in the title). IWaSP missed opportunities to promote the AWS water stewardship standard.

The experience of IWaSP underlines that water stewardship programmes need to include a core of staff with water knowledge and skills who are ready to call upon external water expertise when it is needed. In other words, the in-house water team knows enough to know what it does not know. It is recommended that future international water stewardship programmes establish from the outset a pool of globally-recognised external experts on whom to draw. That group of experts would represent the principal fields of water practice such as irrigation and agricultural water management; industrial water use (efficiencies in operations, recycling and reuse etc); supply chains (leverage and blocks); mining (groundwater and water quality), etc. Additionally, teams should include staff with experience of working in the private sector.

Water stewardship initiatives need to organise training for staff, with donors also establishing recruitment and training processes to ‘skill up’, particularly in relation to the involvement of the private sector, i.e. familiarity with the workings of the private sector is required by donor agencies too.

In conclusion, the concept and practice of water stewardship, with particularly the participation of the private sector alongside other actors, is here to stay. It will be a continuing and central part of water resources management, as a contribution to achieving SDG 6. It follows that public subsidies from donors to water stewardship initiatives need to continue in the short/medium term in order to support more examples of leadership. Public funding brings greater transparency and accountability than finance from private sources which tend to guard proprietary interests. That includes more public funding made available to NGOs for the role they can play as brokers rather than 1:1 consultancy assignments to improve corporate water performance - within site boundaries. Those publicly-funded projects should be designed to leverage more collaboration
between NGOs who have each tended to create stewardship projects from which they deliberately shut out their rivals. Currently, water stewardship is more of a market than a community.

Donor-funded water stewardship programmes should make an explicit link to the efforts to accelerate progress under SDG 6.5, as called for by the UN in its 2018 Synthesis Report on Water, and also a more explicit link to SDG 15.1 (protection of forests and terrestrial ecosystems). Public regulatory authorities in sub-Saharan Africa urgently need support and local leadership to be able to carry out their role.

A new policy/communication effort requires to be undertaken to increase the availability of stories on the urgency of action to tackle water problems/impending water crises.
1. INTRODUCTION

Background
After 5-6 years of activity\(^1\), the International Water Stewardship Programme (IWaSP) has come to an end, in March 2019.

IWaSP’s aim has been to improve water security for people in target countries. The definition of ‘water security’ adopted for this programme was: ‘the capacity of a population to safeguard sustainable access to adequate quantities of acceptable quality water for sustaining livelihoods, human well-being, and socio-economic development, for ensuring protection against water-borne pollution and water-related disasters, and for preserving ecosystems in a climate of peace and political stability’. As noted in the logical framework plan for the programme\(^2\), improving water security facilitates economic growth and contributes to poverty reduction.

IWaSP’s mode of working for water security was, as indicated by the headline title of the programme, to be by ‘water stewardship’ – strengthening of the capacity of public, private and civil society actors through partnerships\(^3\).

IWaSP has been funded by the UK’s Department for International Development (DFID) and Germany’s Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

Scope/purposes of the review
This is the report of the independent external review which has been sponsored by DFID and conducted by ODI and IUCN for ‘lesson-learning on the opportunities and challenges of promoting water stewardship’ - for the benefit of ‘practitioners, policy-makers and donors’. Three countries where IWaSP has been working were chosen – Uganda, Tanzania and Zambia - and the task assigned to the ODI/IUCN review team has been to draw the overarching lessons that have come out of IWaSP projects in those three countries\(^4\), including a constructive critique (‘honest reflection’ in DFID’s words) - of progress and experiences, including what does and does not work. The detailed scope of the review agreed with DFID is as set out in Box 1.

This final review follows the mid-term review (MTR) which was reported in April 2017.

As noted in the November 2016 publication by IUCN/ODI\(^5\), there has generally been a lack of documentation by independent parties of water stewardship experiences. This DFID-funded review provides an opportunity to carry out such as study of ‘live’ experiences of water stewardship on the ground, as described in the present report\(^6\).

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\(^1\) For GIZ, IWaSP began in April 2013. The DFID funds started to flow in January 2014.

\(^2\) At Impact level in the logical framework.

\(^3\) At Outcome level in the logical framework.

\(^4\) As per the scope/purposes of this review, the focus has been on the projects which the review team has visited in the countries, not the whole of the IWaSP programme.


\(^6\) The review team wishes to thank the IWaSP coordinators and teams in the three countries, as well as the government partners and civil society stakeholders who have supplied information for the review, including in many cases making themselves available for interview.
## Box 1. Scope/purposes of the review

1. As independent and objective third-party reviewers, to study what IWaSP projects reveal about the 'how' of water stewardship and partnerships for water stewardship, including:

   (a) the challenges of encouraging companies to take responsibility 'beyond their fence-lines' and for their supply chains by working with small/medium-sized businesses as well as large companies to improve water management in catchments/basins and water security broadly (taking account of water quality issues as well as water quantity/water scarcity); and

   (b) the challenges of encouraging staff in public agencies (ministries, regulators) to actively engage with private companies in dialogue and collaboration which go beyond interactions relating to corporate compliance.

2. To study how far the IWaSP experience of bringing private sector, NGOs and other actors together with public agencies is adding an extra element to water sector and water-related interactions with the capacity to positively change the dynamic of national/local water governance, including overcoming/avoiding systemic barriers/blocks and delivery in terms of outcomes and impact.

3. To determine how (or whether) water stewardship can be replicated and scaled up to meet the water needs of communities and economies at various scales. The current focus of many water stewardship initiatives is on individual projects, including pilots, without clarity as to those projects’ replicability and scalability. This study will explore lessons from IWaSP to inform this important facet of water stewardship, as part of wider debate.

4. To examine to what extent IWaSP projects are likely to be sustainable, for lessons on the sustainability of water stewardship.

5. To determine to what extent water stewardship explicitly sets out to, and actually delivers, help to poor and vulnerable communities and how future water stewardship work (at scale) can be designed and delivered so as to contribute to poverty reduction and more equitable access to water services and water management.

6. To enable a contribution to dissemination of insights on water stewardship for the benefit of practitioners in developing countries, as well as representatives of international firms and organisations. This review will, accordingly, organise an international event to bring together researchers/evaluators and practitioners to present and discuss lessons from water stewardship, both IWaSP and other experiences, so as to examine and better understand the role that water stewardship can play in economic and social development, as well as making available those lessons to the Water Action Hub which the Pacific Institute manages on behalf of the CEO Water Mandate.

7. To make recommendations as to the future direction of stewardship as part of national/basin/local water governance, including the direction of the support which donors (DFID, BMZ and others) may choose to provide to water stewardship and natural resources stewardship, as well as the role which other actors may choose to play, in order to contribute to systemic change at scale, including strengthened water governance and water allocation decisions as they especially affect economic development (and societal and environmental benefit including poverty reduction). Where, in other words, does the water stewardship paradigm go to from here?

In GIZ’s case, that can contribute to reflection on the shift into the new programme phase of NatuRes with its broader water and land/soil management, forests and ecosystems approach.
Methodology

The following methods have been employed by the review team:

- **Preparation:** contacts were made with GIZ in Germany and IWaSP teams in Uganda, Tanzania and Zambia to fix the dates of trips to those countries. Detailed mission schedules/itineraries were then discussed by skype and agreed between the IWaSP country teams and ODI/IUCN.

- **Country trips:** visits to the three countries took place as follows: Uganda: 8th-18th April; Tanzania: 24th April-3rd May; Zambia: 4th-11th May, 2019.

- **Interaction with IWaSP project staff:** a meeting with the IWaSP country coordinator and team at the start of each visit and a debrief at the end.

- **Key informant interviews (KII) with partners and stakeholders:** ODI/IUCN conducted interviews with the organisations listed in Annex 1, including interviews by skype with international organisations involved in water stewardship. Interviews were carried out by ODI/IUCN in a semi-structured manner, posing questions to stimulate the interlocutors to talk, selectively choosing questions from a checklist with follow-up questions on points of detail and particular interest.

- **Field/project visits (including some KII),** e.g. to Masindi and Mbarara in Uganda, Moshi, Arusha, Usa River and Dodoma in Tanzania, and Lusaka in Zambia. In-country, some KII were conducted over the phone where travel and timelines did not allow physical meetings with stakeholders. Information was also sourced from stakeholders via email where it was not possible to meet or talk to them in person during the country visits.

- **M&E data:** study of data supplied by GIZ to the review team on the outputs of IWaSP programme, according to the key performance indicators (KPIs) in the logical framework plan. The data was gathered by the IWaSP country teams and compiled by GIZ HQ over the years of the programme – see Section 4 of this report.

- **Desk-study of other documentation supplied by the IWaSP country teams.**

To guide and shape the debate with IWaSP staff, ODI/IUCN drew up the Framework of Analysis set out in Annex 2. The framework was designed to be common to the three countries and, to that end, was deliberately broad and simple. It was approved by each of the three country coordinators. The headings and text in the framework reflect points made by the country teams to ODI/IUCN during skypes prior to the country trips, terms employed in the IWaSP Water Risk and Action Framework-WRAF, as well as aspects which are of particular interest to DFID in drawing out lessons.

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7 As noted in the Inception Report, this review mission clearly could not, within the limits of the time spent in-country, carry out field surveys or other studies to collect data so as to verify the detailed results record. Instead, as noted above, the review team has relied on the existing results data collected by the IWaSP country teams, as compiled by GIZ HQ in Germany.
Roundtable

As agreed with DFID, this review has included organisation of an international event, a roundtable in London, as part of lesson-learning on the opportunities and challenges of promoting water stewardship.

The roundtable was duly held on Friday 17th May at ODI’s offices. Thirty persons accepted the invitation to the roundtable and all attended: representatives of private sector, government/donors, NGOs, academia/research and independents. The list of participants is attached in Annex 3.

The roundtable was an all-day event. The morning sessions comprised presentations on the concept and practice of water stewardship. The afternoon sessions began with small group sessions on key topics relating to water stewardship, chosen by the review team in consultation with invitees, and then returned to plenary to discuss future directions of water stewardship. The presenters offered analysis – constructive critiques - of what has worked well and what has worked less well (breakthroughs and successes; mistakes/distractions). ODI/IUCN showed preliminary findings from the review of IWaSP with also insights from other recent research carried out by ODI/IUCN for the Swiss Agency for Development and Cooperation (SDC). The full Agenda of the roundtable is set out in Annex 4. The presentation slides have been circulated to the participants, as well as the outputs from the small group discussions, reproduced here in Annex 5.

The self-evaluation forms (23 submitted) told a positive story of the roundtable: an overall rating, on average, of 4 out of 5 (3.97 to be precise), with the final discussion in the afternoon especially to people's liking.

BMZ/GIZ events

ODI/IUCN attended the BMZ/GIZ events in Naivasha, Kenya in November 2018 and Berlin in March 2019. These events were useful opportunities to talk to the IWaSP country coordinators from the three review countries, as well as to listen to the presentations by members of other country teams (including Kenya) talking about experiences of working in water stewardship as part of IWaSP.

The Water Action Hub

During the review missions to Tanzania and Zambia, a researcher working for the Pacific Institute, Hannah Baleta, was present for part of the time (overlap at the start of the Tanzania visit and the end of the Zambia visit). Hannah sat in on some of the interviews with IWaSP partners and stakeholders conducted by the review team. She, separately, carried out the Pacific Institute’s interaction with stakeholders, to collect information for the Water Action Hub on success stories for lesson learning as a commissioned piece of work by GIZ. Since the country visits, the review team and the Pacific Institute have conferred to share information and insights on IWaSP projects.
2. WATER STEWARDSHIP: opportunities and challenges

When IWaSP began in 2013, water stewardship was a new area of practice. The concept of water stewardship was still being developed and there were very few examples of water stewardship initiatives in action. DFID and BMZ took the bold decision to support the major international programme that is IWaSP on the basis that water stewardship, with participation of business, was likely to be an essential part of efforts to tackle water security challenges. IWaSP, thereby, effectively took on the role of a pioneer, testing how to promote and implement water stewardship. This was a bold entry into new terrain - compared with other development projects which apply tried-and-tested methodologies. DFID and BMZ as sponsors of IWaSP threw down the challenge to the IWaSP teams of learning what opportunities and challenges exist for water stewardship as an approach to solving water problems.

Accordingly, as context to the opportunities and challenges which IWaSP has faced, in this Section 2 the ODI/IUCN review team recalls key aspects of water stewardship and issues raised by it: how ‘water stewardship’ is defined, what it aims to achieve, and how it aims in principle to work towards those goals - alongside efforts to promote integrated water resources management (IWRM) under SDG 6.5. Key to water stewardship is the combination of the roles of private and public actors and civil society.

In practice, water stewardship has of course to operate within the circumstances in the country in question, including the political and economic context. The development situation in the three countries - Uganda, Tanzania and Zambia - is considered below, as well as evolution/advances in the international policy debate within which water stewardship functions.

'Water stewardship'
The leading international definition of ‘water stewardship’ is that of the Alliance for Water Stewardship (AWS), namely: ‘the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions’. The AWS standard sets out steps which aspiring water stewards are encouraged to follow.

The AWS Standard is an international, ISEAL-compliant standard that defines a set of water stewardship criteria and indicators for how water should be stewarded at a site and at catchment level in a way that is environmentally, socially, and economically beneficial. The AWS Standard provides water stewards with a stepped continual improvement framework that enables sites to commit to, understand, plan, implement, evaluate and communicate water stewardship actions” (taken from AWS website) – and demonstrably so, via the certification and auditing system of AWS.

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8 This section draws on the broad-based survey of water stewardship published in November 2016 by the IUCN/ODI review team for this DFID-commissioned review who are the authors of this report - Newborne P. and Dalton, J. (2016), 'Water Management and Stewardship - taking stock of corporate water behaviour' as well as the more recent assessment of the evolution of water stewardship by IUCN/ODI for the Swiss Agency for Development and Cooperation-SDC. As for IWaSP, background information is available on the programme website: http://www.iwasp.org/

9 The AWS definition above, from the second version of the AWS standard, of 2019, is the same as that which appeared in the first, 2014 version of the standard except for the addition of the words: ‘and culturally’.

10 ISEAL is the global membership association for credible sustainability standards. ISEAL’s members are ‘sustainability standards that meet its codes of good practice and promote measurable change through open, rigorous and accessible certification systems. They are supported by international accreditation bodies, which are required to meet accepted international practice’ (source: https://www.isealalliance.org/about-iseal/who-we-are).

11 Six steps in the 2014 version of the AWS standard, latterly reduced to five steps in the March 2019 version. The content of the steps remains substantially the same, with some refinements and reinforcement of the text of the standard, based on four intervening years of experience.
The catchment is important, as well as the site. ‘Stewardship’ asks (it cannot require) each water user to look beyond the boundaries of its own operations (the ‘site’) to understand what is happening in the surrounding area, including other water uses. Where demand on water resources is increasing and causing increasing pressure on available water, ‘stewardship’ is asked to identify solutions – solutions arrived at, crucially, in collaboration with other water users. One of the key challenges of any water stewardship initiative is to broaden the attention of individual water users from an exclusive focus on their own use to an understanding of where that water comes from and how that supply can be maintained, alongside the supply to other water users. In stewardship, individual use and collective use - private business and public causes - are asked to come together. Often this is in the context of public ‘governance gaps’ (or ‘institutional voids’) due to weak regulation, monitoring, compliance, and a general lack of investment and capacity, in which circumstances the proposition of ‘stewardship’ is that private (business) interests and investment plus social action (of civil society) moves to fill this gap through providing services that the State and its agencies have failed to deliver, or struggle to maintain. The opportunity this presents to business is the chance to build local and, in some cases, national social capital with communities and the government as a ‘good corporate citizen’. The intervention by non-State actor does, however, bring some challenges, for example the fear of local resource capture, or policy influence and ‘capture’ by the large businesses and/or organisations. Additionally, for-profit firms/companies will look for the business value arising from their adoption of water stewardship including financial benefits.

According to the logical framework plan for IWaSP, the water stewardship efforts of the programme were to include ‘contributions to the implementation of the AWS standard’. A question arises, therefore, how far the AWS standard was picked up and adopted by partnerships in the three review countries – see Section 5 below.

**Water stewardship and IWRM**

The November 2016 IUCN/ODI report noted the relevance of water stewardship to on-going efforts to strengthen IWRM, including in particular the role of private companies. The international target for IWRM is set out in Goal 6.5 of the Sustainable Development Goals (SDGs) as follows: ‘By 2030, implement integrated water resources management at all levels, including through trans-boundary cooperation as appropriate’. The ultimate purpose of water resources management efforts under SDG 6.5 is to achieve water security. IWRM and water stewardship are means to achieve that end.

Water security will have to be achieved in the face of a number of factors including inter alia population pressure and climate change. In many areas/regions, climate change is manifesting itself in increasing temporal and spatial variability in rainfall distribution, with shorter and more unpredictable rainy seasons. The consequences are more intense periods of drought, as well as intermittent flooding, due to short but intense precipitation events. As well as problems of water scarcity (the quantity of available water), in many places the quality of water is also a concern. The IWaSP teams in the three countries have been working in areas of water stress and competition for water between both public, private and environmental concerns.

**Private and public roles**

If water stewardship is to succeed, businesses - large and small - need to be actively involved in water management, as part of the solution to water security problems. Small firms are often well rooted in particular locations, while, for directors of large companies, water risks in a given catchment/locality may be pin points on

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13 As James P. Bruce, Canadian climate scientist remarked: ‘If climate change is a shark, water is its teeth’.
the map of a country, region or the globe. This top down enterprise level understanding tends to leave actions predominantly site-focused, and not catchment-wide, unless a corporate HQ allocates to site managers adequate resources and business time/space to take account of the ‘bigger picture’ of water resources in the area around those operations.

The perspective, meanwhile, of public water regulators tasked with implementation of IWRM, is different. Their job is, in principle, to be aware of the water issues across the whole territory for which they are responsible. The role of the public authorities is to set, and oversee, the policy and regulatory framework for water allocation14. Key to that are the parameters applying to water abstraction: rules to tell farmers and manufacturers and other water users how much water is available in the catchment and what volumes of water they can, accordingly, withdraw and at what times.

Those are, at any rate, the starting positions - except that water stewardship asks the directors and managers of private commercial companies to make the big step up from looking at water issues ‘within the factory fence’ and to extend their vision and understanding outwards from the ‘site’ (individual premises/plants) to the catchment in order to actively engage in ‘collective action’ beyond the factory fence. As pointed out to ODI/IUCN by the CEO of AWS in a recent interview, private for-profit companies come to the discussion (at least initially) as ‘individualists’. They spend most of their existence differentiating themselves from all other economic and social actors, especially their closest competitors. In water stewardship, they are, however, expected to be collaborative. That represents one of the greatest challenges facing water stewardship initiatives, as well as providing a means of making business part of the solution.

At the same time, the water resources manager in a public regulatory authority, as well as maintaining the view of the territory as a whole, has to focus, from time to time, on acute water problems in specific locations – in catchments or localities where water resources are under particular stress and/or where water quality issues are a major concern. That supposes a capacity and willingness to intervene strongly where and when required.

IWRM – the implementation gap
One reason private companies are involved in water management debates and action is slowness on the part of governments in discharging their duty to intervene – to implement IWRM under SDG 6.5 - in the face of the complexities of water resources management.

The official SDG monitoring process has recognised this. The UN 2018 Synthesis Report on Water noted that ‘most countries have yet to seriously put [water] plans into action’ and ‘will not achieve indicator 6.5.1 by 2030’. The authors of the UN report conclude that ‘accelerated progress is needed in most regions’. In low-income countries, including in sub-Saharan Africa, ministries of water and environment suffer from a chronic lack of financial and human resources. Water laws and policies which exist in paper are often not applied in practice. The paucity of funding means that operational water committees exist at basin level in some parts of the country, but commonly do not function at catchment and sub-catchment level (except in a few isolated cases). Water stewardship aims to address, as much as possible, this ‘public governance gap’15.

14 Water regulations are of course just part of a bigger picture. They sit alongside regulations relating to, for example, urban planning, health and safety and other sectors.
15 See Annex 5 for the outputs of small Group no 4. at the roundtable in London on the ‘boundary of corporate responsibility’.
Development contexts, including political-economy

The three IWaSP country teams which are the focus of this review have each had to respond to this governance challenge.

Uganda and Tanzania are low income countries according to the World Bank classification\(^\text{16}\), while Zambia is a lower middle income country. In the UNDP Human Development Index the three countries are placed as follows: Uganda 162, Tanzania 154, (both 'low human development') and Zambia 144 ('medium human development')\(^\text{17}\).

The development status of all three countries translates into a small tax base and limited finance for national budgets\(^\text{18}\).

Given that IWaSP has been engaging in the three countries with governments which have limited capacity, a key task for IWaSP has been working to help bolster that capacity. The logical framework plan of IWaSP anticipated this role. The KPIs at both output and outcome level highlighted the need to ‘improve’ the capacity of public actors, alongside those of civil society and the private sector. That requires inevitably an understanding of the context. The institutions and power relations that underpin the politics and economics of a country or region are of course crucial determinants of development outcomes – factors to which development programmes need to adapt, including water stewardship initiatives.

In Tanzania, for example, according to recent ODI research\(^\text{19}\), while power was broadly dispersed between 1995 and 2015, central government has since reasserted its coordination and control of development policy in a more narrow, concentrated political settlement. The emphasis has become economic development, including infrastructure projects. There are, however, opportunities for ‘politically-smart, multi-stakeholder initiatives’ which assist public agencies where they lack ‘implementing power’\(^\text{20}\). The ODI research report adds: ‘It is not clear that the government, acting alone, has the capacity to monitor and enforce [its] policies. Development partners may be able to help by convening diverse stakeholders, including the ... private sector and NGOs...’\(^\text{21}\).

As referred to above, the convening of stakeholders is a key part of the role that IWaSP has taken on. A question which arises is how far the KPIs for IWaSP have taken account of the efforts and successes of IWaSP country teams in navigating the political-economy of the contexts in which the water stewardship initiatives have been obliged to operate, i.e. adjudged by some ‘soft’ as well as hard indicators of progress (see further below, in Section 5).

Linking water stewardship with IWRM

How does water stewardship link with IWRM? One of the opportunities and challenges of water stewardship is to overcome the common disconnect between the efforts led by governments to achieve IWRM and the water stewardship initiatives of private companies\(^\text{22}\). The 2016 report of the IUCN/ODI study noted that IWRM

\(^{16}\) http://chartsbin.com/view/2438
\(^{17}\) IWaSP has operated primarily in low and low-middle income countries as a function of the requirements of the funders (principally DFID).
\(^{18}\) As pointed out at the London roundtable on May 17\(^{\text{th}}\), 2019, the paucity of resources available to ministries of water and environment in sub-Saharan Africa countries is in part caused by tax avoidance by some multi-national companies which deprives national exchequers of funds.
\(^{19}\) Thinking and working with political settlements - The case of Tanzania – Tim Kelsall, November 2018.
\(^{20}\) Kelsall, November 2018.
\(^{22}\) Newborne and Dalton, IUCN/ODI 2016, pages 13 and 112.
processes led by government and international agencies had not adequately considered private sector involvement, despite the recognition of the private sector role in ‘original’ IWRM guiding documentation\(^\text{23}\). The duty of governments to establish and oversee the system of water resources management clearly includes engagement with private firms, whether big or small. IWRM - like water stewardship – should, in principle, mobilise multiple actors. The difference between water stewardship and IWRM is the potential for water stewardship to build capacity from the bottom up - or the rural field-up, as illustrated by IWaSP (see Section 3) - whereas IWRM has tended to be a top-down process which is uncompleted in many cases, due to lack of resources (as referred to above) including human capacity\(^\text{24}\). There is sometimes also a lack of recognition by governments that most water management is conducted by individuals, civil society organisations and businesses (both domestic and international), beyond public water management agencies. The agencies of government are established to determine the hydrological limits of river basins and groundwater resources, but not actively to manage water (in quantity and quality) beyond policy/regulatory functions\(^\text{25}\).

In the context of often weak government capacity, a key role of water stewardship is to improve cooperation between the private sector, public sector and civil society. One of the stated objectives of IWaSP was to act as a ‘catalyst’, with the government subsequently picking up the role of leader (to the extent capacity allows).

**The current focus and limits of corporate action**

Latest research\(^\text{26}\) shows that the predominant practice for companies who are prominent in international debates on water stewardship is to adopt water efficiency targets/goals in relation to their own operations. These water targets/goals are often expressed in terms of reduced ‘use’ measured as volumes of water consumed per unit of production (e.g. per litre of product such as beer or other beverage). Many of those leading companies are collecting, and disclosing, data on water consumption in their own operations. A question arises as to how they will use that data. Will they accept to share it, as water stewards are asked to do\(^\text{27}\), or will they keep it for themselves and use it for their own purposes? – for example, with a view to resisting proposals by regulators that levels of water abstraction in heavily water-stressed locations should be reduced.

A few companies make specific commitments in terms of reduced water ‘withdrawals’ or ‘abstractions’. However, despite this, the recent report of the Water Programme of CDP\(^\text{28}\) notes that in many cases total water withdrawals by disclosing companies are increasing. CDP is right to focus on this, given that, as noted above, water efficiency is measured in terms of volume per unit of production – a performance indicator which says nothing about aggregate water consumption. The CDP finding echoes what emerges from IUCN/ODI research, namely that water allocation - a crucial issue in water resources management – tends to be side-lined in the discussion on water stewardship. Water allocation, via water abstraction permits, requires as much attention as modalities of stakeholder collaboration in water stewardship. Some businesses who are major water users may be content with a narrow debate, but for water stewardship the distraction away from water allocation is


\(^{24}\) The similarities, and differences, between water stewardship and IWRM are discussed in Section 2.7 (on pages 42-43) of the 2016 IUCN/ODI report.

\(^{25}\) An exception is public water utilities for water supply.

\(^{26}\) Including the study conducted by IUCN/ODI for SDC in 2018-2019.

\(^{27}\) As Coca-Cola did with the World Resources Institute (WRI) for the development of the Aqueduct tool.

problematic\textsuperscript{29}. The AWS standard requires water users including private companies to account carefully for their water use.

**Know the company**

Many people working in international development, including water specialists, are accustomed to analysis of mandates of public institutions and are less familiar with the workings of corporations. Experience shows that aspiring water stewards need to take the time and effort to obtain information about a company with whom they are contemplating a partnership. Is it a local company, with roots in a particular place(s)? Or a national company familiar with the local area(s)? Or is it a multi-national company (MNC), or a national company with its owners elsewhere? What does the company’s constitution say about the corporate objects or purposes, within the framework of the jurisdiction/country of registration\textsuperscript{30}? What is the corporate culture, as set by the directors and promoted by managers? What are the company's policies/plans relating to sustainability (environmental and social), as put into practice? In particular, what targets does the company have, and what existing initiatives (if any) has it led, in relation to water management? Brokers of water stewardship partnerships need to do some kind of screening so as to test potential corporate partners against the above criteria.

The aim, ultimately and essentially, will be to distinguish corporate culture and behaviour between the two following scenarios:-

(i) private companies whose aim (or whose shareholders’ aim) is to maximise growth from business operations in a given watershed/catchment without taking account of the limits of available water in that catchment, and/or without concern as to the impacts of their investment and growth plans on the availability/access of water for other water users (e.g. downstream) on the one hand; and

(ii) private companies who show themselves ready and willing to adapt their plans for increase in business operations according to those water-related limits and impacts.

A due diligence process needs to be designed to guide brokers of water stewardship collaborations towards corporate partners who come within category (ii) instead of category (i) - as discussed in Section 6 below.

**Collective action including dialogue**

The steps in the AWS standard include ‘collective action’. That has been the case since the launch of the AWS standard in 2014, and this key element is retained in the second, 2019, version of the AWS standard. Collective action is an ‘advanced’ status under the AWS steps, reflecting the reality that, for private sector, public sector and civil society to come together in effective collaboration to address complex water problems so that each and all benefit, is not easy – a considerable challenge.

The path towards collective action begins, and continues, with dialogue. The experience of persons interviewed by IUCN/ODI for this review of IWaSP underlines that establishment of dialogue often takes considerable time

\textsuperscript{29} In parallel to debate on water stewardship, there is, for example, a debate on ‘water grabbing’. A 2016 study pointed to a medium-to-large sugar grower in Tanzania who was «literally grabbing water from downstream water users» - taking water from the Diwale River via a weir and irrigation canal, based on contested water permits, «often for months on end regardless of the needs of downstream users»: *Whose Waters? Large-Scale Agricultural Development and Water Grabbing in the Wami-Ruvu River Basin, Tanzania*; van Eeden et al, 2016: Water Alternatives 9(3): 608-626.

and effort. The leader of a collective initiative in England noted that it had taken 2-3 years to ‘incubate’ the collaboration to arrive at mutual comprehension - differences of language - and enhance understanding – i.e. bridging different perspectives, which, at the outset, may seem entrenched.

**Role of NGOs**
Faced with time-consuming multi-stakeholder collective processes, private companies tend to *delegate* to NGOs project design and delivery roles. Many of the existing examples of ‘water stewardship’ initiatives are managed by international NGOs. WWF has, for example, been a leader in informing and advising companies of water risks and how to address them, including through field projects.

Experience has shown that the competition for funds to carry out water projects and the goal of brand recognition has tended to make NGOs rivals more often than collaborators. The so-called water stewardship ‘community’ is actually more a market than a community. In principle, the public funding made available to IWaSP provided an opportunity to include collaborations between civil society organisations, alongside companies and government agencies, in water management and ‘stewardship' partnerships\(^{31}\) and so offset some of the disconnect present between different organisations that work on and promote stewardship.

**Lack of independent assessments**
As noted in Section 1 above, IUCN/ODI have observed that more independent assessments of water stewardship initiatives are needed to contribute to lesson-learning. Reports by consultants commissioned and reviewed by private companies will often not be published at all, or they will be released in part only. Private funding brings with it *proprietary* ownership, unless the corporate in question agrees to share data. In many catchment/basins, there exists, currently, a public data/knowledge gap, with the risk that the information that is available is used to the advantage of just a few water users in that catchment/river basin or, at least, leaves a general ignorance.

**Who benefits?**
A key question is who *benefits* from corporate action? Is a company motivated by self-interest, or reciprocal benefit and the public good?

There will tend naturally to be geographical/locational limits to corporate engagement. Company directors of large companies with multiple sites will look at the pin points of light on the map, especially those in flashing red. What kind of global/multi-country geographical coverage will result? One would naturally expect it to be patchy, with a diffuse ‘doting’ of places for engagement, without a critical mass in many locations. In principle, this is where the *territory-wide* responsibility of the public water regulator should come into play. In practice, as noted above, that may not be the case, particularly in low income countries.

When a public authority does *not* fulfil its role, a collective water stewardship initiative can look to step in and ‘join the dots’ of the different water-consuming operations. The detailed descriptions of IWaSP projects in Section 3 of this report show examples of this, where private companies initiate steps to fill the ‘void’ of poor or

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\(^{31}\) As to ‘water management’ and ‘water stewardship’, the AWS definition is, as noted above, the leading international authority. That said, the review of the recent sustainability and annual reports of 40 companies conducted by ODI/IUCN for SDC in 2018/19 showed that the term ‘water stewardship’ is used with a wide range of meanings and with substantial differences as to the level of interest manifested and commitments undertaken.
non-existent water management, or where bad practice, such as pollution, directly impacts corporate needs for water so that they are obliged to participate in collaborative responses.

In terms of *impacts* of actions, there needs to be appropriate monitoring and evaluation (M&E) to ascertain what the benefits on the ground are, and *for whom*. Section 4 of this report sets out the results of the IWaSP projects in the three countries based on the M&E data collected by the IWaSP programme manager, GIZ.
3. REVIEW of WATER STEWARDSHIP EXPERIENCES of IWaSP

In each of the three countries forming part of this review, the following are partnership experiences in which IWaSP has actively participated that illustrate the opportunities and challenges of applying water stewardship:

- the Kiiha partnership in Uganda;

- the Water User Association initiatives and SUWAMA and majiSasa ('Water Now') in Tanzania;

- the Lusaka Water Security Initiative (LuWSI) in Zambia.

The Kiiha partnership in Uganda

The Kiiha project in Uganda illustrates what can be created and achieved by a water stewardship partnership with a private company, as well as an NGO and local government, i.e. the combination of roles referred to in Section 2. The partnership has had positive results on the ground in terms of riverine forest and wetland restoration (48 hectares restored) and has now added some other activities (e.g. solid water disposal - see below).

The company is called Kinyara Sugar, a medium-sized Ugandan company, as compared with the more common experience of stewardship collaborations with multi-national companies (MNCs). Kinyara is the second biggest producer of sugar in Uganda. In the district of Masindi, in the west of Uganda, where the sugar fields supplying Kinyara’s production are located (over 30,000 hectares of cane, with 8,500 hectares of its own estate and 23,000 hectares of out-growers), Kinyara is a major employer, contributing significantly to the district economy. The majority shareholder in Kinyara is the Rai company, a Mauritius-based investment group.

The collaboration with Kinyara came as a result of the introduction of Kinyara to GIZ by a German technical mission in 2016. The (then) IWaSP coordinator at GIZ was alive to the opportunity and succeeded in developing a relationship with Kinyara. Kinyara was pleased to hear what GIZ could bring to the partnership including new contacts and expertise. GIZ guided Kinyara through the initial phase of dialogue, showing how the different elements of the project could be put in place with involvement of local communities. Kinyara was initially apprehensive of that, but was persuaded by its partners. Kinyara was not keen for the company logo to be disseminated by the partnership in case “everyone would be coming to ask Kinya for money.” The representative of Kinyara, when talking to the review team, reiterated the company's concern that, as a big commercial company in the district, the tendency was that it was perceived as a cash cow.

In addition to the core activities relating to the forests and wetlands, the partnership has supported the formation and meeting of the catchment management committee (CMC) in the Kiiha catchment. The Kiiha River is a tributary of the Kafu River which flows into Lake Albert. The CMC has brought together a broad range of stakeholders - private, public and civil society. The Secretary of the CMC is the Environment Officer in Masindi local government. Kinyara Sugar has been participating in the meetings, alongside c.30 other members. The CMC has met 5 times since 2017. The CMC combines representatives of the two administrative districts located on

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32 This was an example of what an IWaSP team member said was: “show a corporate what kinds of problem it cannot make go away with just money and influence - that's where development people come in”.
33 Source: GIZ.
34 Interview at Kinya premises on 16.04.19.
either side of the Kiiha river, thereby allowing the members of the CMC to move on from the usual ‘blame game’ (in the words of a local person) across political-administrative borders. From the interviews conducted by this review, the impression is that establishment of the CMC has been much appreciated by stakeholders. The company representative was noted as being a good listener in the CMC meetings. For Kinyara, therefore, it has been the means of improving relations with its neighbours who had previously been critical of the company. A key outcome of the partnership has, therefore, been a reputational benefit for Kinyara.

The second major achievement of the project managed by the partnership was finding a solution to illegal encroachment in the riverine forests which was resulting in cutting down of trees for agriculture, mostly by migrants to the area coming for casual work in the sugar cane fields, as well as dumping of (solid) waste amid the cane. The burning of vegetation to clear the forest had in previous years caused fires in the adjoining cane which rapidly spread. In one season, Kinyara reported that 3,000 hectares of cane had been destroyed by fire. That was a significant loss to the business which represents a financial incentive to take action to reduce the risk of further fires. Kinyara was persuaded by its partners not to work (in its habitual manner) on its own via contracted personnel (e.g. security guards), but instead to adopt a community-led approach: the partnership supported establishment of a local community association. The partnership also added a fourth partner, EcoTrust, to ensure a more inclusive approach in the partnership with regards community engagement. EcoTrust subsequently implemented a capacity-building project with wetland associations, including setting up of a revolving fund for alternative livelihoods linked to wetland status. More than half the members of the Kakamuweca community association, founded in 2017, are women. Meanwhile only five members of the CMC are women (out of the total of 31). This is explained by the fact that the holders of the posts in local institutions called upon to attend the CMC are occupied by men.

The addition by GIZ of Ecotrust was an adroit piece of ‘retrofitting’ to the original design of the partnership by the (current) IWaSP coordinator. Ecotrust are additionally setting up a carbon-offsetting scheme with the aim of generating some income via the voluntary carbon market. The district government, meanwhile, is funding skills training to former encroachers and other local people to assist them in establishing small local businesses, under a national enterprise programme sponsored by top political leaders. The offending ‘encroachers’ thereby have the opportunity to become beneficiaries. Ecotrust has some funding to continue working in Masindi.

The partnership has, therefore, achieved planned outputs and outcomes, leaving also a positive legacy in terms of the establishment of the CMC and the ‘offshoot’ community activities led by Ecotrust. The company has seen a transformation in its relations with its neighbours – ‘very good for the brand’, noted the Kinyara representative who was interviewed by the review team.

The review heard from different actors what the bringing together of the diverse group of stakeholders in the CMC and the project meant in terms of challenge, and reward. The multi-stakeholder process was considered to be good, without the persons interviewed pretending that there has not been some differences in mind-sets and

35 Source: interview with representative of Kinyara.
36 On the issue of solid waste in the district, see below.
37 In 2012 according to the interview with Kinyara.
38 Source: Kinyara.
39 The name starts with the first two letters of three villages in the town of Kabango, denoting that the association is a grouping of different communities in the town. The association has been registered with its constitution and its officers retaining local control.
language which had to be overcome between the actors from the private sector, government and civil society. The building of mutual understanding and trust among CMC members had taken considerable time and commitment. Only now in 2019 had they reached the point where they were ready to set out a collective catchment plan. There was reportedly a high level of motivation to do so. At some points in the process, Kinyara showed impatience at the length of time taken. When GIZ pointed out that an extension of the duration of the partnership was needed, Kinyara could not, at that point, see the added value of involvement of the local community associations. The partnership, however, succeeded in bringing about an improvement in Kinyara’s understanding of the benefits of a more inclusive approach to business, including involvement of civil society organisations and wetland associations in implementation of local sustainability projects.

The Environment Officer for the district government who acts as secretary to the CMC noted that the attitude of community members had changed: ‘They now talk about “our trees’, she said. The negative perception of Kinyara had largely lifted. The Kinyara ‘technical people’ have, she added, learnt about ‘social aspects’ as well as being greatly relieved to have seen the encroachment largely resolved.

With the GIZ support to the project now ended – the closure event was held in April 2019 - the question arises what further financial contribution Kinyara will choose to make. Will Kinyara provide further support to activities in the locality/district as a demonstration of continued neighbourliness?

GIZ has informed the review team that Kinyara are likely to commit to further investment in wetland restoration activities – the figure which has been mentioned by GIZ is Euros 7 million, although it is understood by the review team that this has not been confirmed as yet. The question arises whether this investment will be discussed by the CMC and form part of a selected activity or activities identified in the future plan of the CMC. If such an investment were made, with positive outcomes for local wetlands, it would represent a very significant contribution – much higher than the Euros 203,000 invested by Kinyara in the partnership for its duration of 2½ years. That decision is up to the company and is not one that GIZ can control. There would appear to be a good business case for Kinyara to make a contribution at some level. That is in the context of the improved relations and new institutional capacities which the IWaSP partnership has helped put in place. The opportunity is there for Kinyara to show that its mind-set and approach has changed in a lasting way. It is recommended that GIZ contact Kinyara, Ecotrust and the District Environment Officer periodically during the months ahead to hear how this legacy of the partnership is holding/evolving.

In Uganda, the resources available to the Ministry of Water and Environment are generally insufficient to fund the CMCs in the absence of other sources of funding - such is the state of the national exchequer in a low-income country as well as the low level of priority assigned to environmental/water resources management at least at present. The general paucity of resources means that it is unlikely that the Ministry will provide financial support, for example for future meetings of the CMC, despite the opportunity that the establishment of the CMC in Kiiha represents.

The lack of public funding is also seen in the gaps in public services in the district. Members of the local associations, which the partnership helped form, highlighted to the review team the lack of solid waste disposal,

40 Source: interview with a community leader.
41 As recommended to Kinyara by a visiting consultant.
42 As noted in Section 2 of this report, Uganda is, according to the Human Development Index of UNDP, a ‘Low Human Development’ country, at the 162nd place out of a total of 189 countries.
evident in the widespread dumping of rubbish/garbage. GIZ responded to this by bringing in a solid waste specialist to advise on the best means to tackle the problem. The recommendation was motorised tricycles with waste containers on the back (since the cost of garbage trucks would have been prohibitive). The partnership has, in April 2019, handed over four new tricycles to the local community as a further legacy.

The hard work of the GIZ staff member who was assigned the task of interacting with the local associations and facilitating the projects with the community was praised in the interviews conducted by the review team. The project included awareness-raising (‘sensitisation’). Littering is clearly a behavioural, as well as service availability, issue.

In the final year of the partnership, a further point has arisen which raises an important issue – one which goes beyond just this Kiiha case and which poses questions for the NatuRes programme and other projects, namely what kind of commercial and economic growth is being contemplated within investments arising out of water stewardship initiatives. As noted in Section 2, one of the key challenges of any water stewardship initiative is to broaden the attention of individual water users from an exclusive focus on their own use to an understanding of where that water comes from and how that supply can be maintained, alongside the supply to other water users.

Kinyara has stated its ambition to make a substantial increase in its sugar cane estate using irrigation, including construction of small storage dams. The representative of Kinyara talked about signs of a changing climate in the district with the dry months (December 15th to March 15th) becoming dryer, hence the idea of investing in irrigation infrastructure. Kinyara envisages that, in future, irrigation will be needed during two months of the year, with water harvesting and water storage. The question arises how operation of the proposed dams would affect downstream water users. The latter could turn out to be an important issue of neighbourhood relations, as well as of sustainable water management.

This issue was considered in the study on ‘Economic Water Risks and Opportunity Assessment (E-WROA) for the River Kiiha Watershed’ which was commissioned by GIZ and Kinyara on behalf of the partnership and carried out by external consultants - who reported in September 2018. The scope of the E-WROA study included looking at means of ‘improving water resource and environmental management’ in the watershed. The consultants sought to do that by ‘creating an overview of ‘water risks’ and ‘solutions to mitigate those risks’ - in other words, an overview of the sustainability or otherwise of water resource use, under alternative scenarios.

The sustainability of the water balance in any given catchment as defined by the AWS standard is ‘the condition whereby on-going water use in the catchment has no long-term negative impact on the natural environment and legitimate water users’ (emphasis added).

The review team has read and considered the September 2018 report and has passed it for second and third opinions to two experts. The conclusion of the first has been that the study (at least on the face of the report of

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43 The representative of Kinyara talked about the climate in the district. The dry months (December 15th to March 15th) are becoming dryer, he said. There was ‘no rain’ in March 2019. Kinyara envisages that, in future, irrigation will be needed during two months of the year, with water harvesting and water storage.

44 There has been ‘no rain’ in March 2019, he said.

45 In the Glossary to the March 2019 version of the AWS standard.

46 First, Chris Perry, who is an economist specialising in water resources management and who worked for the World Bank for more than 20 years, before subsequently acting as head of research at the International Water Management Institute.
the study) ‘fails to adequately promote either the concept or the practice of collective water stewardship in conditions of scarcity. At most it attempts - and that with inconclusive evidence (set out in the report) to demonstrate that the proposed expansion of sugar cane might not harm downstream users in an average year’. The conclusion of the second expert is that:

‘the report is not critical or detailed enough to accurately judge the cost-benefit ratios of the introduction of irrigation water capture, storage, conveyance, distribution and evacuation. The authors of the report find in favour of the addition of irrigation, but seemingly on assumptions that need further testing and exploration’. ... ‘While the report stands as a first iteration ‘pre-feasibility’ study, it should not be depended upon for decision on whether to proceed or not’.

The September 2018 report of the E-WROA study was not made subject to independent peer review before its completion. It was accepted by GIZ as leaders of IWaSP without requiring such a review. That, in the view of the review team, as corroborated by the two experts, is a mistake. The review team recommends to Kinyara that it commissions a further study to carry out more detailed field investigations. GIZ staff in Uganda indicated that they did not agree with the assessment of the review team and the first expert, but now there is a second expert opinion on the subject who agrees that the the assumptions set out in the report are not reliable. It is strongly recommended by the review team that Kinyara be appraised of this finding of the review including the opinions of these experts (with eminent international experience and reputations).

This is a particularly significant debate within a project which was designed to promote water security via (inter alia) more sustainable trajectories of the actions of private companies. The key issue is as follows: does the plan of Kinyara to invest Euros 46 million in ‘land acquisition, dams and irrigation’ (this is a figure which has been quoted, as well as the Euros 7 million figure above) align with what IWaSP identifies as ‘water stewardship’?

One point to investigate is that referred to in the E-WROA report, on page 26, namely ‘food scarcity’ in the watershed. The report cites anecdotal evidence of local food markets being empty at the end of market day, especially in the dry season. Despite being anecdotal, that is an interesting and potentially significant item of information which merits investigation. Farmers in the area – the report states (page 40) - grow maize and cassava, but there is (based on the anecdote reported) a question as to availability of sufficient food stuffs for the local population, especially in the context, the report notes, of projected population growth in the watershed (page 26 again). In the same paragraph on page 26, the authors note the ‘shift from food crop cultivation (such as millet or maize) to cash crop cultivation, mainly sugar cane’. That surely raises the question of how far it makes sense to plan to grow more sugar cane in the Masindi area - whether available water resources would be better applied to growing more food crops.

That is because, in planning for allocation of water resources to agriculture, what is grown where (choice of crops, taking into account water availability) is as important as how it is grown (water use efficiency). An issue for consideration by water stewardship initiatives is how far there are signs of major agricultural buyers pushing for more rational water use by moving their purchase of agricultural products/commodities to new producers/growers located in different places where water constraints are not affecting supply, and where climate variability in the original source of supply looks likely to become a regular or frequent condition.

and then, after retiring, taking on the role of Editor in Chief of Agricultural Water Management. Secondly, Bruce Lankford, Professor of Water and Irrigation Policy at the University of East Anglia (UEA), Norwich, UK.
Thornton (2012)\textsuperscript{47} notes that: ‘Extensive research needs to formulate targeted, region-by-region approaches that recalibrate agricultural production according to the effects of climate change. In some cases, this could require farmers to embrace entirely new crops’ on their lands (Thornton, 2012, p.4) - or at least (as in the Kinyara case) to withdraw plans to expand existing production. The objective will be to determine which crops in which locations are ‘appropriate products’\textsuperscript{48} in water terms, based on the concept of ‘natural comparative advantage’.

The question arises how far Kinyara has actually changed as a company as a result of the experience of the partnership? One idea discussed with GIZ at the review debrief was that GIZ could draw up some indicators of corporate evolution/advance towards sustainability. GIZ notes that it would be useful to incorporate monitoring of the evolution of companies’ mind-set in the M&E system for the new GIZ-managed NatuRes project.

If Kinyara – and other companies participating in water stewardship partnerships - are to be sure of avoiding problems with their neighbours, they are advised to look in depth into any schemes for expansion of agricultural production, including irrigation, to fully understand their implications.

The report of the E-WROA study effectively gives a green light to Kinyara’s plan for expansion with irrigation (construction of small storage dams) by expressing the view that adverse effects on base flow for downstream water users can be avoided. The concern of the review team is that the expansion/irrigation plan of Kinyara may well have the potential to adversely affect downstream water users, and that the E-WROA study/report does not justify the conclusion to the contrary - that the water security of other water users in the catchment will be secured. As noted in Section 2, water stewardship aims to support the use of water that is socially/culturally equitable and environmentally sustainable as well as economically beneficial. That means that water stewardship initiatives need (as discussed in Section 2) to distinguish between two possible scenarios:-

(i) that the aim of the directors (or shareholders) of the private company (Kinyarai in the present case) is to \textit{maximise} growth from business operations in the watershed/catchment \textit{without} taking account of the limits of available water in the catchment, and/or without concern as to the impacts of their investment and growth plans on the availability/access of water for other water users (e.g. downstream) on the one hand; or

(ii) that the private company (Kinyara) shows itself ready and willing to \textit{adapt} its plans for increase in business operations (substantial expansion of its sugar estate) according to those water-related limits and impacts.

One lesson from this is that a process could usefully be developed to guide brokers of stewardship collaborations towards partners who come within category (ii) instead of category (i). Before entering into partnership relations, GIZ has a ‘business partner screening’ process which it operates, but that screening (an IWA SP staff member explained) is a ‘risk management’ tool, not a ‘strategic engagement’ tool, i.e. it focuses on


ensuring that ‘brand’ risks to GIZ are identified and managed, but it was not designed to assist IWaSP staff understand whether any given Company ‘X’ is of strategic relevance for the programme of water stewardship (whilst also supplying some information on company ownership). The review team recommends that GIZ and other agencies/organisations which are supporting/implementing water stewardship partnerships including private companies collaborate to produce a tool to guide project staff in how to better ‘know the company’ with whom they are contemplating entering into a partnership49. Somewhat ironically, IWaSP supported the development of the ‘Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency’, produced by the CEO Water Mandate in August 2015. This document available from the CEO Water Mandate website contains a Foreword written by DFID. GIZ would have perhaps been wise to follow this guidance.

The second lesson relates to peer review, namely that consultancy reports on complex issues of hydrology and water management should be made subject to peer review.

As for ensuring access of water stewardship teams to external experts with appropriate expertise, a recommendation is made in that regard below, in Section 6.

As for the proposed switch to irrigation, the question arises why that is thought to be needed. On this, the second expert consulted by the review team - Bruce Lankford, Professor of Water and Irrigation Policy at the University of East Anglia (UEA), Norwich, UK - has noted that the E-WROA ‘report does not seem to question the addition of irrigation critically enough and too quickly falls into line with the premise (of whom exactly?) that irrigation is necessary – as per the statement on page 11 of the E-WROA report: ‘...[the] bid to switch to irrigated farming especially during dry spells has become unavoidable’ (emphasis added). Why so? Professor Lankford comments:-

“Rainfed methods of sugarcane cultivation will have their own ‘farming system’ of labour, crop husbandry, harvesting and delivery to the sugar mill. Introducing irrigation should be seen in this light, because irrigation will change costs, yields, sucrose contents, farming schedules, land preparation, labour requirements and many other factors. The E-WROA report does not give a full explanation of the changes to the cropping and farming system subject to the adoption of irrigation. It must be presumed that the authors of the report explored non-irrigation avenues for raising the volume of sucrose sent to and produced by the mill, but where is the evidence of this in the report? Where is the consideration of rain-fed sugar agronomy, varieties, improved soil water management by improving surface and sub-surface drainage, etc, as well as upgrading and modernising the sugar mill, plus registering farmers further afield from the mill to supply cane (mentioned on page 26), and so on”.

Professor Lankford concludes by saying: “On the contrary, adding irrigation should be seen by the report authors as a last resort. The report makes a sensible observation (on page 5) that: “Despite the water deficit, most of the area is still very suitable for subsistence farming and commercial farming”.

According to the logical framework plan for IWaSP, the water stewardship efforts of the programme were to include ‘contributions to the implementation of the AWS standard’. IWaSP staff told the review team that they considered a company like Kinyara was not a good candidate for adoption of the AWS standard, for two reasons, they said: first, as a sugar producer, the most obviously applicable practice guidelines are those of the sugar industry; secondly, because consumer awareness and pressure in Uganda is apparently very low and Kinyara is

49 See Section 2 and Newborne and Mason, 2012: The Private Sector’s Contribution to Water Management: Re-examining Corporate Purposes and Company Roles
not like a multi-national food and beverage company with a global brand. What, in these circumstances - IWA SP staff asked - would AWS certification give to Kinyara? One answer – that of the review team – is that Step 1 – ‘Gather and Understand’ - of the AWS standard (2019 version) sets out, in its list of criteria and indicators, a description of the information which water users can gather and the knowledge that they can acquire to understand what needs, in future, to be tackled to achieve a sustainable water balance in any given catchment. The process set out in Step 1 is designed to take the water user on a pathway to understanding the ‘big picture’ of where the water comes from and how that supply can be maintained alongside the supply to other water users. That list of criteria/indicators in Step 1 could usefully serve as the core of the terms of reference/scope of work of consultants and researchers commissioned by GIZ and other funding agencies. To what extent, for example, did the original brief presented to the consultants who carried out the E-WROA study take in the range of aspects of the ‘big picture’ covered in Step 1?
The SUWAMA and the Water User Associations and majiSasa ('Water Now') in Tanzania

In Tanzania, IWaSP has been working on a series of initiatives in the north of the country with interesting results as well as some remaining challenges. IWaSP has supported the stewardship actions of a major brewery company, as well as groupings of small farmers and small local businesses in an area of dynamic economic activity.

In the absence of a catchment management forum in the water stressed and agriculturally important north of Tanzania, the Kilimanjaro Water Stewardship Platform (KWSP) was approved by the Minister of Water in April 2016. IWaSP is a member of the KWSP, as well as the Pangani Basin Water Office (PBWO), the TAHA (Tanzanian Horticultural Association), and the Water Resources Group 2030 as the instigators of the KWSP multi-stakeholder platform.

KWSP focuses on four main work streams: (i) water use efficiency; (ii) catchment management; (iii) catchment governance; and (iv) AWS standard propagation (see below). Partners are assigned to lead on these work streams, with TAHA and WRG 2030 focusing on water use efficiency in agriculture; IWaSP leading on catchment management; and the PBWO leading on catchment governance. The national multi-sectoral forum for water resource management has been supported by WRG 2030 since November 2016, and, in October 2017, IWaSP supported the launch of the first basin multi-sectoral forum for water resource management in the Pangani Basin.

The KWSP supports IWRM issues in the Kikuletwa Catchment, with different initiatives developed and/or supported by IWaSP, such as the SUWAMA Partnership, majiSasa and the WUA Partnerships – each as described below - are designed to feed into the broader KWSP IWRM objectives. Reporting on progress is presented at the biannual KWSP Meetings to share lessons learnt at the broader catchment level.

The Sustainable Water Management (SUWAMA) partnership has, since its inception in 2017, focused on the Usa River which lies between Moshi and Arusha. The partnership comprises the PBWO, TAHA, Kiliflora (a company which grows cut-flowers for export), and GIZ, plus other partners such as the Usa Water Utility and the Arumeru District Council (who both joined later). The Usa river is fed by springs in the lower slopes of Mount Meru. The area benefits from substantial rainfall, as well as snow melt. SUWAMA has supported the development and operation of a Water Users Association (WUA) in the Upper Kikuletwa watershed. The WUA brings together farming businesses (medium and small), local communities, the water utility serving the area, hotels and other water users, as well as government, including the river basin agency, the PBWO. In all, there are more than 100 members of this WUA. The WUA’s task is to facilitate agreement between members as to how to manage available water sustainably.

The WUA is a multi-stakeholder forum of the kind which water stewardship is designed to support. The SUWAMA partnership was set up to empower the WUA to take on more responsibility since the Basin Water Board is not staffed to engage with every water user and follow up every permit on the ground.\(^50\) The intervention of the partnership was positive in enabling the parties to the WUA to self-organise. It is an example of collaboration between irrigators/farmers and water users, public and private. Conventionally, WUAs would

\(^{50}\) Under Tanzanian law, the Basin Water Boards can delegate to WUAs, including collection of water permits and abstraction fees, but this is not fully operational at the national level.
focus on individual farmers and small collectives, but in the Usa River, a large number of small to medium sized local farms and enterprises are active as horticultural businesses.

Some of the farmers have their own springs. Other farmers – many of them - take water from irrigation channels, such as the one called Furrow no 1. The SUWAMA partnership has supported the Furrow no. 1 Committee and the WUA in actions to protect springs and water sources, through for example conservation of riparian buffer zones and strengthening of local water governance, including the functioning of the Furrow Committee and the WUA. This was supported by in-kind and cash contributions from Furrow numbers following the model of the SUWAMA partnership. Access to water is by extraction permit from the PBWO which allows water users to extract and negotiate their needs from the Furrow Committee. The users of the Furrow meet once a month, both upstream and downstream users. The Furrow has a Secretariat that acts as furrow manager, informing farmers, weekly, of the water allocation. There are reductions in periods of low flow. However, for the active management of water allocation, the downstream users would tend to lose out, as is often the case where there is a network on the ground of primary, secondary and tertiary irrigation channels. Under IWaSP, the SUWAMA partnership focused on the upper part of the Usa River sub-catchment (comprising 11 villages) to establish some momentum. That support included activities to increase water use efficiency so as to improve access to water for downstream users.

As noted above, one of the partnership members as well as member of the WUA is TAHA which has, alongside other larger water users in the area, provided services comprising training and advice for local farmers in a range of aspects of agriculture: technical (good practice in pesticide/chemical use), legal (information on changes in the law), commercial (business planning) and financial (connections to banks/lenders). The reduction of usage of polluting chemicals is part of efforts to relieve the difficulties of the Usa River water utility in treatment of water for public supply. This is an example of a water stewardship initiative working to tackle a water quality, as well as quantity, problem.

The support provided by IWaSP via the SUWAMA project has made a significant contribution to improving water management among water users of the Usa River. One such user is the Zurafiros Farm which is a 300 acre farm growing coffee (on 72 acres), arable crops, such as cabbages and mango (on 5 acres), some rice in paddy, and previously green beans for export (see below). The farm has also 150 cows for dairy. Forty permanent employees work on the farm. Testimony of the Zurafiros farm manager is set out in Box 2.

**Box 2. The view of a farmer who has benefited from the SUWAMA project**

*Weather is a challenge here: it is good for growing, but the seasons are shifting, making cultivation by us of green beans no longer viable, needing more water, but also becoming more susceptible to pests, so that just now we have stopped growing them. We have started tests with vanilla, onions, and we are also trialing growing ginger via a third party.*

*We use water from Furrow 1 via a buried pipe access, which diverts water to our small on-farm reservoir. Furrow 1 does not actually give us enough water. When it rains we are fine, but in drier years, we struggle with water supply. Some furrow users have reduced their water use, but, at the same time, more and more small plots are becoming more*

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51 IWaSP did not provide finance directly, but instead supported these activities through a Financing Agreement with PBWO for capacity development, to facilitate the stakeholder processes.
active and need water, so the overall level of water demand has remained pretty much the same. Our farm has three water use permits. In the past we only had one, but we applied for three due to coffee expansion. Our small coffee processing factory uses a lot of water. We are no longer using water to irrigate green beans, but we still need all of those permits for our water needs.

We engaged with SUWAMA in 2017 when it started. We applied for a total volume of 150m3 volume of water. Before the SUWAMA partnership, the Pangani Basin Water Office as permitting authority did not take the time/trouble to see what farmers were doing, to understand their concerns over water access. SUWAMA has made the PBWO more aware of the issues. It now understands its responsibilities better, including informing farmers of applicable government policies and laws.

Many farms in the area are closing down as land is being sold off or district councils are pushing for land sales to support urban development and expansion. That means that farm size is generally becoming smaller.

We have seen how SUWAMA has also helped to raise awareness of important water issues among local stakeholders. People are busy, they are not necessarily aware of what is going on with water beyond their plots, so it has helped us all understand better our needs from Furrow no 1, and how that impacts on each of us. We now have a more common perspective. This was very useful.

As stated in Box 2, the Zurafiros farm manager is appreciative of the SUWAMA partnership as an active network that has helped share knowledge on what each farm is doing and the shared water challenges. The project has empowered water users and provided a platform for exchange and mutual learning. This was a common point mentioned to the review team by public and private water users alike.

Based on the review team’s visit, there seem to be two issues that the Furrow no 1 management committee can usefully address.

The first relates to the irrigation infrastructure. While the rehabilitation and off-take at the top of the river, (where the bifurcation from the river is located and water is diverted), looks solid, the rest of the channel winds its way through the forest in what seems to be an old channel, having had huge trees grow around and over this old water structure. The network of off-take structures and gates for the water users is impressive, but a question arises as to their operation and maintenance (O&M). Currently, the cost of O&M is not financially factored into the activities of the various committees. The PBWO and the Furrow committee do not have the skills to renovate the infrastructure. The structures could have been designed to be larger, and thereby easier to use. The manager of the Zurafiros Farm agreed with the analysis that more needs to be done by SUWAMA to rehabilitate Furrow no 1. Zurafiros would like to see this, because it would give the farm more confidence in the water supply. It could, for example, along with other commercial farmers, contribute to the cost of ‘lining the irrigation canals’\(^{52}\). Conversely, GIZ in Tanzania feel that the objective of SUWAMA was to promote ‘partnership’ in order for people to understand the challenges and find local solutions, and not for SUWAMA to engage in specific project activities such as the maintenance improvements to, in this case, Furrow no.1. According to GIZ, the PBWO is now discussing funding with the World Bank for technical interventions identified under SUWAMA\(^{53}\).

\(^{52}\) Although it is worthwhile noting here that this is a frequent demand from water users, lining irrigation canals is expensive, requires experienced contractors to ensure the lining works after 2 to 3 years, and it bring different challenges to water management, such as increased flow, channel over-topping, etc., as the water moves faster and consequently needs to be matched to more sophisticated water allocation and distribution. The cost-benefit of lining canals is often marginal even on large infrastructure.

\(^{53}\) This is anecdotal information from GIZ.
As for the mode of determination of the water allocations, improvement could be made in that regard also. The current positioning of the measuring markers for measuring flow is, in almost all cases, difficult to read or understand in Furrow no.1. The secretary of the Furrow Committee checks the flow to see changes, but he does not seem to keep records in writing. A record of flow would be useful to the committee in general, as evidence of the basis on which water is allocated. The reality is that bargaining power varies amongst Furrow committee members. The bigger farming businesses tend to take larger allocations from upstream where the Furrow first takes water from the river (at the bifurcation via buried pipes, locked in concrete boxes). Re-constructed distribution gates funded by the SUWAMA project with the support of local businesses\(^{54}\) have helped to ensure downstream flows, and thereby reduce abuse from upstream off-takes unilaterally exceeding their allocations.

This furrow was part of the SUWAMA partnership (from the outset) and discussions helped stakeholders to see the need to revive the inactive furrow committee and thereby to focus on unresolved issues. However, as a starting point to better understand water allocation, and the first ever water balance for the Usa River which was developed under the SUWAMA partnership, this has led to broader discussions with water users over allocation and distribution of water. According to IWaSP, this also led to the identification of unregistered water users operating under old water rights, and in correcting this, helped to increase permit revenues.

Secondly, the SUWAMA partnership illustrates an issue in relation to the skills that a water stewardship team brings to the activities it supports. There are a wide range of different disciplines and skills that are called upon by water management activities in the field. No one person, or even one team, can carry all of them in-house. A programme such as IWaSP needs to supplement its own staff skills with the appropriate external expertise. The trick is to be sufficiently knowledgeable and aware in-house to ask the right questions so as to identify the type of input that is required in any given situation. What this particular part of the SUWAMA partnership really needed was advice from a Water User Association expert (on WUA governance and financing also), and an irrigation expert - a civil engineer with the necessary skills to advise on structures and in particular linking the engineering to the governance aspects – correct, simple measurement monitoring, understandable charts converting measurement to flow volume, record keeping, fund management for O&M etc. As a partnership, IWaSP has stated that it was there to foster the relationships, and to mobilise actors including finding those with the relevant expertise to help solve problems. We accept this is the nature of the ‘partnership’ that IWaSP established, and the usefulness of partners such as TAHA who helped on water use efficiency and other technical aspects, yet, it is also the role of collective action to ensure technically appropriate and active solutions are found, with training offered when needed.

As it stands, the support of the WUA has been positive, with significant benefit to WUA members, including small farmers. A question, however, arises as to future sustainability. The GIZ NatuRes programme (the successor to IWaSP) is, as far as the review team is aware, going to continue to provide some support to the SUWAMA initiative.

It is recommended that the level of that funding be sufficient to support the WUA in further development so as to deal with the technical and managerial issues above. The NatuRes programme is designed to look beyond just water management to natural resource management more widely with the goal of helping to support job creation and investment. In the farming businesses and communities in the Usa River, there are many jobs and livelihoods at stake and it is hoped they will qualify for NatuRes support. The PBWO has limited capacity and financial resources to interact with water users – issue permits and collect revenue, resulting in lost income for

\(^{54}\) Who in some cases provided materials and labour.
the office to improve the management of water resources\textsuperscript{55}. Currently, under \textit{NatuRes}, the WUA Partnership and Learning Group and the WUA Operational Guidelines (established by IWaSP) are designed to facilitate WUA capacity development, and to use WUAs more effectively through using them as a way to mobilize the national Water Resource Management Act at the local level.

The strength of the interventions of the SUWAMA initiative lies in its targeting to the local water user/management level, with a bottom-up approach. The local businesses have a real sense of ownership in the WUA including the problems and how to solve them as local people, and importantly, local employers and tax payers with responsibilities to their staff. In contrast, government programmes which impose an outside view of what water users need are less likely to be successful (that is according to the local farmers and organisations to whom the review team spoke). Government-driven irrigation tends to focus, still, on the technical issues of supply of water to a farm or farms and does not properly take account of the often commercial nature and needs of these waters users beyond individual farm plot size for single farmers. By applying risk assessments, stakeholder mapping, partnership formation and embedding other tools in the WUA guidelines, the SUWAMA partnership has sought to promote water stewardship at local level including empowering solutions on the ground.

The \textbf{majiSasa} project grew out of the Water Resources Group (WRG) 2030-facilitated Kilimanjaro Water Stewardship Platform (KWSP) originally formed in April 2016.. The bi-annual KWSP events attract some of the largest water users in the Kikuletwa catchment. The platform, termed a multi-stakeholder process by WRG 2030\textsuperscript{56}, has provided an opportunity for businesses to share lessons and concerns, understand problems and talk to government, including articulating how the private sector can offer solutions to water management challenges, in particular in northern Tanzania.

After conversations between Water Witness International (WWI) and Diageo, Diageo started testing the AWS standard at their site in Moshi with WWI support. Eight water risks were found on, and eight off-site, and the water security of their barley supply chain was considered most important for business continuity. Due to the increasingly erratic rainfall in the Pangani Basin, water availability was causing problems with the production of barley and wheat for the supply chain of Serengeti Breweries Limited (SBL) - owned by Diageo - in particular, the quality of the grain.

SBL and Tanzanian Breweries Limited (TBL) - a subsidiary of ABInBev - are in direct and close competition, not only to sell their beer, but also in the growing of the agricultural inputs to produce it. SBL’s brewery is in Moshi, while TBL’s is close by, in Arusha, both competing for the same supply chain - access to growers of barley and the water which feeds that barley production. The choice of Moshi as the location for construction of the SBL brewery (2008-2011) was due to raw crop materials grown nearby, with access to water. SBL reports that it has direct contact with around 200 farmers, in three growing areas in the district. The farming plots range in size from 2 hectares to 120 hectares, i.e. small to medium-sized farms. The barley farmers work within a cooperative that agrees with SBL on production targets and business plans, and negotiate collectively on the price of their product. Nationally, SBL has contracts with many more farmers, c.15,000, although the north of Tanzania is the

\textsuperscript{55} Despite this, a large focus of the PBWO is to fulfil its planning role, and this distances it, physically, and with limited resources and capacity, from the majority of water users – also therefore, water managers, at the field level, who are collectively responsible for the majority of the basins water resources.

\textsuperscript{56} At this time WRG 2030 was hosted by the International Finance Corporation (IFC). At the end of 2017 WRG 2030 was moved into the World Bank as an official World Bank Programme.
best part of the country to grow barley. When there is a downturn in yield, the company has to import from Germany, Belgium or South Africa which is expensive, and which brings far higher tax duties. The Government encourages local sourcing through tax reductions up to 50%, and this is a main driver for companies looking to work with and support local farmers more.

The Moshi plant of SBL sits on a 5.2 ha area, with a capacity of 800,000 litres of product a year, but this, the company says, could be expanded to 1.2m litres. Business-wise, there are many opportunities. The market for beer is growing. The Moshi brewery produces all 10 Diageo brands, including Tusker, Guinness, Kibo and Serengeti. The Moshi brewery has 4 boreholes, 2 are working and 2 are closed. These are controlled by the PBWO, based on a 5 year permit with an annual water abstraction licence. Each year the company does a pump test to calibrate the aquifer yield to ensure that they do not contribute to over-abstraction and the overall status of groundwater availability matches their business needs, and withdrawal of water from the aquifer is sustainable.

IWaSP had historically provided support to AWS, and out of the assessment work at the SBL site was interested to see where support could be offered to the brewery. The AWS assessment results led WWI to develop a series of training packages under the banner of an extension programme called ‘majiSasa’. WWI agreed with IWaSP to support the implementation of the key AWS recommendation, through a grant agreement totaling US$65,000 in majiSasa in 2017. For the work to be completed effectively it was essential that key local expertise could be sourced in the area around Moshi, rather than bringing in support from outside the basin or internationally.

Before majiSasa, SBL had engaged directly with barley and wheat farmers on technical needs. As a company, SBL has a direct interest in making the farmers productive: to secure the supply chain and the quality of the feedstock which SBL needs; to access the tax benefits that local sourcing brings; also to develop good working relationships with farmers by supporting them, with the additional benefit of securing loyalty to SBL (in competition with TBL).

SBL provides farmers with extension support, including extension services on production, water and weather reports. Most of the farmers they source from are local, from northern Tanzania. SBL offers farmers free barley seeds, free sorghum seeds, and tries to match the crop to the climate and soil conditions, for example providing drought resistant varieties. SBL matched the IWaSP investment of US$65,000, as well as some contributions as in-kind company staff time, and from WWI (cash and in-kind in total US$160,000). At the beginning of majiSasa, SBL identified farmers and majiSasa was the facilitator, engaging communities, evaluating effectiveness, etc, and showing SBL the results to improve the process and supply chain.

Although majiSasa was funded by IWaSP and SBL directly, it operated as a coordinated group of individuals, all technically qualified and highly motivated and competent to deliver services into the majiSasa project, including the universities and research institutions and the GIZ team in support. Training modules delivered by majiSasa included: conservation agriculture; climate smart agronomy (water use, fertiliser use, soil management); access to weather index crop insurance; entrepreneurship, financial planning, and financial risk management for farmers; empowerment (water rights, land ownership, empowering women to participate in commercial

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57 MajiSasa offered training, but actual insurance training was offered by the NGO that did the training in order to link farmers to insurance with ACRE, an agricultural and climate risk enterprise.
agriculture); training in how to manage soil, apply and correctly use fertilisers; safe water supply, sanitation, and hygiene. Training was normally delivered every three months, and each module took about a month going across the different subject areas.

The majiSasa initiative has looked at how farmers cope with the effects of water stress on production, due to climate change impacts. The feeling in majiSasa was that farmers needed to become connected to insurance companies, in particular as regards weather-based insurance for farmers. The predictability of the weather in this part of Tanzania is changing, and so this makes production harder. In terms of reliable supply chains, during dry periods, farmers have boreholes and use tanks/carts pulled by livestock to apply water as rudimentary flood irrigation to keep their crops alive.

Thanks to the engagement on the ground, SBL was also able to better understand the farmers from whom they purchase, and to have access to new data, better understand the water use needs to farmers, knowledge of the weather and its impact on production at farm level so that SBL knew how better to intervene with farmers to ensure production.

The majiSasa initiative was evaluated locally by some of the trainers as having delivered well – farmers organised themselves, the initiative provided significant help to them, and they appreciated the support from SBL. During the training delivery, many issues emerged from the engagement with farmers, for example the need to expand support in relation to crops beyond barley, more co-design of training modules with the farmers themselves to make better use of their experience and knowledge. The view of participants in the majiSasa initiative is that the training for farmers which has been tried and tested by majiSasa could work well in other areas in Tanzania, such as close to Lake Victoria, including with other cash crops such as cotton. There is an opportunity here for capacity development and training as stewardship extension services, with attention paid to the opportunity that the success of majiSasa has demonstrated.

WWI already had a long-standing relationship with SBL through Diageo and the Moshi brewery, based on that leadership by WWI, is currently working towards a platinum AWS certification, a process that was initiated prior to IWaSP supporting this relationship. IWaSP has offered support to AWS directly in the past, although feedback from the AWS CEO suggests that more could have been done to help support AWS as a key indicator under IWaSP. A question arises why the funders of IWaSP, in particular DFID, did not think to support AWS directly and so cut out the transactional cost of IWaSP, and in doing so remove the AWS indicator from IWaSP? The review team has observed – and notes in the present report - that IWaSP support of AWS was patchy with missed opportunities.

As for the role of ABInbev, and its subsidiary, TBL, ABInbev has closed its brewery in Moshi. The company now imports malt from Belgium for the TBL brewers in Arusha, Mwanza and Dar. This makes it easier for SBL competitively as a business, as TBL has become smaller in the district.

But the question remains: has TBL/ABInbev ever come to IWaSP and SUWAMA and majiSasa to take part in these initiatives? The answer appears to be ‘Yes’, but, according to ABInBev, there was a personality

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58 Diageo sits on the Board of the Alliance for Water Stewardship – AWS.
59 This had been an issue noted in the report of the Mid Term Review of IWaSP.
incompatibility. In Uganda, the disappointment of ABInBev not joining the Rwizi partnership – see Box 3 – apparently, according to the company, was as a result of a personality difference. Equally, in Zambia, ABInBev has at times, been criticised by some of the partners, including GIZ (based on the Itawa Springs experience), due to a lack of clarity over what ABInBev wanted out of some of the partnerships in Zambia (although, clearly, ABInBev has been a key driver of some stewardship actions in Zambia). The point raised by ABInBev, however, in relation to personalities and compatibility is an interesting insight into what works and sometimes does not work in water stewardship - and it matches the lessons from Tanzania, namely that ‘soft skills’ development is a key element of mobilising IWRM, and in making stewardship part of the solution for that. The success of a dialogue between a water stewardship initiative and a private company (or other party) depends, to a great extent, on person-to-person contact including the experience and the skill-sets needed to ensure the brokering of partnerships across conventional private-private-civil society boundaries. Those are different skills and approaches to what is traditionally found in organisations that deal bi-laterally government-to-government.

**Box 3. The Rwizi Partnership - in Uganda**

The River Rwizi catchment lies in the Victoria Water Management Zone (VWMZ) in South West Uganda. It provides water resources for approximately 3m people, covering a catchment area of 2,521km² across ten administrative districts. The catchment provides water and environmental resources for sustaining livelihoods, agriculture, commerce, and ecosystem services, but now faces water supply and water quality concerns due to rapid urban expansion around the town of Mbarara, development of big industries, poor land use and management, high population growth and a long tradition of cattle keeping and agriculture. Consequently, large areas of wetlands have been degraded. Seasonality shifts and climate change impacts are affecting the ability to adequately plan water resource management, not helped by inadequate collaboration and cooperation as well as limited awareness among stakeholders. This has led to several water challenges, including:
- seasonal dry spells threatening the sustainable water supply for both the population and businesses in Mbarara town;
- seasonal flooding puts at risk local livelihoods and business production; and
- upstream degradation of wetlands threatens local livelihoods in the long run as well as biodiversity.

To address these challenges, the Department of Water Resource Management has piloted catchment based water resources management in the Rwizi since 2006. The progress which has been achieved so far needs to be consolidated, up-scaled and strengthened. As part of these, The Coca Cola Africa Foundation (TCCAF), Century Bottling Company (CBC), Coca Cola’s Central East and West Africa Business Unit (CEWABU), and the Ministry of Water and Environment, in partnership with IWaSP established the Rwizi Partnership. The partnership aimed to combine the business interests of companies with development goals of the Government of Uganda to address shared water risks for the benefit of all stakeholders in the catchment.

Considered a success, this partnership was important for IWaSP for a number of reasons. It was able to mobilise partners based on their needs, and benefit from investment from Coca Cola that IWaSP also contributed to. It built local leadership and relied on this and national leadership to demonstrate the value of partnership and the *roundtable* that was created in Mbarara. This allowed the Government to use this to create the Catchment Committee so desperately needed, part of the roll-out of new water reform that needed platforms, information, and investment to be mobilised at the local catchment level, which this

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60 Note that according to GIZ, ABInbev did not re-approach them even though a new IWaSP team was in place in early 2016. Presumably, without knowing this, and with previous problems, ABInbev decided this was not a partnership they needed to join, but this was perhaps a missed opportunity by both ABInbev and IWaSP.
partnership, by default, provided. It also allowed the partnership to develop a restoration plan and community investment fund, based on a Water risk and Sustainability Assessment review. Mobilising this plan with local partners rapidly demonstrated how change can happen, and how it can deliver results in a timeframe that can build momentum.

The key challenge for the partnership - and as yet, unresolved - was that the largest water user, Nile Breweries (owned by ABInbev) did not join the partnership, and have expanded production in the catchment, using water directly from the river, some small groundwater supplementary supplies, and through direct access to the public water supply. This expansion is a result of US$100m investment in the plant, which, according to ABInbev, has led to only a small net increase in water use, as the investment has expanded, but also modernised the brewery to be highly water efficient. The challenge then, as in many basins, is bringing all major water users to the same level of understanding and commitment which may go against business expansion plans. In this case, ABInbev told the review team that it was personality clashes between their team and IWaSP that resulted in them not joining the partnership. However, challenges remain with ABInBev’s role in the Rwizi catchment, when direct access to the public water supply to supplement their water supply will also affect access to water by others using the utility network when supply becomes intermittent during the dry season. ‘Capture’ therefore, of water resources, in this case legitimately through the ability to pay and influence is clearly a stewardship challenge that it has been unable to fully deal with in Uganda.

For IWaSP, the question is why majiSasa was not supported further by IWaSP. IWaSP funded initial design work by WWI, but the IWaSP contribution of US$65,000 was a one-off. This was an opportunity, but it seems that the fact that majiSasa was not fully ‘owned’ by IWaSP was seen as a block – the initiative was a WWI and SBL ‘product’, or perhaps project, given resources were limited. This was surely a missed opportunity, because the structure of the training and process could have been replicated with other companies and commodities, but it appears funds were limited to develop this further. As a proof of concept approach, IWaSP should be congratulated for supporting this, and discussions did take place between Diageo and IWaSP to take the initiative to other sites, but this has so far not developed further61.

Based on the work with WUAs in the Upper Kikuletwa in Northern Tanzania, IWaSP has spent time looking at WUAs across the region and more broadly in Tanzania to identify key lessons for WUA performance and making IWRM work on-the-ground below the institutional hierarchies where Government stops at the Basin Office level. The difficulty is in institutionalising this. To some in the broader water stewardship community of practice, these interactions are not ‘stewardship’, and dealing with WUA performance and development is a water governance challenge and, as such, part of the conventional domain of public sector water management.

Nationally forming WUAs is one thing, but capacitating, funding and mobilising them as part of the ‘water management agency’ is another. At the same time, improving water governance is, however, one of the many stabilising elements that can lead to improved business performance, in terms of production and regulatory compliance. For IWaSP to look at Water User Associations as a blend of public and private water management facilities, where the Basin Office loses traction and credibility, often due to lack of resources and capacity, and by default ‘hands-over’ water management at the field level to farmers and WUAs, demonstrates a translation of stewardship from its development stage into a broader operational stage. GIZ should be commended for this,

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61 GIZ is currently starting partnerships with private sector and their farmers in India in value chains in 6 locations and majiSasa lessons learnt will be used.
even though it may not have been how the interactions were actually designed, it demonstrates the development of stewardship at the lowest level of water management authorities. In doing so, water risks, and water security have become better understood at the local level, and perhaps demonstrate what WUAs should have been doing for a long time, rather than focusing purely on irrigation service fee collection to remove the cost of water infrastructure from the State (globally). Better performing WUAs, empowered as water management agencies, are likely to offer a higher level of security in delivery of services for their members, and for the broader water management agencies at the basin to national scales.

That said, as experienced in the Usa River area, to improve agriculture the performance of farms is key. Water management alone is not going to bring development benefits without realising the value of water management improvements. WUAs are concerned with water, but often not broader agricultural (crop production) performance. Conversely, however, the performance of agriculture also dictates the health of water systems downstream, and soil and land health is an integral part of IWRM. The Water Resources Management Act of Tanzania calls for all water users, public or private, to be members of WUAs at the catchment scale. There is, however, little information as to the role and purpose of the WUAs, and their operational requirements.

The informal WUA Learning Group established by the government with I WaSP support has helped to try and solve this by developing WUA Operational Guidelines. These will be available later in 2019. Part of the need for the guidelines is that multiple agencies support Government with different frameworks for water management and improved governance, in particular on WUAs. This can lead to fragmented, inoperable, and confused guidance on WUA development and operations. The approach of learning and the guidance will be tested in seven of the nine basins nationally across Tanzania. The Ministry of Water supervises the process of WUA formation and is heavily involved in this to ensure what is offered as guidance and learning complies with their needs and the code for WUA development and functioning.

Although 104 WUAs are apparently formed and in existence across Tanzania and its nine major basins, only 70 are considered ‘active’, and those levels of ‘activity’ are open to interpretation. WUA performance is generally poor, and less than 50% are actually functioning. Interestingly, however, where the WUAs are functional is where there are water crises and competition for water. There are a multitude of different approaches rolled out by UN Agencies, consultants, USAID programmes etc. The WUA learning Group is designed to work with these different agencies to learn lessons jointly and then develop guidance for Government and Basin Offices to construct better more sustainable WUAs, including identifying how to streamline understanding on WUAs across different levels of government so as to improve alignment in what WUAs can and cannot do.

There have been other experiences in Tanzania created by I WaSP: the Mlalakua River Restoration Project, for example, that started in 2013 and ended in 2016. It was active before I WaSP began, started under the BMZ-funded Africa Water Stewardship Initiative (AWSI). The Mlalakua is a small seasonal river, not really noted in the drier seasons. Dar es Salaam is part of the Wami Ruvu basin, and there are a large number of these seasonal water courses across the city that are only flowing during the rainy season, and as such largely act as storm water and waste water drains. In the absence of effective solid waste management they also accumulate large amounts of solid waste and together with the liquid waste is mobilised in the rainy season from the local urban catchment in Dar and taken out into the Indian Ocean. The Mlalakua was not a watercourse that ‘livelihoods’ were particularly important for, but it was a pollution hotspot, affecting the quality of the water, the environmental impacts downstream, and the use of that water elsewhere. Not only that, but it also had interest from a major corporate, Coca Cola. A Coca-Cola plant on the Mlalakua watercourse attracted unnecessary negative attention, and was often blamed for polluting the water course with no evidence, and something Coca-
Cola went far to prove. This partnership had interesting elements to it, such as urban watercourse regeneration, pollution and clean-up possibilities, fecal sludge management, urban planning and awareness creation around pollution control of mainly solid waste. However, it appears the project suffered from some internal capacity and consistency issues, and some concerns over the viability of the local Municipal Council as a transparent partner resulted in the Mlalakua project ending. Despite this, it did help to raise attention to issue of water quality, and this opened IWaSP to consider other opportunities such as the Export Processing Zones Authority project – see below. According to IWaSP staff (the review team was not able to verify this): ‘Coca Cola treated this partnership as a ‘CSR’ project, not a water stewardship engagement. The company’s aim seemed to be to obtain a wastewater discharge permit issued for its plant to counteract allegations of pollution through wastewater discharge. Once that was attained the company’s interest in the Mlalakua River Restoration Project dropped off’.

In late 2016, IWaSP invited the Tanzania government to talk about water pollution and industrial wastewater building upon the Mlalakua experience. At that time no clear ownership was forthcoming from the main government agencies to engage through a multi-sectoral dialogue platform on industrial waste water to tackle this problem. However, in the course of finding an alternative entry point to tackle this challenge there was clear interest from the Export Processing Zones Authority (EPZA) under the Ministry of Industry and Trade. EPZA is responsible for developing either Special Economic Zones (SEZ) or Export Processing Zones (EPZ) and is contemplating, based on engagement with IWaSP, to consider these new zones as possible ‘water stewardship zones’ given they represent concentrated geographies of industry. These EPZA zones are effectively that - a chance to concentrate stewardship and deepen engagement. Since 2015, the new government in Tanzania has focused in its 5-year development plan on industrialisation, with the aim to be a middle income country by 2025. 60% of the projects identified as national flagship projects for the industrialisation agenda are in EPZAs.

Both types of zones under the jurisdiction of the EPZA (the SEZs and the EPZs) will contain different industries, including food producers, textiles and tanning industries, agro-processing, paper, electronics, and heavy industry in some sites based on Government ambitions etc. IWaSP has offered support to this process to improve regulations and provide guidance on enhancing water security to make these zones more attractive for investors and enhance the regulatory clarity and thereby reduce regulatory risks. This new partnership for IWaSP, having taken two years to establish a MoU with EPZA. IWaSP hired a consultant who works with EPZA on guidance as the technical support function, as it appears water sourcing, water discharge and treatment facilities were not considered in the establishment of possible EPZA sites. Not only that, but different sectors following different legislation, permits and requirements mean that establishing EPZA sites becomes a major governance challenge as well, where pollution is monitored by NEMC (National Environmental Management Council) who have to investigate and close down operations that are not compliant with regulation. To streamline the process of certification and compliance, IWaSP, with EPZA, is planning to look at how these proposed sites can become AWS compliant at the site level. These sites are complex, for example, in Bagamoyo, they plan to have a site of 100km2, with 1000 factories/sites, or in Mwanza, where they look to expand fisheries in Lake Victoria. This engagement with EPZA will continue under NatuReS.

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62 Over the course of IWaSP, it did fund Water Witness International to document the process of Olam gaining AWS certification in Tanzania, but it was not clear what the purpose of this investment was. In early 2019, GIZ (now via NatuReS), signed an MoU with the new UN Global Compact (UNG) office in Tanzania. Part of that MoU includes pushing forward the AWS with national members of the UNGC. They intend to also develop a masterclass training approach, initiated in Zambia under IWaSP, but hopefully continued under NatuReS in South Africa, Ethiopia, and Tanzania.
The Lusaka Water Security Initiative (LuWSI) in Zambia

The Lusaka Water Initiative in Zambia (LuWSI) is a good showcase for what it takes to shape and operate a water stewardship programme, and why water stewardship can be important and useful.

The IWaSP Zambia team, led by the country coordinator, has shown real skill and imagination in working with a range of stakeholders, including public agencies, private companies and NGOs, to create together an influential and effective means of addressing major water security issues facing the capital. This is an example of partnership at scale.

The principal problem in Lusaka is threats to the aquifer which supplies the city with water for urban public water supply, business needs, local agriculture and other uses. The city has seen a rapid growth of population over the past 20 years from 0.5 million to c.2.5 million resulting in substantially increased water demand. The geology of the area, a limestone plateau, means that the groundwater is the city’s sole water source, except for the Kafue River some 40 kms away. Both government and major private water users realised that the viability of supply from the aquifer was being threatened by pollution as well as the pressure of demand, and they understood the urgency of finding ways to address the problem. It was observed that delay in seasonal rains reduce well yields - those supplying household consumption and business uses such as breweries. Further, a major cholera outbreak in some of the informal settlement areas in late 2017 highlighted potential public health issues arising from the growth of dense, informal settlements in the city. Not only was there broad recognition of the severity of the water problem, but the threat to the single large water source under threat (the aquifer) presented a clear focus for attention, without the kind of complicating hydro-geological factors in other locations that can obscure and confuse attempts to unite different actors around a common purpose.

The DFID water security team wisely indicated to the current IWaSP country coordinator soon after his recruitment in 2015 that he could and should be experimental in the implementation of IWaSP in Zambia, and that, for stewardship to be possible, innovation and entrepreneurial approaches would be needed. The development and implementation of the LuWSI programme has certainly required innovation and flexibility. Initially, GIZ management were concerned at the risks involved in such an experimental mode of working, but they subsequently recognised the value of that as the progress became evident. They have, however, noted that not all ‘partnerships’ need to have so many partners and be so elaborate and sophisticated.

LuWSI has, over time, from 2014 to 2018, established a platform which is sufficiently solid and flexible to act as a vehicle for support to projects which LuWSI and its partners develop or bring to the table63. LuWSI, in other words, gives rise to ‘spin-off’ projects as well as attracting (as-it-were) ‘spin-on’ projects (one such project is described below). Activities determined and agreed by the LuWSI partnership have been adopted by Lusaka City Council in its annual work-plan. They view LuWSI as a programme for the City Council to support and implement. The role of Lusaka City Council in LuWSI has been key - to raise issues within the partnership, such as solid waste challenges and wastewater polluting the groundwater. Equally, the City Council is complimentary of the platform as a means for stakeholders to work together while being treated equally in raising challenges and mobilising resources to resolve them. The City Council was involved from the beginning of the process in

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63 NB: the partnership principles checklist developed by LuWSI to help build the capacity of partners and ensure best practice in coordination of partnerships: Strategy document; Log frame and M&E plan; Governance structure; Budget; Operational workplan; Up to date signed agreement; Relationship management system; Risks Actions Issues Decisions log; Knowledge management system; Wiki page and internal review process.
2014, from the initial stakeholder mapping exercise, thereby investing in the process and development of LuWSI. The City Council implements the Community Engagement and Empowerment project, focusing not just on cleaning up areas and reducing pollution, but on future spatial and economic planning to improve legal compliance and make city planning aligned to community development needs. LuWSI has helped the Council improve collaboration with actors and improve the planning process. The City Council is particularly supportive of LuWSI’s ability to engage at multiple levels, from government down to community interventions.

The process of joint creation of LuWSI has been the fruit of a combination of skills shown by the IWaSP country coordinator and his team, in collaboration with its partners: entrepreneurial spirit, problem analysis, creative problem-solving, sensitivity to local institutional and political issues, patience and adaptability as well as a good general understanding of development, including water issues. The IWaSP country coordinator and team in Zambia have done a remarkable job in developing and mobilising a wide range of actors across an increasing number of subjects, where water has remained the thematic anchor that holds the stakeholders together. LuWSI contains a variety of different water users, and this allows their combined approaches to create more impact than it would do if institutions were working alone. Sub-committees have been established which are headed by appropriate institutions.

There are, of course, challenges. Among those, there are challenges as to the needs and expectations expressed by corporates, who tend to want to move faster and push for quicker responses and, as one stakeholder said who sits on the LuWSI Steering Board, tend to expect ‘guarantees’ in relation to the results of the activities undertaken by LuWSI, including commitments from the authorities as to provision of water they need/want.

One strength of LuWSI is seen to be its replicability to other locations, although it should be recognised that LuWSI has operated in the capital where recognised groundwater management challenges have existed. As noted above, the broad recognition of the common problem helped, to focus attention, including, from a policy perspective, focusing on understanding how laws and polices actually work in practice, and therefore what changes might be needed. If an approach such as LuWSI had been started in another city in Zambia, it would have been unlikely to attract such a wide range of stakeholder agencies or have successfully raised water concerns at the same policy level.

Some called this policy-influencing process a ‘watchdog’ role, in that the LuWSI partnership was able to raise issues collectively and influence water governance. Yet, this undoubtedly has also raised political attention of LuWSI and its ability to challenge practices which may be illegal whilst at the same time being politically motivated. Managing the expectations of partners is a complex and negotiated process, requiring the diplomacy and patience to balance different needs. LuWSI has proved to be a successful approach because of this, avoiding taking ‘ownership’ of the ideas and proposals put forward. Instead of owning projects, LuWSI facilitates their development and execution.

The partners contributing to LuWSI include private sector companies. The Lusaka Water and Sewage Company faces the challenge of protecting over 121 boreholes from pollution which threatens the quality of water which the company needs to provide the city with water supply. The company currently draws 40% of its water from the Kafue river some 40 kms away. That entails significant costs in pumping (300 metres elevation difference, representing 83% of the utility’s energy costs), so there is a question whether more water should be drawn
from more local sources. The future viability of the groundwater is accordingly vital for the city\textsuperscript{64}. There is also some evidence that farmers are storing and using water upstream of the company’s water supply intakes on the Kafue. As the sub-catchment committees are not yet established by the Water Resource Management Agency (WARMA), there are limited organisations that can look at the impacts of agricultural growth in the Kafue and therefore the potential impacts on Lusaka’s water supply. Ironically, the growth in sugar production is one of the factors driving the use of water upstream in the Kafue, the same sugar that makes its way into brewing and soft drinks supply chains for companies such as Zambia Breweries and Fairy Bottling in Lusaka\textsuperscript{65}.

Within Lusaka there are not enough resources for sanitation coverage, especially since settlements have historically grown up around boreholes for water access, where, importantly, pollution from poor sanitation and informal businesses is high. Other stakeholders talked about how LuWSI has helped the utility gain ‘voice’ to better protect their well fields, and LuWSI catalyses the City Council, regulators, and the utility to discuss the issues collectively. In the interviews conducted by the review team, this was reported to be one of the main benefits of the LuWSI platform, offering a neutral convening space.

Zambian Breweries plc is a major water user for its beers, as well as other products. For example in the past it has acted as bottler for Coca-Cola. Within Lusaka, Zambian Breweries has major challenges with water supply. In 2016 the company had to decommission one of two boreholes which supply its bottling plant due to contamination from local fuel stations and storage depots. The Government has also opened up, decommissioned, certain sites as industrial growth zones. In Lusaka South, small industries now cover part of a 2,100 ha area opened up by Government. This brings in communities, informal businesses etc., and creates conflict over access to water. In consultation with LuWSI, Zambian Breweries was advised against opening more wells in areas where pollution existed, and to look instead at alternative sources. At present, the brewery site in Lusaka sources 70% of its water needs from groundwater, and 30% from the domestic supply managed by Lusaka Water and Sewerage Company. The site in Lusaka is one of 36 sites marked as water stressed on the global map of ABInbev, the parent company of Zambian Breweries\textsuperscript{66}.

For business continuity, Zambian Breweries has two options. First, to relocate its plant to the Lusaka South Industrial zone, at the cost of $200-300m. The second option would be to build a new pipeline for water supply. A site in Lusaka West has been identified, but the pipe would need to pass through poor, informal communities, with the risk of it being damaged and vandalised. There is a mature conversation between LuWSI, Zambian Breweries, Parmalat (local milk producer) and Lusaka Water and Sewerage Company regarding the proposal to invest in a pipeline that would service business needs and provide off-takes for water to different users including the communities through which the pipe would pass. At present, Zambian Breweries has partnered with Lusaka Water and Sewerage Company to develop two new industrial boreholes for the George compound, one of the informal settlements where water quality is very poor. The concept of opening up a new well field in Lusaka West has been raised with the African Development Bank which seems interested, in the hope that a

\textsuperscript{64} Although the Government is looking into joint investment with the Chinese into boosting the pumping capacity to counteract the supply challenges from the groundwater, in particular from water quality problems.

\textsuperscript{65} Fairy Bottling originally chaired LuWSI and has been an ongoing supporter of the Initiative, including starting the process for AWS certification. In February 2019, Coca-Cola bought out Fairy Bottling, with ambitious plans to improve operational efficiency and to increase production and expand market reach. It is not sure what water risk assessment Coca-Cola has done to justify this level of ambition given the water challenges as understood by LuWSI.

\textsuperscript{66} Following the merger of ABInbev and SABMiller, Zambian Breweries is part of the ABInbev group. The 2017 annual report noted that SABMiller owned 87.13\% of the shares of Zambian Breweries as at 31\textsuperscript{st} March, 2017.
consortium of investors could fund the pipeline for the brewery and for domestic users with an expected investment of between $10-15m. Nevertheless, business continuity concerns remain, with Zambian Breweries growing its market, having doubled production in the last three years. LuWSI is directly involved in this conversation, helping to facilitate what they see as a real opportunity to improve both private and public water security. Yet, despite this, the market clearly dominates, despite the water quality and availability concerns. The option to completely move the brewery plant is a potentially valid option: were other proposed investments by ABInbev in Ghana and Mozambique not to go ahead, Zambian Breweries would find itself as a recipient of investment by ABInbev as the parent company given the projected future sales by Zambian Breweries.

In terms of public bodies that depend on the water supply from the Lusaka aquifer, hospitals and schools represent particularly important and sensitive recipients.

The design of LuWSI included a 12 month ‘incubation phase’ with GIZ playing interim secretariat at the request of the public partners up to the end of 2016. This has been followed by a phase during which the LuWSI platform was embedded in the National Water and Sanitation Council (NAWASCO). NWASCO was elected by partners to host the LuWSI Secretariat after five organisations competed to play the role. The LuWSI Secretariat was moved from GIZ to NAWASCO over a 12 month transition phase with very close capacity building support from the IWaSP team. A GIZ staff member is seconded to NAWASCO thereby retaining an active link. The Secretariat consists of 2.6 full time equivalent (FTE) staff, with staff time in the past provided by NAWASCO directly. Now, with the decision by LuWSI members to sustain a Secretariat, the intention is that this should be funded by its partners, taking the reliance away from GIZ.

NAWASCO was not one of the founding institutions of LuWSI, but has since become a member, signing a memorandum of association (MoU) as indeed all LuWSI members have signed, committing themselves to the objectives and principles of the partnership. NAWASCO already had credentials as the host of the East and Southern African Regional Water Regulators Association. A key role for NAWASCO is to maintain and increase government interest in LuWSI, and to help with determining the future ‘structure’ of LuWSI, as well as helping to source funding.

The full group of partners of LuWSI is shown in Box 4 with logos.

LuWSI has a steering board as well as a Secretariat. There are thirteen members of the Steering Board, with three from each stakeholder group (public, private, civil society and international organisations) and the Head of the Secretariat as a permanent non-voting member.

The Zambian Chamber of Commerce and Industry has been one of the lead partners in implementing projects under LuWSI, including helping to establish the Water Security Action and Investment Plan for Lusaka (WSAIP) and in leading a CEO breakfast meeting on water security in Lusaka. For the Chamber of Commerce, LuWSI has

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67 It was noted by some members of the Steering Board that more women are needed on the Board to provide a better gender balance, but that this was recognised by the Board and was something they would look to improve in the near future.
been important to raise attention to water issues, and to explain the challenges to their business members. They anticipate that the WSAIP process will mobilise actors to prioritise projects and the investments needed.

As the long list of partners of LuWSI shows, this is not an example of a 1:1 partnership between a stewardship 'broker' and single private company. The 1:1 format has perhaps an initial attraction because of its simplicity and apparent low risk. In fact, as other experiences in water stewardship have shown (including within IWaSP), the low-risk of a 1:1 partnership can often be illusory, because of the reliance of the partnership on one private sector player whose participation may or may not be consistent. The 1:1 format would not have been adequate or suitable: the range of public sector agencies involved in regulating different aspects of urban planning and urban services required a multi-faceted approach embodied by a multi-stakeholder partnership.

In Zambia, as in many sub-Saharan African countries, the process of putting in place the institutions of integrated water resources management (IWRM) has begun, but is not complete. Lack of funding means that operational water committees in basins/catchments do not function (except in a few isolated cases). This functional gap applies to the Lusaka area as well as other places. LuWSI has filled the gap. LuWSI is not a legal

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68 In Zambia, no distinction is made between basin and catchment: the highest administrative level is Catchment Council, then sub-Catchment Council, then Water User Association.
entity, although it could perhaps become one. Its authority comes from its relevance and the combination of its constituent partners, combined with the positioning now of its Secretariat within NAWASCO (as described below, that has a potential downside).

Recently, some civil society actors have described LuWSI as having a watchdog role in relation to the problem of a de-gazetted area of forest which is an important aquifer-recharge area. The University of Zambia and NGOs have made representations to government as to the activities of the Chinese developer of the area whose activities threatened to undermine that recharge function. In contrast to a watchdog, campaigning role, LuWSI has more fundamentally been shaped through GIZ’s role as an ‘honest broker’, i.e. objectively ‘finding the fit’ between water problems and water solutions. This was evident in dealing with encroachment into well-field recharge zones. Political players were interested in the value of the land for development as some local councillors were illegally trying to parcel off the land for development, despite it posing a direct threat to water supply for over 100,000 people. LuWSI took an approach that focused on understanding the issues and empowering the different actors to solve the problems.

The spin-off projects from LuWSI include for example:-

- a well protection project including the development eco-parks on Lusaka Water and Sewerage Company’s land, to prevent community encroachment and bolster community support for broader groundwater protection;

- education and awareness activities which have trained 22 teachers across 8 schools as part of the Lusaka Green Schools campaign, with schools identifying students as agents of change in school clubs on solid waste and sanitation. This work aligns with LuWSI as it is conducted by the City Council with resources available through the Lusaka Sanitation Project funded by the World Bank, KfW and the African Development Bank;

- in response to the cholera outbreak in late 2017, LuWSI mobilised its members to understand what the problems were, and to mobilise clean water provision as well as advocacy and awareness raising to reduce the spread of cholera. A large part of this was funded with private sector resources and materials (bottled water and, for example, chlorine tablets). The Government opened an account for pledges from companies for materials, with many local companies also providing finance and equipment. The cholera outbreak also allowed the stakeholders to identify the gaps in their understanding and responses to the outbreak, for example how communications between agencies needed to improve so that interventions were complementary, and how advocacy messages were not clear. LuWSI helped to improve these.

- the water security action and investment plan (WSAIP) opportunistically supported with funding from DFID in Lusaka through its Cities for Infrastructure and Growth (CIG) programme. DFID Zambia will also provide a further €3m under the IWaSP follow-on programme, NatuReS, to invest in the projects developed under the WSAIP.

69 Importantly, crises such as the cholera outbreak also remind private companies that the public problem of safe water and sanitation provision is also their problem, affecting their workers, and therefore overall business productivity. The process of LuWSI fostering the development of the WSAIP, sourcing additional finance, and then seeding the best projects (currently under development) was an approach adapted to Kampala for replication.

70 IWaSP also partnered with CIG in Uganda, for Kampala.
- by way of example of LuWSI’s role, the platform was able to connect the Bremmen Overseas Development Agency (BORDA) (a German NGO) with WaterAid in Lusaka who were both independently working on very similar projects on clean communities. LuWSI fostered the relationship between both agencies and involved the local authority in helping coordinate activities and the complementary use of resources in the communities. At the time, WaterAid was a member of LuWSI, and BORDA subsequently joined LuWSI because of its supporting and convening function.

Concerning alignment with the key performance indicators (KPIs) of the IWaSP programme, the IWaSP team in Zambia intelligently did not require of itself that each and every part of LuWSI should ‘tick-off’ every KPI set out in the original IWaSP logical framework plan. Instead, in the spirit of flexibility and creativity shown by this initiative, the team has been able to demonstrate how different ‘spin-off’ and ‘spin-on’ projects have produced the requisite types of benefits.

An example of a ‘spin-on’ project is the collaboration with the Economic and Social Research Council (ESRC) funded project of the Grantham Research Institute in Climate at the London School of Economics (LSE) and the University of Zambia called ‘FRACTAL’ (Future Resilience for African Cities and Lands\textsuperscript{71}). FRACTAL is funded through the Future Climate for Africa (FCFA) programme with the aim of advancing scientific knowledge, understanding and prediction of African climate variability and change, funded by DFID and the Natural Environment Research Council (NERC). Lusaka is one of the learning cities within FRACTAL, working with the University of Zambia (UNZA) and Lusaka City Council as the local partners. As a Steering board member of LuWSI, the University was interested in community development, informal settlements with respect to housing, poverty, and access to services. UNZA has commissioned for LuWSI a FRACTAL-funded study on urban flooding, and has provided training to LuWSI members and City Councillors on climate change impacts and adaptation in Zambia\textsuperscript{72}. This also mobilised other partners to provide training for LuWSI to support collaboration. This process was described as ‘you keep your lane (expertise), but you run together (you support broader water resource management)’. UNZA also chairs the Knowledge and Advocacy Committee of LuWSI.

Key lessons from the experience of LuWSI include a framework of working for in-country water stewardship teams which allows space for improvisation and creativity. LuWSI could not have developed in the way it did without flexibility which went beyond over-formulaic thinking within the confines of a rigid programme plan in a risk-averse climate. The IWaSP Water Risk and Action Framework (WRAF) was sufficiently flexible to initially guide and permit this kind of adaptive process.

In practice, for a venture such as LuWSI to be feasible, the water stewardship team has needed to be based close to the action. This issue of proximity (or distance), of the IWaSP personnel from the locations in which their work has been focused has been seen in relation to the activities of IWaSP in northern Tanzania. In the case of LuWSI, had this initiative been focused on another city in Zambia located far from the IWaSP office, it is unlikely it would have taken off in the same way. The intensity of efforts required from different IWaSP team members to consult and interact with partners was such as to require close and ready access to the key players. Although not detailed in the present report, the \textbf{Itawa Springs Protection Partnership} in Zambia was a partnership that would have benefitted from a great investment from IWaSP in the actual ‘partnership building’, the

\textsuperscript{71} \url{http://www.fractal.org.za/}
\textsuperscript{72} One Councillor raised the need to incorporate the training into the on-boarding training of City Councillors.
relationships, from an early stage, in 2013-14. Placing a more experienced staff member in Ndola to build stakeholder capacities would have yielded early benefits and probably avoided the communication complication and confusion with ABInBev and local partners. IWaSP has learnt a lot from this though, and used this experience to really put effort into the relationships and communications amongst partners, which has helped to make LuWSI successful.

The original logical framework plan for IWaSP put great emphasis at outcome level on the building of the capacity of public, private and civil society actors. LuWSI has succeeded in doing that. Key to its philosophy is that of stakeholder and community empowerment according to the notion that everyone should be a steward (avoiding a top-down process which would have had the opposite effect).

If a city like Lusaka was fortunate enough to have the resources of its Council to lead the processes described above without external support, the initiative of LuWSI would not be necessary. As it is, LuWSI has played a significant and beneficial role in identifying, raising, and solving water security challenges, offering an example of how a water stewardship initiative, imaginatively shaped and adapted, can be a powerful development and environmental tool.

A future challenge for LuWSI will be to avoid potentially becoming a victim of its own success. As awareness of its key role has grown, there are apparently highly-placed political interests amid the partners of LuWSI whose motivations may confuse rather than support clear decision-making as to the initiative’s future priorities. Where LuWSI goes now is important with respect to the sustainability of the platform. Legal advice is under development to determine what it becomes in the future – a legal entity, an NGO, a membership organisation, or a Trust, for example. During the review team’s visit to WARMA in Lusaka, a robust proposal was put forward that clearly stated that LuWSI could become a Water User Association, the first of its kind in Zambia. WARMA is a relatively new agency in Zambia, and may have had expectations to host LuWSI in the past, feeling that it has ‘conceded’ too much to private sector interests and wishes. WARMA has some challenges with understanding how to engage with the private sector as partners, beyond their regulatory functions. By asking LuWSI to become a WUA, this would also place the reporting line of the WUA to WARMA, something all other partners rejected. LuWSI has unilateral support from all the partners involved in it, yet it seems that WARMA as regulator sees the opportunity of the success of LuWSI, whilst also feeling threatened by it.

What remains important is that LuWSI aligns with Government, but continues to raise attention to issues that are focused on solving problems as collective action, avoiding becoming political in a way which could be seen as a challenge to government. Despite this, some members of LuWSI feel that the platform could help partners develop more projects, and source more investment, using Government ‘seed’ finance as leverage of further funding from donors and local private sector to help the initiative grow in Lusaka and in other cities. For this to happen, however, the Government has to be encouraged to accept the problems and take ownership to solve

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73 Without prejudicing the on-going efforts of the team by stating names here.
74 As often with the private sector, their motives are not always clear. Aggressive private sector asking for better public infrastructure to serve its own needs can be a trigger for stewardship responses.
75 Under the Zambian Water Resources Management Act, Articles 25 and 26 provide a broad role for WUAs.
76 In many ways, LuWSI has been a classic collective action process, working to fill public governance gaps. Its success to date has been the skillful way the GIZ team in Lusaka has managed to keep the platform neutral, supportive, apolitical, and mobile on water management concerns, keeping the door open to new partners.
them through prioritisation of water more broadly, and through allocating budgets to seed processes that LuWSI, through its diverse partnership, could ‘pick-up and run with’.

In summary, the challenge of innovation and entrepreneurialism which DFID presented to the IWaSP country coordinator and his team has been realised in Zambia. DFID - and GIZ - should be pleased with this influential initiative which has been created and is operating thanks to support from British and German development funding. LuWSI has succeeded in being a catalyst and a catalyst at scale, given that the area of Lusaka city is broad, as is the range of stakeholders involved. The review team considers that LuWSI can be seen as a model, or at least a leading example for other cities in Zambia, and other countries.

Lessons from LuWSI have allowed GIZ to look at replicating this approach in a similar way through the Chambeshi Partnership in the north of Zambia. The Chambeshi Water Security Partnership (CWSP), coordinated by the Water Resources Management Agency (WARMA) in Kasama started in 2017 and is structured around the LuWSI construct. WARMA were voted as the Secretariat by the ten members of the partnership. Initiated by IWaSP, WARMA, and Olam (who own the local Northern Coffee Cooperation Limited), other members were invited to join the partnership, including the Ministry of Agriculture, Forest Department, Ministry of Chiefs and Traditional Affairs, Chambeshi Water and Sewerage Company, Chief Mwamba, Kasama Municipal Authority, and SNV and World Vision into the CWSP. This looks to be a very interesting model of partnership focussing on a Chambeshi sub-catchment called the Lukupa river. This includes an urban area of Kasama, and the Kateshi coffee growing area where Olam has over 3,000 ha of coffee and outgrower schemes growing coffee, bananas and vegetables. This has the potential to be a good partnership process led by the regulator, given the challenges created by Olam’s switch from drip irrigation to surface pivot for coffee in the basin. This has increased water use, and has resulted in the need for a new dam to be built to increase water security for Olam, with some offers of water access to local communities as well. The proof of stewardship delivering in practice, and based on lessons that IWaSP has learnt, in particular from the Kiiha Partnership, will be critical here for IWaSP, and NatuRes to hopefully continue.
4. M&E

GIZ has supplied to ODI/IUCN M&E information/data showing the up-to-date results of IWaSP activities against key performance indicators (KPIs) in each of the three countries, Uganda, Tanzania and Zambia, as recorded in the country teams’ M&E systems, up to end March 2019. Table A shows that performance against a selection of 12 KPIs. Rather than setting out here the results against all the 30+ KPIs, this selection has been made by the review team in order to focus on the issues which are of particular interest to this review, whilst also giving a broader picture of the range/scope of activities and achievement. The values in Table A are shown in graphic form in Figure 1, Figure 2, Figure 3 and Figure 4.

Table A. Performance of IWaSP against selected indicators

<table>
<thead>
<tr>
<th>KPI no.</th>
<th>Description</th>
<th>Uganda</th>
<th>Tanzania</th>
<th>Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Number of people benefitting indirectly from water security</td>
<td>961,402</td>
<td>2,575,542</td>
<td>972,450</td>
</tr>
<tr>
<td>02</td>
<td>Number of people benefitting directly from water security</td>
<td>247,753</td>
<td>174,362</td>
<td>892,717</td>
</tr>
<tr>
<td>05</td>
<td>Private sector has contributed x Euros to partnerships</td>
<td>7,000,000 €*</td>
<td>355,438 €</td>
<td>10,096,239 €</td>
</tr>
<tr>
<td>06</td>
<td>Public sector has contributed x Euros to partnerships</td>
<td>303,299 €</td>
<td>63,008 €</td>
<td>532,160 €</td>
</tr>
<tr>
<td>07</td>
<td>Civil society has contributed x Euros to partnerships</td>
<td>196,549 €</td>
<td>106,969 €</td>
<td>843,831 €</td>
</tr>
<tr>
<td>17</td>
<td>Number of gender measures incorporated in partnership work plans</td>
<td>-</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>19</td>
<td>Number of partnerships with agriculture sector actors participating</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>22</td>
<td>Number of training events with 80% positive feedback</td>
<td>9</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>25</td>
<td>Draft policy/strategy developed and tested in number of bodies</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>27</td>
<td>Number of joint publications, projects or events with organisations/initiatives</td>
<td>12</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>29</td>
<td>Number of local/regional awareness-creating actions carried out</td>
<td>25</td>
<td>309</td>
<td>91</td>
</tr>
<tr>
<td>35</td>
<td>X companies and governments interested to apply the AWS standard</td>
<td>-</td>
<td>3</td>
<td>-</td>
</tr>
</tbody>
</table>

* subject to confirmation

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77 As noted in the Inception Report, this review mission for DFID clearly could not, within the limits of the time spent in-country, carry out field surveys or other studies to collect data so as to verify the detailed results record.
78 The 4 KPIs which related to the Water Risk and Action Framework (WRAF) are not included, because the WRAF framework was referred to little by IWaSP team members during the interviews/discussions with the review team. KPI no. 18, on the ‘Number of cases of public and private and civil society cooperation’ is also not included, because it appears vague, as compared with KPIs 5, 6 and 7 which are precise measures of cooperation via financial contribution.
From the values in Table A and Figures 1-4, compared with the target values for each of the selected KPIs shown in Annex 6, the following points arise:-

- the targets relating to the beneficiaries (direct and indirect) (KPIs 1 and 2) have been exceeded in all three countries, except in Tanzania where the performance in relation to KPI 2 is less than the target;

- as regards the financial contributions by private, public and civil society actors (KPIs 5, 6 and 7), the results in Zambia have exceeded expectations, and in Uganda mostly too (public sector a little low, while the private sector is very high);

- the number of gender measures (KPI 17) in Tanzania and Zambia has met the target (very amply in Zambia), but clearly represents a gap in the Uganda projects;

- KPI 19 on partnerships with agriculture sector actors participating has been fulfilled;

- each of the three country programmes has organised many training events which were well received by participants (KPI 22) as well as production of joint publications or events (KPI 27); there has been similar activity in awareness-raising actions (KPI 29) (a little low in Uganda);
- the result under KPI 25 regarding development and testing of policies/strategies has been good in Uganda, whereas this seems to have been a gap, or a deliberate opt-out, in Tanzania and Zambia;

- meanwhile, as shown in relation to KPI 35, the AWS standard has been adopted by 3 actors in Tanzania, but none in Uganda and Zambia.\(^{79}\)

The methodologies applied to measure progress under the selected KPIs are described in Annex 7.

As regards the mobilisation by the IWaSP teams of private sector financial contributions (KPI 5), the performance in Uganda and Zambia runs counter to what was indicated in the responses to the survey conducted by IUCN/ODI of over 100 persons who are active in water stewardship (part of the research conducted by IUCN/ODI for SDC in 2018/19). Those responses suggested that the objective of leveraging financial contributions from private companies may be a trap of wishful thinking. While, in answer to the survey, donor respondents put ‘finance’ highest (ranking 1), corporate HQs put ‘Finance’ lowest (ranking 5). For corporate executives, ‘expertise/human capital’ was highest. NGO respondents also said they expected private companies to bring significant volumes of finance (ranking 2). Two IWaSP teams have managed to buck the trend – to counter the argument that any big boost to the ‘public purse’ is to a substantial extent illusory (and where it does occur, it may be targeted to corporate interests rather than the public good).\(^{80}\)

Overall, the level of achievement as presented by the M&E results has been good, for example in terms of the beneficiaries of IWaSP. GIZ began gender disaggregating the beneficiaries in 2016 in its ‘beneficiary tools’. GIZ has not reported the gender disaggregated figures separately, but, in response to a specific enquiry by the review team, GIZ has, however, informed the review team that, since 2016, across all the IWaSP countries, 2,543,895 people, of which 1,053,379 are women, have benefitted directly from IWaSP actions, while 8,190,165 people, of which 3,777,072 are women have benefitted indirectly. As such, the percentage of women directly benefitting stands at 41.41% while the percentage of women benefitting indirectly stands at 46.12%. Extrapolating the above three-year average to IWaSP throughout its duration in the three review countries, the assumption would be that 2,079,732 (46.12% of 4,509,394) women have benefitted indirectly, while 544,472 (41.41% of 1,314,832) women have benefitted directly.

As for the extent of take-up of the AWS standard, in two countries (Uganda and Zambia), according to the IWaSP M&E record, the result has been disappointing. Early on in the programme, IWaSP made a grant to AWS, in 2014.\(^{81}\) This was at a time when AWS was a new organisation and the core support was particularly welcome. The funding apparently supported the development of the AWS strategic direction and business model as well as support for the ‘uptake of the AWS standard in Southern and Eastern Africa’. Amongst other linkages, AWS and IWaSP, along with Water Witness International, worked together to support pre- and post- certification audit processes for the Olam Aviv Coffee Estate in Tanzania. As noted above, however, there has been no such initiative in Uganda and Zambia.

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\(^{79}\) This is the record as presented to the review team by GIZ based on the IWaSP central M&E system. The country team in Zambia has queried this, referring to a recent initiative which will include adoption of the AWS standard as part of GIZ’s activities in that country under the NatuRes programme.

\(^{80}\) Source: IUCN (results of survey).

\(^{81}\) Close to the end of the IWaSP programme term, a grant has been made available to AWS to fund a training event in Cologne in June 2019.

\(^{82}\) Source: AWS.
As discussed in Section 3 (in relation to the Kiiha project), Step 1 of the AWS standard (2019 version) - ‘Gather and Understand’ – sets out a guide to the information which water users need to collect and absorb in order to understand how to achieve a sustainable water balance in any given catchment. The criteria and indicators listed in Step 1 could usefully serve as the core of the terms of reference/scope of work of consultants and researchers commissioned by GIZ and other funding agencies.

The M&E system developed by GIZ for IWaSP took the customary approach used by GIZ, and then developed it further in particular to how beneficiaries could be identified and counted. There was support for the process expressed to the review team by the IWaSP country teams, and apparent interest from others in GIZ outside of IWaSP with the possibility of taking the system and applying it to other programmes.
5. LESSONS

The brief to ODI/IUCN has been to review IWaSP projects in three countries – Uganda, Tanzania and Zambia – to draw out 'lesson-learning on the opportunities and challenges of promoting water stewardship', including a 'constructive critique – an honest reflection - of progress and experiences'.

This section sets out the lessons from this review, while Section 6 draws out the conclusions and recommendations - for practitioners, donors and policy-makers.

This section includes consideration of what IWaSP project reveal about the 'how' of water stewardship and partnerships for water stewardship.

The comments below are made six years after IWaSP was designed and began with the benefit of hindsight, including the benefits of seeing how water stewardship has evolved more generally in water resource management discussions since then. The IWaSP coordinators and staff did not have that advantage at the outset.

**General comments**

IWaSP has performed its role as an 'honest broker' and has succeeded in bringing a wide range of public, private and civil-society actors together. The IWaSP coordinators and staff took up the challenge and created some interesting examples of partnerships as seen by the review team.

DFID and BMZ deserve credit for funding IWaSP at that time when water stewardship was a new area of practice. Furthermore, DFID deserves credit for funding this independent review. In their previous publication of November 2016, the review team noted the lack of independent evaluation of water stewardship programmes, leaving a gap in terms of lesson-learning.

Building collaborations, including medium/long term partnerships, which combine private and public sectors, and civil society, takes considerable time and resources. For such a wide range of interests to come together in joint or coordinated actions to address complex water problems effectively is not easy - a substantial challenge. In particular, achieving mutual understanding and respect between representatives of government and corporate executives can be hard.

In many instances, IWaSP partnership forums were the first time that different stakeholders have met. There can often be a steep learning curve in terms of understanding the cause and effect of water issues as well as the ways of possibly working together (rather than just expecting someone else to fix the problem).

'Brokers' of water stewardship partnerships need entrepreneurship and creativity, combined with the ability to improvise. The IWaSP coordinators have learnt those capacities on the job, through trial and error. Stewardship brokers also need considerable reserves of patience. Even simple 1:1 collaborations may take considerable time to 'incubate'. This needs to be taken into account when designing water stewardship projects in relation to the expectations of donors or project leaders at the outset of a programme, especially concerning the one off, often 1:1 'partnership' that is often not designed to be sustainable beyond a set of interventions. What then of longer systemic change that keeps private sector partners interested and involved?

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83 Section 6.3.5 on page 117.
IWaSP experience illustrates that there is a need for balance around the table of participants in a water stewardship partnership. The interaction should not be dominated by one or more large private companies, especially when these turn out to be irregular and inconsistent participants in the partnership. Commercial companies naturally tend to be self-differentiating, competitive players, wary of sitting around the table at (long) meetings unless it is evident what is going to come out of them for corporate benefit. Companies will be looking for a clear business rationale for their involvement.

The work of LuWSI in Zambia has been founded on the acceptance by a wide range of local actors as to the central water problem that needed to be solved — the intense demand on the aquifer which supplies Lusaka, combined with the quality of the water in the aquifer. That has been the principal stimulus to action, for private and public sector alike. At a smaller scale, the majiSasa programme in Tanzania was created due to concerns in the barley supply chain for quality and consistency of barley for Serengeti Breweries, driven by the company, and supported by an international NGO, local partners, and IWaSP.

The IWaSP teams have engaged with a range of companies:

(i) small farmers and medium-sized farming businesses - in northern Tanzania;
(ii) companies which are large in their country - e.g. a big producer of sugar in western Uganda (Kinyara), Fairy Bottling in Zambia; and
(iii) MNCs such as Coca Cola.

The IWaSP logical framework plan asked the country teams to find opportunities for collaboration with agriculture sector actors (KPI 19) and this has been done. Agriculture is a sector/domain where local water demand, often (at least in sub-Saharan Africa) managed in the fields by individual farmers or small farming businesses (SMEs) (some as out-growers) meets the supply chains of big national companies or multi-national corporations (MNCs).

The IWaSP teams are to be commended on taking stewardship to the ground/field level and working with local water users for example in groups such as Water User Associations (WUAs). In so doing, they have contributed to a number of local needs, such as the strengthening of local capacity and improvement of awareness and understanding across water users. They have also helped to move stewardship into an operational context beyond single site approaches. This is very valuable - although it is important that lesson is fully understood, recorded, and shared beyond IWaSP.

As for the context in which partnership ‘brokering’ has been conducted, the IWaSP teams in the three countries have shown they were politically aware. For example, without understanding the interests and motivations of key actors, the IWaSP country coordinator and his staff in Zambia would not have been able to guide the LuWSI initiative as they have done. The brokering by IWaSP of the WUA Learning Group in Tanzania and the relationship with government is another example.

With the benefit of hindsight, it would be have better for the KPIs chosen for IWaSP to have demonstrated better balance, and put less emphasis on monetary contributions from the private sector (and public sector), and more on ‘soft’ factors like achievements in establishing dialogue including broad-based platforms (rather than 1:1

84 Water Management and Stewardship - taking stock of corporate water behaviour - Newborne and Dalton, Nov. 2016: the point of departure for stewardship interventions is a problem that needs to be solved.
partnerships), problem identification and analysis (with the right technical experts brought in to advise), creative problem-solving, sensitivity to the institutional and political context, patience and adaptability, resulting in fertile ground for ‘spin-off’ projects and attraction of ‘spin-on’ projects (as demonstrated by LuWSI). Some of the measures for assessing progress have not been appropriate and to some extent have distracted attention from the core content. The conventional mode of writing project proposals and plans has, in some respects, not helped in this context of stewardship as a fluid and fast/evolving area of water management work. The indicators chosen for IWaSP reflected development rather than business perspectives. There was a lack of ‘soft’ indicators to measure corporate evolution/advances towards sustainability. Some of the measures for assessing progress within IWaSP have actually distracted attention from that, for example the target for financial contributions by private companies which is not a reliable indicator of change in corporate culture. Construction of water stewardship collaborations requires strategic thinking and underlying theories of change, more than following a set of pre-determined detailed indicators. The indicators in the M&E system within IWaSP provided to some extent a perverse incentive to look continuously for new partnerships with greater beneficiary numbers rather than focusing on deepening current partnerships that may not reach as many people. IWaSP has been most successful where it has focused on those partnerships that are most strategic in terms of driving the water stewardship agenda forward and creating new approaches as examples that work. In practice, the IWaSP country coordinators applied the KPIs in a flexible way, not seeking that every project ‘tick the boxes’ of each and every KPI.

When seeking to engage private companies, it is recommended that water stewardship programmes adopt and apply a due diligence process to compile and collate information about the companies with whom they are contemplating a partnership. In particular, what are the company’s policies/plans relating to sustainability (environmental and social), as put into practice? What targets does the company have, and what existing initiatives (if any) has it led, in relation to water management? Brokers of water stewardship partnerships need to do some kind of screening so as to test potential corporate partners against the above criteria. GIZ has a ‘Business Partner Screening process’, but that goes, currently, part of the way only: it aims to ensure ‘brand’ risks to GIZ are identified and managed, but does not adequately help understand whether a company X is of strategic relevance for GIZ’s stewardship work in the medium/long term beyond just becoming a ‘partner’ in the first place (e.g. Kinyara Sugar in Uganda).

The Mid-Term Review team pointed to an inherent trade-off in shaping water stewardship interventions between a ‘prescriptive’ and an ‘organic’ mode of working. According to the first, a degree of standardisation of partnership models is required, as compared with flexibility and adaptation to every context. This final review of IWaSP suggests that the IWaSP experience in the three review countries has been closer to the organic mode – reflecting the realities of partnership-building on the ground in those locations.

The IWaSP initiatives could have benefitted from more baseline studies of the local conditions in each of their areas of key intervention, although some studies were undertaken to help guide interventions. That includes collection of information on the hydrology and water security concerns to identify geographical focus areas.

As well as water stewardship partnerships, water stewardship teams need to be carefully designed too. The experience of IWaSP shows that recruitment must be actively targeted to (a) appropriate water and water-related skills and (b) experience of working in or with the private sector. Sufficient water knowledge does need to be brought in-house so as to know where to find the right external experts from the internal base (i.e. as much having relevant knowledge of water matters as knowing what you do not know about water matters). In two of the three IWaSP countries, the coverage of water skills was stretched too thinly, especially between
2014-2016. This resulted in IWaSP 'learning late', with slower execution of activities than otherwise necessary. In particular, the IWaSP country programme in Tanzania initially struggled to have consistent staffing and skills. Only from early 2016 did it establish a more established team in Tanzania which has since been able to make good progress.

As for private sector experience, the recent recruitment of an IWaSP staff member in Uganda who previously worked for a private company is a good example of what this adds to the team\textsuperscript{85}. GIZ has latterly included prior private sector experience as a criterion in selection of recruits.

The staff members who were assigned to IWaSP for at least part of their time had to learn on the job. Many of those seem to have worked hard to do that, but they and IWaSP more broadly would have benefitted from \textit{training} in the early years of IWaSP by bringing in representatives of other organisations involved in water stewardship to recount their experiences and pass on expertise.

As for external expertise in water management specifically, the review highlights an example in Uganda where the IWaSP programme could have better handled the selection and contracting of consultants for a study of complex and important issues\textsuperscript{86}, and could have usefully put the report of those consultants to peer review, to make sure of the quality and completeness of the product. Water management raises complex issues, and any assumption that all the expertise exists internally will limit the ability of a water stewardship team to gain appropriate and diverse water knowledge from others.

As for engaging with public agencies, GIZ has brought its significant development understanding to IWaSP. Its ability to work closely and collaboratively with Government and its agencies has helped in arriving at successful engagements and partnerships. As noted above, dealing with and understanding government is often not part of company executives', or even farm managers', experience (except government as regulator). GIZ has succeeded in helping to navigate these complex relationships in all three countries. The review team has had interviews with staff in public agencies (ministries, regulations) who reported that IWaSP had 'brokered' dialogue between them, and representatives of private companies, under the aegis of water stewardship.

With the benefit of hindsight, IWaSP teams could have chosen better geographical focus in the countries, especially in areas where water competition and stress was known. The IWaSP team in Tanzania did eventually do this in the north of the country, although it would have benefitted from starting earlier in the programme and applying greater capacity and support. In Zambia, focusing on the city of Lusaka has clearly yielded understanding and relationship benefits.

Related to that, a practical lesson from the experience of IWaSP is that geographical \textit{proximity} to the area where activities are focused was an important factor in building partnerships. The Zambia IWaSP team, based as it was in the Lusaka office, was close to the actors with which it had to engage in order to broker LuWSI. In Uganda, the Kiiha and Rwizi projects demanded travel back and forth to the west and south of the country from Kampala, with the consequent time and cost implications, and the lack of a close IWaSP presence. Latterly, the Uganda team is working more in Kampala itself, with the Pollution Task Force.

\textsuperscript{85} As seen at the roundtable at ODI in London on May 17\textsuperscript{th}, the language of business differs in many respects from the language of development.

\textsuperscript{86} As described in Section 3.
The focus in the design of the IWaSP programme on building local – and national - capacity was absolutely correct. In sub-Saharan Africa in particular, there is a chronic lack of public funding to support local water associations. While capacity is low, there is often no lack of motivation among local actors when given the opportunity to sit around the table and decide on how to address water problems. As the LuWSI initiative in Zambia illustrates, a key part of that is empowerment of local actors including poor/vulnerable communities.

Overall, the level of achievement of IWaSP in the three review countries, as presented by the M&E results, has been good, for example in terms of the beneficiaries of IWaSP. As noted in Section 4, the number of gender measures (KPI 17) in Tanzania and Zambia has met the target (very amply in Zambia), but clearly represents a gap in the Uganda projects. As for the benefits to women, GIZ has informed the review team that it began gender disaggregating the beneficiaries in 2016. Extrapolating from the three-year average for IWaSP programme-wide (all countries) to the three review countries throughout the programme’s duration, the assumption would be that 2,079,732 women have benefitted indirectly, while 544,472 women have benefitted directly.

In relation to the KPI for contributions by private companies, leveraging funds is not enough. That is because success in mobilising private sector finance does not provide a safeguard against equity concerns and risks resource capture by bigger and more powerful water users. In Kiiha, in western Uganda, for example, the ambitions for growth of Kinyara raise a future question as to its real sensitivity to neighbourhood relations. Equally, in the Rwizi partnership in Uganda, good progress and investments by one corporate partner, Coca-Cola, through their African Foundation, did not leverage additional finance nor collaborative action from the largest water user in the basin, ABInbev. During the period of IWaSP, ABInbev expanded operations in the basin, contrary to the recommendations in the Rwizi Partnership Water Security and Risk Plan commissioned by IWaSP. Elements of resource ‘capture’ are present in these rapidly developing basins which are sometimes encouraged in the push for ‘growth’. Resource capture is not a new concept, but that element does not seem to have been adequately factored into the design of IWaSP, or adequately correlated between the KPIs and stewardship more generally at the global level\(^\text{87}\).

Water quality repeatedly came up in the country visits as an issue of concern, but has not really been a focus of the IWaSP partnerships visited by the review team. Uganda is an exception and has worked with the Pollution Task Force for Kampala which will continue under NatuRes, and the Water Security and Action Investment Plan for Kampala which the DFID-funded ‘CIG’ programme is supporting from the British Embassy in Kampala. Water quality generally is inadequately dealt with across water stewardship globally, so it is encouraging to see that IWaSP has led to this being considered in Kampala, and that LuWSI has had water quality as part of the rationale of the partnership from the outset.

The lack of take-up of the AWS standard by IWaSP teams in the three countries is disappointing. Early on in the programme, IWaSP made a grant to AWS in 2014\(^\text{88}\). This was at a time when AWS was a new organisation and the core support at that time was important to AWS. Making that initial grant to AWS was a good strategic move.

\(^{87}\) Indicators that measure success through the number of partnerships and amount of finance leveraged only are not sophisticated enough to pick-up on resource capture concerns, and policy influence impacts, part of the underlying concerns that stewardships can create. Where resource capture does occur, it is the longer term implications of this that are most concerning, where powerful water users are able to shape water use in the basin and hold a position that can influence the availability and quality of that water for many other water users.

\(^{88}\) As noted in Section 5, close to the end of the IWaSP programme term, a grant was made available to AWS to fund a training event in Cologne, in June 2019.
by IWaSP as it allowed it to distribute finance, at the same time as supporting the international standard for an initial short period. The MTR report highlighted the common aspirations of AWS and IWaSP: “The two initiatives are mutually reinforcing with two clear paths to synergies”. In practice, however, I WaSP was more focused on using its own ‘Water Risk and Action Framework’ (WRAF), certainly at the beginning of the programme. As a ‘home-grown’ product of GIZ, this was perhaps understandable, but it is not clear how far the WRAF continued to be used by GIZ staff as part of I WaSP activities, or how relevant it is now given the ‘pace’ of evolving stewardship. As for I WaSP partners, only a few of those consulted by the review team were aware of the WRAF, and it may be that WRAF guided the I WaSP staff in-country more than it was used as a tool externally. In Zambia, the WRAF does seem to have been used as a guiding framework, but it was less obvious in Tanzania and Uganda as to the usefulness of the framework when set against other stewardship material and experience.

A further lesson is that water stewardship initiatives need to work hard to influence corporate mindsets. There are several examples in the portfolio of projects in the three reviewed countries of companies whose instinct is to a ‘fence-it-off’ approach or ‘guard them out’ way of dealing with issues arising with the neighbouring landowners and water users. For example, in the Kiiha project, Kinyara saw how relations with local people could be managed in a softer and more consultative manner. The skilled technical personnel of the company had not been trained in such social dialogue or ‘business diplomacy’ techniques that good stewards require. For Kinyara, it was a definite learning process. Yet, how deeply has the mindset of Kinyara changed? As discussed in Section 2, a key issues is to what extent private companies both improve water use efficiency in their own ‘sites’/operations and take account of limits on water availability in the catchments in which their sites are located. Are companies aware of pressures of demand on the resource in some watersheds, in which case are the ready to engage in discussions with neighbouring water users as to how water allocations are to be managed, e.g. in dry periods? Water allocation - a crucial issue in water resources management – tends to be side-lined in the discussion on water stewardship. Water allocation, via water abstraction permits, requires as much attention as modalities of stakeholder collaboration in water stewardship. Some businesses who are major water users may be content with a narrow debate, but for water stewardship the distraction away from water allocation is problematic89. The AWS standard requires water users including private companies to account carefully for their water use.

One of the outputs in the logical framework plan for I WaSP was that ‘public policy to promote water stewardship is strengthened’. As described in Section 3, LuWSI has acted as a convening platform for a wide range of actors including those from the public sector, thereby helping fill a gap in the ability of public authorities to implement policies for water management (IWRM) including urban water supply and sanitation, and contribute to policy in relation to urban planning.

As described in Section 3, in the Kiiha watershed in Uganda, the partnership with GIZ and the government saw a collaboration between the sugar company Kinyara, and other water users in the Kiiha catchment, including creation of a catchment management committee (CMC) thereby helping to fill a gap in public governance – initiation of a local water governance body which the roll-out by the State of IWRM would have supported had sufficient resources been available to the relevant agency of the State. A question remains as to future funding of the CMC now that I WaSP has reached the end of its programme term.

89 In parallel to debate on water stewardship, there is, for example, a debate on ‘water grabbing’. A 2016 study pointed to a medium-to-large sugar grower in Tanzania who was «literally grabbing water from downstream water users» - taking water from the Diwale River via a weir and irrigation canal, based on contested water permits, «often for months on end regardless of the needs of downstream users»: *Whose Waters? Large-Scale Agricultural Development and Water Grabbing in the Wami-Ruvu River Basin, Tanzania*; van Eeden et al, 2016: Water Alternatives 9(3): 608-626.
The LuWSI initiative has achieved scale, at Lusaka city level. At the same time LuWSI has the potential to be replicated in other urban locations in Zambia - many of the organisations involved in the partnership are fully supportive and want to see the initiative grow. LuWSI also offers an interesting model for replication in other countries. Not all partnerships have to be as broad-based, and sophisticated/complex as LuWSI, but it is a platform that is likely to outlive IWaSP on the basis of its own accumulated strength. In comparison, small-scale partnerships may lead to relatively little ‘system change’, although they may demonstrate ‘quick-wins’ and help with reporting against indicators.

In Tanzania, the SUWAMA project has worked in one of the most dynamic horticultural and agricultural areas of Tanzania, facing many water security challenges and climate change impacts. IWaSP could usefully have prioritised this area from 2014 as it was clearly an area facing water challenges. It would have been wise, with the benefit of hindsight, to locate an IWaSP unit in northern Tanzania and increase its activities there from early in the programme. As it is, the Tanzania team has done interesting work in the north, taking stewardship into real field-based water management for different supply chains, working with local private sector farmers (typically employing 40 workers, 50% of which are seasonal) who grow coffee, tea, flowers, beans, all of which go into local to international markets. This has provided the much-needed link between private, local, livelihood, and business interests and whether this was by design or default, this is a very interesting area to help translate stewardship from the boardroom and into the basin to ‘face’ the realities of public water needs and management to private sector needs and opportunities.

The success of SUWAMA has led to a clear link to Water User Association (WUA) performance and management, and the role of members of the WUA, traditionally seen as single farmers, now being recognised as local and international commercial operators, or at least farmers that support the complex myriad of supply chains. Private farmers who are key local entrepreneurs, tax payers, and employers, bring different water needs and demands to traditional WUA set-ups. They can also bring new resources and ideas and approaches to water management. This is stewardship on-the-ground, translating it from the high level and often conceptual approaches driven by predominantly multi-national conversations and corporate plans and targets down to real agricultural production and water management, i.e. ‘ground-truthing’.

At the same time, challenges remain with the continuous task of implementing IWRM. Where Government capacity tends to falter is at the basin office level and below. As the principal agencies for ‘managing’ water at the basin level, basin institutions (where they exist and are functional) often do not have the ability, skills, and bandwidth (in time and resources) to operationalize basin plans. In Tanzania, Catchment Committees are being rolled out, with sub-catchment committees in some locations, and then WUAs. This downscaling of water management follows the conceptual framework of IWRM, and the devolution of decision-making. Yet it assumes two important elements, (i) water managers, from individual farmers to industrial users and large commercial farmers are both organized, and willing to cooperate together for joint solutions, and (ii) capacity and willingness to invest (materials, labour, direct capital) into the management of water resources is possible and understood.

Direct feedback from the Pangani Basin Water Office itself raised these questions – who will deliver practical water management below the basin organisation level? Even where catchment committees are mandated by law, establishing these and making them function is a major challenge. Basin offices working on hydrological data collection and analysis, mapping and permitting may be a core element of IWRM planning, but they do not translate into operational water management at the field level. At the basin office level engagement with the
private sector had traditionally been only as contractors and through procuring materials. But working with them on practical water management was seen as new, but 100% required to implement IWRM. There was also clear recognition of the need to assess permits to determine what commercial operators were using water for and how much. Some of the commercial operators have weather stations and monitor flows etc, and so this was seen to be useful data to understand and have access to under SUWAMA for the basin office. The basin office was clear that if they can work with private farms and more commercial operators then they can also gain access to their data, and demonstrate partnership on-the-ground.

A clear benefit here, not fully recognised by IWaSP, was the ‘democratisation’ of IWRM through empowering farmers as local water managers to work with the basin office and so reduce the reliance on external consultants and agencies, leaving the ‘how’ of applying IWRM to local agencies and people. IWRM clearly was considered to be, still, a top-down process (which the basin office noted was reflected by meteorological stations still getting damaged and vandalised). The staff of formal water agencies are not trained in the softer skills of dealing and working with multiple stakeholders and in the process of mobilising and empowering local farmers and communities.

Out of this experience, especially in northern Tanzania, and in particular when compared to the work in Uganda, IWaSP has developed important learning from WUAs and how they operate. This useful experience is being shared through the establishment of the ‘informal’ WUA Learning Group in Tanzania, a national ‘team’ mobilised to pull together different agency experience to develop guidelines for WUA operations. This scaling from field to national level, and the experienced gained from IWaSP is (as far as the review team is aware) unique in water stewardship work, and it should be continued and developed further because it has value across many other countries facing the challenge of mobilising water management at the ground level where impacts is most needed, and where capacities are available but often uncoordinated.

As noted in Section 2, one of the stated objectives of IWaSP was to act as a catalyst, with the government subsequently picking up the role of leader. In the context of often weak government capacity, a key role of water stewardship, as noted above, is to improve cooperation between the private sector, public sector and civil society. The question arises, therefore, how far the partnerships which IWaSP has brokered have acted as a catalyst for IWRM? i.e. has there been some kind of government pick-up? The answer is ‘Yes’, for example, in Tanzania. The work supporting the WUA Learning Group is (as far as the review team is aware) being continued under the NatuRes programme, as is the expansion of WUA development in the north around Moshi. The Ministry of Water Resources have expressed support for continuing work with the private sector, but admit themselves that this is a skill area in which they are not well trained, and which takes considerable time when they may have more immediate pressing activities to focus on. Government is also aware that the private sector is not willing, or able, to work with basin offices. This raises some important learning elements from IWaSP, where the Ministry of Water Resources agrees that raising awareness in relation to water resources within government itself is difficult, and only water supply for domestic needs is understood and seen as a priority. Involvement in a regional IWaSP learning event (held in South Africa) did though provide regional examples of work with companies and the government in different countries, and from this the Ministry in Tanzania does believe that working with the private sector remains an opportunity.

There is a great opportunity to learn from the work delivered by IWaSP. GIZ has a large IWaSP ‘data set’, both qualitative and quantitative. This could be integrated, interrogated, and applied. Given that IWaSP has been publicly funded, the learning should surely be available and disseminated across the broader water stewardship community. This would add significant value, especially for those organisations which focus at the enterprise
level and overall corporate water strategy development, and are often not engaged in supply chain and other on-the-ground water security realities. GIZ refers to the annual learning events as the lead for data exchange between the IWaSP programmes. Those events have clearly been useful for knowledge exchange, but the review team considers that more learning between countries could be promoted – to go beyond just the picture, as per the KPIs, of partnerships and how to develop them, to include a focus on the overall conceptual development of stewardship as a complement and catalyst to implementation of IWRM. IWaSP has shown how stewardship can be a way of releasing 'blocked' elements of IWRM.
6. CONCLUSIONS and RECOMMENDATIONS

IWaSP has succeeded in its role as a ‘pioneer’ programme. I WaSP country teams took up the challenge presented by DFID and BMZ and the programme has produced many lessons about the practice of water stewardship, as described in Section 5. The following are the overall conclusions of this review and the recommendations for practitioners, policy-makers and donors.

Conclusions

The concept and practice of water stewardship, with particularly the participation of the private sector alongside other actors, is here to stay. It is going to be a continuing part of water resources management, as a contribution to achieving SDG 6.

As experienced by the I WaSP teams and described in this report, building collaborations including medium/long term partnerships takes considerable time and resources90.

A future water stewardship project could usefully focus its efforts on a smaller number of countries to ensure appropriate levels of resources, for example in terms of staffing. The particular personnel skills and experience required to work on water stewardship need to be specifically incorporated. That includes people who have worked in private sector jobs and are familiar with the way business functions.

One of the most fundamental and contested issues facing brokers of partnerships in the water sector is that of the approach to growth. Private profit-making companies will naturally tend to focus on improving efficiencies to reduce costs and increase profit. When the profit motive becomes all dominant, the growth motivation takes precedence over other objectives and competition rules out cooperation. Relations with neighbouring water users suffer, even if this is not apparent in the short term. The project teams of I WaSP and other water stewardship projects (including GIZ’s new NatuRes programme) need to reflect more on what kind of commercial and economic growth they are helping to promote, and be more aware of issues such as sustainability and equity of water access and use on others, including water quality. If water users in the same catchment are to be neighbours who collaborate in water management, stewardship must thrive. Commitments by company leaders at headquarters to be ‘good corporate citizens’ need to be converted into appropriate behaviour on the ground. This is not a simple subject, and the Kiiha project in Uganda has illustrated the dilemma. In wishing to support a private company, Kinyara Sugar, in changing its perception of water risk and opportunity, the I WaSP team in Uganda risks inadvertently (via commissioning of a consultancy study which was incomplete) endorsing Kinyara’s growth plan in the Kiiha watershed. A question has arisen whether this corporate plan, if implemented as proposed, would undermine the water security in the watershed that the project pledged to support, with access to water for other water users including small farmers.

The question arises whether there are elements of the ‘water stewardship’ concept which are not clear, or are not yet accepted. The concept is demanding in terms of the responsibility it ascribes to each water user - to look

90 That of course does not just apply to water management: witness the stories in the financial press about preparations for joint projects between contracting parties in many other sectors.

62
and act beyond his/her own interests so as to actively take account of shared water challenges and adjust his/her behaviour accordingly.\(^\text{91}\)

**Recommendations on the future direction of water stewardship**

**For practitioners**

- In order to make the best of the accumulated learning from IWaSP and other water stewardship initiatives, it is recommended that future programmes include a formal inception phase with a proof-of-concept design to better identify the strategy and approach that it is intended to apply, avoiding piecemeal interventions and tailoring this to individual countries in terms of basins/areas to focus and water security concerns.

- That inception phase could include, for example, baseline studies of the local conditions in each of their areas of key intervention, including collection of information on the hydrology and water security concerns to identify geographical focus areas. The AWS standard is a good practical code. Step 1 of the AWS standard (2019 version) - ‘Gather and Understand’ – sets out a guide to the information which water users need to collect and absorb in order to understand how to achieve a sustainable water balance in any given catchment. The criteria and indicators listed in Step 1 can usefully serve as the core of the terms of reference/scope of work of consultants and researchers commissioned by GIZ and other funding agencies, and supports the standard as a key driver of stewardship in action, rather than replicating the learning and approach through repeat investment in different mechanisms. As a standard, it is also purposefully designed to ensure sustainability by affecting company procedures and processes.

- It is recommended that peer review should be part of the habitual procedure of water stewardship programmes which have recourse to consultants to investigate complex and important matters.

- The observation above, in Section 5, that IWaSP coordinators have learnt on the job, through trial and error, suggests that, in future, water stewardship initiatives need to organise suitable programmes of training for staff to accelerate general global learning into faster on-the-ground action. At the same time, the recruitment processes adopted by water stewardship programmes need to consider carefully what attributes they are looking for in their stewardship brokers and ‘workers’. The experience of IWaSP underlines that water stewardship programmes need to include a core of staff with water knowledge and skills who are ready to call upon external water expertise when it is needed. In other words, the in-house water team knows enough to know what it does not know. It is recommended that future international water stewardship programmes establish from the outset a pool of globally-recognised external experts on whom to draw. That group of experts would represent the principal fields of water practice such as irrigation and agricultural water management; industrial water use (efficiencies in operations, recycling and reuse etc); supply chains (leverage and blocks); mining (groundwater and water quality), etc. Additionally, teams should include staff with experience of working in the private sector to broaden and enrich the organisational culture.

\(^{91}\) This is most clearly illustrated by criterion 3.3 in the AWS standard whereby water stewards will implement their ‘plan to achieve site water balance targets’, including, under indicator 3.3.2: ‘Where water scarcity is a shared water challenge, annual targets to improve the site’s water use efficiency, or if practical and applicable, reduce volumetric total use shall be implemented’. Indicator 3.3.4 (advanced) adds: ‘The total volume of water voluntarily re-allocated (from site water savings) for social, cultural and environmental needs shall be quantified.’

63
The project teams of *NatuRes*, the ongoing programme of GIZ, and other on-going or future stewardship programmes need to reflect more on what kind of commercial and economic growth they are helping to promote - and how they are going to be able, as part of the stewardship processes they put in motion, to manage projects so as to prevent ‘capture’ of stewardship by bigger and more powerful actors. The issue of *capture*, both *resource* and *policy* capture, is a recognised concern of stewardship engagements, and safeguards should be developed that ensure growth is sustainable for economic needs, and for the broader social and environmental needs of surrounding stakeholders and the natural system.

It is recommended that future water stewardship programmes focus down *geographically*, with the intention of arriving at a greater concentration of resources. The choice of which countries and areas within countries to focus on can usefully be guided by a focus on sectors/industries which are known to make substantial demands and impose major impacts on water resources, e.g. in agriculture, textiles, and mining, for example, where local water demand meets the supply chains of multi-national corporations. As it stands, within the three countries reviewed, Coca-Cola (and its subsidiaries and bottling partners), and Diageo, for example, are companies well-known for their activities in water stewardship, and for discussing it on the global stage. These multi-national corporations were naturally going to be players with whom to link as partners of IWaSP in East Africa. In the event, however, the real innovation within IWaSP has been in the links it has created with national and local businesses/commercial agencies, as well as public organisations.

Water *quality* issues should not be lost in a focus (commonly) on water quantity/scarcity issues. Industry-wide initiatives on water quality are required, as an urgent matter. Water quality concerns were present in all three countries reviewed, but IWaSP did not focus on water quality, nor does stewardship generally.

**For donors and policy-makers**

- In the short/medium term, public subsidies from donors to collective water stewardship initiatives need to continue in order to support more examples of leadership, including through adoption of the AWS standard. The design of those collective stewardship programmes should include adequate project durations for establishing dialogue and building trust between public, private and civil society actors. Public funding brings greater transparency and accountability than finance from private sources which tends to guard proprietary interests.

- Donor funding for water stewardship needs to allow programme leaders room to be creative and entrepreneurial. Flexibility to experiment is needed in water stewardship, building on collective learning and using global networks to help inform stewardship practices.

- Funding should include opportunities for water stewardship brokers to work with SMEs. Small firms are often well rooted in particular locations, while, for directors of large companies water, risks in a given catchment/locality may be just ‘pin points’ on the map of a country, region or the globe, with the risk that actions remain site-focused and not catchment-wide. The review team does not see ‘collective’ action’ living up to its aspirations unless it works with broader sets of private actors beyond just the large multi-nationals (as well as engaging with the public sector and civil society).

- In parallel, the LuWSI project has demonstrated the potential of water stewardship when led and promoted at a city-wide scale, in that case in a country capital. LuWSI is an example and model for other big cities...
Water stewardship initiatives can look to collaborate with city mayors and city authorities, for example in industrial zones such as in Lusaka and Tanzania.

- Donor support is also needed for NGOs working on water stewardship. The efforts of NGOs should not be taken up with only project management and technical advisory roles to corporates, leaving no place for advocacy and influencing on behalf of civil society. Where NGOs can also help is in the ‘soft skill’ development which is needed to ensure stewardship can be mobilised across different institutions driven by different mandates/purposes. Those donor-funded projects should be designed to leverage more collaboration between NGOs who have each tended to create stewardship projects from which they deliberately shut out their rivals. Currently, water stewardship is more of a market than a community.

- The stewardship debate would benefit from re-focusing on water withdrawals and water allocation across the geographies where companies operate, and on their interactions with other water users in those catchment and basins. IWaSP has demonstrated that challenges remain in ‘ground-truthing’ the ambition of corporate water plans and targets from the enterprise level downwards.

- The design of water stewardship initiatives should include time and resources for monitoring and (independent) evaluation of progress/results, moving away from the 1:1 partnerships where private funds contract NGO partners as private consultants. Public water agencies and regulatory authorities should make more demands that those 1:1 partnerships demonstrate/prove claims made regarding water management benefits within catchments. Data/evidence should be shared and made available to match the claims made by those partnerships, in line with the ‘good stewardship’ code of the AWS standard.

- Donor-funded water stewardship programmes should make an explicit link to the efforts to accelerate progress under SDG 6.5 and 6.6, as called for by the UN in its 2018 Synthesis Report on Water, and also a more explicit link to SDG 15.1 (protection of forests, wetlands, and terrestrial ecosystems).

- In parallel, public regulatory authorities in sub-Saharan Africa urgently need support and local leadership to be able to carry out their ‘territorial’ role through improved regulatory guidance, compliance monitoring, and policy reform and development.

- Donors also need to ‘skill up’ in water stewardship, establishing recruitment and training processes for their own staff, particularly in relation to the involvement of the private sector - i.e. familiarity with the workings of the private sector is required by donor agencies too.

- A new policy/communication effort requires to be undertaken to increase the availability of stories on the urgency of action to tackle water problems/impending water crises.
**ANNEX 1 – Organisations interviewed**

**International**
Alliance for Water Stewardship-AWS  
WWF  
GIZ HQ  
Water Witness International  
CDP  
Pacific Institute  

**Uganda**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
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</table>
| GIZ (country coordinator and team) | Ministry of Water and Environment  
Rwenzori Water Bottling Plant, Coca Cola  
District Water Authority – Masindi  
Alpha Community Health Campaigners’ Group, Masindi  
IUCN  
WWF |

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<tr>
<th>Organization</th>
<th>Description</th>
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</table>
| | Kakamuweka local association (Kabango town, Kasubi, Mubende Wetland Conservation)  
Masindi District Local Government  
Kiiha Catchment Management Committee secretariat  
Kinyara Sugar  
Ecotrust |

**Tanzania**

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<tr>
<th>Organization</th>
<th>Description</th>
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</table>
| GIZ (country coordinator and team) | Dept. of Environment, Natural Resources & Sanitation  
Ministry of Water Resources, Dar es Salaam  
Ministry of Water Resources, Dodoma  
Secretary of the Usa River Furrow  
Upper Kikoletwa Water User Association  
Tanzania Horticultural Association (TAHA), Arusha  
Zurafiros Farm Usa River  
Kilifiara Farms, Usa River  
Nelson Mandela African Institution of Science and Technology |

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<tr>
<th>Organization</th>
<th>Description</th>
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| | WeruWeru River Water Users Association  
Pangani Basin Water Office, PBWO  
Serengeti Breweries Limited, Moshi  
Ensol Tanzania Ltd, Dar es Salaam  
Export Processing Zones Authority (EPZA), Dodoma  
Confederation of Tanzanian Industries (CTI)  
Shahidi Wa Maji, Dar es Salaam  
UN Global Compact, UNGC Network Coordinator. |

**Zambia**

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<tr>
<th>Organization</th>
<th>Description</th>
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| GIZ (country coordinator and team) | NWASCO  
The Nature Conservancy  
WWF  
Fairy Bottling  
OXFAM  
University of Zambia-UNZA  
Lusaka City Council  
Lusaka Water & Sewerage Company |

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<tr>
<th>Organization</th>
<th>Description</th>
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</table>
| | Water Resources Management Authority-WARMA  
Lusaka Water Security Initiative-LUWSi Secretariat  
Zambia Chamber of Commerce & Industry-ZACCI  
Water and Sanitation Association of Zambia-WASAZA  
Action for Water  
Zambian Breweries |
ANNEX 2 – Framework of Analysis

WATER SECURITY*
- the overall goal, including strengthening water governance for improved water management

<table>
<thead>
<tr>
<th>Context</th>
<th>Dialogue</th>
<th>Action</th>
<th>Sustainability</th>
</tr>
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</table>
| - physical factors;  
- institutional factors (formal and informal);  
- cultural factors;  
- the political/economy (relations of power).  
(i.e. understanding the systemic issues which are capable of supporting, or alternatively blocking/frustrating, efforts to achieve water security outputs/outcomes). | - dialogue and building of trust for reciprocal commitments and partnership  
(shaping and delivering the means and capacity for interaction and collaboration between stakeholders who represent the private sector, government and public agencies and civil society) | - the projects and project activities which the stakeholders create and implement in coordination/collaboration  
(including financing)  
(sharing of information/data; collaboration in knowledge management) | - the sustainability of the commitments and collaboration  
(beyond project funding timescales)  
(including demonstrating methods and models, or policy frameworks, which may be scaled up, and replicated elsewhere) |

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Outcomes</th>
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<tbody>
<tr>
<td>- the outputs from the project activities, including benefits obtained (for whose benefit? e.g. for women and vulnerable persons)</td>
<td>- more equitable access to water resources and services, as part of economic and social development and environmental protection (including jobs/investments and poverty reduction)</td>
</tr>
</tbody>
</table>

* According to the definition used by DFID, water security refers to: ‘the capacity of a population to safeguard sustainable access to adequate quantities of acceptable quality water for sustaining livelihoods, human well-being, and socioeconomic development, for ensuring protection against water risks, and for preserving ecosystems in a climate of peace and political stability’. 
**ANNEX 3 – Participants at the roundtable in London on May 17th, 2019**

*** Chair ** = Presenter  * = Small group leader/facilitator

<table>
<thead>
<tr>
<th>ODI</th>
<th>DONORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen Gelb, Principal Research Fellow, <em>Private Sector Development</em> team, ODI *<strong>&lt;br&gt;Eva Ludi, Head of <em>Sustainable Environments and Societies</em> (SES), ODI&lt;br&gt;Peter Newborne, Research Associate, SES, ODI</strong>&lt;br&gt;Joe Feyertag, Research Fellow, SES, ODI *&lt;br&gt;Guy Jobbins, Research Associate, SES, ODI</td>
<td>Undala Adam, DFID&lt;br&gt;Sonja Berdau, GIZ&lt;br&gt;Pierre Kistler, SDC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRESENTERS</th>
<th>NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adrian Sym, Alliance for Water Stewardship-AWS (video recording)&lt;br&gt;Peter Newborne, ODI and James Dalton, International Union for Conservation of Nature (IUCN) **&lt;br&gt;Nick Hepworth, Water Witness International **&lt;br&gt;Orlaith Delargy, Manager at CDP’s Water Programme **&lt;br&gt;Will Sarni, The Water Foundry ** independent consultant (remotely)</td>
<td>Sophie Trémolet, the Nature Conservancy, TNC&lt;br&gt;Laurent Arnone, WaterAid&lt;br&gt;Conor Linstead, WWF-UK&lt;br&gt;Gareth Williams, CARE France*&lt;br&gt;Alex Adam, Rivers Trust, England*&lt;br&gt;Liesl Truscott, Textiles Exchange&lt;br&gt;Scott McCready, AWS&lt;br&gt;Rami Naret, Global Water Partnership (on-line)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRIVATE COMPANIES</th>
<th>MEMBERSHIP ORGANISATION, called the CEO Water Mandate, which groups private companies around water issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liz Lowe, Coca-Cola&lt;br&gt;Jehanne Fabre, Danone&lt;br&gt;Chris Brown, Olam&lt;br&gt;Ian Knight, Mars&lt;br&gt;Michael Alexander, Diageo&lt;br&gt;Willie Wood, Worldwide Fruit</td>
<td>Karina de Souza, Pacific Institute*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UK GOVERNMENT (water regulation)</th>
<th>ACADEMIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Damian Crilly, Environment Agency, England</td>
<td>Therese Rudebeck, University of St Andrews *</td>
</tr>
</tbody>
</table>

| INDEPENDENT | |
|-------------| |
| Ken Caplan: independent partnerships expert* | |
## ANNEX 4 – Agenda of the roundtable

for lesson-learning on water stewardship: progress in engaging private companies with government and communities to address water problems

### Aims
To draw out the overarching lessons from water 'stewardship' initiatives to-date: reflections on advances made and experience gained. Where has stewardship reached? Where does it need to go in the coming months/years? In particular, what of the role played by private companies? What evolution has there been over the past few years in the way that corporates are carrying out and supporting improvements in water management and stewardship as part of corporate environmental and social sustainability? How can more companies be encouraged to take part in water stewardship? What are the drivers, and the sticking points? NB: the discussion will be conducted under Chatham House rules - for free and frank debate.

### MORNING sessions: the concept/practice of water stewardship as a means of contributing to economic and social development, including reduction of poverty/vulnerability. Lessons learnt: what has worked well and what has not worked well.

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.00-10.20</td>
<td>Welcome from the chair: aims of the day&lt;br&gt;- Stephen Gelb, Principal Research Fellow, Private Sector Development team, ODI</td>
</tr>
<tr>
<td>10.20-10.30</td>
<td>Introductions by participants - around the table</td>
</tr>
<tr>
<td>10.30-11.00</td>
<td>From global... to local: lessons from stewardship&lt;br&gt;- Adrian Sym, CEO of the Alliance for Water Stewardship (AWS)&lt;br&gt;- Nick Hepworth, Executive Director of Water Witness International. Discussion</td>
</tr>
<tr>
<td>11.00-11.20</td>
<td>Treading water: corporate responses to rising water challenges&lt;br&gt;Orlaith Delargy, Manager at CDPs' Water Security Programme: highlights from Global Water Report 2018. Discussion</td>
</tr>
<tr>
<td>11.20-11.30</td>
<td>Tea/coffee break</td>
</tr>
<tr>
<td>11.30-11.50</td>
<td>Where is the business value in stewardship?&lt;br&gt;- Will Sarni, the Water Foundry (remotely). Discussion</td>
</tr>
<tr>
<td>11.50-12.20</td>
<td>Reporting from recent research:&lt;br&gt;Peter Newborne, ODI and James Dalton, IUCN: insights from recent research, including preliminary findings from review of projects forming part of the International Water Stewardship Programme (IWaSP). Discussion</td>
</tr>
<tr>
<td>12.40-13.00</td>
<td>Forming of small groups for discussion of subjects/topics for the sessions in the afternoon.</td>
</tr>
<tr>
<td>13.00-14.00</td>
<td>LUNCH (sandwiches and refreshments)</td>
</tr>
</tbody>
</table>
**AFTERNOON sessions:** how lessons learnt from the example projects can support reinforcement and, where necessary, acceleration of water stewardship as a key contribution to progress towards the goals in SDG 6.

14.00-15.00  
**SMALL GROUP SESSIONS** – see subjects below.

15.00-15.45  
**Return to PLENARY:** reporting back from group sessions  
Discussion

15.45-16.00: Tea/coffee

16.00-16.10: **Self-evaluation forms**

16.10-16.50 **Future directions** – including the role played by private companies  
- Is a new generation of water ‘stewards’ emerging?  
- How can water stewardship be scaled up and replicated?  
- Links to public efforts to promote integrated water resources management (IWRM) under SDG 6.5.

16.50-17.00: **Close** - followed by drinks.

---

**Group 1. Validating the theory of change: how effective are the drivers of water stewardship?**  
What drives private companies towards sustained and meaningful action in water management? Is there not needed a revisiting/review of the theory of change underlying stewardship? The current drivers seem destined to produce just pockets of leadership activity.

**Group 2. Design and delivery of water stewardship collaborations**  
Based on the accumulated experience of participants at the roundtable, what are 10 key recommendations for designing and delivering collaborations in water stewardship?

**Group 3. Investment/finance**  
1. What water performance issue would companies/corporates be willing to tie their interest rates/insurance premiums/credit rating too?  
2. What influence would a lower interest rate tied to water performance, have on behaviour at the C-Suite or across a supply chain?  
3. What impact on financial performance has resulted from taking action on water?  
4. In the light of the views expressed on Q. 1-3 above, how could private companies or banks structure or mobilise finance to support corporate water stewardship initiatives and reflect the benefit of the management of such risk in their accounts? How can projects and their financing be designed and reported to meet both the criteria and objectives of water stewardship and long-term corporate water risk management, to be attractive to investors, in a specific project or broadly in the relevant company?

**Group 4. Are we expecting too much? The boundary of corporate responsibility**  
In asking companies to take more ambitious action and engage ‘beyond fence-lines’, is it time to reflect upon where the boundaries of corporate responsibility should be drawn? How far can (should?) a company go in addressing water issues? What factors dictate the boundary of responsibility between public and private sector, including in different contexts. Debating these issues will further allow us to reflect critically upon broader themes such as the role of business in society, as well as companies’ capacity and/or legitimacy to fill public sector ‘governance gaps’, without giving rise to a ‘corporate governance gap’ or fear of institutional capture by the private sector.
ANNEX 5 – Outputs from the small group discussions at the roundtable

**Group 1. Validating the theory of change: how effective are the drivers of water stewardship?**

*What drives private companies towards sustained and meaningful action in water management? Is there not needed a revisiting/review of the theory of change underlying stewardship? The current drivers seem destined to produce just pockets of leadership activity.*

The only driver we could influence was the reputational driver. There has not been much funding available. We must improve the narrative, the ‘water stories’ we bring. And there has to be a feed-back mechanism in the mode of working, to encourage companies to innovate. There was an effort in 2014 to create a corporate water research network. Would that give the impetus needed?

The efforts of NGOs are too disparate, with many doing the same thing, but separately. There needs to be more working together or at least in (coordinated) parallel – better alignment.

Beyond the domain of water management, there needs to be broader system change. For example, the paucity of resources available to ministries of water and environment in sub-Saharan Africa countries is in part caused by tax avoidance by multi-national companies which deprives national exchequers of funds. Tax/fiscal changes need to be accompanied by lifestyle changes.

**Group 2. Design and delivery of water stewardship collaborations**

*Based on the accumulated experience of the roundtable participants, what are 10 key recommendations for designing and delivering collaborations in water stewardship?*

- Carefully consider early stage requirements:
  - Bring farmers (ground level stakeholders) on board early to ensure that local expertise grounds the discussions
  - Bring technical expertise in early to clarify the options with the pros and cons
  - Take time to define and understand the challenge/problem in order to put forward a “place-based approach”
  - Set the tone that “perfect is the enemy of the good” - can’t wait for all the evidence to slot into place
  - Scan the horizon to ensure to avoid duplication and to address/overcome fragmentation of approaches (“fragmentation is killing us”)
  - Put seed funding in place to kick start and catalyse other funding.
- Recognise that the context will constantly be changing and thereby so too should the partnership.
- Recognise the human dimension with regard to relationships and influencing:
  - Understand attitudes to and approach to risk of different partners/individuals
  - Understand the pressures on different partners
  - Don’t hesitate to escalate if needs be (to a higher level - CEO, manager, etc.)
  - Rely on a neutral and honest broker or facilitator where needed
  - Find the connected catalyst/leader/champion to galvanise the partners
  - Foster patience - the discussions and getting to action always take longer than one would think or hope
  - Find ways (directly or behind the scenes) to call out inconsistencies - ensure that people can “pass the red face test”
- Don’t lose sight of the big picture goal - it is easy to get mired in the detail.
- Whilst you do not want to foster a crisis, don’t let a crisis go to waste (cholera as an example).
- Ensure that government is clearly on board and that the approach speaks to policy, regulation, investment priorities, etc.

**Group 3. Investment/finance**

*1. What water performance issue would companies/corporates be willing to tie their interest rates/insurance premiums/credit rating too?*
2. What influence would a lower interest rate tied to water performance, have on behaviour at the C-Suite or across a supply chain?

3. What impact on financial performance has resulted from taking action on water?

4. In the light of the views expressed on questions 1, 2 and 3 above, how could private companies or banks structure or mobilise finance to support corporate water stewardship initiatives and reflect the benefit of the management of such risk in their accounts? How can projects and their financing be designed and reported to meet both the criteria and objectives of water stewardship and long-term corporate water risk management so as to be attractive to investors, either in a specific project or more broadly in the relevant company?

The representative of one private company present told the Group about its revolving credit facility (RCF) of USD 500m, arranged with 12 to 15 of their top banks. The RCF is 1 year old. For sustainability performance, they chose 15 metrics that were most relevant to their business out of some 50 Sustainalytics metrics. There is no requirement as to use of proceeds, although, against all metrics, the company would have to increase its scores. This financing provides the company with a lower cost of capital, although it represents only a slight reduction of rate.

**Metrics**

- Current metrics are not fit for purpose. They are focused on performance, but the 3 year life of the loan is too short to achieve anything new – have to rely on existing activities.
- As for the means of measuring performance in relation to water management, it was not clear which metrics would be used: a reduction in water withdrawals on its own 'would not make sense'. Impacts The company in question is not currently measured: how do you quantify your impact when you are just one of many in a basin? The company is the biggest private sector company in Gabon, so it's easier to track there than in, say, California, where there are many players.
- Just measuring the water performance is not enough for any business. Need to agree what's relevant to the company, what's relevant to the bank.
- Banks need to understand the value of a business - visible, tangible value/invisible, good will value. Lots of things that the companies do that don't show up on a balance sheet.

**How to engage the different teams within the business?**

- Bringing in the finance teams to manage these sustainability-linked loans means other parts of the business are engaged. These teams are happy to contribute to the sustainability efforts of the business, and also to diversify their sources of finance.

**Benefit of taking up these loans**

- Incentive for the investor = to de-risk their loans.
- Incentive for companies = generation of intangible "good will" with the banks, diversification of financing options, if people want to invest in the above company then their cost of capital will be lower, customer stickiness.

**Discussion**

- As a water stewardship community, we don't have a strategy for engaging the financial sector.
- Question: what type of investor is the best to focus on to achieve water aims?
- Suggested response: retail investors (e.g. via ISAs or the equivalent in other countries) are the best targets as they are willing to accept lower returns than the other types of investor.

**Group 4. Are we expecting too much? The boundary of corporate responsibility**

In asking companies to take more ambitious action and engage 'beyond fence-lines', is it time to reflect upon where the boundaries of corporate responsibility should be drawn? How far can (should?) a company go in addressing water issues? What factors dictate the boundary of responsibility between public and private sector, including in different contexts. Debating these issues will further allow us to reflect critically upon broader themes such as the role of business in society, as well as companies’ capacity and/or legitimacy to fill public sector ‘governance gaps, without giving rise to a ‘corporate governance gap’ or fear of institutional capture by the private sector.
Thérèse Rudebeck of the University of St Andrews presented some context using her thesis research and gave some examples using WASH on where business and communities can overlap. This explored both physical boundaries such as factory footprint and social boundaries that include employees and local communities.

- One participant observed that while WASH was one example, the issue went much broader. The mandate for a company or public sector to act and where they intersected was important. A fundamental debate on the roles of society was needed as the intersection varied so much from location to location. (We also observed that there were no companies in the Group to provide feedback on the boundary discussion)
- The Group observed that mind-sets had a lot to do with boundaries and where you set them. A public entity has its mandate set by government, but a company can decide this for themselves. It depends on the people working for the company, their leadership, the corporate culture.
- Examples were given about hybrid water companies; also about the interface between companies and water suppliers, and water suppliers and basin management authorities.

Conclusions

- Mind-set/champions: all actors involved in water stewardship need internal champions to change culture and prime them for action, including companies.
- Leverage: companies can be a force for good indirectly without having to take on the role of the public sector, e.g. a big brewer sending a message to Nairobi City Council that water supply was not good enough for its brewery needs. Companies are creators of jobs and so can influence the public sector to move water security up the agenda as an economic imperative, as much as a public health and environmental imperative.
- Internal business case: building the internal business case to act on water is difficult, and companies need case studies, tools and research to help them. Raters like CDP and the Dow Jones Sustainability Indices (DJSI) help to grab the attention of senior management too. But it takes time to change corporate culture. Civil society can help these ‘champions’ too by providing research. It is important to present examples of value creation and return on investment as senior management are more likely to act on this, rather than simply risk management (because it is likely they have more than one option to manage risk and/or water may not be a top risk for their business activities). Another point worth noting is that some companies will have more reason to act than others. Corporate water stewardship is not equally applied, nor perhaps should it be?
- Trusted facilitators are needed to create enabling conditions for collective action, by the private and public sector, neither will move first. Civil society must interface with both to build partnerships where appropriate.
- ‘Collective’ means not just partnerships between different parts of society, but ‘safety in numbers’; more than one company in each partnership to help provide some reassurance, dilute risk, and provide some peer pressure to act.
ANNEX 6 - Target values under selected KPIs

The following are the target values that IWaSP set itself in terms of achievement in relation to the 12 KPIs selected by this review (out of over 30).

Table B. Performance of IWaSP: the target values against the selected indicators

<table>
<thead>
<tr>
<th>KPI no.</th>
<th>Description</th>
<th>Uganda</th>
<th>Tanzania</th>
<th>Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Number of people benefitting indirectly from water security</td>
<td>585,000</td>
<td>530,000</td>
<td>700,000</td>
</tr>
<tr>
<td>02</td>
<td>Number of people benefitting directly from water security</td>
<td>160,000</td>
<td>240,000</td>
<td>172,000</td>
</tr>
<tr>
<td>05</td>
<td>Private sector has contributed x Euros to partnerships</td>
<td>1,345,000€</td>
<td>1,173,000€</td>
<td>2,242,500€</td>
</tr>
<tr>
<td>06</td>
<td>Public sector has contributed x Euros to partnerships</td>
<td>368,000€</td>
<td>175,950€</td>
<td>408,250€</td>
</tr>
<tr>
<td>07</td>
<td>Civil society has contributed x Euros to partnerships</td>
<td>23,000€</td>
<td>23,000€</td>
<td>230,000€</td>
</tr>
<tr>
<td>17</td>
<td>Number of gender measures incorporated in partnership work plans</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>19</td>
<td>Number of partnerships with agriculture sector actors participating</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>22</td>
<td>Number of training events with 80% positive feedback</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>25</td>
<td>Draft policy/strategy developed and tested in number of bodies</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>27</td>
<td>Number of joint publications, projects or events with organisations/initiatives</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>29</td>
<td>Number of local/regional awareness-creating actions carried out</td>
<td>37</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>35</td>
<td>X companies and governments interested to apply the AWS standard</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

NB: for commentary on the above table, see Section 4.
**ANNEX 7 – M&E: measurement methodologies**

The following are descriptions of how progress under the 12 selected KPIs was measured by GIZ.

<table>
<thead>
<tr>
<th>KPIs</th>
<th>Measurement Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beneficiaries</strong></td>
<td></td>
</tr>
<tr>
<td>KPI 1 Number of people benefitting indirectly from water security</td>
<td>Beneficiaries are counted based on effects of the interventions that the partnership initiates. Water Risk and Activity Plans identify specific interventions of the partnership. The beneficiary tool is used to analyse corresponding effects and to assess which beneficiaries are affected in which way. The positive impacts of water security will vary among partnerships. The specific benefits, therefore, should be identified, monitored and reported at partnership level using the IWaSP beneficiary tool.</td>
</tr>
<tr>
<td><strong>IMPACT:</strong> Water security is improved to facilitate economic growth and reduce poverty.</td>
<td></td>
</tr>
<tr>
<td>KPI 2 Number of people benefitting directly from water security</td>
<td>IWaSP counts beneficiaries on output and outcome level as direct beneficiaries: IWASP counts direct beneficiaries as the ones who either directly engage in targeted activities/are immediately affected by an activity (output) or experience change in their lives in short and medium term (outcome). Output: immediate effects of activities – beneficiaries are directly engaged in/targeted by activity. Outcome: short and medium term effects of an output – beneficiaries who experience ‘change’ in their life (proven by samples, counted by assumption based on census data – no names required) The specific benefits (outcomes) will be identified, monitored and reported at partnership level. Aggregated number of beneficiaries will be reported on programme level.</td>
</tr>
<tr>
<td><strong>OUTCOME:</strong> Improvement of public, private and CSOs capacity to achieve water security.</td>
<td></td>
</tr>
<tr>
<td><strong>Financials</strong></td>
<td></td>
</tr>
<tr>
<td>KPI 5 Private sector has contributed x Euros to partnerships</td>
<td>Commitments from Private sector/Public sector/Civil society companies can be counted if they can be found in written form in an approved document. Contributions (spent money) are counted through compilation of the outlays of Private sector/Public sector/Civil society partners, both n-kind and cash contributions. The Private sector/Public sector/Civil society contribution form can be used to draft an overview of spent money. Alternatively, the partnership manager of IWaSP can provide an overview of contributions. In any case, the contributions overview has to be verified by the Private sector/Public sector/Civil society partner.</td>
</tr>
<tr>
<td>KPI 6 Public sector has contributed x Euros to partnerships</td>
<td>Commitments for the overall partnership and the real contributions made for the past financial year are monitored.</td>
</tr>
<tr>
<td>KPI 7 Civil society has contributed x Euros to partnerships</td>
<td>GIZ collect this information separately – this applies for all contributions indicators. In case the partnership was already covered in a monitoring round before please only the changes regarding commitment and contributions are reported.</td>
</tr>
<tr>
<td><strong>Partnerships</strong></td>
<td></td>
</tr>
<tr>
<td>KPI 17 Number of gender measures incorporated in partnership work plans</td>
<td>For new partnerships a rapid gender assessment is highly recommended and can be part of GIZ’s implementation of the Water Risk and Action Framework (WRAF). Concrete gender sensitive activities can be developed based on this assessment. These activities can be focused on any one or all of the partners (Private Sector, Public Sector or Civil Society). The milestones focus on activities that influence the appropriate actions within each partnership to achieve the outcome.</td>
</tr>
<tr>
<td>KPI 19</td>
<td>Number of partnerships with agriculture sector actors participating</td>
</tr>
<tr>
<td>--------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Collect documented partnership agreements signed by all partners as outcomes of the WRAF.</td>
</tr>
<tr>
<td></td>
<td>Agriculture sector actors can be farmer associations, farmer unions, agricultural companies, and agricultural ministries. Upon explanation this can include all actors and organizations which are part of the whole supply chain from farmers to vendors heavily depending on agriculture.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI 22</th>
<th>Number of training events with 80% positive feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive feedback can constitute of favourable feedback regarding the overall content of a workshop, the participants' willingness to recommend the workshop/lessons learned to others and their willingness to apply the knowledge gained during the event etc.</td>
</tr>
<tr>
<td></td>
<td>Preferably, positive feedback by participants is captured in the form of a questionnaire filled in by all. For this, guiding questions to ensure consistent measures of feedback are developed by IWaSP HQ. These can be adjusted to the event.</td>
</tr>
</tbody>
</table>

**Collaborations**

<table>
<thead>
<tr>
<th>KPI 25</th>
<th>Number of countries or national or regional bodies with draft public policy papers for local multi-stakeholder water stewardship partnerships or Draft policy/strategy developed and tested in number of bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public policy here is understood as all efforts to define the rules, intent, and instruments with which governments manage human uses of water, control water pollution, and meet environmental water needs. It also includes the planning around water resource allocation and the implementation practices by water managers and other stakeholders that support this framework. Public policy occurs at all levels of government. Assumption: governmental bodies express demand for guidelines and intent to adopt. The indicator is measured from country level onwards. Drafts will be counted on country level.</td>
</tr>
<tr>
<td></td>
<td>OUTPUT: Public policy to promote water stewardship is strengthened.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI 27</th>
<th>Number of joint publications, projects or events with organisations/initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count events by collecting proper documentation such as minutes and photos, news articles, publication and a list of participants/co-conveners.</td>
</tr>
<tr>
<td></td>
<td>OUTPUT: Effective knowledge management and collaboration with other initiatives on the water stewardship approach is established.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI 29</th>
<th>Number of local/regional awareness creating actions carried out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Any awareness creation action needs to have a topic on water stewardship communicated and has to target specific groups.</td>
</tr>
<tr>
<td></td>
<td>The awareness creating action should raise awareness within a wider community who may not have the knowledge before, This can happen on a local (one community) or regional scale (radio show).</td>
</tr>
<tr>
<td></td>
<td>OUTPUT: Effective knowledge management and collaboration with other initiatives on the water stewardship approach is established.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI 35</th>
<th>X companies and governments interested to apply the AWS standard</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interest in the application of the AWS standard has to be documented by the country administrative bodies or/and through the private sector actors. Store and count expressions of interest</td>
</tr>
<tr>
<td></td>
<td>OUTPUT: AWS Standard is strengthened and ready for uptake.</td>
</tr>
</tbody>
</table>