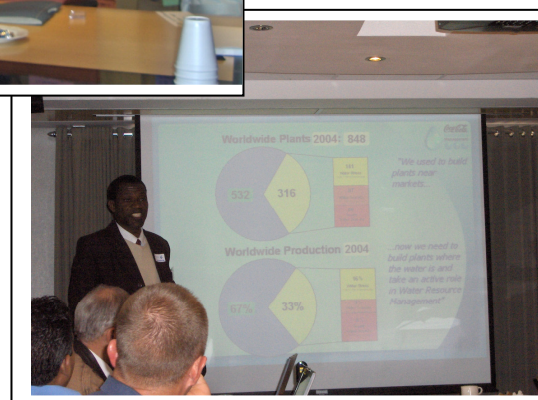


# Business and water sustainability in South Africa: Time for collective action

*(A GTZ-SASOL Consultative Meeting held on June 2, 2008)*

## Outcome Report

*(June 13, 2008)*



## 1. Short Background and Objective of the Consultative Meeting

The consultative meeting was organized in the backdrop of the Africa Beverage Industries Water Saving Initiative (ABIWSI). Currently GTZ and UNEP are collaborating to forge partnerships (public private partnerships) with major beverage industries operating in Africa in support of the Global Compact CEO Water Mandate.

One crucial barrier to the formation and maintenance of this partnership is how to translate the private sector’s expressed concern on water sustainability issues (such as the one articulated in the CEO Water Mandate) into concrete measures- preferably through collective action as advocated by the Mandate itself. The meeting was, therefore, conceived and designed to bring some, key South African businesses<sup>1</sup> (beverage industries and others) together with other key stakeholders with a view to:

- a) Highlight the current dilemmas which business is grappling with concerning *sustainable & equitable use of water resources* in South Africa; and
- b) Deliberate on the possibilities for business to engage in “collective action” in partnership with other stakeholders to advance the UN Global Compact CEO Water Mandate.

The meeting was basically intended to afford participants with a “consultative” platform. An additional objective was to afford participants with a “learning” opportunity mainly by way of experience sharing on pertinent issues.

With the above objective, GTZ and SASOL jointly planned and organised the meeting. It took place on the 2<sup>nd</sup> of June 2008 at SASOL, Isaac Newton Conference Room, in Rosebank, Johannesburg. A total of 18 participants attended the meeting (See Appendix 1 for the participant list).

## 2. Meeting Structure/Presentation Materials

The meeting was structured in three main blocks (see Table 1 below). Sessions *i to iv* were plenary presentations. Sessions *v* and *vi* were individual company experiences. These two blocks offered participants with the “theoretical” and “practical” inputs required to actively engage in the last two blocks, i.e. the “Possibilities and areas for collective action: Next steps” and “concluding discussions”.

**Table 1: Meeting structure and presentation material**

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<sup>1</sup> Representation was sought and obtained from businesses which are major users of fresh water- either in terms of quantity (Petrochemical/Power generation) or quality (beverage industries). See Appendix 1 for list of participants.

| Session                                                                                                                         | Presenter/Moderator                                                                                                                     | Presentation Material |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| i. The state of water resources in Southern Africa                                                                              | Dr. Anthony Turton<br>CSIR Strategic Research Leadership, Water Resource Competence Area Unit Fellow (Natural Resource and Environment) | Appendix 2            |
| ii. Water Availability for the Future                                                                                           | Johan van Rooyen<br>Director of National Water Resource Planning, Department of Water Affairs and Forestry (DWAf)                       | Appendix 3            |
| iii. Strategic Framework on Water for Growth and Development                                                                    | Mr. Junior Potloane,<br>(for) DWAf                                                                                                      | Appendix 4            |
| iv. The Global Compact CEO Water Mandate and the Africa Beverage Industries Water Saving Initiative: Call for collective action | Mr. Girum Bahri<br>GTZ Centre for Cooperation with the Private Sector                                                                   | Appendix 5            |
| v. Water – a key business challenge                                                                                             | Mr. Andries Meyer<br>Environmental Technology Management, Sasol Technology, SASOL                                                       | Appendix 6            |
| vi. Decoupling growing production from a paralleled growth in water use/wastage: Coca Cola’s experience                         | Segun Adelana<br>Africa Water Resources Manager for The Coca Cola Company (TCCC)                                                        | Appendix 7            |
| vii. Possibilities and areas for collective action: Next steps                                                                  | Mr. Aziz Jardine<br>GTZ                                                                                                                 | See Section 3 below   |
| viii. Concluding discussions                                                                                                    | All                                                                                                                                     | See Section 4 below.  |

### 3. Moderated session: Possible Collective Action and Next steps

#### 3.1 Areas of Concern and Roles for Business

In this session participants worked in small groups and individually to identify “Areas of Concern” what they consider a possible “Roles for Business” vis-à-vis CEO Water Mandate. The outcomes of the exercise are shown in Table 2. Highlighted in red are suggestions which cannot specifically be mapped to one Mandate area.

**Table 2: Areas of Concern & Roles for Business**

| Mandate Area | Area of concern: Industry specific and generic aspects                      |                                                                    |                                                                                                                                                                |      |                                                                                                                                                                                                                        | Roles for business                                                                                                                                                                                                                                             |
|--------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              | SASOL                                                                       | COCA COLA                                                          | ESKOM                                                                                                                                                          | DWAF | Generic                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                |
| <b>DO</b>    | Direct Impact of operations on water resource (seepage, effluent discharge) | -Consistent supply of water<br>-Consistent supply of quality water | -Water use efficiency<br><i>Best practices</i><br><i>Benchmarking</i><br>-Water quality<br>-Effluent<br>-Cycles of concentration<br>-Water treatment costs     |      | Industry pollution (water quality)<br><b>-Efficiency and jobs?</b>                                                                                                                                                     | -Meeting legal requirements including legacy issues<br>-Governance of municipal Waste Water Treatment plant effluent<br>-Supplementation schemes(JIT)<br>-Education<br>-Business accountability (legacy)<br>-Prevent pollution                                 |
| <b>SCWSM</b> |                                                                             |                                                                    | <b>-Outage opportunities</b><br><b>-Rain water augmenting vs. desalination</b>                                                                                 |      | -Business support for WC/DM initiatives (all sectors)<br>-Conservation                                                                                                                                                 | -Awareness of water scarcity<br>-Innovative water saving devices/ technology<br>-Invest in water infrastructure                                                                                                                                                |
| <b>PP</b>    | Effective engagement with government on policy development                  |                                                                    | -Generation mix(Imports, Nuclear, Gas, DSM and Hydro)<br>-CO2 +SO2 Reduction vs. water use reduction<br>-Emissions and groundwater and surface water condition |      | -Lobbying and Advocacy<br>-Demand effective mine closure strategy<br>-Access to water for non-serviced communities<br>-Demand clean water in constitutional right & ensure clean water out- CEO mandate responsibility | -Contribute to water strategies<br>-Industry to engage DWAF at political level to get assurance that planning and implementation happens<br>-Ensure accountability<br>-Industry to engage actively with existing structures, i.e. strategy steering committees |

| Mandate Area | Area of concern: Industry specific and generic aspects |                                                                                                                                                                                                                            |                                        |                                                                                                                         |                                                                                                      | Roles for business                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              | SASOL                                                  | COCA COLA                                                                                                                                                                                                                  | ESKOM                                  | DWAF                                                                                                                    | Generic                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| CE           | Lack of understanding of community concerns            | Educate communities about water conservation<br><br>Ensuring TCCC does not compromise the environment and communities in the areas where we operate<br><br>Elevate water conservation issues with existing industry bodies |                                        | -Importance of water and agriculture to South Africa needs definition<br>-Better express value of water to South Africa | -Community education and involvement in water conservation<br>-Co-ordination<br>-Business leadership | -Water scenarios (coal resources, water demands, technology, size, locality, etc)<br>-Research into climate change impacts<br>-BCM<br>-Joint partnership/MOU with DWAF<br>-Zero liquid effluent discharge policy<br>-R&D : water and waste<br>-Water use efficiency and WC/WDM and EE and DSM<br>-Dry Cooling Position<br>-Mine water use<br>-Compliance to IWULA conditions and reporting and audits<br>-Influence DWAF policy and strategy |
| T            |                                                        |                                                                                                                                                                                                                            | -GRI<br>-Water use performance<br>-R&D |                                                                                                                         |                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                              |

Key: DO= Direct Operations; SCWSM= Supply Chain & Watershed Management; PP= Public Policy; CE= Community Engagement; T= Transparency

### 3.2 Possible Collective Action

The following were the areas/issues pointed out for collective action:

- Governance of illegal water usage
- Governance of illegal irrigation
- Joint WC/DM initiatives with DWAF/LOCAL GOVERNMENT
- Support R&D impact and risk studies
- Optimise water use
- Integrated Planning
- Investment
- Control pollution
- Share one water vision
- Using existing/ new organized business structures
- Agri-business/retailers supply chain management in agriculture
- Multi-stakeholder forum (government , business, science)
- Standard mechanisms
- Open dialogue with communities
- Engage in learning fora
- Target specific PPP's

### 3.3 What Form can the Collective process take?

The following were further suggested as possible approaches/processes for collective action.

- WRC funding and sharing of best practices
- Create Vaal water user group(major users)
- School water education programmes
- Collective process to educate our stakeholders
- More action oriented workshops
- Consultation

## 4. Concluding Discussions

In the wrap-up discussion which followed, the following points were raised for further investigation and follow-up:

- a) It is important to have a “Source Document” in place, which will capture and highlight all pertinent issues.
- b) There is a need to ‘broaden the base’, i.e. more companies should join the endeavour. Agricultural businesses need to be on-board as they are the major users of freshwater in South

Africa. Another crucial stakeholder is Rand Water. Other businesses which are “seriously affected” by water availability/supply/quality need to be identified and integrated.

- c) Who are the biggest polluters? They need to be identified and called on to join the collective endeavour. Obviously, the mining sector, oil industry and municipalities have high pollution impacts.
- d) Care should be taken not to duplicate existing initiatives at the national and regional level.
- e) The challenges around the Vaal watershed were unanimously considered to offer an opportunity for partnerships. A suggestion was made to identify major users from this watershed along with the corresponding problems. This should clearly be one area for concrete action. The WSGD framework could be used to prioritise the particular areas for action as they apply to the challenges in the Vaal watershed.
- f) Business in South Africa should collectively contribute to the content and focus of the National Water Strategy (from DWAF). *Unlawful Water Use* and *Water Conservation & Demand Management* are two crucial areas for **immediate action**. A way forward is for SASOL to take the lead on this issue together with Eskom and Coca Cola (and in consultation with DWAF). To this end, DWAF indicated that “voicing the concern” on illegal water use (by organised business to DWAF) is a first step forward; a step further is engaging in the supply chain to curb the problem.
- g) There needs to be a national strategy for proper mine closure. The East Rand was cited as an example where things went wrong in this regard. A precautionary approach needs to be adopted so that the Vaal does not share the fate of the East Rand.
- h) GTZ is keen to see the private sector assuming more responsibility and take the issue forward. It can engage (provide support) at two levels. One level is *capacitating* the National Business Initiative (NBI) to assume the overarching responsibility of driving the whole process. The second is at the *partnering* level, namely form PPPs once the problem areas are clearly identified with the respective (concerned) businesses. GTZ also urged beverage industries (especially those which are signatories of the CEO Water Mandate) to come forward with partnership ideas in support of the Africa Beverage Industries Water Saving Initiative.
- i) **TIMELINES:** With the above scope of work in mind (and especially with specific focus on items e) and f) above, it was agreed that a follow-up meeting will be organised with SASOL’s leadership (and in consultation with the NBI, ESKOM, Coca Cola & DWAF)) in **early August**. The engagement with DWAF concerning unlawful water use was flagged for **immediate implementation**.

## Appendix 1: List of Participants (alphabetical order)

| Name                  | Organisation                                                             |
|-----------------------|--------------------------------------------------------------------------|
| 1. Andries Meyer      | SASOL<br>Environmental Technology Management, Sasol Technology (Pty) Ltd |
| 2. Anthony Turton     | CSIR<br>Research Fellow                                                  |
| 3. Aziz Jardine       | GTZ<br>Moderator of the Consultative Meeting                             |
| 4. Ellen Kallinowsky  | GTZ Centre for Cooperation with the Private Sector                       |
| 5. Fred Goede         | SASOL<br>Environmental Advisor and Team leader                           |
| 6. Girum Bahri        | GTZ Centre for Cooperation with the Private Sector                       |
| 7. Hermein Botes      | NBI                                                                      |
| 8. Irene Jacobs       | Coca Cola South Africa                                                   |
| 9. Johan van Rooyen   | DWAF<br>Director National Water Resource Planning                        |
| 10. Junior Potloane   | Ex- DWAF Expert                                                          |
| 11. Kim Fraser        | SASOL<br>General Manager, SH&E                                           |
| 12. Martin Ginster    | SASOL<br>Environmental Adviser, Water & Cleaner production               |
| 13. Mpumelelo Ncwadi  | Incite                                                                   |
| 14. Nandha Govender   | ESKOM                                                                    |
| 15. Segun Adelana     | Africa Water Resources Manager for TCCC                                  |
| 16. Shemne Poge       | Bené Spring Water                                                        |
| 17. Stiaan Wandrag    | SASOL<br>Sustainable Development Advisor                                 |
| 18. Tulisiwe Mkatshwa | Coca Cola South Africa<br>Community Affairs Manager                      |