

Water and sanitation in African agriculture: business must not shy away

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For companies with supply chains in water-stressed areas, investing in WASH in local communities brings invaluable human development and market-based opportunities

Maxine Perella

There is a strong economic argument for companies to invest in water, sanitation and hygiene (WASH). For every \$1 (75p) invested in WASH, \$4 (£3) is returned in increased productivity, according to the World Health Organisation.

The WASH issue is particularly pertinent for food and drink businesses whose agricultural supply chains extend to water-stressed regions in Africa. Lack of access to WASH causes sub-Saharan African countries significant losses. A 2012 report from the World Bank's Water and Sanitation Program (WSP) identified a \$5.5bn (£4.1bn) loss every year due to poor sanitation, for 18 African countries.

WaterAid has delivered WASH services to some of Africa's poorest, most marginalised communities and has been tracking this progress since 1990. Hannah Greig, WaterAid's private sector advisor, says gaining the trust and consent of these communities is a necessary first step.

"If there is a reality or perception that companies are taking water from the local community, they risk conflict with those communities, they risk losing their social license to operate," she says.

Better access to WASH offers human development (pdf) opportunities as well as market-based ones. For company operations, it can help reduce staff absenteeism and turnover of supply chain workers, whether that's inside or outside the factory gates.

"You can't separate the community from the worker, how you live affects how you work. If because of a lack of WASH you have workers who are sick or are caring for family members, that has an impact in the workplace," says Greig.

WASH also helps build resilience into supply chains as it underpins wider issues around water risk, security of supply and sustainable development. Greig says more needs to be done to communicate this message.

"There is still an attitude among some companies that WASH isn't within their remit - or if it is, it's seen more in isolation, through a philanthropic or CSR lens," she says. "We need to get better in demonstrating to companies how an integrated approach that incorporates WASH can deliver better outcomes across their other objectives."

The WASH in the Workplace programme, led by the World Business Council for Sustainable Development (WBCSD), offers a useful starting point here. 43 companies have signed up, representing over two million employees worldwide. However, the pledge just covers directly-owned operations.

Given that 453 million people are employed in global supply chains, WaterAid in conjunction with WBCSD and CEO Water Mandate are working to support companies extend their WASH commitments further upstream. A white paper, the first phase of this work, will be published to coincide with World Water Week in Stockholm this week.

Greig says cross-sector collaboration is increasingly necessary to ensure WASH projects deliver greater impact. The charity has just embarked on a five-year partnership with global drinks company, Diageo, to advocate and deliver universal access to WASH, in line with the UN's Sustainable Development Goals. The partnership will focus on communities located near or within areas Diageo operates or sources agricultural raw materials from.

"Often companies have a reach that NGOs don't - getting the WASH message to different audiences is where Diageo can really help us," says Greig. "The exciting thing is that Diageo are prepared to stand up and talk about WASH from a core business perspective."

One of Diageo's targets under its Water Blueprint stewardship strategy is to invest in more Water of Life programmes within its African agriculture supply chain. The company works with 45,000 African smallholder farmers who collectively supply more than 70% of the company's raw materials on the continent.

In Ethiopia, one of its priorities is to ensure that its farmers who grow barley and sorghum for beer-making are better equipped with WASH facilities.

"If our beer business in Africa is going to thrive, it's dependant upon farming communities at the start of that supply network to thrive and prosper," says Diageo's sustainable development director, David Croft.

In the coming year, Diageo's goal is to reach just over 400,000 people in African communities. This will add to the more than 10 million already reached in the past 10 years. Some of these places, like Kariobangi in Kenya, are remote - and that can prove more costly in terms of delivering or supporting WASH access.

He advises companies follow Diageo's lead in looking for solutions that enable communities to become self-sufficient. "It's not just about digging a water well. If there's not a community-driven maintenance programme supporting it, that well can fail for the sake of a 25-pence washer."

Increasingly, Diageo is setting social impact metrics around its Water of Life projects to assess whether the interventions it is making are delivering value - both from a business and community perspective. Data gathering remains a challenge, however.

"People in remote communities in Africa don't have the same level of access to clinics, so healthcare data is hard to get hold of," says Croft "But we know that WASH programmes create economic opportunities for women, and improve school attendance for children".

Greig shares this view. "Getting hard data on the business benefits of specific WASH projects can be quite difficult. We need to gather more case studies. That's something we're looking at with the Diageo partnership, to build that body of evidence."

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