

Pathways and Barriers to Corporate Water Stewardship in the Colorado River Basin

Executive Summary



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Founded in 1987, the Pacific Institute is a global water think tank that combines science-based thought leadership with active outreach to influence local, national, and international efforts in developing sustainable water policies. Its mission is to create and advance solutions to the world's most pressing water challenges. From working with Fortune 500 companies to disenfranchised communities, the Pacific Institute leads local, national, and international efforts in developing sustainable water policies and delivering meaningful results.

ABOUT THE AUTHORS

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Dr. Christine Curtis is a Research Associate at the Pacific Institute. Christine's work covers environmental justice, environmental sustainability, and resilience, and brings stakeholder and community perspectives into programs and policies. Christine has partnered with public, private, nonprofit, and university-based organizations to develop action plans on the topics of climate change and disasters, as well as energy, food, and water security. She holds a bachelor's degree in Anthropology from the University of Texas at San Antonio and a doctorate in Anthropology from Arizona State University.

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The Colorado River is the lifeblood of the American West. It supports 30 Native American tribes and farms, cities, and ecosystems in seven US states—Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming—and the Mexican states of Baja California and Sonora. However, the river is in crisis. Twenty-three years of drought, the over-allocation of water, and climate change have exacerbated a structural deficit—where more water leaves the system than enters it—for the tribes, communities, and ecosystems that depend on the Colorado River.

To advance water resilience in the Colorado River Basin (Basin), accelerated action and investment are required from all sectors. These efforts must be strategic, coordinated, and amplified to effectively tackle the Basin's challenges. Corporations can play a key role through their operations and supply chains, and by co-funding innovative projects. While a subset of leading companies is engaging in corporate water stewardship (CWS) in the Basin, more is needed to meet the magnitude of the water crisis at hand.

This report outlines barriers and pathways to CWS in the Basin based on 20 interviews with corporate and non-corporate stakeholders from February to April 2022, and interviewee feedback on the results. The report is part of a broader Pacific Institute effort to advance CWS in the Basin. We are using these findings to prioritize CWS projects, initiatives, and approaches to pilot and scale in the Basin. More broadly, the findings are applicable to moving CWS toward building long-term water resilience in the Basin and other water-stressed basins around the world.

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KEY FINDINGS

We segmented interview questions into three sections: broad perspectives on CWS in the Basin, barriers to funding and implementing CWS projects, and pathways for advancing CWS projects. The findings in each section represent the most common themes across interview responses; we synthesized but made no attempt to validate them. All findings represent the perspectives of interviewees, though any given finding may not reflect any one interviewee's opinions. The following terms are used to indicate the proportion of interviewees to which each finding can be attributed: a few, about half, the majority, almost all, and all. The appendix provides a detailed explanation of the research methods used for this report.

State of Corporate Water Stewardship in the Colorado River Basin

We identify the following three high-level themes about CWS in the Basin, based on corporate and non-corporate interviewee responses:

1. The majority of corporate interviewees consider the Basin to be a high priority location for CWS projects, compared to other basins around the world in which they have a presence.
2. All corporate interviewees have set quantitative targets to replenish water in the Basin.
3. The majority of non-corporate interviewees stated that they do not perceive CWS projects as influential in addressing Basin challenges.

Barriers to Impactful Corporate Water Stewardship in the Colorado River Basin

This research identified the following five barriers to implementing impactful CWS projects, based on corporate and non-corporate interviewee responses:

1. The majority of corporate interviewees stated that they have limited internal capacity to run a CWS program.
2. About half of the corporate interviewees stated that corporations lack the data needed to properly assess water risks and inform decision-making.
3. A few corporate and non-corporate interviewees stated that corporations typically invest in projects that are in the implementation phase and that have quantifiable benefits.
4. A few of the corporate interviewees stated that they are not sure whether or how to engage in advocating for water policies.
5. A few of the non-corporate interviewees stated that there can be competing priorities between economic development and sustainable water management.

Pathways to Impactful Corporate Water Stewardship in the Colorado River Basin

This research identified the following pathways currently used by corporations:

1. Almost all corporate interviewees stated that they are funding on-the-ground water replenishment projects. However, there is room for improving the investment criteria for funding projects.
2. Almost all corporate interviewees stated that they are improving water management in their owned and operated facilities. However, corporate involvement in this pathway may be less apparent to external audiences.

3. The majority of corporate interviewees stated that they are using their brand to raise awareness about Basin water challenges. However, corporations may be less involved in communicating about specific actions that they are taking.
4. The majority of corporate interviewees stated that they are developing innovative products and services that help solve water challenges. However, non-corporate interviewees view this action as less important.

This research identified the following future opportunities for corporations to take:

5. Half of the corporate interviewees are engaged in using their brand to advocate for sustainable water policies, and they need more guidance on how to engage in water policy ethically and effectively.
6. Only one corporate interviewee said their company was engaged in supply chain water management. This action is becoming increasingly important, particularly in agricultural supply chains, and corporations need more guidance on this action.
7. All corporate interviewees stated that they need to be involved in some form of water-related collective action, and about half of the non-corporate interviewees stated the need for this action as well. Corporate and non-corporate interviewees told stories of collective efforts they have been involved in, frequently stating that corporations should be more involved in efforts like these.

CONCLUSION

In this study, we found that corporations are pursuing multiple pathways to address water challenges in the Basin, including funding on-the-ground water projects, improving water management in operations, using their brand to raise awareness about water challenges, and developing innovative products and services. We also identified pathways that are not currently widely implemented but that could have greater corporate adoption, including using their brands to advocate for sustainable water policies and improving water management in supply chains. The interview findings also showed that the future success of CWS activities depends on collective action.

CWS practices in the region are still relatively nascent and corporations face many barriers to having positive water impact at scale. Key barriers include a lack of internal resources for CWS programs, lack of data and information needed to properly assess water-related risks and inform decision-making, narrow criteria for selecting and funding on-the-ground projects, and uncertainty about how to engage in advocacy for sustainable water policies.

These findings are informing our efforts and the efforts of our partners to advance CWS projects, initiatives, and approaches in the Basin. Beyond the Basin, these findings can inform how corporations can better contribute to positive water outcomes in water-stressed regions around the world.

RECOMMENDATIONS

Based on the interview synthesis findings, we pinpointed specific approaches that could allow corporations to make a broader impact on addressing Basin water challenges. These are listed in Table ES-1. It is important to note that these recommendations focus on approaches that were either not mentioned in the interviews or identified as less commonly adopted than other approaches, indicating potential areas for increased focus and effort.

TABLE ES-1. Recommended Approaches to Enable More Successful Corporate Water Stewardship Projects

Water Stewardship Pathway	Recommended Approaches
Investing in on-the-ground projects	<ul style="list-style-type: none"> • Fund entire project cycles. • Invest in projects that provide water access and support the human right to water. • Support local conservation and efficiency projects. • Broaden project investment criteria to encompass climate resilience, environmental justice, recreation, biodiversity, and agricultural sustainability.
Water management in corporate facilities	<ul style="list-style-type: none"> • Improve metering technology for precise water-use measurement and monitoring. • Enhance water management (e.g., efficiency, recirculation, reuse) within operational processes. • Improve indoor and outdoor water-use efficiency in commercial and industrial facilities.
Using brands to raise awareness	<ul style="list-style-type: none"> • Promote awareness of investments in on-the-ground projects. • Highlight internal water management improvements. • Share case studies showcasing environmental and social returns on project investments. • Encourage customers and suppliers to participate in water conservation.
Developing innovative products and services	<ul style="list-style-type: none"> • Develop, offer, and promote products and services that help assess and address local water risks and improve water management.
Using brands to advocate for sustainable water policies	<ul style="list-style-type: none"> • Participate in the co-creation of corporate guidance on advocating for water policies. • Establish platforms for a collective business stance on water policy matters.
Supply chain water management	<ul style="list-style-type: none"> • Participate in co-creation of corporate guidance on supply chain water management programs. • Provide requirements, incentives, and support for suppliers to improve water management. • Support regenerative agriculture and promote agricultural water reuse and efficiency.



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