ALLIANCE FOR
WATER STEWARDSHIP

WATER STEWARDSHIP AND SUSTAINABLE PALM OIL PRODUCTION

A comparison of the International Water Stewardship Standard (AWS Standard) and the Roundtable for Sustainable Palm Oil Principles and Criteria (RSPO P&C)

June 2022

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INTRODUCTION

This report includes a comparison of the International Water Stewardship Standard (AWS Standard) and the Roundtable for Sustainable Palm Oil Principles and Criteria (RSPO P&C), with recommendations to improve alignment for better water stewardship in the oil palm sector.

Part of a set of reports from the 'Boosting sustainability practice and performance at landscape level through good water stewardship 2020–2022' project. This project was possible thanks to a grant from the ISEAL Innovations Fund, which is supported by the Swiss State Secretariat for Economic Affairs SECO.

CONTENTS

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CONTEXT

Palm oil is used in a wide range of products, from food, soap and cosmetics to fuel for cars and power plants. The oil palm trees it is made from are a water intensive crop and sensitive to the availability of water. As demand for palm oil grows, so does the need to reduce its environmental, social and economic impact.

In collaboration with the Roundtable for Sustainable Palm Oil (RSPO), we set out to provide:

- An overview of overlaps and gaps between the International Water Stewardship Standard (AWS Standard) V2.0 and the Roundtable for Sustainable Palm Oil Principles and Criteria (RSPO P&C) 2018.
- Recommendations on how to strengthen water stewardship performance as part of the RSPO P&C and the three RSPO Manuals on Best Management Practices (BMPs) related to water – the Manual for Existing Oil Palm Cultivation on Peat version 2 (2019), the Manual for Management & Rehabilitation on Peatlands version 2 (2019), and the Manual for Management and Rehabilitation of Riparian Reserves (2017).
- Insights into the potential linkages between the concept of physical scope in the AWS Standard and the RSPO Jurisdictional Approach for Certification (RSPO JA).

This report has been developed by AWS and the Roundtable for Sustainable Palm Oil (RSPO) to inform its members on how to strengthen water stewardship practices as part of RSPO Principles and Criteria (RSPO P&C) 2018 and to achieve good water stewardship through the implementation of the International Water Stewardship Standard V2.0, or the AWS Standard. To fully understand water stewardship, the AWS Standard and the intention and requirements of its indicators, this document must be used together with the AWS Standard V2.0, the AWS Standard Guidance and the AWS Supplemental Guidances, as it builds on and does not replace the content of these. This is not one of the AWS Normative Documents

INTRODUCING AWS AND RSPO

The **International Water Stewardship Standard (AWS Standard)**[1] is a globally applicable framework for major water users to understand and improve their own water use. It is built on a five-step process that guides water users to consider the most critical water impacts in their local context and driven by five outcomes: good water governance; sustainable water balance; good water quality status; important water-related areas (IWRAs), and water, sanitation and hygiene for all (WASH). The AWS Standard is managed by the members of the Alliance for Water Stewardship (AWS), and informed by a Technical Committee, and is underpinned by third-party certification, to enable sites to make credible claims on their water stewardship[2] performance. AWS has been independently evaluated against ISEAL's[3] Codes of Good Practice - a globally recognised framework for effective, credible sustainability systems.

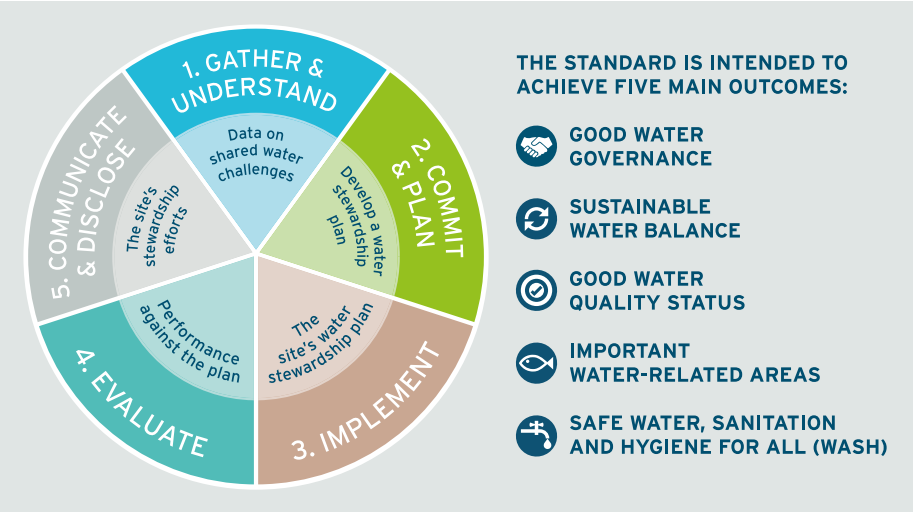


Figure 1: AWS Standard V2.0's five Steps and five Outcomes

1. For a full understanding of good water stewardship and the AWS Standard, download the AWS Standard V2.0 and the AWS Standard guidance at a4ws.org. These are available in multiple languages, including Bahasa Indonesia.
2. Defined as: 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.
3. isealalliance.org

The **Roundtable for Sustainable Palm Oil** is a membership-based not-for-profit organisation that unites stakeholders from the six sectors of the palm oil industry – oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social non-governmental organisations (NGOs) – to develop and implement global standards for sustainable palm oil. As of August 2021, RSPO has more than 5,100 members worldwide, representing all the links along the palm oil supply chain. These members have committed to produce, source and/or use sustainable palm oil certified by the RSPO.

As of August 2022, the RSPO has three standards, they are:
1. The RSPO Principles & Criteria (RSPO P&C) (2018) and
2. The RSPO Independent Smallholder Standard (2019), which criteria and indicators aim to ensure sustainable production of palm oil
3. The RSPO Supply Chain Standard (2019) which criteria and indicators aim to ensure the integrity of the trade in sustainable palm oil

Table 1 presents the higher-level characteristics of both AWS and RSPO. In this project, the scope of the crosswalk is limited to only the RSPO P&C, in consideration to its relative implementation comparability to the AWS Standard.

	AWS	RSPO
Standard implementers	The AWS Standard can be implemented by any site, in any sector, in any catchment around the world.	The unit of certification of RSPO P&C[4] is the palm oil mill and its supply base.
Structure of the standards	The AWS Standard V2.0 is structured around 5 steps reflecting a plan-do-check-action-disclosure approach and strives to increase site-level performance intended to drive 5 water stewardship outcomes: good water governance; sustainable water balance; good water quality status; important water-related areas (IWRAs); and safe water, sanitation and hygiene (WASH) for all.	The RSPO P&C is structured around 7 principles grouped into 3 intended impacts: Prosperity, People and Planet.
Certification level	There are three levels of AWS Standard certification: Core, Gold and Platinum. All AWS Standard core criteria must be met as a minimum requirement for Core certification, while additional points are awarded for performance against the advanced criteria for Gold and Platinum. Non-conformity to core criteria could result in the suspension or withdrawal of the AWS certificate.	For RSPO certification to be awarded, compliance with the RSPO standards and all requirements as outlined in associated documents is required. Any major violation to RSPO requirements may result in suspension or withdrawal of the certificate and/or suspension or termination of membership.
Verification process	Certification against the AWS Standard can only be assessed by the AWS mission-driven service provider – Water Stewardship Assurance Services (WSAS).	Certification against all RSPO standards can only be executed by an accredited certification body (independent).

Table 1: The AWS and RSPO

COMPARING AWS STANDARD V2.0 AND RSPO P&C

The crosswalk focused on comparing RSPO P&C, with its 180 indicators, against AWS Standard V2.0, and its 68 core and 30 advanced indicators. The main findings of the crosswalk are presented in this section.

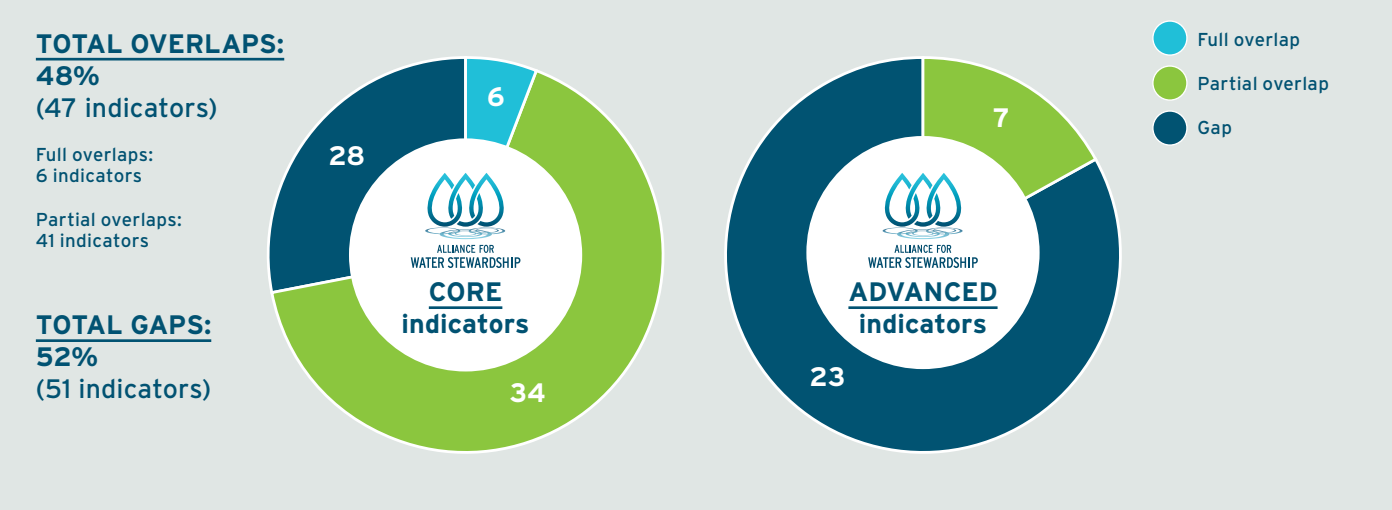


Figure 2: The overlaps and gaps between AWS Standard core and advanced indicators and RSPO P&C indicators

OVERLAPS BETWEEN AWS STANDARD V2.0 AND RSPO P&C

There are 73 out of 180 RSPO P&C indicators overlapping with 47 (40 core and 7 advanced) out of 98 AWS Standard indicators. This amounts to a 48% overlap with all AWS Standard indicators, as shown in Figure 2. As the total overlap represents 48% of both core and advanced AWS Standard indicators, it could be said that the RSPO P&C is already taking into account good water stewardship as a substantial component, with emphasis on legal compliance on water, protection of important water-related areas (IWRAs), and on-site water quality, sanitation and hygiene (WASH).

The overlaps between the RSPO P&C and the AWS Standard are further differentiated between full and partial. Out of 47 overlapping AWS indicators, six are fully overlapping and 41 are partially overlapping. Full overlaps were found with indicators focusing on legal compliance on water, on the provision of WASH for on-site workers, and on best practice related to sustainable management and protection of peatlands and other High Conservation Value (HCV) areas, which is related to IWRAs.

	STEP 1 Gather & understand	STEP 2 Commit & plan	STEP 3 Implement	STEP 4 Evaluate	STEP 5 Communicate & disclose
TOTAL	56%	30%	50%	50%	30%
FULL	9%	10%	6%	0%	0%
PARTIAL	47%	20%	44%	50%	30%

Figure 3: Overview of full and partial overlaps within the five steps of the AWS Standard

Based on the distribution per step as presented in Figure 3, the following findings can be made:

- Step 1: Gather and Understand shows the highest proportion of overlaps (47%). It also has the largest overlap when looking into the absolute number of overlaps, as 16 out of 18 AWS indicators in Step 1 are overlapping with 29 RSPO P&C indicators. The indicators of Step 1 focus on data collection related to water, both at site and catchment level, which would feed into the understanding of water-related risks and challenges for the site.
- Step 3: Implement and Step 4: Evaluate are the second highest, each scoring 50% total overlaps. The indicators of Step 3 focus on the actions to mitigate risks and drive actual improvements of the performance related to the five AWS outcomes. The indicators of Step 4 focus on reviewing the site's performance on water and using the learnings to inform the next iteration of the site's water stewardship plan. As RSPO P&C aims to drive continuous improvements of its implementers through monitoring and evaluation, there is a clear overlap with Step 4 and specific indicators related to the performance evaluation and plan modification.
- Lastly, Step 2: Commit and Plan and Step 5: Communicate and Disclose both scored 30% overlaps.

	GOOD WATER GOVERNANCE	SUSTAINABLE WATER BALANCE	GOOD WATER QUALITY STATUS	IWRAS	SAFE WASH FOR ALL
TOTAL	43%	54%	50%	73%	40%
FULL	5%	0%	0%	18%	10%
PARTIAL	38%	54%	50%	55%	30%

Figure 4: Overview of partial overlaps within the five outcomes of AWS Standard

When looking at the distribution over the five AWS outcomes as presented in Figure 4, the following findings can be made:

- Important Water-Related Areas (IWRAs) show the highest overlap (73%). According to the AWS definition of IWRAs, they include HCV areas. Responsible cultivation of oil palm in peatlands and protection of HCV, High Carbon Stock (HCS) forest and other conservation areas, including peatland set-asides, water courses and wetlands, are important components in RSPO P&C.
- The second highest is Sustainable Water Balance (54%). This relates to the requirements in RSPO P&C to develop and implement responsible cultivation on peatlands, including drainability assessment and water-level management, and efficient use of water by mills.
- The third highest is Good Water Quality Status (50%). This relates to the requirements in RSPO P&C to use pesticides responsibly to avoid contamination and to treat mill effluents in compliance with the national regulations.
- This is followed by Good Water Governance (43%) and Safe WASH for All (40%). This relates to the requirements in RSPO P&C to develop environmental and social risk assessments and to develop, implement and monitor management plans to address the identified risks. While RSPO P&C addresses access to WASH for workers and local communities, the gaps are identified in relation to WASH in the supply chain, engagement with the public sector on WASH, and best practice on WASH.

This shows the topic of water and the contribution to AWS outcomes are addressed quite extensively throughout the RSPO P&C.

ROOM FOR IMPROVEMENT: GAPS BETWEEN AWS STANDARD V2.0 AND RSPO P&C

A total of 51 gaps were found between RSPO P&C and the AWS Standard indicators, with the majority are identified in Step 3, i.e. 29% are catchment indicators, 27% are related to best practices related to water governance, water balance, water quality, and WASH for all, 6% are related to safe WASH at catchment level, and 4% are related to water in the supply chain.

Gaps are also found with AWS indicators in Step 5, which are related to public disclosure of performance related to water (16%), and Step 2 which are related to on-site water governance (12%) and to on-site water quantity and quality management (8%).

The finding that the gaps occur mostly at catchment-level shows that there is room for improvement towards addressing off-site risks and mitigations efforts on water to achieve sustainable oil palm production and implementation of RSPO P&C.

RECOMMENDATIONS

WATER STEWARDSHIP RELEVANCE OF RSPO P&C

Implementation of and certification against the AWS Standard is the preferred approach to ensure good water stewardship performance. Strengthening specific practices on good water management could also be achieved as part of RSPO P&C implementation, but this cannot replace or be as complete as the AWS Standard.

The most water-stewardship-relevant RSPO P&C indicators have been identified by categorising them into high, low and no relevance. This was done by reviewing the relationship between RSPO P&C and AWS outcomes and indicators as shown in the results of the crosswalk exercise. Figure 5 presents the distribution of RSPO P&C indicators with high, low and no relevance to water stewardship, grouped into the seven RSPO Principles. The assessment found most RSPO P&C indicators with relevance to water stewardship are included in Principle 7: Protect, Conserve and Enhance Ecosystem and the Environment.

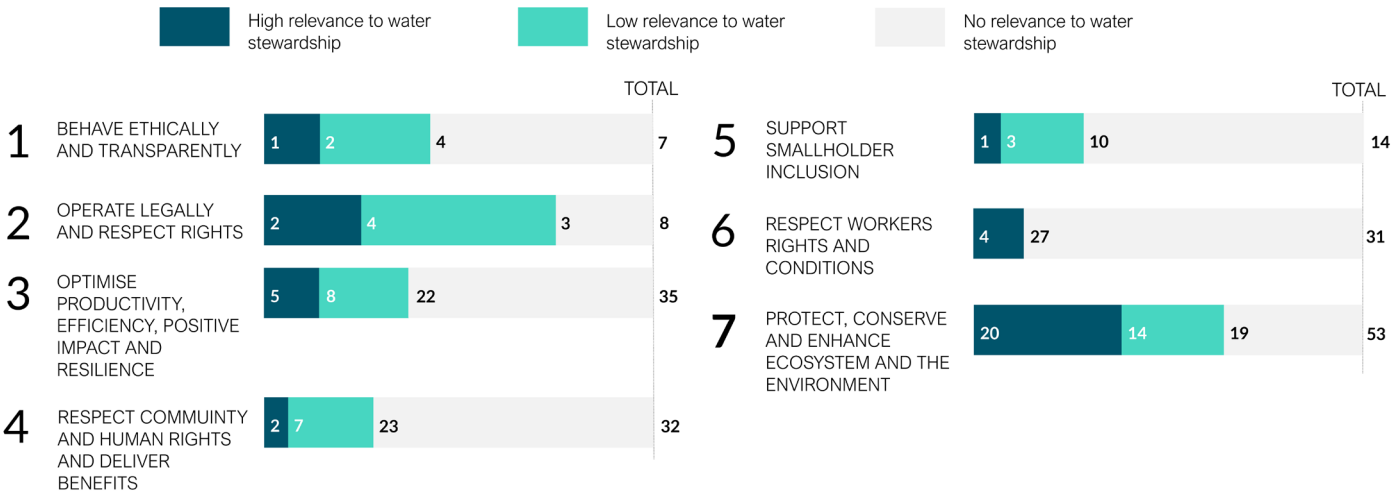


Figure 5: Water stewardship relevance of RSPO P&C

The following recommendations are based on an expert assessment of the findings, with emphasis on the upcoming RSPO P&C review. Out of 35 RSPO P&C indicators with high relevance to water stewardship, five were identified as opportunities for improving water stewardship performance within the context of sustainable palm oil production. These indicators are:

- Indicator 7.8.1, the development and implementation of a water management plan
- Indicator 7.7.5, the implementation of a drainability assessment for plantation on peat
- Indicator 7.7.6, the implementation of the RSPO Manual on BMPs for Existing Cultivation on Peat
- Indicator 7.7.7, the implementation of the RPSO Manual on BMPs for the Management and Rehabilitation of Peatlands
- Indicator 7.8.2, the implementation of the RSPO Manual on BMPs for the Management and Rehabilitation of Riparian Reserves

1. UPGRADE THE WATER MANAGEMENT PLAN TO A WATER STEWARDSHIP PLAN

RSPO P&C indicator 7.8.1 requires the development of a water management plan, providing the clearest opportunities to strengthen water stewardship, including the aspect of physical scope (which includes the site and its catchment of relevance) within RSPO P&C. A water stewardship plan, as defined by the AWS Standard, would support sites implementing RSPO P&C to:

- Gather and understand water-related data at site and catchment level, prioritising the catchment of relevance.
- Identify and prioritise risks and opportunities with key stakeholders.
- Ultimately, implement, evaluate, and communicate and disclose performance based on the plan.

Table 2: The requirements of AWS Standard Step 1 to strengthen a water management plan as required in RSPO P&C Indicator 7.8.1

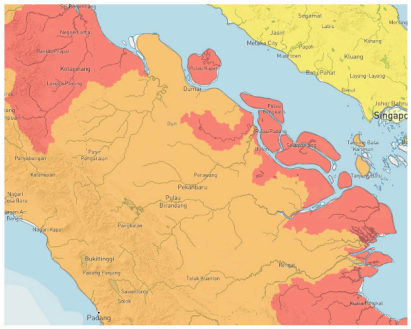
GUIDANCE FOR RSPO P&C INDICATOR 7.8.1	OVERLAP WITH AWS STANDARD INDICATOR	GAPS WITH AWS STANDARD INDICATOR	AWS STANDARD GUIDANCE
Consideration of relevant stakeholders, their water use, and water resource availability.	1.2.1 (core) on the identification of relevant stakeholders and their water challenges. 1.2.2 (core) on the identification of the current and potential degree of influence between the site and the stakeholders.	N/A	**Overlap:** page 8-10, page 50-53
Taking account of the efficiency of use and renewability of sources.	1.3.2 and 1.3.3 (core) on mapping and quantifying the site water balance.	1.3.7 (core) on the identification of water-related costs and revenues, and the quantification of the social-cultural, environmental and economic water-related value generated by the site. 1.5.3 (core) on the identification of the catchment's water balance, including indication of annual or seasonal variance.	**Overlap:** page 10-11 **Gap:** page 12-13, page 17-19
Ensuring the use and management of water by the unit of certification does not result in adverse impacts on other water users within the catchment area, including local communities and customary water users.	1.3.6 (core) on the identification and mapping of on-site IWRAs. 1.5.2 (core) on the identification of applicable water-related legal requirements, including stakeholder-verified customary water rights. 1.6.1 (core) on the identification and prioritisation of the site's shared water challenges. 1.6.2 (core) on the identification of initiatives to address shared water challenges.	1.3.1 (core) on the identification of existing water-related incident response plan(s). 1.5.5 (core) on the identification, mapping and assessment of the status of the catchment's IWRAs, including any threats to people or the natural environment.	**Overlap:** page 12, page 46-49, page 17, page 21-22 Gap: page 10, page 20
Aiming to ensure local communities, workers and their families have access to adequate clean water for drinking, cooking, bathing and cleaning purposes.	1.3.8 (core) on the identification of the levels of access and adequacy of WASH at the site.	1.5.1 (core) on the identification of water governance initiatives to help inform collective action(s) on water. 1.5.6 (core) on the identification of existing and planned water infrastructures. 1.5.7 (core) on identification of the adequacy of available WASH services within the catchment.	**Overlap:** page 13 **Gap:** page 16-17, page 20-21
Avoiding contamination of surface water and groundwater through runoff of soil, nutrients or chemicals, or as a result of inadequate disposal of waste, including palm oil mill effluent (POME).	1.3.4 (core) on quantification of the site water quality. 1.3.5 (core) on identification and mapping of potential sources of pollution.	1.5.4 (core) on the identification of the catchment's water quality status.	**Overlap:** page 11-12 **Gap:** page 19-20
Additional guidance to support smallholders' resilience towards increasing water-related risks (flood and fire)	N/A	1.4.1 (core) on the identification of embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment.	**Overlap:** none **Gap:** page 13-16

Developing an understanding of indirect risk related to water and the site capacity to act on these risks is increasingly recognised as good practice. The site could consider including its third-party suppliers' growing areas in the identification and mapping of physical scope. This would enable the site to identify and prioritise its suppliers' water risks, and plan for an integrated mitigation action at catchment level. Several well recognised methodologies have emerged in recent years to measure indirect water use, most notably ISO 14046 Water Footprint Life Cycle Analysis methodology.

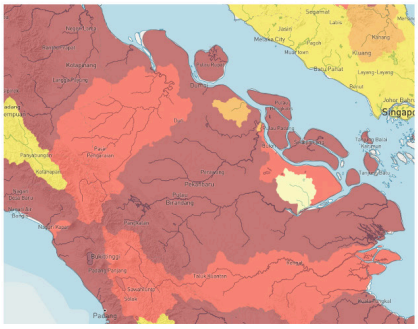
BOX 1: USE OF THE WWF WATER RISK FILTER AND WRI AQUEDUCT WATER RISK ATLAS TO RAPIDLY ASSESS WATER RISK AT CATCHMENT LEVEL

Both WWF Water Risk Filter (https://waterriskfilter.org/) and WRI Aqueduct Water Risk Atlas (https://www.wri.org/aqueduct) are useful tools for rapid water risk assessment across larger supply chain as they provide scores for specific water risks and an overall water risk score. However, it is highly recommended to combine the use of either of these tools with verification at site level using more detailed data, as often neither tool cannot provide the level of spatial detail required.

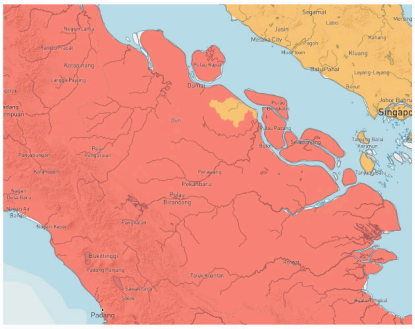
WRI AQUEDUCT WATER RISK ATLAS – RIAU PROVINCE, INDONESIA



Medium to high overall water risk score

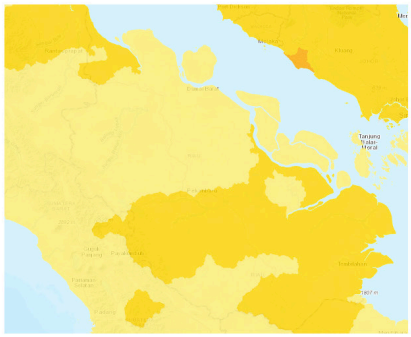


Extremely high and high riverine flooding risk

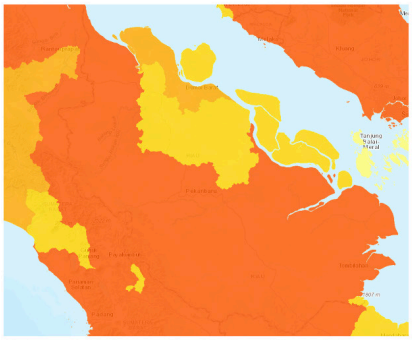


High drought risk score

WWF WATER RISK FILTER – RIAU PROVINCE, INDONESIA



1.8 to 3.0 (out of 5.0) overall water risk score



2.6 to 4.2 (out of 5.0) flooding risk score

0.1 to 1.8 (out of 5.0) scarcity risk score

The WRI Aqueduct Water Risk Atlas gives an overall medium water risk score and the WWF Water Risk Filter gives a range of 1.8 to 3 (out of 5) as overall water risk score for Riau Province. These overall scores would indicate that the region is not under high water risk, which could influence decision making on water. However, the region is known for its yearly recurring floods during the rainy season as well as forest and peatland fires during the dry season. These are both significantly impacting productivity and the quality of oil palm trees, as well as the living conditions of oil palm smallholders in the region and pose vast environmental risks to protected forest areas and peatland areas. When looking at the specific 'riverine flood risk' and 'drought risk' scores of the WRI Aqueduct Water Risk Atlas and the 'flooding risk' and 'scarcity risk' scores of the WWF Water Risk Filter, these provide a higher risk profile.

As floods and droughts impact oil palm production, it is recommended to use the specific flood and drought risk scores instead of the overall water risk score. Further, it is highly recommended to combine the use of either of these tools with verification at site level using more detailed data, as both tools lack the level of spatial detail required for decision making at site level. Local available data from, for example, local government agencies or from sites themselves can support informed decision making on water risks. An overlooked water risk can pose serious threats not only to palm oil production and processing, but also to communities and the environment. A comprehensive approach to water risk assessment is required to support companies in becoming more responsible water users and good water stewards.

2. BROADEN THE SCOPE OF THE DRAINABILITY ASSESMENT

Peatlands are important hydrological units in the landscape and catchment, and are known for being carbon sinks. The drainage required for palm oil cultivation causes peat oxidation, creating hotspots for fires, haze disasters and alarming greenhouse gas (GHG) emissions[4]. The RSPO P&C 2018 responded to these challenges by including Criterion 7.7 which sets out requirements towards no new planting on peat regardless of depth after 15 November 2018 and strengthened guidance on responsible management of all peatlands.

The RSPO Drainability Assessment should be conducted to minimise the negative impacts of growing oil palm on peat. It defines the scope of assessment as being (at a minimum) the existing planted peat area proposed for replanting within the plantation boundaries. The inclusion of water-related information at the larger landscape or catchment level in the procedure is limited to the identification of the most relevant water body for determining the assessed area's drainage base. The RSPO Manual on BMPs for Existing Cultivation on Peat (2019) includes recommended measures to address the off-site impacts from peat drainage among others through a hydrological study.

To avoid overlooking the off-site risks and improving understanding between the management practices of peatlands in the plantation and risks from outside of the plantation, it is recommended that information is gathered at catchment level, particularly in the unit of certification's physical scope.

BOX 2: PHYSICAL SCOPE DEFINITION (AWS STANDARD GUIDANCE PAGE 6)

The land area relevant to the site's water stewardship actions and engagement. It should incorporate the relevant catchment(s) but may extend to relevant political or administrative boundaries. It is typically centred on the site but may include separate areas if the origin of water supply is more distant.

To do this, it is recommended that the site:

- Expands the scope of the Drainability Assessment to include the local catchment. To determine the relevant off-site areas to be included in the assessment, the RSPO P&C could adopt the guidance for AWS Standard Indicators 1.1.1 (core) on the identification and mapping of physical scope.
- Expands the scope of the hydrological study to include catchment-related information and put more emphasis on on-site and off-site hydrological status to inform the development and implementation of a water management system. The RSPO P&C could adopt the guidance for AWS Standard Indicators 1.5.3 (core) on the quantification of the catchment water balance.

It is important to note that these recommendations are not intended to change the scope of the audit requirements for RSPO P&C Indicator 7.7.5 and 7.7.6. These recommendations are geared towards improving water stewardship practices as part of RSPO P&C Indicator 7.7.5 and 7.7.6.

3. EMPHASISE IWRAS AS PART OF THE ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT FOR SET-ASIDE PEATLANDS AND RIPARIAN RESERVES

Oil palm growers and millers are required to contribute to sustainable peatland and riparian reserves management. A stringent Environmental and Social Impact Assessment (ESIA) and HCV and HCS studies are included in both RSPO Manuals as the pre-requisites for set-aside peatlands and riparian reserves management planning and implementation.

The scope of these areas is the set-aside peatlands and riparian reserves within and adjacent to the plantation's boundaries. Understanding the linkages between the proposed conservation areas within the larger peatland hydrological unit (PHU) and the catchment these areas belong to is emphasised in the RSPO Manual on BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat version 2 (2018) and the RSPO Manual on BMPs for the Management and Rehabilitation of Riparian Reserves (April 2017). Both BMPs also acknowledge the greater degree of complexity faced by the growers and millers when engagement with off-site stakeholders and challenges at catchment level are included in the planning stage. Therefore, it is important to properly identify and understand the risk associated with the defined areas beyond the site boundaries that are highly relevant to the site's management and restoration measures.

It is recommended that the RSPO P&C:

- Expands the scope for the proposed conservation areas to the larger catchment as described in Recommendation 1 and further explained in Beyond the Gate: From Site to Catchment to Jurisdiction Level.
- Expands the definition of the proposed conservation areas to the IWRAs, as defined by AWS, as part of the definition of 'other conservation areas'.

4. The challenges of growing oil palm on peatlands (RSPO, 30 October 2017).

4. PROMOTE THE IMPLEMENTATION OF THE AWS STANDARD TO RSPO MEMBERS

RSPO members interested in improving their water stewardship performance in a credible and accountable manner are recommended to pursue certification against the AWS Standard. The crosswalk results can support interested RSPO members and sites, providing insights into where additional investments would be required to pursue AWS Certification. The AWS Standard is intended to be applicable to any type and size of organisation in any location, including palm oil growers, processors and refineries.

There is growing awareness from companies, the public sector and financial sector actors on water-related challenges due to the impacts of climate change, population growth and economic development. Implementing the AWS Standard without certification would support addressing water risks and challenges, but only independent verification and certification can provide the assurance to external and internal stakeholders that the site's good water stewardship claim is credible.

STEPS: AWS CERTIFICATION

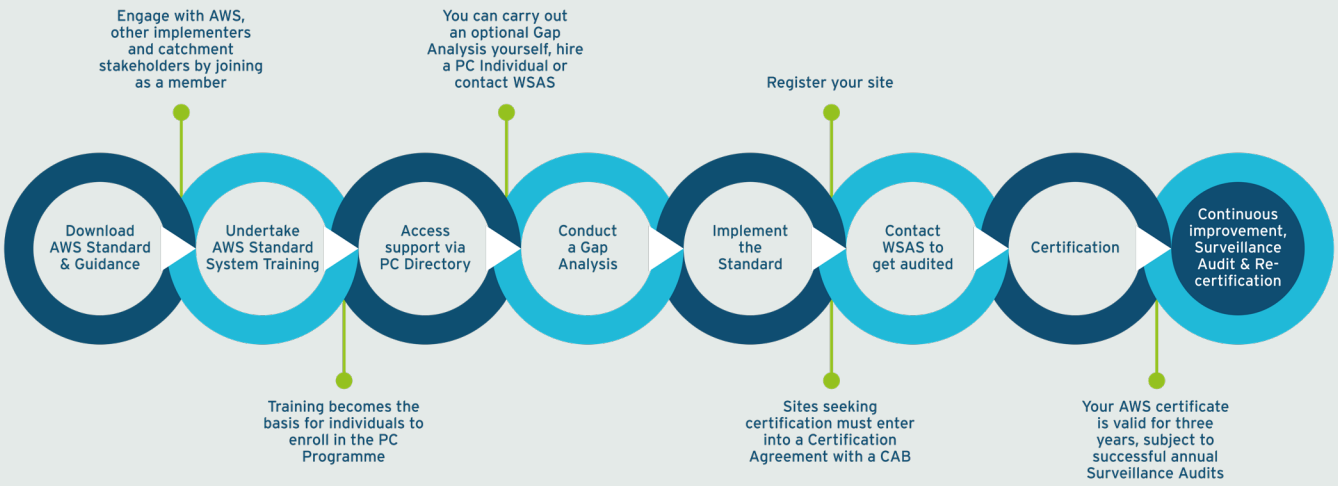


Figure 6: The six phases towards AWS Standard certification[5]

A common first step towards sites applying the AWS Standard is to increase awareness and understanding on water stewardship and the AWS Standard through following the AWS Standard System training. The optional pre-assessment step informs the site to make decisions related to the required investment for meeting the criteria and indicators of the AWS Standard. Sites may want to explore opportunities for group or multi-site certification if these sites share characteristics such as the catchment(s) of relevance, water-related interests and challenges. The AWS Group Certification is designed to facilitate collaboration among the sites as group members, which could lead to cost efficiency for the AWS Standard implementation and certification. It is highly recommended to work with AWS Professionally Credentialed Individuals.

At a corporate level, having the AWS certified sites within operations and supply chains demonstrates a business's commitment to water stewardship and the wider sustainability agenda. The AWS certificate is valid for the period of three years and surveillance audits are carried out annually[6]. It is recommended that the parental organisation of the site considers joining AWS as a member. AWS members play a pivotal role in growing and strengthening the stewardship community of practice by implementing, sharing learnings, and advocating for good water stewardship and the AWS Standard.

5. The challenges of growing oil palm on peatlands (RSPO, 30 October 2017).
6. For more information, see https://a4ws.org/certification.

LOOKING AHEAD – MOVING FROM SITE TO CATCHMENT AND JURISDCTIONAL LEVEL

Water risks related to palm oil production take place at the site (the unit of certification) level, as well as at the catchment level. Catchment risks, such as unsustainable water balance due to over-abstraction by water users and unhealthy water quality status due to poor water treatment facilities, are often beyond a palm oil site's control but still could negatively impact business continuity. Therefore, the identification, prioritisation and implementing mitigation actions require a larger scope than just the unit of certification and its immediate surroundings. This larger scope is increasingly reflected in landscape and jurisdictional approaches, with RSPO Jurisdictional Approach for Certification (RSPO JA) one of the globally known examples in the agriculture sector.

The AWS Standard already embraces such a landscape approach and refers to 'the landscape' as a catchment. Good water stewardship is therefore not only reflected in the actions within the site's operational boundaries, but in the responsibility a site takes for influencing other water users and key stakeholders in the site's catchment.

Building upon the results of the crosswalk and gap analysis between the RSPO P&C and AWS Standard, how would the adoption and implementation of good water stewardship and the AWS Standard contribute to the achievement of sustainable palm oil production at jurisdictional scale?

SCALING UP SITE ACTION ON WATER TO CATCHMENT AND JURISDICTIONAL LEVEL: WHERE TO START?

To be able to make informed and binding decisions on water within the site and influence good catchment governance, it is important to understand the site's physical scope. Defining the physical scope is the first indicator in Step 1 of the AWS Standard. It defines where to collect data, where to assess risks and opportunities, and sets the scope for stakeholder engagement. It also broadens the current perspectives on water-related risks and opportunities to the site, due to the inclusion of catchment stakeholders into the process.

Being able to assess and respond to water risks, both at site and catchment level, can lead to co-benefits such as cost efficiency, support more resilience to climate change, create opportunities for joint investment and lead to improved stakeholder relations. The adoption of the physical scope concept would improve RSPO P&C implementers' understanding of the influence and dependence on other water users in their catchment.

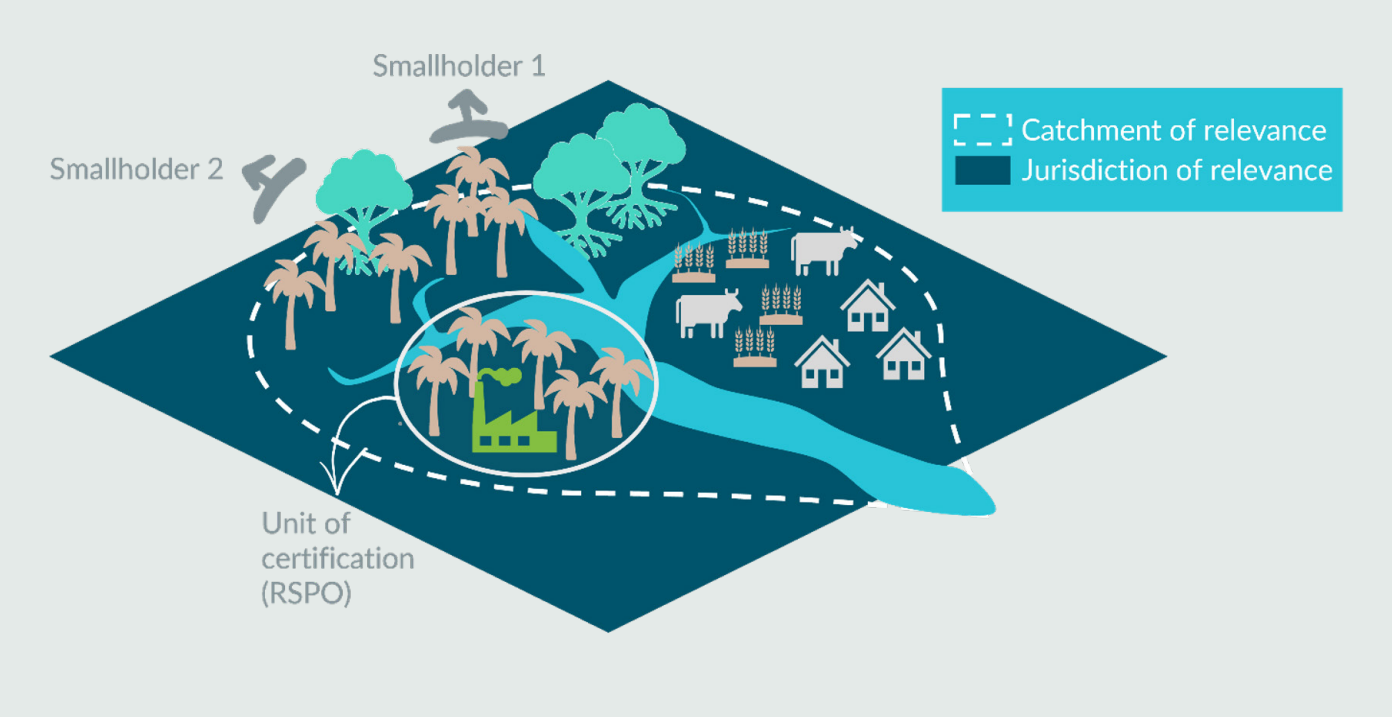


Figure 7: The RSPO unit of certification as part of the catchment and jurisdiction of relevance

The identification of the site's physical scope is an iterative process which considers various components, including the site's catchment(s) of relevance. The site's catchment is the physical zone around the site which provides its water supply (upstream) and where its run-off and wastewater goes (downstream). The site's water supply – quantity and/or quality – may be impacted by what happens upstream, and its actions may have an impact downstream, including on other water users and the natural environment.

The physical scope of the site can be mapped, considering the regulatory landscape and zone of stakeholder interests, including:

- Site boundaries, which are the boundaries of land owned or leased by the organisation, which may or may not be contiguous.
- Water-related infrastructure, including piping network, owned or managed by the site or its parent organisation.
- Any water sources providing water to the site that are owned or managed by the site or its parent organisation, which are typically surface water intakes, or boreholes for groundwater.
- Water service provider (if applicable) and the main water bodies from which they abstract water (for example, a named river or aquifer).
- Discharge points and wastewater service provider (if applicable) and ultimate receiving water body or bodies. The discharge points should be identified and mapped. For wastewater service providers, it is recommended to identify who they are, the ultimate destination of their discharges (for example, a receiving water body), and the level of treatment (none, primary, secondary or tertiary).
- Catchments that the site affects and is reliant upon for water, which may be surface water-based, groundwater-based or a combination of both.

The guidance on delineating a catchment is as follows: it is the smallest catchment that contains the upstream land area or aquifer body contributing to its source(s) and that contains the downstream areas affected by the site's water withdrawals or effluent. When a site is sourcing water from multiple sources – either surface water or groundwater, or both – different catchments for each source need to be identified[7].

INCLUDING INDIRECT WATER USE LINKED TO THE PALM OIL SUPPLY CHAIN

A broader goal of the AWS Standard implementation is to understand and take action on indirect water use. A site's reason to assess indirect water use is to understand associated risks to its own business activities, and to take actions and influence the actions of other on these to reduce supply chain risks.

Developing an understanding of indirect water use is increasingly recognised as good practice and there have been increasing efforts made to measure water use within the supply chain, by using tools such as ISO 14046 Water Footprint Life Cycle Analysis methodology, and to identify the suppliers in high-water-risk areas with rapid assessment tools such as the Water Risk Filter by WWF or the Aqueduct Water Risk Atlas by WRI.

Ultimately, the integration of good water stewardship into sustainable oil palm production would provide the sector with a credible framework for understanding water-related risks and impact creation at both site and landscape level. The adoption of the physical scope concept by palm oil producers would inform understanding of the influence and dependence on other water users in the catchment. Building upon this understanding, the identification and prioritisation of water risks, shared challenges and opportunities at and beyond the RSPO certification unit could be done more accurately. Strengthening water as part of sustainable palm oil production can support more informed decision making in addressing water risks, and support shared value creation in the larger landscape or in the catchment.

7. More information can be found in the AWS Standard Guidance document under Indicator 1.1.1 (page 6-7) and as part of the section on AWS Standard V2.0 Guidance on Special Subject: Catchments (page 40-45).

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