INDEPENDENT IMPACT EVALUATION OF THE AWS SYSTEM – PHASE TWO: GOOD WATER GOVERNANCE

SUMMARY REPORT

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ALLIANCE FOR WATER STEWARDSHIP



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EXECUTIVE SUMMARY

INTRODUCTION

This independent impact evaluation of the Alliance for Water Stewardship (AWS) System builds on the recommendations of a Phase One report[1] to conduct a systematic, objective and in-depth assessment of the medium or long-term effects (positive or negative, intended or unintended) of implementing the AWS System and achieving AWS Certification, with a particular focus on good water governance.

PURPOSE & SCOPE

Good water governance is the responsible sharing of water resources in the interests of users and the natural environment in line with the principles of water stewardship. Phase Two of the evaluation was commissioned by AWS to understand to what extent implementing the AWS Standard, including achieving AWS Certification, is accomplishing its priority outcome of good water governance. AWS also wanted to know how good water governance is contributing to its other priority outcomes: sustainable water balance, good water quality status, healthy Important Water-Related Areas (IWRAs) and access to water, sanitation and hygiene (WASH) for all. Identifying the impacts of the AWS Standard is essential for ensuring its reliability and credibility and will help AWS to improve its effectiveness in expanding or replicating initiatives in different contexts. The evaluation draws on qualitative data from 15 AWS Certified Sites across six countries and four strategic sectors, using interviews, focus groups, surveys and desk research.



KEY FINDINGS

Positive impacts of the AWS Certification process included improved water quality and balance, more frequent/effective stakeholder collaboration and increased awareness of water stewardship, and the use of monitoring and reporting to strengthen internal governance structures.

Unintended positive impacts of the AWS Certification process included reputation-related benefits, increased community engagement and closer collaboration with other businesses and public authorities.

Attribution of impacts to the AWS Certification process was generally strong. Most site managers felt that the work they put into achieving AWS Certification accelerated progress, providing structure, credibility and motivation for continued improvement.

Factors contributing to success included stakeholder engagement and working across catchments, flexibility of the AWS Standard, confidence in AWS Certification, strong leadership, supportive corporate cultures and external 'enablers', for example, government initiatives and regional funding.

Challenges included inconsistent audit experiences, limited recognition of AWS Certification by some authorities and external barriers, for example, shifting political priorities and climate-related events.

1 Evaluation of the Alliance for Water Stewardship (AWS) System: Phase One Report (2024): https://a4ws.org/resource/impact-evaluation-of-the-alliance-for-water-stewardship-aws-system-phase-one-report/

RECOMMENDATIONS

Promote the AWS Standard and good water governance among governments, regulators and stakeholders to enhance its influence and reduce reporting burdens.

Improve audit consistency and AWS Guidance usability to address feedback from site managers.

Refine the AWS Theory of Change to include new interventions and investigate membership growth, especially among Small and Medium-sized Enterprises (SMEs)[2].

Research the economic, policy and social and cultural equity impacts of AWS Certification and its uptake across regions and sectors to better understand barriers and benefits.

ABOUT THE ALLIANCE FOR WATER STEWARDSHIP

AWS is a global, multi-stakeholder membership alliance and the custodian for the International Water Stewardship Standard (AWS Standard) – the gold standard for credible water stewardship certification. AWS convenes and catalyses action on water stewardship, uniting over 200 members from business, civil society and the public sector.

The AWS Standard is a globally applicable, auditable framework that helps farms, factories and other water-using sites to understand their water use and impacts and take credible, verifiable action to address shared water challenges. 'AWS Certified' refers to a site that has implemented the AWS Standard to a level that conforms to the requirements of the AWS Standard as verified by a third-party. Implementing the AWS Standard is the process whereby a site is following some or all parts of the AWS Standard, with progress not yet verified.

The AWS Standard is structured around five key outcomes (Figure 1). Good water governance is foundational to all of these outcomes because it sets the framework (via a process, policy or institution) within which water stewardship takes place. Water stewardship activities also help provide a better understanding of local water challenges, which may provide valuable input for improving and shaping governance processes, policies and institutions. Hence, water stewardship is both informed by and informs water governance.

Figure 1.
The AWS Standard's five key intended outcomes



Good water water governance
Responsible sharing of water resources in the interests of users and the natural environment in line with the principles of water stewardship.



Sustainable water balance
Ongoing water use within the catchment does not result in long-term negative impacts on the natural environment or other water users.



Good water quality status
Good water quality status is where the water quality is high enough to sustain native flora and fauna, and the needs of other water users where applicable.



Important Water-Related Areas (IWRAs)
Areas or features of high environmental, community or cultural value to humans and nature are protected.



Safe water, sanitation and hygiene for all (WASH)
People have access to safe and sufficient water for drinking, food preparation and washing, as well as toilet facilities and hygiene education, to combat the spread of water-related illnesses and disease.

2 https://a4ws.org/wp-content/uploads/2019/03/AWS_2019_Theory-of-change_infographic.pdf

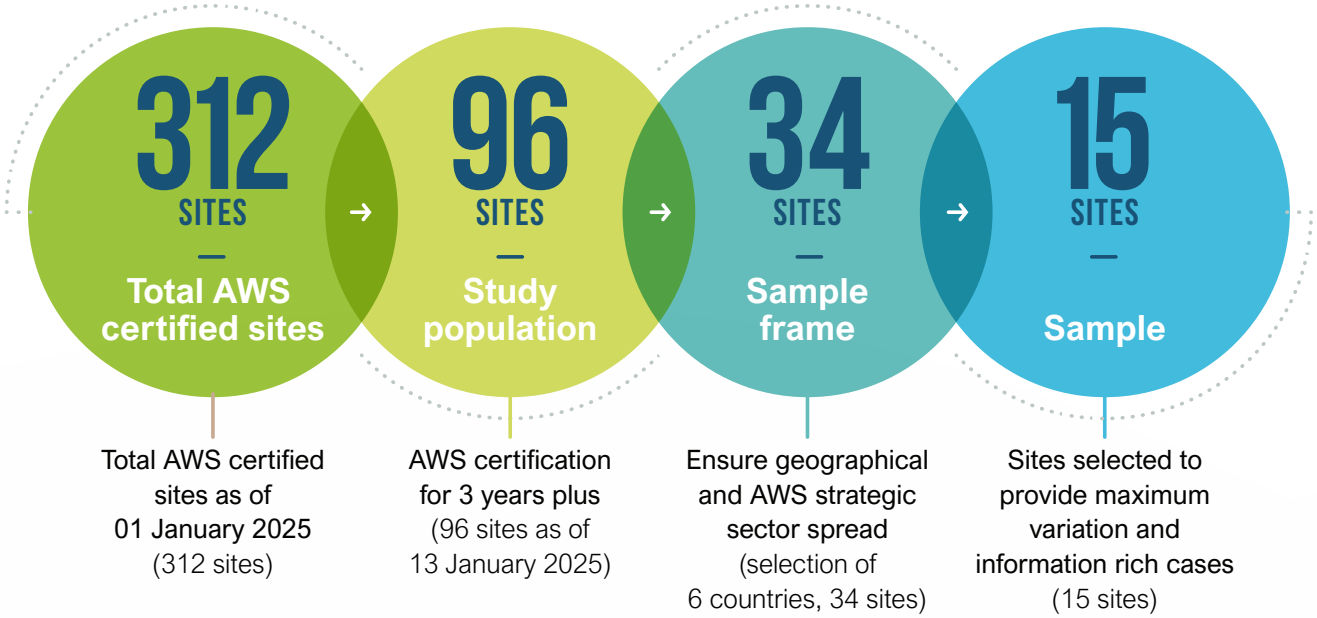
EVALUATION APPROACH

To ensure credibility, this impact evaluation was carried out by an independent party and used the Organisation for Economic Co-operation and Development (OECD) Principles on Water Governance to guide data collection and analysis[3]. It draws on qualitative data using interviews, focus groups, surveys and desk research from 15 AWS Certified Sites across **six countries**: China, India, Ireland, Japan, Peru and the USA, and covering **four sectors**: agricultural supply chains, food and beverage manufacturing, technology and microelectronics, and 'other'. The process for selecting sites is shown in Figure 2.

The evaluation focused on answering **four key research questions**:

1. To what extent does AWS Certification produce the desired positive intended social, cultural, economic and/or environmental water stewardship outcomes and impacts?
2. What unintended social, economic and/or environmental effects (positive or negative) have resulted from implementing the AWS Standard?
3. To what extent it is possible for sites to attribute observed social, cultural, economic and/or environmental effects to AWS Certification?
4. What factors likely influence observed social, cultural, economic and/or environmental effects (factors within the control of the AWS System and other external factors)?

Figure 2.
Site selection process for the AWS impact evaluation



3 https://www.oecd.org/en/topics/sub-issues/water-governance/the-oecd-principles-on-water-governance-and-implementation-strategy.html

FINDINGS

SETTING THE SCENE

Sites and companies were found to have multiple reasons for seeking AWS Certification. For example, aligning with industry sustainability goals or meeting the expectations of end buyers. All sites engaged in a range of activities related to the OECD Principles on Water Governance (effectiveness, efficiency, and trust and engagement). These included:

- Communicating and engaging with all stakeholders.
- Involving site staff through regular communications, training and/or participation in committees.
- Publicly committing to water stewardship measures.
- Finding mechanisms to communicate and liaise with public authorities.
- Creating partnerships for practical action.

The AWS Certification process was generally considered to be a significant, if not the only, factor in generating good water governance impacts.

IMPACTS OF GOOD WATER GOVERNANCE

Site managers identified various impacts of improved water governance after achieving AWS Certification. These included environmental, social and, to a lesser extent, economic impacts.

Positive social impacts

- Greater awareness of water stewardship through activities in schools.
- Better communication, interaction and collaboration with local communities.
- Increased participation of women in community engagement, with subsequent benefits for family wellbeing.
- Improved access to water, from providing water infrastructure (for example, water storage, water recharge ponds) to improved planning and management by mapping water flows across a site.

Positive environmental impacts

- On-site improvements in water quality and water balance.
- Creating biodiverse habitats.
- Groundwater recharge.
- Re-wetting of paddy fields.
- Building retention ponds.

Positive economic impacts

- Continued growth of agro-industrial production and subsequent job creation as a result of improved water flow and water quality.
- Lower costs either directly, through reduced water use, or indirectly, by avoiding pollution fines.

UNINTENDED IMPACTS OF GOOD WATER GOVERNANCE

Most site managers felt there had been positive unintended impacts associated with achieving AWS Certification. There were also a few reports of negative unintended consequences.

Positive unintended impacts

- Changes in understanding and attitudes towards good water governance by communities and public authorities, leading to increased participation in water stewardship.
- Benefits from improving stakeholder engagement and collective action on community perceptions and participation.
- Knock-on benefits for a company's operations from having a better reputation. For example, through awards/recognition, becoming a company role model.
- Collaboration with other businesses and organisations, sharing ideas and learning.
- Access to additional funding.

Negative unintended impacts

- Transparency about water management practices exposed companies to more criticism than sites that provided less information.
- Partnership working with public stakeholders could lead to unrealistic expectations.

CASE STUDY
TECHNICAL ROUND TABLE ON WATER IN ICA, PERU

Los Olivos de Villacurí SAC is part of Vanguard Group International that was founded in 1991. They have been producing table grapes for export since 2016 and today employ more than 10,000 people during the grape season. Vanguard Peru's water stewardship efforts focus on sustainable agricultural practices, particularly for their table grape production in the Ica region, which is a water-scarce area. In 2022, Vanguard Peru was awarded AWS Core Certification covering four sites in Ica.

Vanguard Peru recently established the Ica Chamber of Commerce (Peru) Technical Roundtable on Water — an initiative that brings together local actors to share information and discuss matters relevant to water management. This was promoted by Vanguard Group International (the organisation's global brand name), along with a few other local businesses and community leaders. The technical group includes representatives from all relevant sectors, from mayors to low-income housing associations, providing a mechanism for greater transparency about water availability and management. Vanguard Group is encouraging the two groundwater management boards in the area to publish how much water their members (including Vanguard Group International) abstract. This will enable water users to find out where there is illegal water abstraction or where more water is being abstracted than permitted, and to see what action needs to be taken.

The Technical Round Table on Water is now part of the Chamber of Commerce's Committee on Well-being, Water and Sustainable Development and is seen as a "strategic space for generating technical dialogue" (Ica Chamber of Commerce Press Release, June 2025).

In 2023, Manuel Yzaga, Chief Executive Officer of Vanguard Peru, was named winner of the AWS Water Stewardship Prize, which recognises leaders who promote the responsible use of freshwater that is socially and economically beneficial and environmentally sustainable.



ATTRIBUTION OF IMPACTS TO AWS CERTIFICATION

Achieving AWS Certification was seen as a key driver of positive water stewardship impacts. It enabled sites to demonstrate their commitment to water stewardship and provided credible evidence of progress in good water governance. Some companies with AWS Certified Sites and their stakeholders suggested that implementing the AWS Standard could introduce a fresh perspective on persistent water governance challenges and offered a structured approach to identifying and addressing poor practices. AWS Certification gave international recognition and credibility to the companies involved.

Most site managers felt that they could not have achieved the impacts without AWS Certification and/or it would have taken much longer to achieve the same impacts. They highlighted that they also brought their own good practices to the table, rather than having simply adopted the AWS approach. External stakeholders were generally positive about the contribution of the AWS Standard and AWS Certification to water governance.

The AWS Certification process was found to support progress in water stewardship through activities such as:

- Audit preparation.
- Applying the AWS Standard's criteria and indicators for water governance.
- Participating in AWS Training and information sharing.
- Engaging in water-focused initiatives with local communities.

It was often difficult to say whether specific impacts were the result of applying the AWS Standard or of achieving AWS Certification as the two were clearly intertwined. Implementing the AWS Standard resulted in change and impacts; AWS Certification gave these changes a higher profile and credibility, and could lead to knock-on impacts in terms of increased awareness, opportunities for partnership working with other stakeholders and improved water governance outcomes.

LINKS BETWEEN WATER GOVERNANCE IMPACTS AND ACHIEVING OTHER AWS OUTCOMES

The majority of sites felt that the AWS outcome on good water governance had positive impacts on achieving one or more of the other AWS outcomes. The following are just a few examples:

- Good water quality: Coordinating collective river clean-ups and monitoring actions focused on water quality with Non-Governmental Organisations (NGOs) and other companies.
- Sustainable water balance: Carrying out detailed water flow analyses in preparation for AWS Certification, which then informed plans for reducing water consumption.
- Healthy IWRAs: Turning ponds into green recreational spaces and setting up water governance structures to ensure they were maintained and enhanced.
- Safe WASH for all: Partnering with not-for-profit organisations to mobilise funds and deploy WASH facilities and measures in local communities.

> "[The AWS Standard] provides a systematic framework, clear goal orientation, multi-stakeholder collaboration mechanisms and continuous improvement drivers." Site Manager 3

CASE STUDY

INCREASING LOCAL AWARENESS OF WATER GOVERNANCE IN KYUSHU KUMAMOTO, JAPAN

Suntory Group offers a diverse portfolio of drink products along with health and wellness products. Its Kyushu Kumamoto Plant was completed in 2003 and received AWS Platinum Certification in February 2023.

The company has a long history of water stewardship, but local Suntory staff felt that prior to AWS Certification, these initiatives were more "piecemeal" and reported that working towards the AWS Certification had made them "more systematic, more organised". They now have an annual plan of activities with various initiatives to promote water governance and raise awareness of water resource conservation for future generations, including:

- A school teaching programme in Kumamoto Prefecture.
- Online classes available to elementary schools all over Japan.
- Training for local residents about the importance of groundwater in Kumamoto Prefecture.

In March 2025, five companies, including Suntory, announced their collaboration as AWS Members to advance credible water stewardship in Japan. Convened by AWS, the Japan Water Stewardship Leadership Group[4] supports the AWS Mission. The purpose of the group is to help build recognition and demand for credible water stewardship amongst companies operating in and from Japan.

4 https://a4ws.org/japan



FACTORS CONTRIBUTING TO CHANGE

INTERNAL FACTORS

Site managers identified various elements and characteristics of the AWS Standard Certification process that contributed to good water governance. They also identified some elements of the AWS System, specifically the audit system and auditor subjectivity that they felt were not always helpful.

Contributors

- Stakeholder engagement and working across catchments.
- AWS Standard and Guidance structure and tiered indicators.
- AWS Certification seen as global, credible and trustworthy.
- AWS Training.
- Flexible governance practices, supportive corporate culture, strong leadership, employee incentives.
- The use of monitoring and reporting to strengthen internal governance structures.

Obstacles

- Demands of the AWS audit process.
- Auditor subjectivity around what constitutes compliance for some AWS Standard indicators.

EXTERNAL FACTORS

Site managers identified multiple external factors that either contributed to or created obstacles to progress on good water governance. While many interviewees said that their national governments had contributed to improvements in water stewardship, several noted that some government measures had a detrimental effect.

Contributors

- National government and private sector initiatives to strengthen water stewardship, leading to regulatory alignment and enhanced compliance. For example, the ‘River Chief’ system in China incentivises private companies to participate in the governance of rivers and lakes, and was introduced nationwide in 2016.
- Business partnerships and joint initiatives between public and private sector organisations.

Obstacles

- Government restrictive regulations, limited support and shifting political priorities.
- Lack of support from national governments in promoting AWS Certification.
- Socio-economic pressures.
- Climate-related events, for example, natural disasters.

> It's the global nature of the [AWS] Standard that is important and gives the [AWS] Certification weight with local and global actors. Site Manager 10

CONCLUSIONS

The main conclusions of this impact evaluation, set out according to the four primary research questions, were as follows:

Intended impacts of the AWS Certification process

The most frequently mentioned impacts of the AWS Certification process were social – the development of dialogue, engagement and communication with communities and other stakeholders, and collective action across the catchment. Some site managers mentioned positive environmental impacts, with examples ranging from farmers changing their farming practices to improve environmental benefits in the catchment, to the restoration of aquatic ecosystems. Some economic impacts included the savings associated with reduced site-level water use. Water governance processes and measures linked to AWS Certification align with the three overarching dimensions of the OECD Principles on Water Governance (effectiveness, efficiency, and trust and engagement). Overall, the AWS Certification process was generally considered to be a significant, if not the only, factor in generating good water governance impacts.

Unintended impacts of the AWS Certification process

The research revealed that implementing the AWS Standard and achieving AWS Certification produced unintended as well as intended impacts. The unintended consequences were generally positive and mainly related to the increase in awareness of good water governance, active stakeholder engagement, the knock-on benefits for sites' operations of improved corporate reputation and collaboration with other organisations. These effects had further supported AWS outcomes such as sustainable water balance, good water quality status and access to WASH for all. A few negative consequences were noted: transparency may expose companies to criticism, and partnership working with public stakeholders could lead to unrealistic expectations. However, no negative unintended impacts were found to affect other AWS outcomes.

> At National [government] level – the [AWS] Standard is recognised, but there has been no concrete action toward implementation or adoption. Site Manager 4

Validation of the AWS Theory of Change

The AWS Theory of Change refers to the group of stakeholders that enable, implement and influence water stewardship, with each making different contributions. This impact evaluation broadly validated the AWS Theory of Change, particularly the role of 'implementers' in driving site-level improvements. The evaluation suggested that without working towards AWS Certification, good water governance improvements would have been slower and less cohesive. The changes observed largely aligned with the Theory of Change, with the AWS Standard providing structure and enhancing existing governance mechanisms. Stakeholder engagement and improved transparency had strengthened site-level practices and influenced broader catchment and national governance. While site-level progress was evident, system-level indicators such as AWS Membership growth remained inconclusive because that data was not available to sites.

Factors that influence the impacts of AWS Certification

Internal factors were key to creating a climate where good water governance could flourish. These included strong leadership, aligned corporate values, effective stakeholder communication and adherence to AWS Certification processes, all of which created a supportive environment for collective water action. External factors included national policies and private sector initiatives. Positive effects included regulatory alignment and enhanced compliance, reinforcing the value of good water governance. However, misaligned regulations could create administrative burdens for AWS Certified Sites. Overall, these factors had amplified the impact of good water governance on other outcomes of AWS Certification, especially through systematic monitoring and catchment-wide collaboration.



RECOMMENDATIONS

1. PROMOTE THE AWS STANDARD AND GOOD WATER GOVERANCE

AWS, its members and certified sites need to do more to promote and raise awareness of the AWS Standard and the benefits of achieving AWS Certification across all stakeholder groups. The research identified additional benefits that sites or companies felt could be gained if the AWS Standard and AWS Certification were more widely known and recognised:

- Governments: Awareness by governments of the principles of the AWS Standard could have a greater influence on water policy and its implementation. Recognition by national and regional authorities of AWS Certification being equivalent to relevant national regulatory requirements could reduce the burden of reporting.
- Sector stakeholders: Wider recognition by other sector stakeholders could lead to greater influence on authorities. This would have the additional benefit of promoting private sector involvement in water governance.

2. IMPROVE AUDIT PROCESS AND AWS GUIDANCE USABILITY

AWS could reflect on some of the comments from site managers to improve the AWS System where it was not felt to be maximising impacts on good water governance. Feedback included:

- A perceived over-emphasis on documenting evidence at the expense of doing water governance work, which was felt to lessen the motivation of the teams who had to collect the information.
- Inconsistencies between audits.
- AWS Guidance documents sometimes being seen as difficult to use and contradictory.
- Auditors taking the AWS Guidance as the bar against which they audited despite some of its requirements not being clearly established.

3. REFINE THE AWS THEORY OF CHANGE

The research identified the following potential refinements to the AWS Theory of Change:

- New interventions for ‘enablers’, including information sharing and collective actions at catchment level.
- Training site staff and proactive water governance.
- National and regional authorities enacting enabling legislation and/or regulations.
- Investigate membership growth, especially among Small and Medium-sized Enterprises (SMEs).

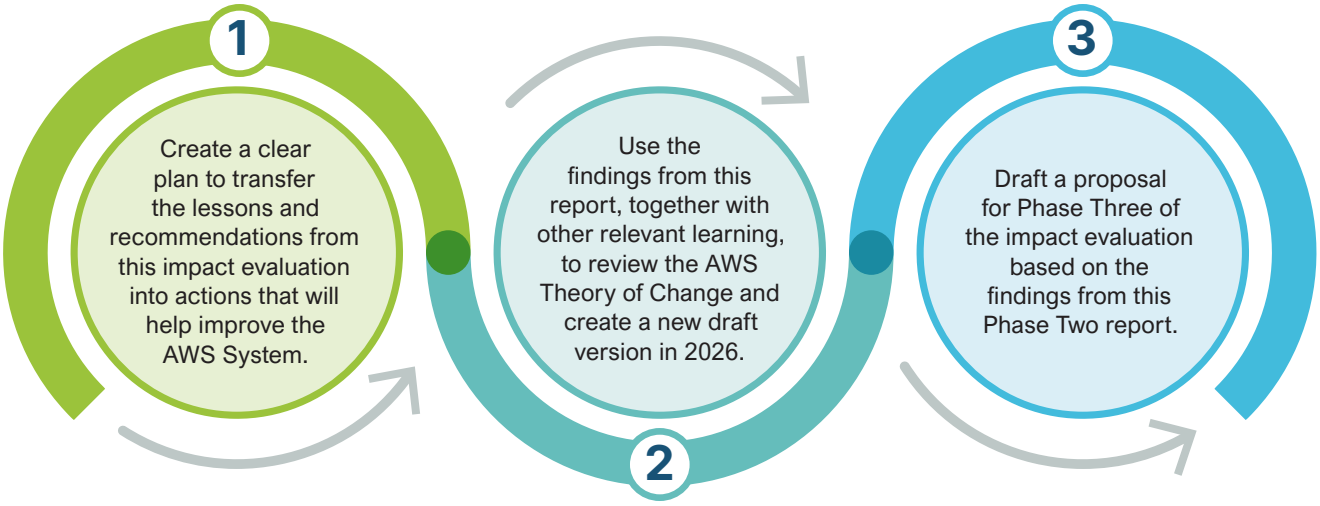
4. RESEARCH THE ECONOMIC, POLICY, SOCIAL AND EQUITY IMPACTS OF AWS CERTIFICATION AND ITS UPTAKE

The research highlighted areas in which it would be useful for AWS and its members to have more detailed evidence about the outcomes of achieving AWS Certification.

- Economic assessment: Research the main factors contributing to the economic impact of achieving AWS Certification (for example, potential cost reductions and/or economic benefits), in different national contexts. Study the impact of introducing group certification on the participation of SMEs as a separate research project or as an element of future evaluations.
- Policy assessment: Carry out more detailed research into how implementing the AWS Standard and achieving AWS Certification could contribute to the OECD Principles on Water Governance and hence the design and implementation of government policy on water.
- Social and cultural equity assessment: Conduct a detailed assessment on the effects of achieving AWS Certification on vulnerable or traditionally marginalised groups to provide more insights on social and cultural equity impacts.Take-up of AWS Certification: Research and share the findings for the uptake of AWS Certification in different territories and sectors, and the factors impacting AWS Certification rates.

LOOKING AHEAD

NEXT STEPS FOR AWS



JOIN THE ALLIANCE

AWS Members come from far and wide. They include businesses facing water risks; public sector organisations working in water policy; investors and financial service providers; development agencies and NGOs; sustainability service providers; and environmental, social and governance (ESG) programmes.

Membership is open to organisations – of any size or location – wanting to work collectively to tackle water challenges. Our strength lies in the diversity of our members and the experience they bring with them to our network.

Join AWS and become part of a community that is shaping the future of our precious shared water resources.

Visit https://a4ws.org/membership/

ACKNOWLEDGEMENTS

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Interested in learning more about Monitoring and Evaluation and its impacts on the AWS System?

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