Group 3: Business case — facilitated by Severine van Bommel

The group formed by merging the 'business case' cluster and the 'politics' cluster that came out of the exercise on identifying situations relating to water governance that were of interest to the people in the room.

The original clusters consisted of the following situations — as identified by participants:

'Business case' cluster:
- Keeping topsoil on the land (and not ending up in the water)
- Developing new business models (like Ian's Roe community) for situations
- The case of governance: how much discussion?
- What is the role of the private sector in influencing governance?
  - In the context of political scenarios (i.e. conservative de-regulation versus pro-regulation)?
  - In the context of perceived or actual risk to supply chain?
- Aligning multiple KPI sets to justify investments
- Jointly identify what constitutes an improvement, e.g. establish multiple benefits
- Business case for water stewardship
- Reconciling control with inclusiveness/innovation
- Budgets in silos preventing action on ground
- Showing value
- Value of different technical solutions in different places vs prioritising development/refinement of the 'best'

'Politics' cluster
- How to work the 'politics' to facilitate change in water governance
- 'Earned autonomy' concepts and practice
- Politics — engagement with Treasury; what is an effective evidence base for persuasion? Is the evidence-based approach to policy still held in good regard by Government?

During our group discussion, we tried to identify actions for improving and transforming water governance. We used the suggested steps to structure our discussion:

1. Look for ways to improve the situation
2. Think about who would need to be involved and how (including yourself)
3. Find any 'key logs in the logjam' in making a change
4. Consider possible effects of action
5. Look for unintended consequences.

We started our discussion by identifying the situation of interest for our group. As our group was quite diverse, we spent quite some time exploring the system. We agreed that we were all interested in the business side of water governance. But in relation to 'what' did we want to formulate our actions? Were we going to focus on influencing the behaviour of private actors? We discussed that private actors were important players in this field. So how could we use a business case to influence developments? After going back and forth for a while, we decided that we were going to focus on how to make a business case for improved water management.

We then discussed who would need to be involved in making a business case. We discussed the role of farmers, politicians and water companies. There was a general feeling in our group that awareness was lacking and we needed to raise awareness. This process brought us to a discussion on how to include the externalities — such as environmental degradation — into the water price. The group thought that this could improve transparency and make people more aware of these sorts of issues.

We then discussed that there would be several key 'logs in the log jam' if we really wanted to include externalities in the water price. Politicians might not like the idea. Concerns were raised that farmers could end up being the ones paying for externalities, and undermining profitability of farming as an unintended consequence. We all agreed that this would be undesirable and noted that the consumers should be the ones paying for this: 'This should be passed through to consumers'. Someone then raised the possibility of developing standards, but there was no consensus because some of the group members didn't like the idea (based on their personal experience with standards and standardisation).

The group then felt that we had to find hooks for businesses. We discussed that perhaps reputation could be something that we could use. We did not have time to further our discussion, but noted some actions on a flipchart:

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Hook for business? -> Awareness
    -   Cost: benefit – profit
    ❖ Reputation risk

Food chain
    -   Supermarkets

⇨ but impact on farmers?
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The actions were presented back to the group in a short presentation in which we tried to summarise the discussion that we had had in the group.