

# Leaving a legacy – global results and lessons learned

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## Abstract

*The Centre for Affordable Water and Sanitation Technology (CAWST) is a Canadian NGO formed in October 2001. Its mission is to provide technical training and consulting, and to act as centre of expertise in water and sanitation for the poor in developing countries. These professional services act as a catalyst for community organisations to initiate and sustainably operate water and sanitation programmes.*

*Funding from corporations has been a major source of revenue for CAWST. This paper will discuss the recommendations by CAWST to mining companies on how best to leave a legacy after the mine has closed. This is based on CAWST's community development experience, its activities and outcomes derived from corporate funding and the successes and the challenges experienced as a result of CAWST's corporate partnerships.*

## 1 How can mining companies best leave a worthwhile legacy after the closure of a mine?

Mining companies often think primarily of their environmental legacy upon closing a mine. CAWST submits that mining corporations can best leave a legacy by investing in the development of the capability of civil society organisations, both non government organisations (NGOs) and government agencies, throughout the operating life of the mine, and also subsequent to mine closure. By doing so, mining corporations will invest in addressing three fundamental needs/gaps in the development sector.

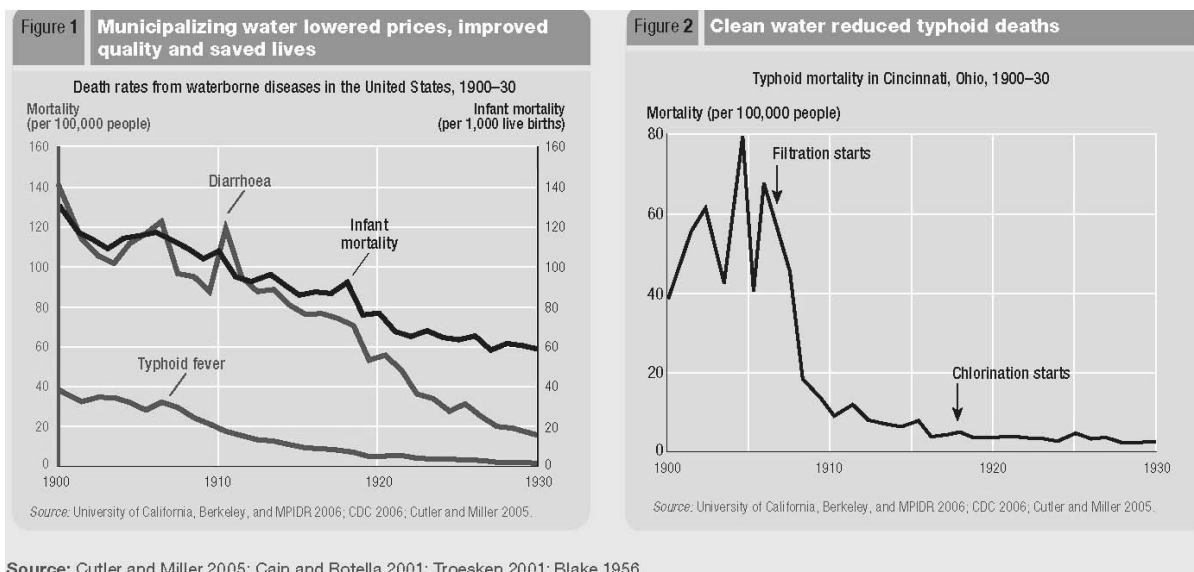
- Improving access to basic needs: In many of the developing countries in which international mining corporations operate, people lack the basic needs like clean water and adequate sanitation needed for poverty alleviation and sustainable development.
- Developing the capacity of people to meet their own needs.
- Providing funding for small scale community driven programmes.



**Figure 1** A girl collecting drinking water from a pond in Uganda (CAWST, 2011b)

### 1.1 Basic needs

Clean water is one of the most fundamental of basic needs. It is required for human survival and health. Water treatment explains almost half of mortality reduction in US in the first third of the 20th century (UNDP, 2006a).



**Figure 2 Relationship between health and safe water (UNDP, 2006a)**

Yet, in the developing world, unclean water and the lack of basic sanitation kill more people every year than AIDS, malaria and tuberculosis combined – children are affected the most (Gordon et al., 2004). Diarrhoeal disease from water related illnesses affects the ability of children to absorb nutrition, thus affecting the growth of both their brains and their bodies (WHO, 2010). Poor health and often the many hours a day walking to fetch water for their families means they cannot go to school (WHO, 2006). This affects their ability to earn a living in the long term (WHO, 2004).

About one out of every ten people in our world fetch and drink their water untreated from rivers, streams, canals and shallow dug wells (World Water Development Report, 2009); 2.6 billion people (WHO and UNICEF/JMP, 2010) or 76 times the population of the Canada, defecate in the open, in shallow holes or plastic bags – faeces is the main contaminant of water (WHO and UNICEF/JMP, 2010).



**Figure 3 Water supply and infrastructure (WSP, 2009)**

### 1.2 Education and capacity building

Sustainable development of the region or country in which the mine has operated requires that local people have the confidence and capability to meet their own basic needs.

Yet, 98% of the money spent in international development in something as basic as water and sanitation has been directed to infrastructure development and less than 2% on education and capacity building (WHO, 2006). So, “while the last decades have seen huge investments in provision of drinking water supply infrastructure in rural areas that have led to impressive gains in coverage, there are nonetheless serious challenges: key amongst them being that at any one time some 30% (on average) of the infrastructure is not functioning (Moriarty and Verdemato, 2010).

### 1.3 Financing for community driven programmes

Funding for international development occurs largely from government to government, i.e. from the top down. This results in a huge gap between the needs on the ground and the projects to which the funding is directed. There is also a huge gap in the size of the programme grants available and the capability of small communities to manage large sums of money.



**Figure 4** A United Nations meeting, 2009



**Figure 5** CAWST client meeting in Bangladesh, 2007 (CAWST, 2011b)

Determining how best to help communities develop sustainably has been an evolving process over time. The United Nations Development Program (UNDP, 2006b) indicates that the approach to international development has changed over the years, from technical assistance and direct implementation in the 1960s, to technical cooperation and building commitment and political will in the 1970s, and now to ‘capacity building’ (developing the capability of the local population to meet their own needs) and engendering ‘ownership’ (responsibility for the problem and solution).

**Table 1 Ten default principles for capacity development**

**UNDP Principles on “Inspiring Ownership and Transfiguring Leadership”**

- Don’t rush. Capacity development is long term.
- Respect the value system and foster self-esteem. There are many ways of achieving the same target.
- Scan locally and globally; reinvent locally. Knowledge cannot be transferred – it needs to be acquired.
- Challenge mindsets and power differentials. Capacity development is not power neutral.
- Stay engaged under difficult circumstances; the weaker the capacity, the greater the need.
- Integrate external inputs into national priorities and processes.
- Think and act in terms of sustainable capacity outcomes. The ultimate objective of all international development is developing the capability of people to meet their own needs.
- Create a culture of professionalism and meritocracy. Greater use of short term advisors, coaches and volunteers is encouraged.
- Build on existing capacities rather than create new ones. Resuscitate and strengthen national institutions.
- Remain accountable to the ultimate beneficiaries.

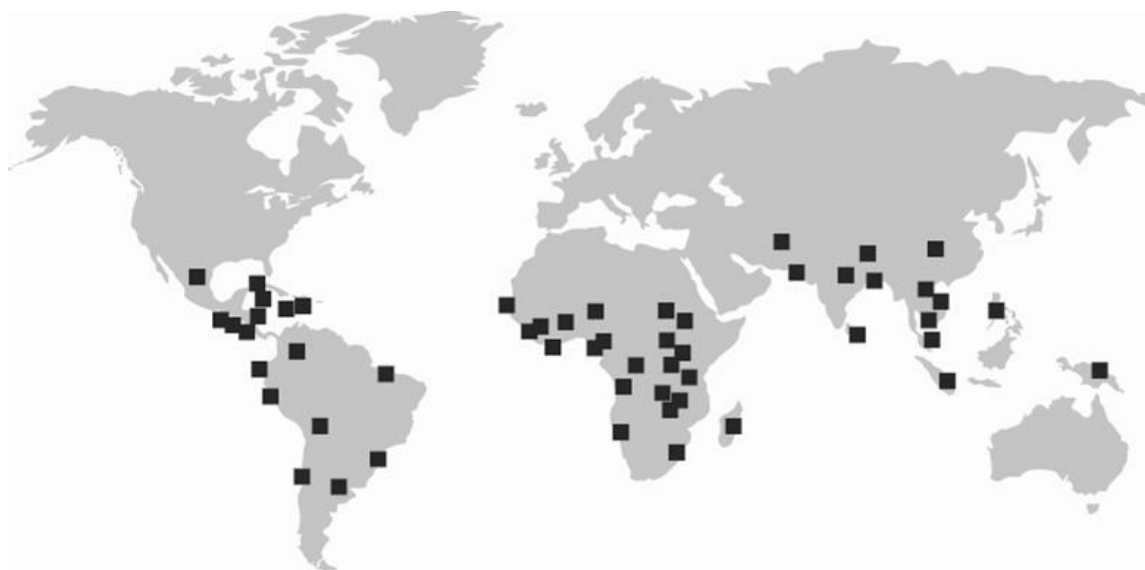
Source: UNDP (2006b).

Some would argue that businesses should not be investing in social programmes such as building capacity in civil society organisations because (1) it encroaches on what should be the proper business of government; (2) the major social responsibility of a business is to make money and (3) businesses are investing other people’s money (The Economist, 2011).

But, businesses control most of the world economy. And governments of poor countries are themselves poor with limited capability to invest in their own development. Sustainable development of these countries is not possible without adequate investment by corporations into building the social fabric.

**2 What gives CAWST the authority to make this recommendation?**

Within ten years, CAWST has helped 3.6 million people in 66 countries get better water and sanitation (CAWST, 2010). CAWST reaches these beneficiaries through a network of more than 2000 government and non-government organisations. Its clients include developing country governments, including the Ministry of Rural Development in Cambodia and the Ministry of Health in Laos; UNICEF, the WHO, and more than 300 local and international NGOs.



**Figure 6 Countries in which CAWST’s clients are located (CAWST, 2009)**

**Table 2 CAWST and Corporation join projects and their outcomes**

<b>Corporation(s)</b>	<b>Nature of Relationship with CAWST</b>	<b>Outcomes</b>
Petro Canada (now Suncor Energy) 2003 to 2005	Funded the development of CAWST's initial education programmes and materials.	The training programmes developed served as building block for CAWST's services and have been translated into more than a dozen languages. In Haiti CAWST developed posters can be seen at almost every public space to educate people on cholera prevention.
EnCana 2004 to 2006	Funded salary of 1 CAWST staff. Funded a business student intern. Sponsored 2 training seminars for Canadian NGOs. Sponsored training on household water treatment for the community around EnCana's Ecuador operations.	Staff person helped to establish CAWST's fund development programme, volunteer programme and youth outreach. This individual now works actively to improve water and sanitation in Romania. These seminars helped to define that Canadian NGOs were not a major market for CAWST's services. There is little evidence that the training resulted in sustained community action; EnCana sold their Ecuador operations shortly after.
Falconbridge Nickel (now Xstrata) 2004 to 2006	Funded CAWST training in the Dominican Republic.	In the Dominican Republic, this resulted in 13 NGOs implementing household water treatment (HWT) and 14,000 people with better water to June 2010. However the results achieved were not as strong as possible because Falconbridge wanted to focus in its area of operations which had no great water needs and where few NGOs operated because Falconbridge had invested in these communities over the previous 50 years. Ancillary results were impressive: CAWST was able to begin work in neighbouring Haiti, because of the funding, resulting in 30,000 Haitians with better water. Work in the Dominican Republic led to the global start of research on the biosand filter, a household water treatment technology.
Nexen (2005 to 2010)	Wife of Nexen employee spearheaded CAWST training in Equatorial Guinea, mobilising financial support from 4 other companies. Provided core funding for CAWST for 3 years.	No known household water treatment programmes were started in Equatorial Guinea. Nexen shut down operations shortly after, and the UNICEF leader also moved on. UNICEF did, however, introduce CAWST Community Health Promoter training to teachers and schools, and there were plans to integrate these into the school curriculum. Core funding was a key contributor to overall growth and stability of CAWST.

<b>Corporation(s)</b>	<b>Nature of Relationship with CAWST</b>	<b>Outcomes</b>
Suncor, RBC and EnCana (2006 to 2010)	Provide funding for CAWST's Youth Wavemakers Program in Calgary.	In 2010, Calgary youth engaged 15,000 individuals in water related activities. The programme is now directed at providing tools and resources for youth educators.
Talisman (2010 to 2014)	Funding for Water Expertise and Training (WET) Centre Program and core funding for CAWST.	This helped to pioneer the concept for developing local organisations (WET Centres) which could provide services similar to CAWST.

In 2010, over 127,000 people were trained using CAWST's training materials (CAWST, 2010). CAWST's mission is to provide technical training and consulting, and to act as centre of expertise in water, sanitation and hygiene for the poor in developing countries. These services are intended to catalyse community organisations to initiate and sustainably operate water and sanitation programmes.

Numerous corporations including Suncor Energy (formally known Petro Canada), EnCana, Talisman, Nexen, RBC and Falconbridge Nickel (now X Strata) have invested in CAWST over the last ten years. This investment was crucial to getting CAWST established.

### **3 What are the activities and outcomes that have resulted from CAWST's interactions with corporations?**

The financing received by CAWST from corporations has been directed to a wide variety of pioneering activities. These have resulted in a range of outcomes, many of which would have been difficult to predict at the outset.

### **4 What have been the lessons learned from these activities?**

- Corporations can play a key role in helping test new ideas. Corporations are more entrepreneurial than other institutional funders like governments or foundations. They are willing to take risks to test new concepts. Given the nature of CAWST's services, which involves continual development and transfer of new programmes to other organisations, corporate investment is therefore vital to CAWST. Indeed, corporate investment is therefore vital to community development work in general, because it is often difficult to forecast programme outcomes and the impacts of different approaches when working in this field.
- The best results have been achieved when corporations have invested in the development of CAWST's infrastructure (Petro Canada in education materials, EnCana in human resources development, Nexen and Talisman in CAWST core funding) or in the expansion of existing programmes (Suncor, RBC, EnCana in the Wavemakers Youth Program, Talisman in the Water Expertise and Training [WET] Centre Program). The results have been less encouraging when corporations have invested in their areas of operations (EnCana in Ecuador, Falconbridge in the Dominican Republic, Nexen in Equatorial Guinea and Western Zagros in Kurdistan).
- There needs to be good alignment between the approach of CAWST and that of the corporation in regards to community development. The CAWST country entry using CAWST's approach has generally yielded better results than those which have occurred in partnership with corporations, and with their direction (Ecuador, Dominican Republic, Equatorial Guinea, and Kurdistan). This is because for initiatives to be sustainable, local community ownership and leadership of the initiative must be instigated from the start. This requires that education on alternative solutions be first introduced to a wide array of organisations, and then support given to those organisations that initiate programmes. This is very different from the approach used by most corporations where the corporation drives the community development and where the focus of development is primarily in a small area around the corporation's operations. In all of the initiatives in the countries listed

previously, CAWST has observed that when communities or community organisations perceive that the corporation is ‘driving’ then they simply sit back and wait. The phenomenon of ‘dependence’ on the corporation is most observable in communities immediately surrounding mining operations where the mining companies have operated for a long time, such as in the communities immediately around the Falconbridge operations in the Dominican Republic where Falconbridge had operated for 50 years. Not only, do these communities look to the corporation to solve their problems, there is also a noticeable inequity between these communities and other communities in the country which has resulted from the corporate investment.

- The impacts of the corporate funding often reach well beyond the benefits that were envisioned at the start of the programme or the immediate business benefit to the corporation. The Falconbridge funding for the Dominican Republic helped CAWST to enter neighbouring Haiti which is certainly a more needy country than the Dominican Republic. It also helped to spark the biosand filter research. The Romanian business student intern, funded by EnCana, who worked at CAWST, later targeted her career so that she could bring better water to Romanians. Somehow CAWST needs to be able to capture these extenuating results and ignite the corporate enthusiasm for them.
- There is great synergy obtained when several corporations come together to fund a singular programme. This was observed with the CAWST Youth Wavemakers Program which is currently funded by Suncor, RBC and EnCana. Having all these corporations support the programme added to the flexibility afforded to CAWST to grow the programme from a programme which involved direct outreach to youth to one which is directed to providing youth educators with the tools and resources that they need to educate youth on water and sanitation issues. The corporations gain through the leveraging of each other’s investments.



**Figure 7 CAWST training in equatorial Guinea spearheaded by Nexen (CAWST, 2011b)**

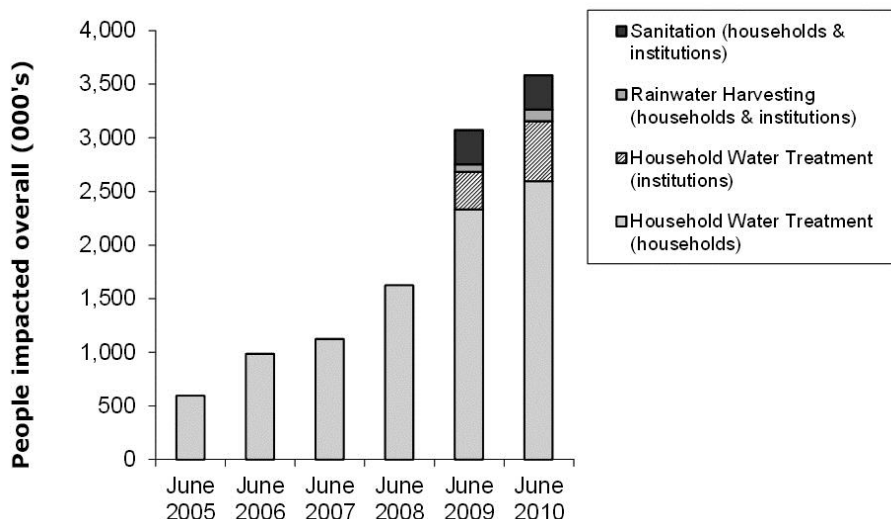
## **5 How can corporations maximise impact?**

To maximise impact, corporations should invest in:

1. The highest social and environmental needs globally. Consequently, water and sanitation education should be a priority.
2. The broadest region possible—at a global, regional or country level. Corporations should look much further than the regions immediately surrounding their mine or area of operations. Investing only in nearby communities creates inequity between these communities and others.
3. The development and growth of NGO and government organisations. Investing in the long term development and growth of civil society organisations empowers communities, reinforces local ownership and leadership; and ensures that communities do not become dependent on the

corporation for all their needs. The goal is that the social programmes that corporations invest in have a ‘home,’ that the programmes will be sustained, and their results is measured long after the corporation has left.

- Government and NGOs with quantitative organisational performance indicators which show the success of the organisations’ strategies in achieving social impact, organisational sustainability and operational efficiency. This is in addition to investing in specific programmes. By investing in this way, corporations can build sustainable institutions, reinforce good business practices in the development industry and can better compare their social investments.



**Figure 8 CAWST key performance indicator #1 — number of people with better water and sanitation (CAWST, 2010)**

In addition to financial investment, a corporation should:

- Publicly advocate for the causes they support. Invest their reputation as well as their money (Crutchfield et al., 2011).
- Collaborate with other corporations in support of the causes they support. Achievement of social impact generally requires large numbers of people and organisations working in collaboration (Tierney and Fleishman, 2011).

Many of these recommendations are consistent with the recent recommendations of philanthropic experts (Morino, 2011; the Center for What Works, 2011).

## 6 What are some of the challenges which corporations will face?

Many corporations have no clear rationale for social investing or criteria by which they compare social investments (Senser, 2007). In part, this is because there are many people and publications, including most notably The Economist (2011), who argue against corporations investing in corporate social responsibility (CSR) programmes at all, believing these to be the responsibility of governments or individuals, but not corporations.

Also, it is very difficult for corporations to compare NGO performance and the return on their corporate investment because few NGOs have organisational performance indicators by which they measure their impact. There is, however, a recent push by non-profit management experts (Morino, 2011; Tierney and Fleishman, 2011) to move non-profit organisations in the direction of measuring their outcomes relative to their ‘theory of change’ (Tierney and Fleishman, 2011; CAWST, 2011a). CAWST as an example has developed six organisational key performance indicators which drive the organisation’s activities (CAWST, 2010).



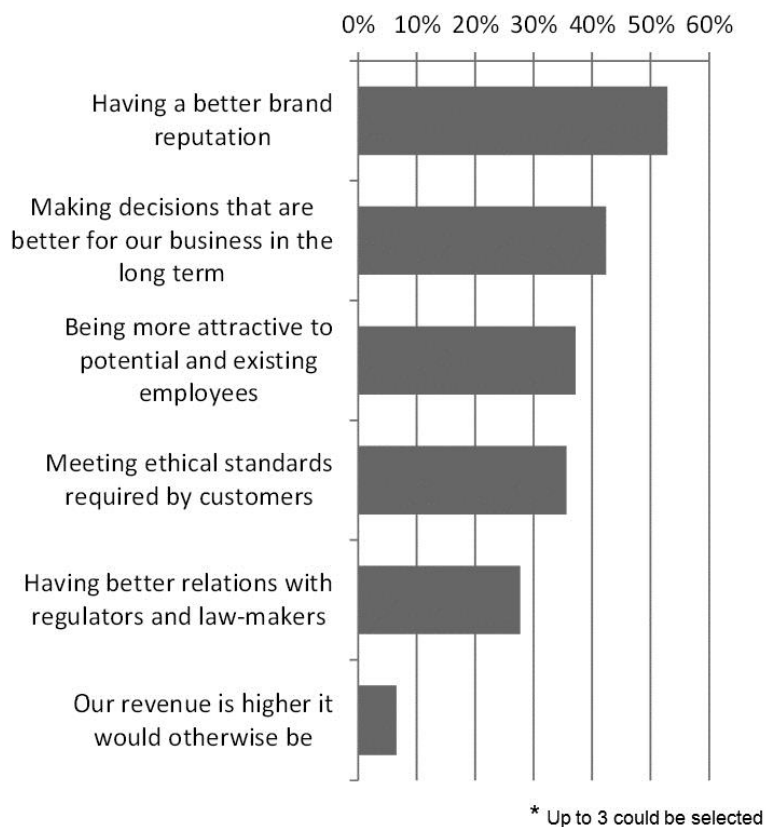
Especially in developing country organisations, there is a reputation of fraud and corruption. This makes corporations cautious about investing in non-government or government organisations and consequently, they often choose to invest in short term, infrastructure projects where the tangible results of the projects can be clearly measured but which will not have the fundamental change required for long-term sustained results (Senser, 2007).

Also, most corporations face difficulties integrating their corporate social responsibility activities into their overall business strategy. While the main business benefit of corporate social responsibility investments is recognised as ‘having a better brand reputation,’ most corporations still limit their CSR investments to areas immediately around their areas of operations, rather than creating and leveraging CSR strategies to develop a better global brand reputation.

Few corporations have the kind of patience and perseverance that it takes to help build the capability of people to meet their own needs. Yet it is the only path for sustainable development.

### The Business Case

*What are the main business benefits to your organization of having a defined corporate-responsibility policy?\**



Source: Economist Intelligence Unit, 2008

**Figure 9 Benefit of good corporate social benefit (The Economist, 2011)**

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