

April 2024

Valuing Water Initiative Evaluation



Final report



Version 1

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1 This evaluation

In 2023, Technopolis BV was commissioned by the Netherlands Enterprise Agency (RVO) to deliver an impact and process evaluation of the Valuing Water Initiative, in order to offer insights into the relevance, effectiveness, and coherence of VWI during the period of 2019-2023 in consideration of its defined objectives, and to identify lessons to be learned and offer recommendations for VWI 2.0. Nine evaluation questions were developed (Table 1):

Table 1 Evaluation questions

Evaluation Questions	Category	Report Section
1. To what extent has VWI delivered its main outputs across its activity pillars?	Effectiveness/ Impact	3.2 (all)
2. To what extent has VWI resulted in, or will result in, clear demonstration, uptake of knowledge, raised awareness and movement building?	Effectiveness/ Impact	3.2 (all)
3. To what extent are governance and organisation of the VWI programme suitable and optimal?	Effectiveness/Impact Efficiency/ Process	3.3
4. To what extent has VWI resulted in, or will result in, application of VWI principles?	Effectiveness/ Impact	3.2.4
5. In what way has VWI succeeded in creating a 'VWI community'? To what extent has VWI contributed, or will contribute to the achievement of VW principles and SDG6?	Effectiveness/ Anticipated Impact	3.2.3
6. What external drivers and barriers have affected VWI's capacity to deliver results and contribute to impacts	Effectiveness/ Anticipated Impact	3.2 (all), 3.5
7. How is VWI aligned with global and national policy goals, and does it (in potential) address fundamental underlying challenges	Relevance	3.1
8. How is VWI positioned in the wider policy and practice landscape, and to what extent is it consistent, complementary, and synergistic with other initiatives	Coherence	3.5
9. What can be learned for a potential VWI 2.0? What are the main Strengths, Opportunities and Threats for the programme.	Learning/ Crosscutting	3.6

To answer the evaluation questions, an evaluation approach was developed based on the initial consideration that achieving systemic change is a gradual process. In addition, VWI operates as an experimental programme, emphasising learning as an integral part of the process. With this premise, the evaluation has adopted a learning-focused and process-driven approach to determine the extent to which the VWI methodology influences improved decision-making concerning water resources and services. Recognising the long-term nature of the intended impacts of the program, and a number of the project activities being fairly intangible (focused on impacting decision-making processes around water), it was concluded that focusing on impacts would deliver few tangible results.

A range of outputs, outcomes and some emerging impacts were identified and verified through desk study of programme materials (e.g., based on VWI's existing outcome harvesting, programme reports) and additional data gathering. Data collection included further



document collection and review and a total of 43 interviews (21 interviews with stakeholders at programme level and 22 additional case-study interviews). Analysis was done at the programme and case-study level.¹ Based on this, a Theory of Change was developed to showcase how VWI has worked to address the desired outcomes and impacts. The pathways to the impacts were tested through Contribution Analysis, supported by Process Tracing analysis at the case-study level. Contribution Analysis identified and evidenced the level of contribution and importance that VWI has had on the materialisation of these outcomes, allowing the evaluation to respond to the EQs.

¹ Five case studies on major activities within the VWI programme were selected with the VWI team and evaluated.

2 Programme Description

2.1 The programme

The establishing of the Sustainable Development Goals (SDGs), especially that of SDG 6: Ensure access to water and sanitation for all, has made even more evident the urgent need for investments, policy reforms, and diverse valuing mechanisms related to water. In relation to this, in 2016 – 2018 the United Nations and the World Bank Group convened a High-Level Panel on Water (HLPW), consisting of 11 sitting Heads of State and Government (including Dutch Prime Minister Mr. Rutte) and one Special Advisor. The HLPW charted principles and pathways for valuing water in order to champion a comprehensive, inclusive and collaborative way of developing and managing water resources and improving water and sanitation related services².

The principles as adopted by the HLPW (based on previous earlier work) are the following:

1. **Recognize and embrace water's multiple values** to different groups and interests in all decisions affecting water.
2. **Reconcile values and build trust** – conduct all processes to reconcile values in ways that are equitable, transparent, and inclusive.
3. **Protect the sources** - watersheds, rivers, aquifers, associated ecosystems, and used water flows for current and future generations.
4. **Educate to empower** – promote education and awareness among all stakeholders about the intrinsic value of water and its essential role in all aspects of life.
5. **Invest and innovate** – ensure adequate investment in institutions, infrastructure, information, and innovation to realize the many benefits derived from water and reduce risks.

Despite the seeming straightforwardness of the five valuing principles put forth, valuing water has proved difficult to use in practice. This is due to the diverse physical, political, and economic characteristics of water. Different methodologies have been used in an attempt to value water, such as willingness to pay studies for drinking water and ecosystem services, as well as collaborative engagements aiming at capturing the cultural benefit and appreciation of water.³ However, no single approach has been successful at incorporating and measuring the full range of benefits and value that water has. This has made the question of how to transform valuing water principles into actions a difficult question to answer. To answer this question, the Valuing Water Initiative (VWI) has engaged with diverse partners within and outside the water domain. From this starting point, the VWI has understood that valuing water is a continuous balancing and rebalancing act between competing views and actors. As a result of this insight, the VWI has outlined four strategic pillars through which conceptual work on valuing water can inform practical applications and vice versa.

VWI's approach of including a wide range of stakeholders to find equitable ways to implement the VWP's is in line with academic and policy recommendations pertaining to the sustainable development of water resources and water valuing.^{4, 5} Inclusive decision-making processes

² Wikipedia

³ <https://www.science.org/doi/abs/10.1126/science.aao4942>

⁴ <https://www.science.org/doi/abs/10.1126/science.aao4942>

⁵ https://sustainabledevelopment.un.org/content/documents/17829Open_Letter_HLPWater.pdf

that create new partnerships and lead to sound policies, transparent governance, and innovative approaches to water valuing and management have been identified as scarce, but necessary to make lasting positive impacts. Throughout the report, the evaluation refers to these multi-level stakeholders and the various sectors among which the VWI operates as the “water domain.”

Table 2 presents the work pillars, brief descriptions, and the respective workstreams that have been implemented by VWI (some still in planning phase).

Table 2 Work Pillars of VWI

Work Pillars	Description	Workstreams
Valuing Water Journeys	Aims to rally essential stakeholders and influencers to implement the Valuing Water Principles (VWPs) in policies, business operations, and behaviours across various settings, industries, institutions, and corporations.	Finance Journey Regional Journeys Youth Journey
Leadership by Example	Seeks to inspire and engage actors who commit to learning how to apply the UN Valuing Water Principles (VWP) and share learnings. VWI partners pledge to adhere to the VWPs and exchange their insights.	Fields-Level Leadership LAC/Africa Regional Process on valuing water
Learning Platform	Aims to create a knowledge platform and hub to bolster effective approaches in water valuation and facilitate knowledge sharing.	Water Valuing Survey Tools and methodologies (<i>no online platform yet launched</i>)
Action Through Inspiration	Aims to utilise impactful communication to motivate individuals to act, foster inspiration, influence, and cooperation. Its goal is to instil an appreciation for water within society and encourage relevant stakeholders to implement concrete measures.	RunBlue

Through the Netherlands Enterprise and Development Agency (RVO), the Ministry of Foreign Affairs (BZ), and the Ministry of Infrastructure and Water Management (IenW) has funded VWI with 12.381.000 EUR for the period 2019-2023. With these funds in the first place the costs of the VWI team were covered (3.063.500 EUR). Furthermore, these funds have been spread across various activities and several projects that have been or are being carried out by project delivery partners.

Fiver (larger) activities from the different workstreams were selected for this evaluation as case studies. The outlines of these activities are summarised in the boxes below. Findings from the case studies can be found as examples in the chapter with evaluation findings.

Box 1 Youth Journey

VWI is developing a **Youth Journey** to focus on the specific role of young people in building a more sustainable, water-secure world. Like the other VWI Journeys, this work is inspired by the Valuing Water Principles, including the High Level Panel on Water's explicit recognition that the principles can only be operationalised with the involvement of groups whose values that are typically underrepresented in mainstream decision-making processes and institutions, including youth. Through this Journey, VWI seeks to recognise and elevate the role of young people in water management and governance. By empowering youth, we can achieve better, more sustainable outcomes – not just for young people but for the water domain as a whole.

To kickstart the Youth Journey, VWI partnered with the Water Youth Network to conduct a scoping study into what works, what doesn't work and what's needed when it comes to achieving systematic and meaningful engagement of young people in water management and governance. The study involved a mapping exercise to identify existing organisations and initiatives that are active on this issue; a survey among young people interested in water policies to garner their perspective on the key obstacles to meaningful engagement; and data validation sessions with youth groups including the Youth Delegates to the World Water Council. While the study identified many inspiring examples of meaningful and proactive engagement initiatives geared towards young people interested in water, it nevertheless concluded that:

Obstacles to youth engagement were: Hierarchical decision-making; Tokenism and box-ticking; Technocratic barriers; Language barriers; Limited opportunities for capacity development and Fragmentation between youth-focused initiatives

The Journey aimed to tackle these challenges by improving the knowledge and capacity of the youth. This would be done by focusing on local youth action and advocating for diverse and inclusive representation of the youth in the water domain to enable them to have decision-making power. The overall goal of the mission was to see "youth priorities, initiative and idea fully integrated into water governance and management, contributing to water and climate resilience."

The project was carried out by IUCN, AquaFed, and the Red Cross Climate Centre. The project is now completed, although the final report is pending.

Box 2 Dordrecht Journey

The **Dordrecht Journey** originally started in 2005, years before VWI was involved. In the wake of Hurricane Katrina, the idea of enhancing flood security through a Multi-Level Safety (MLS) Model became the starting point of the journey. The MLS model is aimed at devising a safety strategy that is contingent on multiple levels of safety, providing better protection in the case of flooding and weather events. The municipality of Dordrecht conducted extensive research on the application of the MLS model within the context of the Dordrecht area.

VWI became involved through Dordrecht's connection with the Special Water Envoy of the Netherlands and worked on the journey between 2020 and 2022. Through co-creation and diplomacy, VWI and the municipality of Dordrecht developed a strategy for implementation of the MLS model. It's bottom-up approach ensured participation of various stakeholders active in the region, resulting in a more inclusive and collaborative process of policy development and implementation. VWI introduced the VWP that helped guide the policy development phase. The journey in Dordrecht was mutually beneficial for both the municipality of Dordrecht and VWI. The municipality received valuable guidance and methods for the transition from policy design towards policy implementation. For VWI the Dordrecht Journey, which had been ongoing for a number of years, provided a good opportunity to test and apply its core principles and to test the added value of their approach. In addition, the Dordrecht Journey provided an opportunity for the Dutch government to apply VWI's approach domestically.

The application of VWI's approach resulted in the uptake of knowledge of its various partners within the journey and awareness of the VWPs was raised, providing a clear demonstration of the benefits of VWI's approach. The only outcome that was limited was the building of a movement since the journey was discontinued and contact between VWI and its partners has not been maintained.

Box 3 Finance Journey

From initial roundtable discussions set up by VWI, it became evident that there was **a gap between the finance community and the movement towards sustainable water use practices**. Through consultations, research, and networking, VWI established clear rationale to fill this gap. VWI proceeded to engage the finance community, targeting key organisations with strong ties and influence within the community (e.g., CERES, CDP, OECD, sustainable and water finance academia, and relevant policy makers), as well as members of the finance community themselves (e.g., water finance consultants, financial institution representatives). The **rationale in targeting the financial institutions (FIs)** is that by **a)** educating this community on the importance of materiality of water for their core business, **b)** raising awareness of FIs' abilities and role to drive the suitability water practices among water users, and **c)** providing the FIs with data and guidance on holding their assets responsible to better water use and management, the financial institutions would shift their behaviour in assessing their assets with a stronger water practice lens. This, in turn, is intended to drive behavioural change among the assets and businesses themselves by utilizing better water practices and policies. The **overall impact** intended by the Finance Journey is to *shift corporate and private sector water use practices to be more sustainable and employ the valuing water principles when setting water use and management plans and policies*. This is a long-term impact, and while some evidence may be identified at early stages, most would materialise several years post the start of programme implementation.

Through consultation, **three key activity streams** have been identified and defined under the Finance Journey that are intended to lead to the respective outcomes and overall impact:

1. *Network and Engagement Facilitation*: VWI works to develop a network of various stakeholders who are important to drive change in the valuing water movement through systemic shifts in finance practices. They invite members of varying communities who have a stake in the water discussion. They facilitate discussions and roundtable events regarding water valuing and support the attendance of the select stakeholders at key events, such as the 2023 UN Water Conference and Stockholm World Water Week. This is meant to raise awareness around water valuing (in the form of materiality of water) among stakeholders that would not otherwise be privy to each other's ideas, promote the prominence of water valuing discussions on global and corporate agendas, decrease water valuing silos among varying industries, and enable participants to use the VWPs in their fields to drive this change.

2. *Promotion and Facilitation of Voluntary Disclosure*: VWI has joined forces with CDP by funding a project to promote voluntary disclosure on water risks and effects from companies to investors. The goal is to increase transparency in order for investors and markets to become more informed. Investors, thus, will be able to make more informed investment decisions and hold their assets, as well as companies seeking investment, accountable for improving their water practices. CDP has developed a questionnaire for corporate actors to disclose on their water use practices. This information is meant to drive transparency in the market, bring more focus and awareness to corporate water practices, and serve as a decision-making metric and tool for investing agents. This programme lies in the wider context where the EU's CSRD directive marks a transition to mandatory disclosure as of 2025.

3. *Standardisation of Corporate Expectations in Water Valuing and Management*: VWI has partnered with CERES, an expert in the field, through alignment on the goal to green the capital market system by educating the investment community on their role in driving sustainable water practices among their assets. The project's goals seek to support finance institutions to take responsibility, as the business owners, by putting pressure on their asset companies' water practices, as well as support asset managers to develop their own strategies in respect to water. VWI has funded the research, development, publishing, and dissemination several research reports on financial (double) materiality of harmful water management practices in the packaged meat and apparel sectors. Furthermore, a report was developed and disbursed on the six *Corporate Expectations in Water Valuing and Management*, which codifies best practices that should be taken by 'good water corporate actors.' This has further led to the *Valuing Water Finance Initiative (VWFI) Benchmark* report, which assesses company performance on these six corporate expectations.

Key actors engaged and targeted through this intervention include: Key organisations influencing finance practice (e.g. CERES, CDP, OECD, WWF, Alliance for Water Stewardship, TNC), Representatives of finance institutions and investors, wider water finance community (e.g., academia, consultants) and relevant policy makers

Box 4 RunBlue

RunBlue is a campaign programme funded by VWI and delivered by the Thirst Foundation. In this programme led by Mina Guli, an extreme runner from Australia, extreme running events are used to attract attention for water related issues. The programme sits under the campaigns workstream of VWI, and acts as an awareness raising mechanism on bettering water valuing and the VWPs across key stakeholders, such as grassroots community members, policy stakeholders, and corporate representatives. VWI has directly financed the RunBlue campaign with 1 million Euro to fund the necessary travelling and operational capacity for doing the campaign. The initiative is also backed by Bayer, WWF, the Tajikistan government, and others.

At the early stages of VWI, the VWI team initiated a consultation process to identify a campaign mechanism to raise awareness of the VWPs. Through extensive discussions with stakeholders and relationship formation, it became clear that Mina Guli's efforts were already targeting the work that VWI was aiming to achieve, such as grassroots and community awareness. To not duplicate efforts, the VWI joined Mina as a funding and thought partner and collaboratively repackaged the campaign with stronger messaging of VWPs and water valuing. Mina Guli operates as the campaign driver, runner, and story amplifier. The activity categories she delivers through the campaign are:

- a) *Mobilisation* – through running in water campaign marathons and engaging in key water basins and emerging water crisis locations.
- b) *Storytelling through Media and Communications* – Development and publication of visuals (videos, photographs with narratives) to share storied of communities and individuals affected by water crisis.
- c) *External affairs and Partnership Development* – including representing VWPs at key events and fora, engaging with key policy stakeholder, and with key decision makers of companies with high water use.

Box 5 Peru Journey

The **Peruvian government** has been engaged with VWI since its inception through participation in the High-Level Panel on Water (HLPW) along with the Netherlands and nine other countries. The Peru journey began in 2018 and consists of four phases: I Scoping, II Diagnostic, III Implementation, and IV Monitoring and Evaluation.

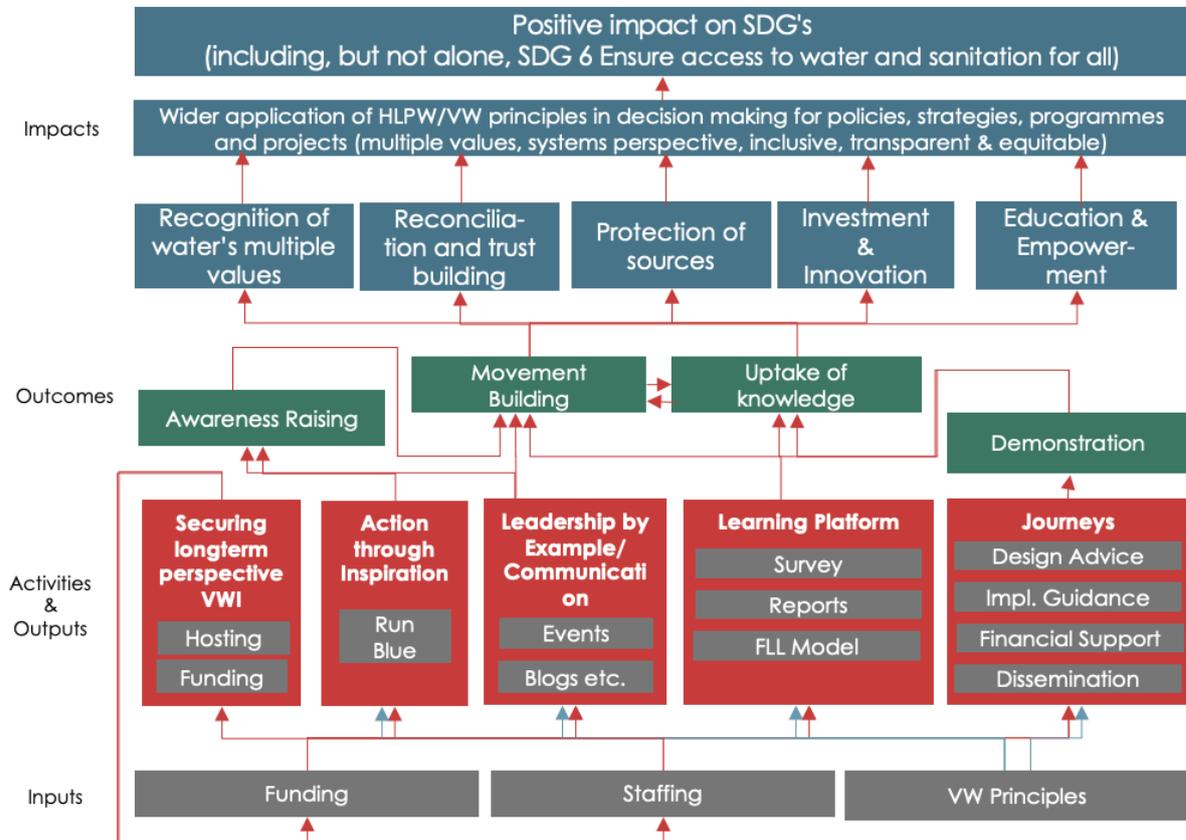
The objective of this journey is to implement VWI principles practically within the framework of the Chancay-Lambayeque River basin. This selection was deliberate due to the extensive research conducted in the area, the effective communication established with the River Basin Council (CRHC) technical secretariat, and the diverse range of challenges present, rendering it a compelling pilot case.

The initial phase I, Scoping, took place between April and October 2019. This phase concluded with the signing of a Memorandum of Understanding (MoU) between the National Water Authority of Peru (ANA) and the Embassy of the Netherlands in Peru on October 18, 2019. The subsequent phase II, Diagnostic, was postponed due to the impact of COVID-19. The main objective of the diagnostic phase is to evaluate the potential of VWI principles in effectively addressing the challenges within the basin and contributing to the development of a strategy for systemic change. This strategy aims to integrate the multiple value of water, along with associated risks and opportunities, into decision-making processes for both public and private investments.

The II Diagnostic phase activities resumed at the outset of 2022. Deltares was enlisted by the VWI team to provide guidance to Peruvian authorities in advancing the VWI initiative. The primary Peruvian authority engaged in this effort is the National Water Authority (ANA). At this stage, phase I and II can be considered as finalised, with phase III and IV pending.

2.2 Theory of Change

Figure 1 Overarching VWI Logic Model



A Theory of Change of a programme describes how the programme intends to achieve its intended impacts.

Inputs (money, staffing, thoughts) are used to organise activities. The activities have direct results (**outputs**) that lead to more indirect effects on the target group (**outcomes**) which in their turn affect society at large (**impacts**).

Figure 1 is a visualisation (logic model) of the Theory of change for VWI. The arrows in the figure show, when followed from the bottom of the figure to the top of the figure show the various **Causal Pathways** through which the inputs are supposed to lead to impacts, or in other words, how the actions in the programme and the effects of these actions lead to the desired change.

Based on consultation with the respondents and document review, the major goals that have been established for the VWI Programme seem to be up to the outcome level. The idea is that activities in the programme empower stakeholders to start processes of change in society that in the end have positive effects on the achievements of SDGs. In the end, the VWI programme hopes, that by providing good examples of change at local or sectoral level, a movement will be created that also on a macro scale have an effect on achieving the SDGs.



Four major Causal Pathways are central in the programme:

1. Actors at different levels (local, regional, and global policy, campaign work, corporate, NGO, civil society, youth, academic, and other fields) become more **aware** of the VWPs, bringing water to a more focal point on their agendas, because of VWI awareness-raising activities, including campaign events and facilitating VWP discussions at key events.
2. Actors become **knowledgeable** on how to implement VWPs in practice, leading to better water use policies and practices, because VWI funds and supports demonstration and facilitation projects.
3. Varying community actors, who wouldn't otherwise engage, engage with each other on water valuing, decreasing sector silos and leading to more unified and empowered **movement** using valuing water principles, because VWI facilitates the participation and networking of the key actors from different sectors and community levels at key events and roundtable discussions.
4. **Practical demonstrations** of implementing VWPs arise in various geographic and industry sectors, allowing the wider communities to learn from and apply these practices and principles, because VWI has resourced (with knowledge and finance) the development of VWP-use projects across these regions.

Using these causal pathways, the evaluation researched whether VWI could claim to have contributed to developments along these causal pathways. These pathways were used as **Contribution Claims** (CCs) and tested through Contribution Analysis.

Risks and Assumptions

Assumptions are the processes that we expect to exist for the programme's causal pathways/contribution claims to be true. Risks are the general barriers that are likely to arise to block those pathways from materialising into outcomes and impacts. These have been derived through the data collection and background research on the VWI programme. Throughout the analysis, consideration is given to both assumptions and risks when assessing whether the contribution claims are true.

#	<u>Assumptions</u> <i>Expected assumptions for the VWI programme to have the intended outcomes include:</i>	<u>Risks</u> <i>Potential risks that can have an effect on the VWI programme include:</i>
1	VWI team is able to reach and engage the appropriate and diverse water community.	Other priorities , like CO2 emissions or resource efficiency, overshadow the advocacy for changes in water use practices and policies, leading to change not being implemented.
2	Water valuing community engaged is large and diverse enough to influence standard practices of accountability on water use.	Discontinuity between VWI and other influencing organisations creates confusion and lack of standardisation in water valuing and use practices.
3	VWI's principles align with those of other actors leading in valuing water work.	VWI focuses resources on one set of activities/direction more than another, leading



		to fewer target impacts being realised, or at a slower pace, than desired.
4	VW principles are presented holistically , so that target groups do not prioritise only the 'most-fitting' or convenient principles and leave behind others, leading to partial change.	Lack of follow-up or continuous engagement with the target communities post VWI activities lead to stakeholder disengagement and low take-up/change rates in VW practice.

3 Findings and Analysis

3.1 Relevance

Responds to Evaluation Question:

EQ 7. How is VWI aligned with global and national policy goals, and does it (in potential) address fundamental underlying challenges

The relevance of activities in the field of water to achieve a (more) comprehensive, inclusive, and collaborative way of developing and managing water resources and improving water and sanitation related services is quite obvious, that is why the UN HLWP was set up. Even though the UN HLPW no longer exists, now the UN Water Conferences are meant to provide a forum to discuss trends and directionality regarding water use across sectors. During the last UN Water Conference, in 2023, organized by NL and Tajikistan, there was quite some attention for the Valuing Water Principles. A new UN Water Conference will be held in 2026, 3 years after the 2023 conference.

Interaction with stakeholders for this evaluation, both at programme level as well as at the level of activities (studied in the case studies) confirms the continuous relevance of the VWP topic, for it deals with “wicked problems” such as water management (water quality, pollution, shortage, and abundance).

Stakeholders also confirm the relevance of VWI as an initiative: there is a great need felt to translate the rather abstract Valuing Water Principles into practical processes and activities, and VWI is an important actor doing this, focusing on developing practical support in addressing (and generating attention for) the issues present in the water domain and by involving various stakeholders. As one interviewee states:

“Very unique – one of the things I think is very helpful is they really understand the systems change – how we need to create an enabling environment to see the change on the ground to happen. So many funders in this space are looking at regional issues, but really need that systems change to drive it on the ground. Sophisticated view and understanding. Very helpful and important and unique.”
- Interviewee

The relevance of VWI is also confirmed by the opinion of many stakeholders who state that, in case VWI would not be funded for renewal, this would leave a gap within the water domain that would be felt, since there is no obvious replacement of VWI or a similar actor that acts within this space with similar messaging. VWI covers an interesting section within the water domain and, according to many stakeholders, gives voice to the values on the international level in a way that few other organisations do.

The relevance of VWI in relation to Dutch international water policy is less clear. According to many stakeholders the Dutch government approach is often too narrowly focused on economic interest and a Return on Investment. VWI, on the other hand, has as a consequence of taking the Valuing Water Principles as a point of departure, a much broader focus. The difference between VWI and other Dutch international water policy initiatives is noticed by stakeholders. Although VWI is an experimental programme this experimental character is not always recognized by the stakeholders and affects credibility of VWI as a Dutch government initiative. In order to overcome this perception gap, it might be stressed more that VWI is an experimental and innovative programme also providing advice to Dutch policy makers, which

also may lead to changes in the Dutch International water policy, but this is a separate process from the activities of VWI outside the Netherlands.

3.2 Outcomes and Effects

The goal of the chapter is to test the connection between the various activities conducted by VWI and its partners in relation to the observed presumed outcomes and effects of the programme. This will be done through testing the causal pathways formulated in Section 2.2 (Theory of Change). As explained in the introduction, each contribution claim has been tested through Contribution Analysis using data from desk research, programme level interviews, and the various case studies. The data is categorized in supportive and opposing data, followed by a conclusion for each section. Lastly, recommendations have been formulated in relation to each claim.

3.2.1 Contribution Claim (CC) 1: Awareness

Contribution Claim 1:
Actors at different levels (local, regional, and global policy, campaign work, corporate, NGO, civil society, youth, academic, and other fields) become more aware of the VWPs , bringing water to a more focal point on their agendas, because of VWI awareness-raising activities , including campaign events and facilitating VWP discussions.
Relevant Evaluation Questions:
<p>EQ 1. To what extent has VWI delivered its main outputs across its activity pillars?</p> <p>EQ 2. To what extent has VWI resulted in, or will result in, clear demonstration, uptake of knowledge, raised awareness and movement building?</p> <p>EQ 6. What external drivers and barriers have affected VWI's capacity to deliver results and contribute to impacts</p>

3.2.1.1 Supporting the causal claim

Increasing the awareness of VWI's partners and stakeholders is an integral part in the establishment and implementation of the VWPs. In the context of the Theory of Change, awareness is an outcome that relates to the building of a community/movement. In turn, the intended impact of these outcomes is the increased recognition of the VWPs. Additionally, these outcomes impact education and empowerment of the stakeholders VWI reached with its activities. This section will focus on how VWI's activities and outputs contribute to the outcome of increasing awareness generally and amongst stakeholders and partners.

While VWI is engaged in many activities, one of its foundational components is comprised of the Valuing Water Principles (VWPs) that inform VWI's activities and provide scope for VWI's approach. The "Every Drop Counts" report, from the High Level Panel on Water defined three workstreams, one of which focusing on the need to value water beyond its economic value. VWI was created to help facilitate this transition of thinking about water beyond the narrow lens of its economic value. So, while VWI did not create the VWPs or the thinking behind the movement, creating awareness for these principles is an important part of VWI's scope.

As pointed out in various interviews, VWI is uniquely placed within the water domain. VWI is active on the international, national, regional, and local levels and through its communication, journeys and other activities is able to reach a wide group of stakeholders. While there are

some NGOs active within the water domain that take a value-based approach, VWI is the only governmental organisation, which operates on various levels. Perhaps its closest counterpart is the Global Water Partnership (GWP), an intergovernmental organisation and global action-network involved in the workshop sessions that gave rise to both the VVPs and eventually VWI.

VWIs positioning is relevant for its ability to increase awareness. This is due to the fact that VWI acts on various levels and engages multiple stakeholders (NGOs, local governments, international organisations, private sector, etc.). VWIs mandate is unique, and its programme does not have 'competitors' active on the same level. This allows for the strengthening of the contribution claim, since the awareness raised stems from activities conducted by VWI and its partners.

Interviewees have pointed out that the main focus of VWI has been on stakeholders within the water domain. However, due to its unique position within the water sector, interviewees see the opportunity for VWI to increase awareness regarding the VVPs and their importance for sustainable decision-making beyond the water sector. VWI could function as a representative of the water sector, introducing the value-based approach towards sectors adjacent to the water sector (e.g. agriculture, energy, industry, mining). To a certain extent, VWI takes on this role within the finance journey. The consulted interviewees see opportunities beyond the finance journey, where VWI could focus on creating awareness and facilitating cooperation amongst various sectors while advocating for the VVPs.

Various journeys involve awareness-raising activities of VWI. As mentioned in this chapter and is outlined in section 2.2 the journeys involve VWIs cooperation with various stakeholders active on different levels (internationally, nationally, regionally, and locally). Both the Run Blue Journey and the Peru Journey provide insight in the awareness-raising activities conducted by VWI.

Run Blue example:

The key outcome of this campaign has been awareness building across a wide range of actors and stakeholder types. The campaign's activities and outputs are represented in the Run Blue Final Report (2023).

a) Engagement on water issues with various stakeholder categories at key events – this workstream includes raising awareness of the VVPs and sharing the stories of the people most affected by the water crisis. Mina, as the face of the campaign, has presented at key events, such as the Stockholm World Water Week and the UN Water Conference. She also has held these awareness discussions with the key policy and corporate decision-makers in on-to-one settings.

b) Awareness built across various geographies - 200 marathons ran across 32 countries from 2021-2023. Here, local community members, government officials, and corporate stakeholders have been mobilised to participate in the campaign for water. Many of the stakeholders run in the marathons themselves, while others participate more in the discussions pre and post run. Regardless, the messaging of VVPs is instilled into the participants, as well as beyond, through the media coverage and post-marathon content development. Media content from the RunBlue campaign has reached over 300,000 views, reaching a variety of audiences beyond those participating in the runs.

Overall, the promotion of the Valuing Water Principles has reached 354,349,677 people in all five continents through the RunBlue Campaign.

Much of the ability to attend and speak at these events, conduct the marathons, and hold the credibility needed to deliver the message of the VVPs has been attributed to VWI's support, both financially, ideationally. In addition, it was noted that the visible backing of the Dutch government served as significant support for the credibility to carry out this work.

In addition to the journeys, members of the VWI team have attended important conferences such as COP28, Stockholm World Water Week and the UN Water Conference. Attending these conferences increased the visibility of VWI and allowed for opportunities to increase the

awareness of other participants for VWI and their approach. VWI is further able to raise awareness for the VWPs and their added value through its website, social media, and press releases. Finally, VWI has increased awareness through its established network of partners and stakeholders. The use of existing institutions promoting water sustainability, engaged in the relevant sectors, such as the Thirst Foundation (RunBlue), CDP, CERES (Finance Journey) and Deltares (Peru Journey), has allowed VWI to efficiently reach their established networks. The mutual support between VWI and its partners has aided the credibility with which the principles are promoted and resulted in increased awareness of both partners and stakeholders. VWI's packaging of the VWPs and its supporting funding has aided their respective partners in ensuring the principles are at the backbone of the work they were able to deliver. This has led to a wider range and number of stakeholders reached than those who would have been reached on this topic with solely direct involvement of VWI.

Peru journey example:

The I Scoping and II Diagnostic phases of this journey were composed of various awareness-raising activities within the local community as well as the national community.

As a first step, the Peru Journey team conducted scoping meetings where they went in person to basin as well as to national organisations and met with relevant stakeholders and discussed the goal of the Journey with them.

After the scoping, a diagnostic survey was set up at a local (basin) level. The aim of the survey was to unearth the assigned values to water that each stakeholder had. The participants of this survey were local public management institutions, local private management institutions, social management institutions (i.e. non-governmental organisations, social organisations, platforms, roundtables), institutions in the basin transfer zone. Moreover, youth and diverse gender perspectives were also captured in the survey.

Similarly, a national survey was set up to understand the values assigned to water by national organisations within Peru. Some of these organisations were the Ministry of Agricultural Development and Irrigation, the National Association of Sanitation Service Providers of Peru, the Ministry of Housing, the Water Fund for Lima, and Callao, among many others. The majority of the organisations were private (82%), a smaller part of the private (14%) and a few of them were a cooperation (4%).

Once the results of these surveys were collected and analysed, Deltares and VWI held workshops in Peru with the various stakeholders. These workshops took place in February 2024, effectively ending the II phase of the project.

These activities have been effective at raising awareness of how a wide range of stakeholders value water and how these values can at times create synergies as well as (power) tensions.

VWI aims to raise awareness for the VWPs. These principles iterate the importance of recognising the multiple values of water, and the need for an inclusive approach towards decision-making regarding water management. Interviewees mention how VWI's activities have increased the awareness of actors for a value-based approach in decision-making regarding water management. It has resulted in the establishment of the VWPs to promote better water use practices and policies across multiple sectors. In addition, it is mentioned by interviewees that VWI has helped establish the language through which value-based decision-making can take place within the water domain.

3.2.1.2 Opposing the causal contribution claim

Some of the data collected brought into view some of the limiting factors that were present within VWI's awareness-raising activities. While the majority of interviewees agree that VWI has been able to increase awareness on VWPs, VWI has focused a large part of its activities within journeys where partners already had a high level of awareness regarding the multiple values of water. VWI chose to have journeys (after having been approached by the governments of

these countries) in Peru, Chile, and Colombia where awareness regarding the multiple values of water is engrained within society. While VWI may not have increased the awareness of the actors involved in these journeys, VWI did provide representation on an international and governmental level for this VWP. However, as will be explored in Causal Claim 2, knowledge of the various stakeholders and partners in these journeys did increase.

Based on this observation, it can be said that awareness-raising has been more successful on the international and governmental levels rather than the local and regional levels, where awareness was generally already higher among stakeholders.

In addition, within the Dutch governmental system many different ideas and approaches exist regarding water management and policy. These do not always align with VWI's approach.

3.2.1.3 Conclusion

Many stakeholders are aware of the need to support water sustainability and improved decision-making processes relating to water management, policy, and practices across sectors. There are a plethora of existing and active organisations taking actions to drive this change. Many of them are aware of the VWPs that aim to facilitate the transition to sustainable and inclusive decision-making within the water domain. Evidence above allows us to conclude that VWI has in fact contributed extensively to this outcome. While awareness has increased, globally there are still many (potential) stakeholders who are not aware of the VWPs, both inside and outside the water sector. However, were VWI to increase their awareness-raising activities, it would be important to identify which stakeholders to focus on to ensure efficiency and effectiveness.

Overall, VWI's work has led to more people and key stakeholders being actively aware of water valuing, the VWPs, and of the need for water security and sustainability measures and policies, than would have otherwise been possible.

3.2.2 CC 2: Knowledge Building

Contribution Claim 2:

Actors become **knowledgeable on how to implement VWPs** in practice, leading to better water use policies and practices, because VWI funds and supports demonstration and facilitation projects.

Relevant Evaluation Questions:

EQ 1. To what extent has VWI delivered its main outputs across its activity pillars? (Effectiveness)

EQ 2. To what extent has VWI resulted in, or will result in, clear demonstration, uptake of knowledge, raised awareness and movement building? (Effectiveness)

EQ 6. What external drivers and barriers have affected VWI's capacity to deliver results and contribute to impacts?

3.2.2.1 Supporting the causal claim

To impart knowledge onto actors pertaining to the VWPs or on how to implement the VWPs, VWI builds on existing structures and does not face the challenge of creating something new. Existing thought structures that can or have been built upon, such as the Belaggio Principles, have already been previously mentioned.



Instead, VWI's focus in relation to knowledge building is opportunity creation to facilitate how others can set their own standards with value-based approaches. The VWP's are central to guiding this value-based approach beyond the traditional economic and technological values that water is standardly assigned. Understanding and internalising the five VWP's is the first step of the knowledge building process. However, also learning the skills and understanding the steps necessary to be able to implement the VWP's – taking them from theory into practice – is crucial to leading to better water use policies and practices.

To this end, VWI funds and supports demonstration and facilitation of projects. These projects can take on different forms, such as journeys and the activities hosted within them, as well as VWI's attendance to conferences and governmental/international level meetings which result in tangible outputs. Within the journeys, VWI increases the knowledge of local actors and partners by introducing them to different approaches to facilitating better water management within the context of the VWP's. At governmental and international level meetings and conferences, VWI creates exposure for the VWP's and the added value of their approach for water management, which in turn results in tangible outcomes related to knowledge building.

Examples of how journeys have contributed to knowledge building can be found throughout this section within the red text boxes. Other concrete instances of knowledge building can be seen in the Valuing Water Practitioner's guide, ECLAC's inclusion of the VWP's in the regional water action agenda, and the creation of various valuing water tools that can be used by others outside of the programme to facilitate dialogue on the values of water.

Finance Journey example:

Two of the key workstreams within the finance journey are the development and dissemination of the a) water questionnaire for voluntary disclosure and b) the corporate expectation on valuing water to financial institutions. These documents have both increased the available data and knowledge of practices to be used by financial institutions in making decisions

Prior to the corporate expectations tool, VWI funded and supported the development of several research papers on the financial Implications of Addressing Water Related Externalities in the Packaged Meat and Apparel industries. This was carried out and delivered in partnership with Ceres, S&P Global, DWS, CROCI, and Bluerisk in 2021, with reports published and disseminated to inform the finance and corporate actors, as well as the Global Commission on the Economics of Water, on the double materiality of water in these sectors. This research also set the basis for the Corporate Expectations on Valuing Water.

Together, these outputs have then led to 80+ investors & asset managers, representing \$16.5 trillion assets under management, signing up to the Corporate Expectations for Valuing Water, committing to use these expectations to hold corporates accountable for their water practices & decision-making. 72 companies have been identified by VWI-funded research as being a priority for engagement based on the size, sector, and water impacts. In addition, 30 institutional investors representing \$3 trillion in assets under management signed an open letter to governments calling for increased political will and ambition towards solving the global water crisis.

The outputs are seen to carry on towards the desired outcomes, as multiple investors have developed and presented shareholder requests and memos to their assets calling them to shift their water management practices. One request, to McDonald's, reads, "Shareholders request that McDonald's issue a report assessing the feasibility and practicality of establishing time-bound, quantitative goals to reduce supply chain water usage to mitigate value chain risks related to global water scarcity in high-risk areas. The report should be prepared at reasonable expense and omit proprietary information."⁶

⁶ https://engagements.ceres.org/ceres_engagementdetailpage?recID=a015c00000hOlg8AAC

Dordrecht Journey example:

VWIs cooperation with the municipality of Dordrecht directly resulted in the increase of knowledge of the municipality to implement the Multi Level Safety Model with the VVPs as a foundation. The team at the Municipality had conducted research regarding MLS models for an extended period of time (10 years) but had never attempted to implement the model into practice. Knowledge on how to transition from policy research to policy implementation was lacking. In 2020 VWI became involved with Dordrecht. In the interviews it was clearly mentioned that VWIs approach allowed for the uptake in knowledge necessary for the team to transition towards policy implementation.

Practically, this meant that VWI helped with the mapping of the various stakeholders who would be affected by the policy. This would later allow for each stakeholder to be involved within the policy implementation process. Furthermore, the policy implementation plan was devised with the VVPs as its foundation. In addition, VWI helped develop a risk communication strategy. As can be seen, VWI helped put into practice its own value-based approach and in doing so, VWI facilitated the transition from policy research to policy implementation. The result was the uptake of knowledge for the team at the municipality of Dordrecht and it allowed for VWI to test its value-based approach.

The Valuing Water Practitioner's guide is a document aimed at water management professionals, policy makers and academics working on water decision-making. The guide is one of the "tools" that have been created for use outside of the programme. Its goal is to help with the application of the Value Landscapes Approach (VLA). The document is the output of a global survey that was carried out by VWI. ECLAC's inclusion of the VWP's in the regional water action agenda also constitutes as an example of knowledge building, despite it being a beginning step. The agenda is considered a living summary of the water regional dialogues of 2023. The inclusion of the VVPs in the agenda and in the dialogues signals that the beginning stages (dialogue) of inclusion and implementation of the VVPs are taking place at a high level of governance in the region.

Lastly, VWI aims to have a Learning Platform where practitioners outside of the organisation can learn and share knowledge. Several tools have already been developed with this aim. As mentioned, one of these tools is the Valuing Water Practitioner's guide itself. This Learning Platform could be a valuable way of knowledge building and of ensuring that initiatives working on water governance are able to implement the VVPs within their curricula. Such a Learning Platform is only useful if it is used, so it is not an aim in itself, but a tool to promote the VWP and the learnings from VWI and will probably only work in cases where VWI is also providing support to tailor to the situation.

3.2.2.2 Opposing the causal claim

There is very little to no disagreement with the fact that gaining knowledge on how to implement the VVPs is important. This is because through literature review and interviewee confirmation, the principles and their importance are already widely accepted. However, the challenge lays in gaining the knowledge on how to implement the VVPs.

According to some interviewees, this challenge begins already with the holistic approach that the VVPs take. The principles can at times be so comprehensive and all-encompassing that it is difficult to distil concrete practices of implementation. Even worse, the principles run the risk of losing value or meaning when presented so broadly. Interviewees were critical and at times skeptical of the effectiveness of VWI's wide-scope approach. Granted, this was understood to be the Initiative's way of not fracturing the principles or rendering them incomplete. However, this also made for unclarity in both scope and approach.

Interviewees pointed to VWI's various activities and suggested they could come across as scattered, therefore hampering the potential for real knowledge building within and across journeys as well as across programme activities. As a concrete example of this, a lack of knowledge sharing by VWI was pointed out. Despite having journeys that could share knowledge building practices with one another, this is not practiced. Moreover, VWI is not yet perceived as an information source for public policy or the public in general. **This is not due to a lack of knowledge but to a lack of knowledge sharing that succeeds at going beyond its immediate environment.** An example of this is the lack of visibility of the tools that have been developed within the Learning Platform.

Peru journey example:

Although the Peru Journey successfully created awareness among stakeholders at a local and national level, the III phase of the Peru Journey, Implementation, has not taken place. Therefore, it cannot be said that actors have become knowledgeable on how to implement VWPs in practice, leading to better water use policies and practices due to VWI's facilitation projects.

To achieve and fulfil this crucial step, the implementation phase of the project must be planned and executed. It is during this phase that actors would have the opportunity to gain the necessary knowledge to understand how VWPs can be implemented in practice.

To date, there are no clear plans or funds for this. In several interviews, this was flagged as a concern and a barrier for foreseeable knowledge building. The absence of a clear path forward was identified as not only a potential pitfall of the Peru Journey but also as a threat to the trust that has been built within the basin community. If the project were to not be completed, or were to be perceived to not be, the breach of trust with the community would likely render the work completed in the I and II phases unserviceable. This would be due to the community's already weak trust in governmental institutions.

This type of knowledge sharing that in turn informs and supports knowledge building requires a defined scope that serves as a common connection point across different journeys and activities. This common thread of connection would facilitate VWI to share more knowledge both internally and externally with its stakeholders, partners, and governmental institutions. Interviewees stress that it is from this kind of cohesive knowledge sharing that meaning knowledge building can be found and fostered.

3.2.2.3 Conclusion

There is a significant knowledge gap within knowledge building on how to implement VWPs. Despite there being consensus in the water community that these principles are important, there has been no coordinated attempt at providing practitioners with the tools necessary to be able to implement them. The use of the term "tools" here should be understood to be a means to an end – tools are not in themselves solutions but instead, methods to solutions. It should be mentioned that VWI has made a deliberate choice of not focusing on producing tools as solutions, as there is no "one size fits all" solution. Instead, VWI aims at guiding practitioners with how internalize the VWPs through design, decision, etc. To achieve this, knowledge sharing tools are necessary; these can be achieved or produced in various ways. Still, importance of addressing this gap in the field of water policy is not overstated.

Simultaneously, in order to fulfil such a gap, a very clear scope must be defined so as to not dilute the importance of the message at hand. Practitioners and stakeholders are in need of being able to see common threads within and throughout VWI's activities that enable them to apply learnings and good practices found elsewhere to their own realities.

3.2.3 CC 3: Movement/Community Building

Contribution Claim 3:

Varying community **actors, who wouldn't otherwise engage, engage with each other** on water valuing, **decreasing sector silos** and leading to **more unified and empowered movement** using valuing water principles, because **VWI facilitates the participation and networking** of the key actors from different sectors and community levels at key events and roundtable discussions.

Relevant Evaluation Questions:

EQ 1. To what extent has VWI delivered its main outputs across its activity pillars?

EQ 2. To what extent has VWI resulted in, or will result in, clear demonstration, uptake of knowledge, raised awareness and movement building?

EQ 5. In what way has VWI succeeded in creating a 'VWI community'? To what extent has VWI contributed, or will contribute to the achievement of VW principles and SDG6?

EQ 6. What external drivers and barriers have affected VWI's capacity to deliver results and contribute to impacts?

3.2.3.1 Supporting the causal claim

The combination of funding projects where the VWP's are at the heart of the project design and bringing raised awareness of the VWP's to different actors and sectors throughout the water domain, has allowed VWI to bring together varying community actors who would have otherwise not have been connected to one another. Some examples of this can be seen in the connections made between academia and the finance sector, as well as the UN and the local policy makers through storytelling of on-the-ground community experiences during campaign work.

These connections result in a type of community or movement building that did not previously exist. The movement does not define itself through deep person-to-person connections but instead, through broad organisation-to-organisation awareness of another organisation's relevance or connection to other's work. This type of connection-building helps shape a community that is well-placed to reduce sector silos and leads to a more unified and empowered water management movement.

Youth Journey example:

A good example of movement/community building can be seen within the origin of the Youth Journey. At the beginning of the Journey, a taskforce was assembled. This taskforce was made up of organisations who were already working on youth and water related issues. The taskforce's aim was two-fold. It aimed at validating and identifying the real issues that exist in youth advocacy efforts as well as advise the implementing partners of the Youth Journey.

Both the creation and the use of this type of taskforce is valuable and important. By creating a community of "experts" who knew the playing field well, VWI ensured that their efforts within the Youth Journey would be relevant. Additionally, by creating this community, VWI also created a type of support network for the implementing partners.

There is general agreement that VWI has succeeded at creating such a network of organisations within the water domain, across sectors. Overall, this has been achieved through

journey activities as well as broad event organisation. Examples of how this has been achieved through the journeys can be found in the text boxes throughout this section. Other examples outside of the journeys can be seen in the conference held at Artis in Amsterdam, The Netherlands, in 2023. During the conference, VWI was able to bring together various stakeholders with interest in the water domain. These stakeholders were working on various and varied themes, such as indigenous communities, climate, innovation, academia, and water policy, among others. This is further evidenced through roundtable discussions held at the water conferences and OECD talks, where VWI engaged actors who were less likely to be considered within the water domain (e.g., the financial institutions and banks). Moreover, this work was taking place at varying levels of geography – some of them local, regional, national and others yet at an international level. Despite many connexions among the work being carried out between these stakeholders, interviewees agreed that the meetings would have been unlikely outside of this space. Importantly, VWI has been repeatedly identified as a leader in groups together and as a connecting platform for the water domain.

Finance Journey example:

Within the Finance Journey, the VWI team reached out to and convened a number of finance institution representatives and finance sector actors, such as OECD, CDP, CERES, SEB, AWS, WWF, academics, consultants, and others.

As found by the outcome harvesting, the OECD Roundtable on Financing Water included a segment in its 2023 meeting devoted to VWI-supported work on transparency, disclosure & catalysing action among FIs as part of the Water Action Agenda. This involved a shift of emphasis away from traditional development finance topics towards wider systemic corporate water impacts, recognising FIs as a key lever of change.

Furthermore, the reporting outputs delivered under the Finance Journey were developed through consultations and collaborations of varying stakeholders. The development of the agreed upon Corporate Expectations for Valuing Water representing the unification of the sectors. "Input from the Valuing Water Finance Task Force and Investor Working Group and a range of NGO and scientific stakeholders, Ceres has developed a set of six expectations for investors to deploy in their engagement with investee companies on valuing water" (Ceres, 2023).

Moreover, although some level of awareness of one another among stakeholder is expected, interviewees have flagged that sectors across the water domain tend to work in silos. A very marked segregation within the water domain is that of investors and policy makers. Multiple interviewees stressed the importance of the decrease of sector silos as a necessary condition for driving lasting change. On this point, there was consensus that VWI is the only organisation widely known to bring together such varying actors and facilitate fruitful discussions that break down these silos. To that extent, the interviewees overwhelmingly saw VWI as a curtail actor in driving the water valuing and sustainability change.

Peru Journey example:

Within the Peru Journey, there is evidence of community actors who wouldn't otherwise engage, engaging with one another on topics of water valuing. These community actors have come together due to VWI facilitating their participation and interaction with one another.

VWI has achieved this by conducting a thorough mapping of stakeholders, engaging them early on through the surveys that were conducted, and by holding and facilitating workshops. Interviewees commended VWI for the way in which it was able to facilitate the workshops. It was highlighted that VWI is not only extremely knowledgeable of the water domain, but also is highly skilled at interacting with a diverse set of stakeholders. The combination of this knowledge and skills led to highly productive workshops where everyone felt heard and valued. Moreover, it was also emphasised that VWI's link to

the Dutch government likely was a large contributing factor in achieving such a high and diverse stakeholder turn out.

In line with this role of connector and leader, VWI's presence at various important conferences, such as the UN Water Conference, Stockholm Water Week, and COP 27, have further raised its notoriety as such. VWI's link to the Dutch government also lends it considerable esteem, which in turn makes it considerably attractive for other organisations to participate in activities with VWI, according to interviewees.

3.2.3.2 Opposing the causal claim

VWI has succeeded at bringing together various stakeholders and forming a community of actors, or a network. This has been explained and explored in the section above. Still, to be able to exploit the possibilities of community building, the community must be interacted with. Interviewees have expressed doubt at how much the potential of the community has been explored given the ad hoc and inexplicit communication between VWI and the community.

An important example of this was the conference held at Artis. Despite the conference succeeding at bringing together stakeholders that would have otherwise not have been, there has general understanding that the event was not planned optimally nor were the follow-up interactions after the event's completion. With such a wide range of stakeholders present, it was necessary to define and clearly communicate the connecting thread throughout all the stakeholders. Doing so would have brought clarity to the stakeholders of what the unexplored potential of the community was. Additionally, interviewees cited a lack of concrete follow-up after the conference. This meant that despite it being a great network building moment, its potential was not fully exploited.

This lack of consistent and thorough form of communication can limit VWI's visibility. For example, some interviewees expressed the limited conversation space VWI can at times occupy. This, in turn, severely hampers its position as a leader and connector.

Youth Journey example:

The taskforce that was convened and maintained at the beginning and throughout the Youth Journey also serves as an example of an opportunity not exploited to its maximum potential. Maintaining the taskforce engaged and active for the duration of the Journey was a challenge. Interviewees linked to the Youth Journey expressed that the taskforce had not provided as much input as they had originally expected. Despite there being a wealth of knowledge within the taskforce and a good collaboration at the beginning, there was a consensus that the expertise and knowledge within the taskforce could have been of put to greater use.

Moreover, given the high-level origin of VWI, its focus can at times remain very international and too global to successfully include more regional or local water management organisations that could prove to be highly relevant. Furthermore, given VWI's geographic origin in the global North, it has been noted that its inclusion of the global south could be more thorough. Examples of this are minimal representation of the global south among its board of advisors and partners from the Peru journey not having been present at the conference that took place at Artis. This lack of thorough inclusiveness could backfire and create further fragmentation of a domain that is already fragmented and suffers the consequences of sectoral silos. This type of fragmentation can also be observed in VWI's journey's themselves given that interviewees have expressed that there is little knowledge sharing between journeys.

Lastly, it has been mentioned that due to the VWPs being aligned with the UN Global Compact CEO Water Mandate's six commitment areas and the United Nation's 2030 Development Goal for Water, the language around the VWPs can seem unclear, disjointed, and not accessible to all. To be inclusive within the community and maintain clear communication, it is important to ensure that outputs make clear links and references between themselves.

3.2.3.3 A step beyond

As mentioned at the beginning of this section, community building refers to broad organisation-to-organisation awareness and connection to the other's work. However, sometimes this can be taken a step beyond, and relationships are deepened among these community members. These deepened relationships lead to better water policy, initiatives, and practices across sectors and regions that better include the VWPs. This type of relationship building has been observed within the community that VWI has created.

A good example of this can be observed with RunBlue and Finance Journeys, presented below.

RunBlue example:

Through the project facilitation and funding of the RunBlue campaign, Mina Guli, the RunBlue leader, has developed relationships with key corporate water users that are driving discussions and actions to better their water use practices. Bayer, Starbucks, and Colgate openly support the VWP practices, evidenced through company runs, one-to-one discussions on the corporation's water practice with Mina, and signed memos on support of the principles. Another visible relationship formed through VWI's facilitation of the RunBlue campaign is that with the Tajikistan government at the UN Water Conference. It now openly backs the RunBlue campaign and thus the messaging of VWPs that it presents.

Though the relationship of the initiative was already established with the WWF, the connection between this actor with the newer supporters of the campaign can also be seen as a step towards further potential relationships that would not have existed without VWI involvement.

Finance Journey example:

Within the Finance journey, it was observed that the OECD, which VWI included in the roundtable discussions, was in the process of identifying their best-fitting space and direction in the water security arena. Interviews showed that the events, networking, and roundtable discussions facilitated by VWI not only significantly aided the directionality of the OECD in water security but was noted to lead to the creation of collaborative relationships between the OECD and various agencies at these events. Additionally, a number of the partners' work is referenced in each other's, e.g., CERES's stakeholder-specific water sustainability reports cite the stakeholder company's CDP disclosures.

Overall, several strong and influential relationships have been formed in direct attribution to the facilitation of the VWI and its community building.

3.2.3.4 Conclusion

VWI is present and active within the water management community. It has succeeded at creating a network of organisations and at positioning itself as a leader within the water domain. Moreover, it has created a positive reputation as a platform on which organisations can form fruitful and relevant connections. This has been achieved by hosting its own conferences, attending highly relevant conferences, as well as through the journeys it carries out and funds.

However, it has also been stressed that despite having succeeded at building a community, VWI has not used the momentum of this community to its maximum advantage. Furthermore, the range of its position remains unclear within the broad scope of “water domain.” The communication between VWI and the community has not been fully sufficient. Moreover, the inclusiveness of the community as well as its direction or shared purpose could be improved.

3.2.4 CC 4: Demonstration

Contribution Claim 4:

Practical demonstrations of implementing VWPs arise in various geographic and industry sectors, allowing the **wider communities to learn from and apply these practices and principles**, because VWI has **resourced (with knowledge and finance)** the development of VWP-use projects across these regions.

Relevant Evaluation Questions:

EQ 1. To what extent has VWI delivered its main outputs across its activity pillars?

EQ 2. To what extent has VWI resulted in, or will result in, clear demonstration, uptake of knowledge, raised awareness and movement building?

EQ 4. To what extent has VWI resulted in, or will result in, application of VWI principles?

EQ 6. What external drivers and barriers have affected VWI's capacity to deliver results and contribute to impacts?

3.2.4.1 Supporting the causal claim

Beyond the focus on increasing awareness and the uptake of knowledge among its partners and stakeholders, VWI aims to demonstrate the practical application and value of its approach through demonstrations. This is done through the practical application and implementation of the VWPs. Specifically, the various journeys conducted by VWI give rise to the opportunity to apply VWI's approach and to demonstrate its merits.

Within the context of these journeys, VWI's promotion of the multiple values of water is made explicit by activities such as stakeholder mapping exercises and surveys where the various values attributed to water are captured. The mapping and survey activities can further inform the demonstration of the value-based decision-making process that VWI attempts to facilitate within the journeys.

VWI's role in demonstrating the importance of the inclusion of “all” stakeholders is seen by various interviewees as invaluable to the project (e.g. the Dordrecht Journey). Furthermore, VWI's approach is based on co-creation, meaning VWI does not seek to dictate the decision-making process, nor does it try to “demonstrate the right way to make decisions.” Rather, VWI aims to facilitate a more inclusive and holistic approach to decision-making within the water domain, where specific methods and values form the foundation of each demonstration without determining the outcome.

Dordrecht Journey

As per the interviewees of the Dordrecht Journey, the role of VWI within the journey facilitated and enhanced the ability of the municipality of Dordrecht and its partners, to implement its Multi-Level

Safety Model. The team responsible for implementation had mostly concerned itself with research and policy research.

Through its collaboration with the VWI team, the Dordrecht team was given the tools to transition into the policy development and implementation stage. This was done through practical exercises such as the mapping of stakeholders, the development of risk communication strategy and eventually through the use of the Green Circles methodology. The goal of the Green Circles methodology is to build trust between stakeholders and governmental organisations. While this helped facilitate the implementation of the MLS model of the municipality of Dordrecht, it further allowed for VWI to demonstrate the practical application of its value-based approach within the arena of policy implementation.

In addition to practical outcomes facilitated by VWIs demonstration in the various journeys, interviewees point out that VWIs language around water management, transition processes and inclusive decision-making have helped its partners and stakeholders develop their ability to frame and understand issues relating water-management. This utilization of language and terminology has facilitated conversations regarding improved decision-making within the water domain, various sectors (notably policy, finance, corporate) and within the various journeys. In turn, this language forms a component of VWIs ability to demonstrate its approach and therefore, strengthens the supportive link with the contribution claim.

Finance Journey

All case study stakeholders stated that their projects would not have been possible without the support from VWI. Support referenced was explicitly both financial, facilitative, and ideational.

There were varying levels of idea development among in the partners under this journey. Organisations like CDP and CERES have been working on their respective workstreams for some time, while other partners have been less specific on their space in the water movement. CDP has developed and delivered annual climate and biodiversity disclosure questionnaires for nearly a decade, with the idea of water disclosure being on the books for some time. CERES has been working on water double materiality in finance for some time, as well.

Despite relevant ongoing work, VWI funding and ideation support has been seen as critical in the delivery of the work across all partners involved. CDP worked with the Dutch NGO, Water Footprint Network, Water Footprint Implementation, and a North American water practice agency. Through a technical working group, of which VWI was a part, CDP and the other organisations had worked together to shape and collectively build up the indicators and data points that were necessary for the water disclosure questionnaire. CDP has developed and runs annual questionnaires on climate and biodiversity disclosures. It has been an idea for some time to develop the same for water, but financial and resource support was necessary and not able to be addressed through other means.

As is made clear through the journeys and the interviews, VWI has been able to demonstrate the practical application of their approach. Through the building of a network and the cooperation with various actors active on different levels (from local to international), VWI has found multiple points of intervention through which their approach can be demonstrated. In addition, VWI has funded partners such as Deltares and CDP to execute certain activities that, in turn, demonstrate the value of VWIs approach. Whether directly or indirectly (through partners), VWI has created opportunities for demonstrations. As mentioned by interviewees, these demonstrations would not have happened without VWI taking an active role in the process and facilitating the demonstrations (either directly or through the funding of partners).

Peru Journey

In September 2023, VWI hosted a workshop in Bogota, Colombia. This workshop was not directly under the Peru Journey activities but the activities within the Peru Journey were an important part of the conversation during the workshop. The workshop was aimed at working with the Colombian, Chilean, and Peruvian governments (with the Netherlands as a facilitator) with the objective of creating a space for dialogue and knowledge exchange pertaining to water valuation processes and how VWP's can be implemented. A key catalyser for this workshop was the inclusion of the VWP's in the Regional Action Agenda for Water, mentioned in the knowledge building section.

During the workshop participants were presented and had the opportunity to discuss the background and progress of the VWI process as experienced in the Peru Journey. This is an important example of demonstration, as the activities in Peru can be taken as a blueprint to later be implemented in other countries, such as Colombia and Chile. Moreover, interviewees who had attended this workshop noted that it was a valuable moment for them to see and understand how VWI's work can become transferable.

3.2.4.2 Opposing the causal link

VWI has conducted various journeys through which they were able to demonstrate the merits of their approach. However, as is made clear from both the journeys and the interviews conducted in this evaluation, limitations exist on the effectiveness with which VWI is able to demonstrate its approach through application.

Interviewees have mentioned that the scope of VWI's involvement is not always clearly defined, this account for both the programme level activities and VWI's involvement within the various journeys. Some confusion exists among interviewees regarding VWI's role, is VWI facilitating, funding, or partnering with stakeholders in its attempt to demonstrate the merits of its approach? The fact that interviewees struggle to answer this question indicates a lack of clarity that exists regarding VWI's goals in relation to its activities. Is VWI trying to demonstrate the applicability of its approach, is VWI aiming to facilitate partners to improve decision-making processes regarding water management or is VWI a donor, funding projects in line with its value-based approach? This uncertainty risks creating false expectations among VWI partners and stakeholders which is exemplified by the Peru journey where VWI sees itself more as a partner and facilitator in the journey, however, based on the interviews it has become apparent that stakeholders at the Peruvian government view VWI's role as one of donor. Within this journey, VWI is viewed and understood as an extension of the Dutch government, which gives rise to certain expectations regarding its involvement. For instance, expectations exist regarding VWI's introduction of solutions regarding the decision-making of the journey. However, while VWI can help facilitate solutions in co-creation with its local partners, VWI is not aiming to unilaterally deliver solutions. While the implementation process has not yet started, it is important to identify the different understandings of VWI in the context of this journey. Alignment of expectations is in this case crucial to the success of the journey, where a failure to align might result in an unsuccessful demonstration of the implementation of VWI's value-based approach.

Youth Journey

The activities and the interviewees within the Youth Journey agree that there has been success at including Youth both at high-level events and at a local level. More than youth being included on an ad-hoc basis, it has also become a large part of the norm.

However, interviewees have expressed concern at the activities of the Youth Journey not being focused enough to be able to achieve the deep systemic transformation that would be needed for youth to not be merely included at global and local level events, but also be heard and taken seriously

at such events. According to those involved, the work that has been carried out within the Youth Journey necessitates more of more demonstration for it to have a deeper and more lasting effect that goes beyond youth being present at meaningful events.

In the case of the Finance Journey strong concern was noted that VWI is not addressing complexity as coherently as possible. Due to the fact that VWIs main focus is on reporting and disclosure rather than including diagnostics and solutions to challenges. The issue expressed was that the data presented in the Benchmarking and Disclosure report is incomplete, due to some companies choosing not to report. The concern was that those companies that did not disclose to CDP/CERES received low ratings, despite their implementation of good practices relating to water management according to other agencies assessing corporate water practices. This may lead to companies implementing fewer practices, as they are disincentivised to address water challenges when receiving low rankings in the scoring of CDP and Ceres, while receiving higher ratings through other channels.

Interviewees mentioned they fail to understand the wide range of demonstrations (journeys) conducted by VWI. They mentioned that the collection of demonstrations seemed too ad hoc and lacked consistency. In turn, decreasing VWIs coherence and potentially their relevance towards the water domain and its partners.

Lastly, interviewees have noted that it is their perception that learnings across the various VWIs demonstrations are not shared enough. Resulting in multiple journeys lacking a strong linking component and in turn, weakening the impact of each demonstration. Interviewees felt that the learning component of each journey could be used to improve and inform the other journeys, creating an environment of learning where demonstrations can help develop VWIs approach further. Interviewees understood that the members of VWI might be aware of the cross-journey learnings, but they felt that these learnings could be beneficial for VWIs partners and stakeholders as well. Finding new ways to share lessons across VWIs programme and across its journeys would result in a larger impact of each demonstration and it would allow for the continued development of VWIs approach.

3.2.4.3 Conclusion

VWI has facilitated and executed various demonstrations of the implementation of the VWPs in various contexts and with different partners and stakeholders. The demonstration provide insight into the widely applicable VWPs and their adaptability to various water-related contexts. Furthermore, VWI has created a language through which conversations regarding inclusive and sustainable decision-making within the water domain can be held. Further demonstrating the merits of VWIs approach.

However, certain limitations regarding VWIs demonstrations exist. Partners and stakeholders have indicated their uncertainty regarding the scope and role of VWI within demonstrations. This might result in the misalignment of expectations of VWI, and its partners and it might hamper the intended outcomes of each demonstration. A perceived lack of consistency across the various demonstrations is further mentioned as a risk for the intended outcomes to be achieved through VWIs demonstrations.

3.3 Governance and organisation

Responds to Evaluation Question:

EQ3: To what extent are governance and organisation of the VWI programme suitable and optimal (Effectiveness and Efficiency)

3.3.1 Governance

The VWI programme is jointly financed by the Dutch ministries of Foreign Affairs (BZ) and Infrastructure and Water Management (IenW). Budget is assigned annually, based on a multiannual perspective. Funding from BZ comes out of the general budget allocation and should be focused on Official Development Aid (ODA). Funding from IenW is derived from the HGIS-budget (Homogene Groep Internationale Samenwerking) a budget for the expenditure of the various ministries in the field of foreign policy to increase cooperation and policy alignment of different ministries in the field of international cooperation. Within the HGIS budget also non-ODA support can be given (this also includes the Latin American countries).

Even though VWI was initiated by the UN High Level Panel on Water and taken up by the Dutch government as a responsibility, there is no formal relation with the UN. The VWI programme is a Dutch initiative, without any accountability to the UN or other international bodies. However, the UN Water Conference is used for international information exchange, networking, and visibility. A stronger connection with international organisations (or other national organisations focused on Valuing Water Principles) could lead to more clout in the policy arena, broader international support, a stronger reputation and maybe even to (additional) funding from international sources.

The programme management of VWI is assigned to the Netherlands Enterprise Agency (RVO), to increase capacity and simplify the provision of subsidies to external partners. RVO also carries all employer risks for the staff working on the programme.

Within RVO, VWI is a small unit (5) within the International Water Programme team of RVO. All people working on VWI are fully dedicated to the VWI programme (so not working on other RVO activities). The way the team members operate is widely regarded as very professional, with strong and valuable knowledge on water security and respective sectors, and very effective execution of event and networking facilitation.

The programme content is defined in formal offer of RVO to the ministries and the resulting assignment. VWI is annually submitting a report to the ministries on activities and results. Strategic and operational steering is done in the regular (biweekly/monthly) meetings of the steering board ("regieteam") consisting of two representatives of BZ and one from IenW with the programme management. The ministry representatives are all at senior level, but not at management level. The ministry representatives report within in their ministries along their internal reporting lines, but there is no formal forum where the two ministries involved come together at higher management levels specifically for the VWI programme.

The involvement of the policy advisors ("regieteam") with the programme is intensive. Such an intensive involvement is not considered 'usual' (within BZ at least), but positively valued by programme management and themselves, because it adds additional expertise and networks.

In the beginning of the VWI programme the involvement of the steering board appears to have been more intensive than it is now. Causes of this were opposing views on strategic positioning

between ministries and VWI programme management as well as unclear governance (caused by the unclear position of the initial VWI programme manager who was seconded by ING Bank to BZ but located within RVO). At the moment these issues seem to be solved, and the programme management seems to work well.

We recommend however to strengthen the VWI governance for the future, esp. by formalising the role of the policy advisors into a real steering board that takes a more explicit client role (instead of a co-worker role). This will increase clarity on roles and might help in reducing the efforts needed by the ministries, without reducing the added value of their reporting.

Furthermore, we recommend extending the governance of the programme into the higher levels of hierarchy of the Ministries (e.g. by setting up an annual senior management meeting). This will facilitate strengthen the links of the programme with senior management as well as the formal coordination between the ministries and with other parts of the ministries involved (see also the chapter on coherence).

This formalisation should however not lead to bureaucratization and negatively affect the effectiveness of VWI.

Besides the internal governance there is also an external component in the programme governance, by means of the international advisory board. The board is now not utilized in an effective way as the role of the advisory board is ad hoc and sometimes unclear. Involving the board more regularly into the activities of VWI results in a board that is better informed and therefore in a better position to provide advice and insight to VWI and help build connections.

We recommend formalising the position of this board as a sounding board for the VWI programme manager (with a clearer assignment, e.g. to perform a peer review of the programme activities every 1-2 years), with regular meetings with programme management (e.g. twice a year) and with the new steering board (e.g. once every year). These meetings should be planned well in advance (e.g. one year) and prepared thoroughly, so that VWI can benefit from it in an optimal way.

3.3.2 Budget and efficiency

Table 3 VWI financial overview

Budget 2019-2024		Costs (commitments)	
Ministry of Foreign Affairs (BZ)	€ 11.000.000	Implementation costs	€ 3.063.500
		Finance Journey	€ 3.709.071
		Gender journey	€ 900
		Regional journeys	€1.059.967
		Youth Journey	€ 757.161
Ministry of Infrastructure and Water management (IenW)	€ 1.381.000	Learning Platform	€ 366.000
		Leadership by example	€ 309.343
		RunBlue	€ 1.161.264
		Other subsidies	€ 51.788
		Other project means	€ 1.166.324
Total	€ 12.381.000	Grand Total:	€ 11.774.894

[Technopolis, based on information provided by VWI](#)

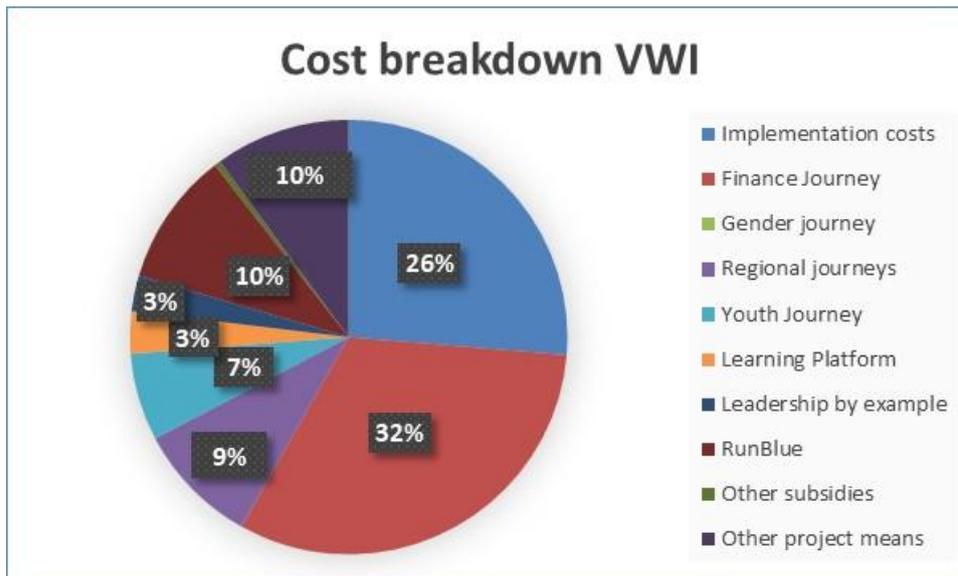
*The implementation costs were provided as a lumpsum for 4 years.

Table 3 provides an overview of the financial flows within VWI.

Over the period 2019-2024, the Ministry of Foreign Affairs provided 89% of the budget. The Ministry of Infrastructure and Water management provided 11%.

At the moment of the evaluation 95% of the total external cost has been committed (including implementation costs). From the committed costs (excluding implementation costs) 87% has been spent (a budget of € 933.518,47 has already been committed to partners but is not yet spent).

Figure 2 Cost breakdown of VWI



25% of the total budget has been set aside for implementation costs (Figure 2). This seems a reasonable amount, since VWI is not a subsidy programme, but an activation programme in which the VWI team plays a large role.

The rest of the budget is distributed across the various programme activities, with the financial journey as (by far) the most expensive activity, followed by the RunBlue activity and the regional journeys (all combined). Since the effects of various activities are quite different (and also the involvement of the VWI team, and costs associated with that), the effects per euro spent on each activity cannot be compared very well. When considering focussing the portfolio, besides the impacts, also the costs of the various activities should be taken into account.

3.3.3 Monitoring and Evaluation

This evaluation started with a document with outcomes (outcome harvesting) of VWI programme activities outputs and outcomes that was developed to provide insight in the results of the programme. Since VWI is for a large extent focused on fairly intangible results (cf. the Theory of Change: e.g. movement building, recognition of water's multiple values, ...) which are expected to translate in tangible terms outside the scope of concrete VWI projects and in the long run, such 'outcome harvesting' seems to be a realistic monitoring approach. However, the monitoring process in a number of programme's projects appears a bit limited, which limits the extent to which the initiative's impacts can be traced beyond the immediate outputs of the programme.

Run Blue

There is a lack of traceability post engagement activity, as monitored from VWI's side. This creates a difficulty on assessing the impact of this programme and VWI's goal to achieve systemic change in water use practices through implementation of the Valuing Water Principles. Therefore, the clear trace of the programme is to the outcome level of "raising awareness."

We recommend that VWI develops a more robust monitoring structure on its activities that puts more emphasis on outcomes and further impacts of its activities, also beyond the group of stakeholders impacted and the time scope of the activities. In such a way, VWI can develop a more robust MEL system underpinning of its effects. The scope of the current set of monitoring tools made privy to the evaluation show a good direction and is fit for the experimental stage of the programme VWI 1.0. However, as VWI develops further into a less-experimental design with a clearer definition and role in the water domain, a relevant MEL framework can be developed to identify the intended (and unintended) outcomes, as well as provide a visible track in identifying when parts or all of the intended work of VWI have been achieved. Using the developed Theories of Change, enhancing data collection from project outcomes (e.g., RunBlue example above, documents provided to evaluation by CDP), and clear indicators can help enhance this process for VWI 2.0.

3.4 Internal coherence

VWI is seen as a programme that does Policy Outreach internationally. It is innovative by nature, its activities and programme incorporate experimental elements in order to shape the programme and although run Dutch government it seems not completely institutionalised. This has given VWI freedom to shape the programme in the way that the team has seen fit and is reflected in the approach of VWI that has changed over the years. Through the journeys, VWI has been able to experiment with its approach and messaging.

This open and flexible approach also has its setbacks.

The journeys cover a huge geographical area and a wide variety of topics. All in all, VWI should consider whether it is not doing too many different things and lacking coherence in its programme and between the various journeys. Fear is that VWI is spreading too thin and that this results in them not being successful in any of their endeavours. Important to focus on a few "flagship" activities. Added to the fragmentation in activities, VWI seems to take on different roles depending on the activity (advisor, facilitator, donor etc).

Finally, interviewees mentioned that it seems that RVO, BZ, I&W have (had) different ideas about the direction of VWI. One interviewee mentioned that an activity was agreed upon with VWI and later this decision was backtracked due to a lack of internal alignment in VWI.

Many stakeholders and partners lack an overview of all the activities of VWI and from what they see, the lack of a clearly defined scope results in confusion. What is it that VWI actually does? For which things can a partner or stakeholder reach out to VWI? There is a feeling among partners that VWI needs to look at its strategy, its partners and its activities and ensure coherence. The programme has had 4 years to develop, experiment and pilot but now it is time for VWI to clearly define what it intends to do.

The **Peru Journey** is mentioned as an example where the problem, the scope, the activities, and the added value of VWI are not clearly defined. The goal of the journey is to have "better water management", this is too vague and leaves too much room for interpretation. Added to that it can also create false expectations of partners, who are unsure of VWI's precise contributions.

The **finance journey** is often mentioned in interviews as the journey that has the best demarcation – its scope is clear, its partners defined, its intervention logic made explicit, and its goals formulated.

VWI would increase its effectiveness, coherence, and relevance if its focus would be increased, and the scope narrowed and more clearly defined.

Different ideas exist what this direction/focus could be. Based on this evaluation, it is recommended that:

- VWI revisits the definition of its mission and purpose, so that there are clearer guidelines on what it does and from which perspective, and on what it does not do. It should focus on synergies between different actions.

Mina Guli (**RunBlue**) runs and holds campaigns through a number of regions where other VWI work is relevant and occurring, such as in Peru, areas of sub-Saharan Africa, and Dordrecht. She also has close ties with leading high water use organisations, such as Buyer and Starbucks, who would be strong actors in the corporate responsibility and disclosure shift under the Finance Journey. Increasing synergies between these work strands would enhance and amplify the VWP message and movement building of the initiative.

- VWI puts more attention on scaling up the successful solutions that have been experimented with in the previous period – helping the transition to sustainable water management along by helping scale proven solutions. More (scientific) research on what interventions have worked (and under which circumstances) and which not, can support this.

In one of the **Peru** interviews it was mentioned that VWI has done a reasonable enough job at connecting actions in Colombia, Peru, and Chile. This can of course be upscaled. Interestingly, they suggested that VWI could have a lot of added value if it created a roadmap on how the VWP could actually be implemented at a local or regional level. This roadmap could be taken up by almost anyone – a national or local government, an NGO, a rural community, etc., and could be enacted to ensure that water management had the VWP embedded. They gave the example of the FAO giving tips on how to fight child hunger (feed children one free meal per day in schools).

- VWI pays more attention to communication of results. In order to activate stakeholders and promote VWI's approach visibility needs to be gained within the institutional context of the Netherlands and internationally. Better integration of the Valuing Water Principles in the (rest of) Dutch foreign policy on water (which is strongly focused on economic aspects) would increase the credibility of VWI in international perspective.

3.5 External Coherence and Cooperation (interaction with others)

Responds to Evaluation Questions:

EQ 6. *What external drivers and barriers have affected VWI's capacity to deliver results and contribute to impacts (Effectiveness/Anticipated Impact)*

EQ 8. *How is VWI positioned in the wider policy and practice landscape, and to what extent is it consistent, complementary, and synergistic with other initiatives (Coherence)*

VWI is clearly recognized as an initiative by the Dutch government. This is seen as an asset by partners. The Dutch have a strong reputation internationally when it comes to water. This helps add weight to initiatives such as VWI, and therefore adds credibility to the projects partners are carrying out with VWI, e.g., amplifying campaign speakers, enhancing credibility of regional

interventions. It is seen that VWI is somewhat separate from other Dutch governmental bodies, which provides for a high degree of flexibility of the VWI team where they can adjust their role according to the needs. This is mentioned as a strength that helps building on the Dutch reputation.

However, quite a few stakeholders also mention that they see a discrepancy between the message of VWI and the rest of the Netherlands foreign water policy. The messaging of VWI has a different flavouring than the generic messaging of the Dutch government on water, which is focused on trade, innovation, and technological solutions when it comes to Water Management. The VWI messaging is quite distinct from this.

The question arises to what extent (the message of) VWI is embedded into the institutional structure of the Dutch government. Various stakeholders mention that for them it is not always clear whom they're speaking to and in what capacity. There is a felt need to embed the VWI approach more within the institutional context of the Netherlands. This would help ensure longevity of the programme, its core message and integration with other fields within the water sector and water-adjacent sectors. Failing to do so might result in the dissolution of VWI and its work. Risk is that it becomes just another programme that ran for a few years, only to be stopped and the work discontinued.

Other ways of solving the discrepancy between the VWI message and the institutional context are either going further in integration by developing VWI into the (either Dutch or international) governmental organisation aimed at providing a platform for the water sector to increase its visibility within and outside of the sector, or moving into the other direction, making it an independent organisation (or part of an independent organisation like IHE) separate from the Dutch government.

VWI wants to affect (improve) external processes in an inclusive way. Cooperation is therefore the essence of VWI. At a personal level, stakeholders really appreciate the cooperation with the staff of VWI, who are seen as passionate, easy to work with and knowledgeable.

The role of VWI as an 'organisation' within various journeys and across their activities is often seen as that of a donor, but VWI acts as a facilitator and partner as well. This is positively assessed but also created some confusion where the role of VWI in a project sometimes changed from partner to funder, creating inefficiencies where it was unclear whether or not VWI needed to be included in certain aspects of the projects.

3.6 SWOT analysis, considerations for future waves

Responds to Evaluation Questions:

EQ 9. *What can be learned for a potential VWI 2.0? What are the main Strengths, Opportunities and Threats for the programme*

Based on the analysis above the following strengths, weaknesses, opportunities, and threats can be identified for the VWI programme (Table 4).

Main considerations this provides for a possible future VWI 2.0 are:

- Formalise and clarify VWI role, focus, and activities in the water valuing space.
- Assure better alignment between VWI and other Dutch international water policies.
- Formalise and/or clarify the ties of VWI with higher levels of governance in BZ and I&W.
- Stay aware of new or existing actors and activities in this space to avoid forming new silos.

- Promote MEL activities to identify programme contribution more easily to impact to ensure continuation of work and assess when impacts are reached or what more is needed to do so.
- Capitalize on the experiences of VWI 1.0:
 - clearer focus within activities.
 - clear focus within activities intensified cross-learning and amplification between VWI activities.
 - Further development of the Learning Platform with increased attention for understanding the impact the VWI tools are having will contribute greatly to this.

Table 4 VWI SWOT Analysis

<p style="text-align: center;">Strengths</p> <ol style="list-style-type: none"> 1. Inclusiveness of approach that is in line with developments in international policy arena 2. Credibility of VWI internationally and at high levels due to being part of the Government of the Netherlands, a country widely known for its strong knowledge position in water issues 3. Positioned and viewed as a leader in valuing water movement and driving water practices 4. Strong and unique facilitator of water valuing discussions among varying stakeholders, decreasing sector silos 5. Flexibility of programme and team so interventions and role can be adjusted according to needs 6. High quality of team: passionate, dedicated, easy to work with and knowledgeable 	<p style="text-align: center;">Weaknesses</p> <ol style="list-style-type: none"> 1. Lack of focus, because of high variety in issues addressed, geographical scope and role taken by VWI 2. Lack of alignment across VWI's workstreams so that not optimally is capitalised on cross-learning, momentum, and unification of different stakeholders. 3. Discrepancy between the message of VWI and the more economy focused international water policy of the Netherlands 4. VWI in terms of governance not well connected to higher governance levels at BZ and I&W 5. M&E activities not as well defined as could be in projects and activities to clearly identify impact
<p style="text-align: center;">Opportunities</p> <ol style="list-style-type: none"> 1. Closer alignment to other NL government initiatives by integrating VWI principles broader in Dutch international water policy or stronger separation from Dutch government (and maybe more international funding) so that a more independent role is realised without 'conflicting' activities with broader Dutch international water policy 2. More (actions) research on the success factors of VWI approach, which can be delivered through enhanced MEL processes 3. Representing the water sector to water-adjacent sectors (e.g. agriculture, energy, industry) 	<p style="text-align: center;">Threats</p> <ol style="list-style-type: none"> 1. Loss of momentum among participants if few follow-up processes are available 2. Loss of credibility or trust from various communities, should the programme cease before completing programme goals promised to stakeholders 3. (Strong) reduction of government funding

4 Conclusions and Recommendations

4.1 Conclusions

Based on the analysis of the collected data, a summary of the conclusions formulated based on our data analysis will be presented here.

- **Relevance:** this evaluation shows that, both at programme level as well as at the level of activities (studied in the case studies) the continuous relevance of the VWP topic, for it deals with “wicked problems” such as water management (water quality, pollution, shortage, and abundance). In addition, VWIs role is considered both important and relevant by both partners and stakeholders.
- **Awareness:** Many stakeholders are aware of the need to support water sustainability and improved decision-making processes relating to water management, policies and use in the water domain. There are a plethora of existing and active organisations taking actions to drive this change. Many of them are aware of the VWPs that aim to facilitate the transition to sustainable and inclusive decision-making within the water domain and relevant sectors. Overall, VWI’s work has led to more people and key stakeholders being actively aware of water valuing, the VWPs, and of the need for water security and sustainability measures and policies, than would have otherwise been possible. However, while awareness has increased, globally there are still many (potential) stakeholders who are not aware of the VWPs, both inside and outside the water sector.
- **Knowledge:** There is a significant knowledge gap within knowledge building on how to implement VWPs. Despite there being consensus in the water community that these principles are important, there has been no coordinated attempt at providing practitioners with the tools necessary to be able to implement them. VWI is working hard at filling this gap and providing the tools and knowledge necessary. The importance of addressing this gap in the field of water policy is not overstated.

Simultaneously, in order to fulfil such a gap, a very clear scope must be defined so as to not dilute the importance of the message at hand. Practitioners and stakeholders are in need of being able to see common threads within and throughout VWIs activities that enable them to apply learnings and good practices found elsewhere to their own realities.

- **Movement and community building:** VWI is present and active within the water management community. It has succeeded at creating a network of organisations and at positioning itself as a leader within the water domain, and potentially water sector. Moreover, it has created a positive reputation as a platform on which organisations can form fruitful and relevant connections. This has been achieved by hosting its own conferences, attending highly relevant conferences, as well as through the journeys it carries out and funds.

However, it has also been stressed that despite having succeeded at building a community, VWI has not used the momentum of this community to its maximum advantage. The communication between VWI and the community has not been sufficient. Moreover, the inclusiveness of the community as well as its direction or shared purpose could be improved.

- **Demonstrations:** VWI has facilitated and executed various demonstrations of the implementation of the VWPs in various contexts and with different partners and stakeholders. The demonstration provide insight into the widely applicable VWPs and their adaptability to various water-related contexts. Furthermore, VWI has created a language through which conversations regarding inclusive and sustainable decision-making can be

held within the water domain with its varying sectors and actors. Further demonstrating the merits of VWIs approach.

However, certain limitations regarding VWIs demonstrations exist. Partners and stakeholders have indicated their uncertainty regarding the scope and role of VWI within demonstrations. This might result in the misalignment of expectations of VWI, and its partners and it might hamper the intended outcomes of each demonstration. A perceived lack of consistency across the various demonstrations is further mentioned as a risk for the intended outcomes to be achieved through VWIs demonstrations.

- **Governance and organisation:** The involvement of the steering board with the programme is intensive. Such an intensive involvement is not considered 'usual' (within BZ at least), but positively valued by programme management and themselves, because it adds additional expertise and networks. However, the involvement of higher hierarchies in the ministries involved is indirect, posing risks for the continuation of the programme.

In the beginning of the VWI programme the involvement of the steering board appears to have been more intensive than it is now. Causes of this were opposing views on strategic positioning between ministries and VWI programme management as well as unclear governance (caused by the unclear position of the initial VWI programme manager who was seconded by ING Bank to BZ but located within RVO). At the moment these issues seem to be solved, and the programme management seems to work well.

- **Internal Coherence:** Many stakeholders and partners lack an overview of all the activities of VWI and from what they see, the lack of a clearly defined scope results in confusion. There is a feeling among partners that VWI needs to look at its strategy, its partners and its activities and ensure coherence. The community is ready for VWI to clearly define what it intends to do.
- **External Coherence:** The messaging of VWI has a different flavouring than the generic messaging of the Dutch government on water, which is focused on trade, innovation, and technological solutions when it comes to Water Management. The VWI messaging is quite distinct from this.
- **Cooperation:** VWI wants to affect (improve) external processes in an inclusive way. Cooperation is therefore the essence of VWI. At a personal level, stakeholders really appreciate the cooperation with the staff of VWI, who are seen as passionate, easy to work with and knowledgeable. The role of VWI as an 'organisation' within various journeys and across their activities is often seen as that of a donor, but VWI acts as a facilitator and partner as well. This is positively assessed but also created some confusion where the role of VWI in a project sometimes changed from partner to funder, creating inefficiencies where it was unclear whether or not VWI needed to be included in certain aspects of the projects.

4.2 Evaluation Questions

In the section below, we address each evaluation question with a summary of the analysis and evidence provided in Chapter 3 above.

EQ 1. To what extent has VWI delivered its main outputs across its activity pillars? (Effectiveness / Impact) (Section 3.2.1 3.2.2, 3.2.3, 3.2.4)

Evidence demonstrates that VWI has delivered on a number of outputs across activity pillars, though at varying extents. Lastly, through the various demonstrations conducted by VWI and its partners the viability of their approach has been established but needs further development. Some activities, such as the campaign and the Finance Journey, showcase concrete outputs (e.g., awareness runs, disclosure reports) with evidence leading to outcomes and impacts

(e.g., investor statements). Less tangible outcomes can also be seen from other activities, such as relationship formation among leading actors in the water valuing and finance fields. Other outputs are less developed, such as a lack of a coherent Learning Platform and only beginning phases of journeys materialised (e.g., Peru and Youth journeys).

EQ 2. To what extent has VWI resulted in, or will result in, clear demonstration, uptake of knowledge, raised awareness and movement building? (Effectiveness / Impact) (Section 3.2.1 3.2.2, 3.2.3, 3.2.4)

Contribution claims tested and showed that indeed VWI has increased both awareness and knowledge. In addition, VWI has helped connect and facilitate a community of actors. VWI has only to some extent resulted in the uptake of knowledge. There have been instances where this has taken place, but it has not happened in a coordinated or systematic way. The learning platform is a big opportunity to change this. VWI has been highly effective at building communities and acting as a connection platform. It has been less effective at exploiting the full potential of these communities. Furthermore, multiple organisations have incorporated the VWPs within their strategies and use the value-based approach within their decision-making processes.

EQ 3. To what extent are governance and organisation of the VWI programme suitable and optimal? (Effectiveness / Impact, Efficiency/Process) (Section 3.3)

VWI is a relatively small programme with a team of 5 members and the involvement and help of the steering board. This has allowed for VWI to have a relatively flat hierarchical structure and it has permitted the team flexibility in shaping its programme and adapting to the current needs in the water domain. The governance structure seems to function well, with a high degree of cooperation with the steering board. However, VWI conducts various activities on multiple continents and with a large range of stakeholders. The reduction of activities and scope while increasing the focus might prove to be beneficial for maximizing the impact of each activity.

EQ 4. To what extent has VWI resulted in, or will result in, application of VWPs? (Effectiveness / Impact) (Section 3.2.4)

Through various journeys, VWI has focused on implementing the VWPs in different water-related contexts. While the journeys have their limitations, VWI has shown willing and able to facilitate and partner up with local partners and stakeholders to apply their value-based approach. In addition, VWIs work on promoting the VWPs in various settings has resulted in an increasing number of partners and stakeholders (working on) incorporating these values into their policies, business, and behaviour. However, the visibility of application of the principles is still nascent. The most tangible example appears to be in the finance journey where corporate expectations on water management were developed based off the principles and are being used by the finance community. The Peru journey has begun to demonstrate the use of VWPs in local governmental practice but is still too nascent to showcase successful outcomes.

EQ 5. In what way has VWI succeeded in creating a 'VWI community'? To what extent has VWI contributed, or will contribute to the achievement of VW principles and SDG6? (Effectiveness / Anticipated Impact) (Section 3.2.3)

VWI has been very successful at creating a community and at acting like a networking platform for organisations in the water domain, across sectors. VWI has come to be seen as a leader and a connection-maker within the water domain, particularly in the water management sector. It has achieved this through facilitation of key actors at crucial water-related events and through projects, as well as delivery of water valuing roundtable discussions. Moreover, this community has at times built and deepened lasting relationships that have resulted in tangible

and meaningful impact. VWI has a good potential to contribute to the achievement of the VW principles and SDG 6. However, for this impact to become more tangible and foreseeable in the future, the role of leader as well as the created community must be brought to their full potential.

EQ 6. What external drivers and barriers have affected VWI's capacity to deliver results and contribute to impacts? (Effectiveness / Anticipated Impact) (Section 3.2.1 3.2.2, 3.2.3, 3.2.4, 3.5)

There are a number of drivers and barriers that affect VWI's deliverability. Key drivers include: i) VWI's strong knowledge of the water valuing arena, ii) strong facilitation skills, iii) capitalisation on existing networks, iv) credibility of Dutch government. Some of the key barriers include: i) VWI's conception can at times be too broad and make it difficult to have a clear and defined scope, ii) lack of capitalisation on cohesion/integration between activities, iii) unknown status of the continuation of the programme affects participant trust and ability to fully deliver on outcomes, iv) limited integration within the Dutch governmental institutions and foreign initiatives.

EQ 7. How is VWI aligned with global and national policy goals, and does it (in potential) address fundamental underlying challenges? (Relevance) (Section 3.1)

As shown in this evaluation, VWIs alignment with the current needs of the water domain as a whole is significant. The need for improved decision-making processes that lead to inclusive and sustainable water management is ever present and increasing in urgency and VWI is identified by both its partners and stakeholders as an important component in paving the way to these goals. VWIs relevance would further be increased if its scope and activities would clearly be defined and communicated to its partners and stakeholders.

EQ 8. How is VWI positioned in the wider policy and practice landscape, and to what extent is it consistent, complementary, and synergistic with other initiatives? (Coherence) (Section 3.5)

VWIs approach is considered valuable for both its partners and stakeholders. VWI is uniquely positioned within the water domain and engages with a wide range of stakeholders (local, regional, national, and international). The importance of sustainable water management and improved and inclusive decision-making within the domain are issues reiterated throughout the interviews held for this evaluation.

EQ 9. What can be learned for a potential VWI 2.0? What are the main Strengths, Opportunities and Threats for the programme? (Learning / Crosscutting) (Section 3.6, 3.7)

VWI 1.0 has been set up as a learning programme to drive the Valuing Water Principles into mainstream agendas, but was not yet clearly defined what its key role is meant to be in this space. VWI 2.0 has a strong potential to lean on the findings from this initial period to carry on the work to materialise the intended outcomes and impacts. Most significantly, the programme should i) formalise its role in the water valuing field, ii) clarify its position and coherence with the Dutch government, iii) continue, strengthen, and apply more focus on the activities began in VWI 1.0 to ensure impact is realised, iv) drive synergies among the activities, v) stay aware of new or existing actors and activities in this space to avoid forming new silos.

4.3 Recommendations

The following recommendations have been pulled out from the analysis and discussions presented above.

Table 5 Table of Recommendations

Recommendations
Effectiveness and Efficiency
1. Further define and narrow the programme's focus to be better placed to create synergies within the programme and among stakeholders. Consider impacts and costs in prioritising.
2. Further develop the learning platform (including an online hub) to mitigate momentum loss of participants and enhance ongoing cross-learning across stakeholders, VWI activities, and journeys.
3. Carry out work in the completion phase of Peru Journey to avoid loss of stakeholder trust and to reach intended impacts.
4. Create and incorporate M&E&L(earning) activities to better identify impact. A monitoring structure with more emphasis on outcomes and further impacts of its activities, also beyond the group of stakeholders impacted and the time scope of the activities, can develop a more robust underpinning of its effects.
5. Continue cooperation with partners to increase the reach of VWI within awareness raising activities.
6. Increase knowledge sharing activities within the programme as well as among relevant stakeholders
7. Increase communication and follow-up activities within the community and networks already created to make better use of these communities
8. Consider increasing the consistency among the various journeys and programme activities in order to improve both the relevance and coherence of VWI. In turn, this would allow for partners and stakeholders to better understand the added value of VWI.
Governance and Coherence
9. A stronger connection with international organisations (or other national organisations focused on Valuing Water Principles) could lead to more clout in the policy arena, broader international support, a stronger reputation and maybe even to (additional) funding from international sources.
10. Strengthen the VWI governance for the future, esp. by formalising the role of the "regieteam" into a real steering board that takes a more explicit client role.
11. Extending the governance of the programme into the higher levels of hierarchy of the Ministries.
12. Integrate the Valuing Water Principles better in the (rest of) Dutch foreign policy on water (which is strongly focused on economic aspects) to increase the credibility of VWI in international perspective.
13. Formalise the position of the advisory board as a sounding board for the VWI programme manager, with regular meetings.

Appendix A Finance Journey Case Study

A.1 Overview

From the initial roundtable discussions, it was evident that there was a gap between the finance community and the water movement. Through consultations, research, and networking, VWI established clear rationale to fill this gap. VWI proceeded to engage the finance community, targeting key organisations with strong ties and influence within the community (e.g., CERES, CDP, OECD, sustainable and water finance academia, and relevant policy makers), as well as members of the finance community themselves (e.g., water finance consultants, financial institution representatives).

The **rationale in targeting the financial institutions (FIs)** is that by a) educating this community on the importance of water valuing, b) raising awareness of FIs' abilities and role to drive the suitability change among water users, and c) enabling the FIs with data and guidance on holding their assets responsible to better water use and management, the institutions would shift their water practices and policies.

Key actors engaged and targeted through this intervention include:

1. Key organisations influencing finance practice, e.g. CERES, CDP, OECD, WWF, Alliance for Water, TNC, etc.
2. Representatives of finance institutions
3. Wider water finance community (e.g., academia, consultants)
4. Relevant policy makers

The activities conducted under the Finance Journey can be classified under three strands:

1. *Network and Engagement Facilitation:*

VWI works to develop a network of various stakeholders who are important to drive change in the valuing water movement through systemic shifts in finance practices. They invite members of varying communities who have a stake in the water discussion. They facilitate discussions and roundtable events regarding water valuing and support the attendance of the select stakeholders at key events, such as the 2023 UN Water Conference and Stockholm World Water Week. This is meant to raise awareness around water valuing among stakeholders that would not otherwise be privy to each other's ideas, promote the prominence of water valuing discussions on global and corporate agendas, decrease water valuing silos among varying industries, and enable participants to use the VWPs in their fields to drive this change.

2. *Promotion and Facilitation of Voluntary Disclosure:*

VWI has joined forces with CDP by funding a project to promote voluntary disclosure on water risks and effects from companies to investors. The goal is to increase transparency in order for investors and markets to become more informed. Investors, thus, will be able to make more informed investment decisions and hold their assets, as well as companies seeking investment, accountable for improving their water practices. CDP has developed a questionnaire for corporate actors to disclose on their water use practices. This information is meant to drive transparency in the market, bring more focus and awareness to corporate water practices, and serve as a decision-making metric and tool for investing agents.

3. *Standardisation of Corporate Expectations in Water Valuing and Management:*

VWI has partnered with CERES, an expert in the field, through alignment on the goal to green the capital market system by educating the investment community on their role in driving

sustainable water practices among their assets. The project's goals seek to support finance institutions to take responsibility, as the business owners, by putting pressure on their asset companies' water practices, as well as support asset managers to develop their own strategies in respect to water. VWI has funded the research, development, publishing, and dissemination several research reports on financial (double) materiality of harmful water management practices in the packaged meat and apparel sectors. Furthermore, a report was developed and disbursed on the six *Corporate Expectations in Water Valuing and Management*, which codification of the best practices that should be taken by 'good water corporate actors.' This has further led to the *Valuing Water Finance Initiative (VWFI) Benchmark* report, which assesses company performance on these six corporate expectations.

A.2 Methodology

In order to assess the activities and contribution of the VWI Finance Journey initiative to the desired outcomes, Technopolis has conducted the following work to produce this evaluative case study:

1. Data collection and review, through:
 - a. Review of relevant documents, e.g., partner reports, investor memos, etc.,
 - b. Interviews with key stakeholders
 - i. 7 case study-specific stakeholders,
 - ii. 14 programme-level stakeholders, with several being closely familiar with the Finance Journey
2. Development of the case-level Theory of Change (ToC),
3. Assessment of the case's contribution to impact through Process Tracing (PT).

Process Tracing assesses the causal links and contribution of the intervention to outcomes and impacts at a case-specific level. Statements of contribution are developed through the ToC and tested and evidenced to identify whether they pass, fail, or are inconclusive. Four types of tests exist in PT and were used to assess the VWI contribution:

Table 6 Process Tracing Tests Explanation

Test	Evidence
Straw in the wind	Lends support for an explanation without definitively ruling it in or out Failing/ Passing of this test neither lends strong support for or against the theory
Hoop test	Must be present for a hypothesis to be valid Failing a hoop test eliminates a hypothesis, but passing a hoop test does not confirm a hypothesis. Common hoop conditions are more persuasive than uncommon ones
Smoking gun	Passing a smoking gun test lends strong support for theory, whereas failure does not necessarily lend strong support against the theory
Double decisive	Passing a double decisive test lends strong support for the theory while also lending strong support against alternative theories

N.B. on timing: It is important to note that the targeted impacts of this initiative are ones that are expected to take several years to manifest. Therefore, the current impact evaluation can only trace the initiatives contribution throughout the ToC to certain extent. However, this does

not mean that the initiative is not contributing to the long-term outcomes and higher-level impacts.

A.3 Theory of Change

Figure 3 Theory of Change Logic Model for the VWI Finance Journey

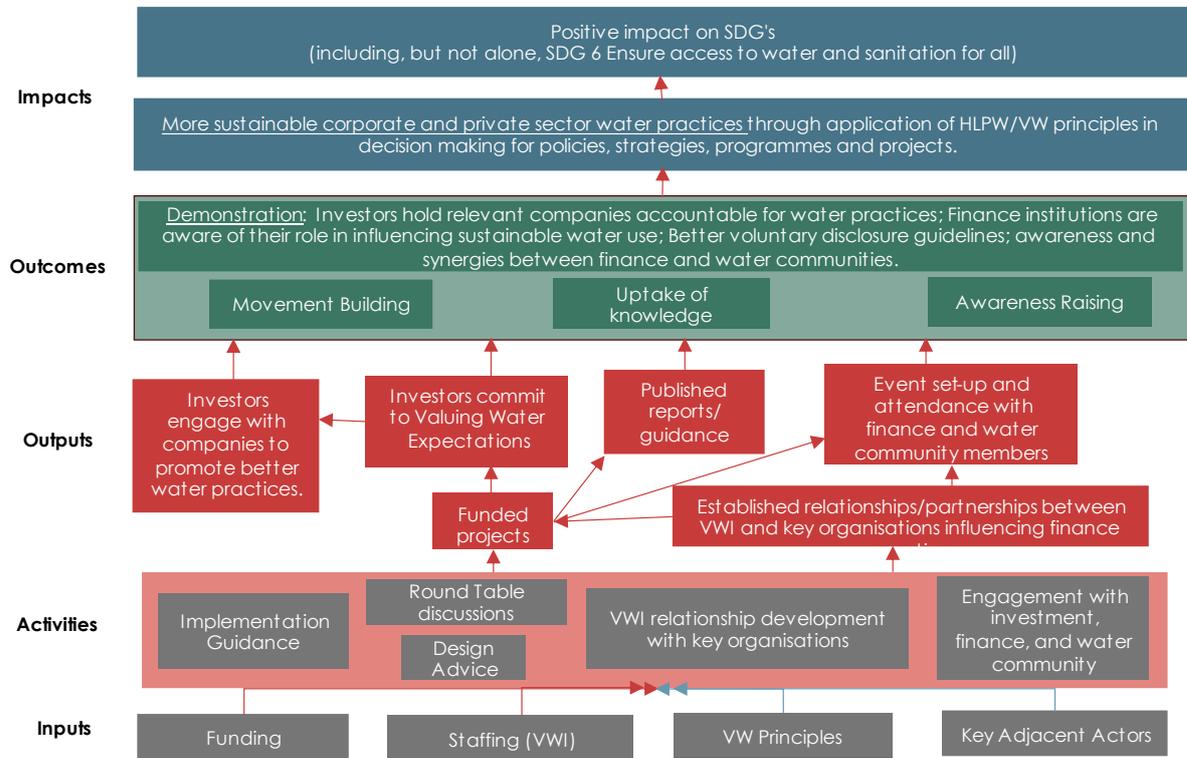


Figure 3 represents the visual logic model of the process by which the VWI Finance Journey intends to create impact. Below, we briefly define each of these ToC elements, as well as develop the Causal Pathways that describe how the relationship between the elements is intended to lead to the desired change.

A.3.1 Inputs

N.B.: The inputs of the intervention are the same across all cases and at programme level; although, their extent varies, e.g., amount of funding or staffing support.

- **Funding:** Through the Netherlands Enterprise and Development Agency (RVO), the Ministry of Foreign Affairs (BZ), and the Ministry of Infrastructure and Water Management (IenW), the VWI has allocated € 3.279.866,00 of funding for the Finance Journey. These funds have been spread across various activities and several projects that have been or are being carried out by project delivery partners.
- **Staffing (VWI):** Includes the RVO staff within the VWI team, as well as support and ideation from relevant staff in the funding ministries.
- **Valuing Water Principles:** Originally established at the wider level with the UN High Commission on Water, the Valuing Water Principles (VWPs) are at the heart of each activity and discussion carried out by VWI.
- **Adjacent Key Actors:** knowledge and participation from key relevant agencies, such as CDP, CERES, OECD, and others, acting as thought partners and/or implementors.

A.3.2 Activities

The activities delivered by VWI under this journey are:

- *Engagement with investment, finance, and water community*: VWI mobilises and facilitates discussions and event participation among key stakeholders, comprised of finance sector, academia, policymakers, NGOs, and other water-related leading associations.
- *Implementation Guidance*: VWI works with key change agents to address the promotion of valuing water and pathways to implement water practice change, including the collaborative development of projects.
- *Round Table Discussions*: VWI organises and facilitates round table discussions with the actors described to exchange experiences and ideas on water valuing.
- *Design Advice*: VWI collaborates and shares methods, ideas, and research with key change agents.
- *VWI relationship development with key organisations*: this includes the facilitated collaboration and project development and funding with key relevant actors, like CERES, CDP, and OECD.

A.3.3 Outputs

- *Established relationships between VWI and key organisations influencing finance practice*: Collaborative relationships are materialised and strengthened between VWI and key actors, as well as between the actors themselves.
- *Funded projects*: Projects developed, ideated and funded by VWI and the new partnerships and relationships are carried out.
- *Event set up and attendance with finance and water community members*: Independent VWI events and discussions at wider events (e.g., UN Water Week) are set up and facilitated, focused on water management practices and VWPs. Stakeholders from different sectors (i.e., water management academia; finance institutions) come together and share ideas and experiences among each other.
- *Published reports/ guidance*: projects yield published reports and guidance on water use for finance institutions and corporations.

A.3.4 Outcomes

The key outcomes of the Finance Journey follow the categories of the overall programme:

- *Movement Building* – among finance institutions and corporate actors on bettering water use practices and policies through VWPs, driving systemic change and greening capital markets.
- *Uptake of Knowledge* – by FI's, investors, and companies on how to shift water practices and decrease water risks.
- *Awareness Raising* – across the finance sector on the VWPs and sustainable water practices, and the overall need to change the status quo of water use in corporations.
- *Demonstrations* – projects presenting pathways and tools for investors and companies to be able to apply VWPs and shift unsustainable water use practices among companies, including how to leverage FIs' roles in this process.

A.3.5 Impact

The overall Impact intended by the Finance Journey is to *shift corporate and private sector water use practices to be more sustainable and employ the valuing water principles when*

setting water use and management plans and policies. This is a long-term impact, and while some evidence may be identified at early stages, most would materialise several years post the start of programme implementation.

A.3.6 Causal Pathways

Causal Pathways describe how the relationship between the elements described above is intended to lead to the desired change. These Causal Pathways then serve as the “Contribution Claims” (CCs) or Hypotheses (H) in the Process Tracing, where they are tested using the collected data (“evidence”) to identify whether the pathways hold true (Chapter A.4). Based on these elements and through consultation with the respondents and document review, the causal pathways that have been established and tested for the Finance Journey are:

1. Key **organisations influencing finance practice**, like CERES, CDP, and OECD, **are actively engaged and enabled** to develop and deliver activities to promote water valuing and use practices for finance and corporate communities, because **VWI provides funding, ideation, and project design support**.
2. **Water and finance community members engage with each other, decreasing sector silos** and leading to **convergence of water change initiatives and practices** across policy, finance, academic, and NGO sectors, because **VWI facilitates roundtable discussions, events, and networking** with the key stakeholders.
3. **Investors hold companies accountable** to better water management and use through corporate expectations, leading to better water valuing and use practices, because the **intervention educates the investing community** on their role in water use change.
4. Rates and standards of **voluntary disclosure on water use increase** among companies, **enabling financial institutions to make more water conscious decisions** around their assets, because the intervention supports the development and dissemination of disclosure materials to companies.

A.3.7 Assumptions & Risks

#	<u>Assumptions</u> Expected assumptions for the Finance Journey initiative to have the intended outcomes include:	<u>Risks</u> Potential risks that can have an effect on the Finance Journey initiative include:
1	VWFI team is able to reach and engage the appropriate and diverse finance and investment community.	Other priorities , like CO2 emissions or resource efficiency, overshadow the advocacy for changes in water use practice and finance/investment accountability practices, leading to change not being implemented.
2	Finance/investment water valuing community engaged is large and diverse enough to influence standard practices of accountability on water use of companies.	Discontinuity between VWFI and other influencing organisations in the sector creates confusion and lack of standardisation in water valuing and use practices.
3	VWFI's principles align with those of other actors leading in valuing water work.	Lack of follow-up or continuous engagement with the target community post VWFI activities

		leads to stakeholder disengagement and low take-up/change rates in VW practice.
4	VW principles are presented wholistically , so that target groups do not prioritise only the 'most-fitting' or convenient principles and leave behind others, leading to partial change.	
5	Finance/investment community is properly motivated to engage the water users/companies to change their use practices.	
6	Companies, water users, and other communities (e.g., indigenous) are aware of the high-level movement and need for better water use practices (e.g., SDG6).	

A.4 Process Tracing

The Causal Pathways developed through the ToC serve as the contribution claims (CC) or programme hypotheses. These underwent Process Tracing analysis, where tests were set up for each, with expected evidence. Below, the analysis and findings for each CC is presented, with assessment whether the tests have passes, failed, or are inconclusive.

A.4.1 Contribution Claim 1:

Contribution Claim / Programme Hypothesis 1:

Key **organisations influencing finance practice**, like CERES, CDP, and OECD, **are actively engaged and enabled** to develop and deliver activities to promote water valuing and use practices for finance and corporate communities, because **VWI provides funding, ideation, and project design support**.

Table 7 Summary of PT Test and Results

PT Test Type	Evidence Expected for test	Source of Evidence	Test Passed, Failed, or Inconclusive?
Smoking Gun	Statements from the key organisations involved that the work would not have gone ahead without VWI relationship development and facilitation (at the same speed and impact level), explaining specific barriers.	Interviews with stakeholders	Pass
Smoking Gun	Statements from the key organisations involved that the ideas for their work were developed or progressed through the VWI facilitation, presenting specific examples of VWI influence.	Interviews with stakeholders; reports from partner organisation	Pass ⁷

All case study stakeholders stated that their projects would not have been possible without the support from VWI. Support referenced was explicitly both financial, facilitative, and ideational.

There were varying levels of idea development among in the partners under this journey. Organisations like CDP and CERES have been working on their respective workstreams for some time, while other partners have been less specific on their space in the water movement. CDP has developed and delivered annual climate and biodiversity disclosure questionnaires for nearly a decade, with the idea of water disclosure being on the books for some time. CERES has been working on water double materiality in finance for some time, as well.

On the other hand, the OECD, which VWI included in the roundtable discussions, was in the process of identifying their best-fitting space and direction in the water security arena. Interviews showed that the events, networking, and roundtable discussions facilitated by VWI not only significantly aided the directionality of the OECD in water security but led the organisation to develop joint proposals with other members from the roundtable discussions.

Despite relevant ongoing work, VWI funding and ideation support has been seen as critical in the delivery of the work across all partners involved. CDP worked with the Dutch NGO, Water Footprint Network, Water Footprint Implementation, and a North American water practice agency. Through a technical working group, of which VWI was a part, CDP and the other organisations had worked together to shape and collectively build up the indicators and data points that were necessary for the water disclosure questionnaire. CDP has developed and runs annual questionnaires on climate and biodiversity disclosures. It has been an idea for some time to develop the same for water, but financial and resource support was necessary and not able to be addressed through other means.

⁷ This test can be said to pass “to an extent.” As evidenced in the text, VWI influence and ideation support of project work is evident in reports and stakeholder statements. However, significant ideation and intent for several of the projects had already been established prior to VWI’s involvement, so the

VWI influence and ideation support of project work is evident in reports and stakeholder statements. However, significant ideation and intent for several of the projects had already been established prior to VWI's involvement, so the level of contribution to the development of the work in this case should be seen as partial, with joint effort from. This sentiment was welcomed by respondents, as they appreciate VWI's understanding of the expertise that the respective agencies hold in the field.

The use of existing institutions promoting water sustainability and engaged in the finance sector, i.e., CDP and CERES, has allowed VWI to efficiently reach their established networks. The mutual support between VWI and its partners has aided the credibility with which the principles and water needs awareness has been delivered. VWI's packaging of the VWPs and the supporting funding has aided the respective partners in ensuring the principles are at the backbone of the work they were able to deliver.

The projects developed by this workstream have yielded a number of important outputs, where partners acknowledge the crucial role and contribution of VWI. Reporting from CDP project "surveying Financiers on Valuing Water" identified the deliverable and impacts from the project. These Reaching 1,226 FIs (including asset managers, asset owners, banks, and insurers) through the valuing water report to disclose on water in CDP's annual questionnaire. For the first time, including asset managers, asset owners, banks, and insurers, were invited to disclose on water in CDP's 2022 global questionnaire. 275 (22%) responded to water-related questions.

Research commissioned by VWI through CERES demonstrated for the first time the financial materiality of water risk from harmful water impacts in the packaged meat and apparel sectors. The further work with CERES has allowed the organisation to mobilise, educate, and drive action among financial institutions that are leading to shifts in water management policies and practice and inclusion of the valuing water principles. All these results, and those defined in tests below, are repeatedly noted by interviewees to. Not have been possible without the support of VWI.

"From [our] vantage point, it's been extremely successful. Our work couldn't be possible without them." – Interviewee

A.4.2 Contribution Claim 2:

Contribution Claim / Programme Hypothesis 2:

Water and finance community members engage with each other, decreasing sector silos and leading to **convergence of water change initiatives and practices** across policy, finance, academic, and NGO sectors, because **VWI facilitates roundtable discussions, events, and networking** with the key stakeholders.

Table 8 Summary of PT Test and Results

PT Test Type	Evidence Expected for test	Source of Evidence	Test Passed, Failed, or Inconclusive?
	Evidence of varying actors collaborating on the water security movement	Stakeholder Interviews; Programme Reports	Pass
Hoop Test	Evidence of relevant VWI-facilitated discussion engagements with the key organisations/stakeholders participating.	Stakeholder Interviews; engagement reports	Pass

While interviewees stated that most are already aware of and have some connections with the other actors and organisations in water field, all noted that the sectors tend to function in silos. An example of the sector separation discussed is between investors and policy makers. Specific statements were made by multiple interviewees that the convergence of the sectors and decrease of silos is necessary to drive actual change. Multiple interviewees stated that VWI is the only agency they know to bring together such varying actors and facilitate fruitful discussions that break down these silos. To that extent, the interviewees overwhelmingly saw VWI as a curtail actor in driving the water valuing and sustainability change.

Post these events, interviewees reported that new relationships were formed, or existing ones strengthened. In one or two instances, this has even developed into joint project formation and proposals. It was stated explicitly that the VWI-facilitated discussions directly led to new collaborative relationships between the OECD and various agencies present at these events. The strength of these relationships and cross-sharing of information and networks is further stressed in interview statements. This supports a stronger collaborative relationship among key actors in this field than would have existed in the counterfactual.

the OECD Roundtable on Financing Water included a segment in its 2023 meeting devoted to VWI-supported work on transparency, disclosure & catalyzing action among FIs as part of the Water Action Agenda. This involved a shift of emphasis away from traditional development finance topics towards wider systemic corporate water impacts, recognising FIs as a key lever of change.

Multi-sectoral stakeholder participation is also evident in that the reporting outputs delivered under the Finance Journey were developed through consultations and collaborations of varying stakeholders. The development of the agreed upon Corporate Expectations for Valuing Water representing the unification of the sectors. "Input from the Valuing Water Finance Task Force and Investor Working Group and a range of NGO and scientific stakeholders, Ceres has developed a set of six expectations for investors to deploy in their engagement with investee companies on valuing water" (Ceres, 2023).

Furthermore, there is visible unification and agreement among practices between the partners of the finance journey projects, where CERES sites CDP's corporate water practice ratings from their disclosure report as a measurement for CERES's stakeholder-specific reports to investors.

Some called for further strengthening across sectors, e.g., policymakers and finance sector, or corporations and policymakers. This was mostly seen as near future 'next steps,' rather than a current gap or lack of capturing the right audience. One interviewee saw VWI as a stronger



voice among policymakers and more novel in the private sector, calling for VWI to leverage this connection more to bridge the two.

“Would be really exciting to cross-connect policy work with investment. The next generation of investment work will be on policy – instead of talking to companies, it’ll be with regulators on sustainability and regulations.”

– Interviewee

It is important to note that some of the deliverables, i.e., the Corporate Expectation Benchmarking report, are not explicitly mentioning the Valuing Water Principles. The Introduction of this report reads that, “These Corporate Expectations are aligned with the UN Global Compact CEO Water Mandate’s six commitment areas and the United Nation’s 2030 Development Goal for Water (SDG6) ...” While the VWPs, too, have been developed through and aligned with these mechanisms, there may be potential for divergence of certain actors and organisations when attempting to align on water values and set ideals if the core principles are mentioned in some cases and not on in others. In other words, if policy members seek to address issues under the term “valuing water principles,” while the finance sector looks to the “Water Mandate six Commitments” and “the six Corporate expectations,” variation in terminology may cause confusion and misalignment if their connection and interdependence not clearly explained to each stakeholder.

In addition, most interviewees under the Finance Journey were not aware of the other streams of work that VWI conducts. This signifies that there remains a gap between the wider water sector and finance where opportunities can be explored to strengthen the movement of corporate water policies and practices. Synergies can especially be seen and considered with the water conscious partnerships developed between the VWI’s RunBlue campaign and large corporate actors, like Bayer, Starbucks, and Colgate.

A.4.3 Contribution Claim 3:

Contribution Claim / Programme Hypothesis 3:

Investors hold companies accountable to better water management and use through corporate expectations, leading to better water valuing and use practices, because the **intervention educates the investing community** on their role in water use change.

PT Test Type	Evidence Expected for test	Source of Evidence	Test Passed, Failed, or Inconclusive?
Hoop	Investor statements of support of the VWPs and commitment to hold their assets accountable on water practices.	Statements and letters of support	Pass
Smoking gun	VWI/VWP influence is visible in the documents/memos set out by companies of shifting water practices, e.g., through statements that the financial institutions are requiring new practices/regulations in order to provide financial support.	Documents, memos, and statements from investors	Pass

Prior to the corporate expectations tool, VWI funded and supported the development of several research papers on the financial Implications of Addressing Water Related Externalities



in the Packaged Meat and Apparel industries. This was carried out and delivered in partnership with Ceres, S&P Global, DWS, CROCI, and BlueRisk in 2021, with reports published and disseminated to inform the finance and corporate actors on the double materiality of water in these sectors. This research also set the basis for the Corporate Expectations on Valuing Water and the subsequent Valuing Water Finance Benchmark report. These reports, along with research briefs on specific company performances against the corporate expectations, were presented to investors at investor engagement events held by CERES to educate the FIs on their roles in driving the water valuing and security shift among their assets.

Together, these outputs have then led to 80+ investors & asset managers, representing \$16.5 trillion assets under management, signing up to the Corporate Expectations for Valuing Water, committing to use these expectations to hold corporates accountable for their water practices & decision-making. 72 companies have been identified by VWI-funded research as being a priority for engagement based on the size, sector, and water impacts. In addition, 30 institutional investors representing \$3 trillion in assets under management signed an open letter to governments calling for increased political will and ambition towards solving the global water crisis.

The outputs are seen to carry on towards the desired outcomes, as multiple investors have developed and presented shareholder requests and memos to their assets calling them to shift their water management practices. One request, to McDonald's, reads, "Shareholders request that McDonald's issue a report assessing the feasibility and practicality of establishing time-bound, quantitative goals to reduce supply chain water usage to mitigate value chain risks related to global water scarcity in high-risk areas. The report should be prepared at reasonable expense and omit proprietary information."⁸

Finally, there are a number of other actors working towards increasing water security from corporate sides, such as Alliance for Water Stewardship and International Water Management Institute. However, VWI's approach is noted to be the leading and, in some cases, only current driver that seeks to alter the finance institution's behaviour to encourage assets to change their water use practices and employ the valuing water principles.

A.4.4 Contribution Claim 4:

Contribution Claim / Programme Hypothesis 4:

Rates and standards of **voluntary disclosure on water use increase** among companies, **enabling financial institutions to make more water conscious decisions** around their assets, because the intervention supports the development and dissemination of disclosure materials to companies.

⁸ https://engagements.ceres.org/ceres_engagementdetailpage?recID=a015c00000h0lg8AAC



PT Test Type	Evidence Expected for test	Source of Evidence	Test Passed, Failed, or Inconclusive?
Smoking Gun	Stakeholders state that development and dissemination of these materials would not have happened without VWI support	Interviews; reports	Pass
Smoking Gun	VWI/VWP influence is visible in the documents/memos set out by companies on shifting water practices	Partner reports, questionnaire responses, memos from companies	Pass

As mentioned in CC 1, some of the information on water valuing by the partner companies in the initiative were already being conceived, such as CERES's Global Assessment of Private Sector Impacts on Water and CDP's disclosure surveys on climate and biodiversity. However, interviewees expressed that the work post these reports, e.g., the research on double materiality within specific sectors, the development of the corporate expectations, the disclosure report, and the dissemination of these materials would not have been possible without the finding and knowledge of VWI.

Through the VWI support, financial institutions, including asset managers, asset owners, banks, and insurers, were invited to disclose on water for the first time in CDP's 2022 global questionnaire. 275 (22%) responded to water-related questions, proving invaluable data to asset managers to make informed decisions. Continuity among the projects is also evidence, such as where CERES cites CDP work on disclosures (conducted through VWI) to evidence their reports on specific company water use risks. Some companies are already testing this tool. To get a lower interest rate, companies need to respond to CDP questionnaire on water. If the company receives a minimum water score, they set, so they need to continue driving action, and reduce their withdrawals. Additionally, the main company is pushed to request their supply chain to disclose on their respective water metrics. This signifies that the initiative's dual activities are driving the intended change.

Further to the FI signatures for the CERES Corporate Expectations on Valuing Water report and Benchmarking, multiple companies have signed statements acknowledging the resolutions presented by their investors. AGM's letter to Davide Campari-Milano in 2023 helped move the company to make a commitment in line with the signatory request.⁹ This presents evidence that the intended outcomes and impact of the initiative is in the process of materialising. However, as stated by all interviewees, more work and time is needed to realise the effects and impact of the work, and the support of VWI is necessary in this arena.

Caution should be observed to ensure that the progress in disclosures and reporting does not lead to negative unintended outcomes. One interviewee noted strong concern that VWI is not addressing complexity as coherently as possible, due to having a main focusing on reporting and disclosure, rather than including diagnostics and solutions to challenges. The issue expressed was that the data presented in the Benchmarking and Disclosure report is

⁹ <https://www.camparigroup.com/sites/default/files/downloads/2023.13.04%20-%20Minutes%20AGM%202023%20%28DEF%29.pdf>

incomplete, due to some companies choosing not to report. Concern was that those companies that did not disclose to CDP/CERES got low ratings, even though they are implementing of good practices in water according to other agencies assessing corporate water practices. This may lead to companies implementing fewer practices, as they are disincentivised to address water challenges by being ranked low when already doing well. Therefore, it is important to ensure this progress is not siloed within the VWI partners and is not only led in a top-down manner at the financial institution level.

As stated above, other actors are working towards bettering corporate water use practices. Therefore, it would not be likely to attribute all current and upcoming corporate water use practice shifts to VWI alone. However, the documents and statements reviewed for this evaluation clearly follow and cite the CDP and CERES projects. Furthermore, the credibility of VWI and Dutch government can be seen to amplify and support the progress of the water valuing movement. Thus, it is evidenced and reasonable to attribute contribution to VWI on shifting corporate water use and management practices towards more sustainable processes.

A.5 Conclusion and Considerations

A.5.1 Conclusion

VWI is overwhelmingly seen as holding a very important role in the water management and finance sectors, with most interviewees stating they do not know of others who could fill this role. One of the most unique and valuable qualities of the programme that interviewees attribute to VWI is their position in decreasing silos by bridging sectors that would not otherwise engage, e.g., investors and policy makers. Though, the efforts of actors working towards bettering corporate water use practices and evidence of water-centric discussions in finance being developing since before VWI involvement. This points to joint contribution to the visible changes of VWI and others.

Nevertheless, clear evidence exists to show VWI's role in awareness, knowledge, and behaviour change among intended stakeholders, such as finance institutions. There is also emerging evidence to signify the beginning of longer-term outcomes and impacts with change among corporate water management practices. Documents and statements reviewed for this evaluation clearly follow and cite the CDP and CERES projects. Interviewees involved in project delivery expressed that this work would not have been possible without the financial, ideational, and facilitative support of VWI. Furthermore, the strong and credible voice, the network facilitation, ideation, and project funding from VWI and the Dutch government towards enhancing water valuing in finance and the overall water security movement, SDG 6, and systemic change.

The built-up pathways between these activities, outputs, and outcomes clearly demonstrate VWI's contribution to the visible changes. However, it will take time and, arguably, continued effort for the long-term outcomes and overall impact to materialise. All interviewees stated that to reach the intended goal of water management and practice shifts in the finance and corporate fields, more effort and time is needed. The desire and necessity of VWI's continued involvement in this movement was echoed by all.



A.5.2 Key Considerations for the Future

Table 9 Key Considerations

Key Considerations for the Future of VWI in Finance
Continue funding projects driving the education and tool development of financial institutions on their role to support the better water use practices among their assets.
Expand the targeted finance institutions of the intervention, especially to central banks, in order to further align the policy environment and finance sector.
Consider expanding the selected sectors actively targeted by the projects, e.g., agriculture, construction, ICT, other, to further decrease sector silos and support the embedding of the valuing water principles across all practices.
Facilitate stronger connections and discussions between policymakers/regulators, finance institutions, and corporate water users, to ensure investment, regulations, and use practices are aligned.
Stay aware of and potentially collaborate with other organisations focused on corporate (or other) key stakeholders in water use and practice, to ensure alignment and avoid negative outcomes, e.g., diverging corporate ratings on water practices.
Connect the finance journey to other workstreams of VWI to leverage, strengthen, and amplify the activities and outcomes.

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