

PRESS CLIPPINGS



**3RD WORLD WATER FORUM
KYOTO/OSAKA/SHIGA
MARCH 16-23, 2003**

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THURSDAY, MARCH 13, 2003

The Japan Times Developing toward 'living democracy'

By AMANDA SUUTARI
Special to The Japan Times

When she was a child, environmental activist Vandana Shiva spent her free time walking in the Himalayan forests of northern India. Much later, before going to do her doctorate at the University of Western Ontario in London, Canada, she returned there to one of her favorite places. "There was a beautiful oak forest and a lovely stream," she recalls. "And when I went, there was no forest and no stream, because the World Bank had started a project to plant apples and they cut the native forests. But these were the source of the rivers, so once they were gone, the streams were gone."

Author and campaigner Vandana Shiva, whose development views emphasize local economies and community control of resources. PHOTO COURTESY OF NAVDANYA

The year was 1974. Two years earlier, logging had caused disastrous floods in the region that had washed away an entire valley. Shiva joined a peaceful anti-logging movement there called Chipko, which means "to embrace," and that was what the villagers did. "Hugging the trees was an expression that 'these trees are us,' and we will hug them before loggers can cut them," she explains.

"The experience was about a different kind of economy. Good natural forests are the basis of sustenance. The most prosperous villages can be found up there, and there isn't even half a dollar a day." Chipko was formative for Shiva personally, as well as for India's fledgling environmental movement. Until then, sustainability was seen as a luxury imported from rich Western countries. "Because of Chipko," she says. "It became clear that conservation is a bigger imperative for the poor."

Articulate and upbeat, Shiva is active in the grass roots of India and abroad, campaigning on issues such as biodiversity, farmer's rights and the spread of genetic engineering in agriculture. She promotes organic farming and preservation of local crops through "seed banks" that have sprung up all over the country. A fierce critic of trade liberalization, she blames multinational corporations, the World Bank and G-7 nations for undermining democracy, creating economic and social instability, and destroying ecosystems and local cultures.

"What is called 'free trade' is not a free economy," she insists. "It's freedom for [agribusinesses like] Monsanto or Kargil, but not for the farmers . . . or consumers who want safe and healthy food."

Debt and suicide

In post-"green evolution" India, subsistence farming has been replaced by thirsty cash crops that deplete soil and water tables, keeping farmers dependent on chemicals and genetically altered seeds, driving them deeper into debt and, more recently, suicide.

In "Seeds of Suicide," Shiva writes of the dramatic rise in suicide rates among debt-ridden farmers in the last five years. In 1998, her research organization Navdanya prevented the U.S. firm RiceTec from patenting basmati rice, which would have forced farmers to pay royalties on a native crop grown in their region for generations.

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"The big debate in India on biodiversity, genetic resources, and water is that [they] don't belong to the state to be sold off to corporations," she says. "They belong to the communities to look after them on the basis of democracy."

In her latest book, "Water Wars: Privatization, Pollution and Profit" (South End Press; 2002), Shiva focuses on the water sector, where privatization by a handful of corporate giants such as Suez Lyonnaise des Eaux, Vivendi Environment and Bechtel is happening "virtually overnight."

She tells how, in her lifetime, she has seen India and other water-rich regions dry up as human activity and population growth have led to climate change. Dams redirect water away from communities and steer small-scale farmers into commercial agriculture and industry, which can more easily buy -- and pollute -- vast quantities of water. The resulting scarcity is creating tension between India and its neighbors, as along other major rivers elsewhere, including the Nile, the Rio Grande and the Colorado.

Calling the parched Middle East a region where water's role in the violence is overlooked, she writes: "Such misrepresentation diverts much-needed political energy from sustainable solutions to water-sharing."

Her book describes villages in India that set up "water temples" offering free public water in earthen pots. But the water market is spreading through the country just as quickly as these sacred traditions are disappearing -- clay pots being replaced by plastic bottles.

"If I'm in a village," Shiva says, "and the government allows [our reservoir] to be owned by Coca-Cola . . . [its water] must then be bought back from the company, just like with seeds."

Like many Indian activists, Shiva was strongly influenced by Mahatma Gandhi, whose concept of swadeshi emphasizes local economies and community control of resources. For her, this is a feasible and necessary alternative to the single model of development now being foisted on the developing world, which favors industrial urbanization and cash economies. Chipko taught her the importance of what she calls "living democracy," she says. "Because life is not in stocks or shares," she says, "life is in our homes, rivers, streams and forests."

Vandana Shiva will be in Japan during the World Water Forum being held in Kansai from March 16-23. For more details, e-mail the writer at sutaria@hotmail.com

SATURDAY, MARCH 15, 2003



A right or a commodity? Global forum to grapple with definition of water

Agence France Presse English
Section: International News
Byline: by Lauren Gelfand

KYOTO, Japan, March 15 (AFP) - Whether fresh water is a commodity to be bought, sold and traded or a basic human right that should be available to all is likely to figure prominently in discussions at the World Water Forum to open here Sunday.

In establishing its goal to halve to one billion the number of people without access to potable water by 2015, the United Nations said the "public nature of water is as a limited natural resource and a public commodity fundamental to life and health."

But non-governmental organizations attending last years Earth Summit in Johannesburg took exception to that definition, including in their draft statement the characterization of water as "the common heritage of mankind (that) should not be negotiated as a commodity."

As they gather in Kyoto for the week-long forum that is aimed at developing the ideas pursued in Johannesburg into real and efficient water distribution programs, activists, entrepreneurs and the United Nations are likely to plunge headlong into the debate over the definition of the resource.

"Water as a commodity? Water systems require conservation and renewal; commodification is a very efficient extractive system but a third-rate conservation system that only benefits the governments and people who want to make a quick buck from rivers and aquifers," said water activist Vandana Shiva of Indias Research Foundation for Science, Technology and Ecology.

"High prices do not mean high value -- high prices degrade value."

Not according to Hillel Shuval, a professor of environmental science at the Hebrew University in Jerusalem, who says the very act of commodifying water -- making it a product such as oil or electricity -- promotes conservation of the resource.

"Viewing water as a commodity, not as mothers milk, as something you can buy or sell, will immediately drive people towards conservation," he said.

"It ensures rationalization of water use." To raise the estimated 20 billion to 60 billion dollars needed to boost the infrastructure of the water sector to provide adequate water for drinking and sanitation to marginalized populations, a new study released by a panel chaired by former IMF chairman Michel Camdessus suggested public-private partnerships "as an option" for resolving water problems.

That notion was greeted with skepticism by former US senator Paul Simon, currently the director of the Public Policy Institute at Southern Illinois University.

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When nations divest themselves of state-run utilities, they eventually become privately-held monopolies, eliminating the kind of market competition for most commodities that brings prices down, he said.

"Then they can charge more, and when they charge more it will reduce consumption, so in that sense, conservation is a good thing," he said. However, he hastened to add, "when you charge more, only the wealthy can afford it.

"What does that say when water, a necessity of life, becomes a luxury for people at the bottom of the economic scale?"

Other conservationists are cautiously optimistic about the benefits to poorer populations of privatization, as long as legal safeguards are put in place and other behaviors are adopted that provide an incentive to treat the resource carefully.

In China, which is neither a "totalitarian socialist system nor a perfect market system," water should only be considered a commodity once preferential rights over the resource are clearly established, says Jim Harkness, a country representative for the conservation organization WWF.

"What is missing in China from an ideal market system is a legal system providing recourse for people," he said.

Even that system of legal recourse is of no guarantee, however, noted Oscar Olivera, a Bolivian activist who led the uprising in 1999 against the US-based Bechtel Enterprise Holdings after it took over the public water system in the farming community of Cochabamba and immediately raised prices by between 35 and 200 percent.

Widespread protests eventually forced the government to concede and Bechtel to leave, but not without making a final splash.

The company demanded 25 million dollars in compensation for its investment and a World Bank trade court is to rule whether Bolivia, the poorest nation in South America, will have to pay.

"The farmers rose up and said 'these are our rivers, our lakes. We want to have a greater voice in the decision-making process,'" Olivera said in Spanish, suggesting that a deal might soon be negotiated that would return the real amount Bechtel invested into privatizing Cochabamba's water utility.

"That 25 million dollars would create 125,000 new water connections for Bolivia. To us, that is worth more, a locally-controlled alternative system that provides water to everyone, for all time."

MONDAY, MARCH 17, 2003

Radio Netherlands



Universal access to blue gold

by international affairs editor Pieterneel Gruppen
Radio Netherlands

The urgency of the problem is clear to all ten thousand policy makers, water specialists and environmentalists attending this week's Third World Water Forum in Japan: by the year 2050, half the world's population is predicted to be without sufficient drinking water. High on the agenda of the Kyoto conference is a controversial remedy: privatisation of water.

At the last World Water Forum in The Hague three years ago, delegates presented their vision of how to tackle the looming water crisis. They formulated ambitious goals. They agreed among other things, that by 2025 everyone in the world should have access to clean water. But a lot of money will be needed to achieve what is after all a very basic requirement. Dutch Deputy Minister for Development Aid, Agnes van Ardenne, says the issue of financing should be the top priority in Kyoto:

"First of all I think it's important to agree upon the amount of money that is needed for investment in water programs worldwide. We are talking about 180 billion dollar that is needed each year. We need the private sector. This cannot be disbursed by governments and UN organisations alone. That should be the outcome of the Forum."

Selloff or sellout?

Governments in developing countries in particular are thinking more and more often about selling off state water companies to big corporations. In some countries the World Bank and the IMF have made privatisation a condition for loans. Supporters of this principle outline that commercial organisations in general are more efficient than governments. But Maude Barlow, author of the book "blue gold", is doubtful:

"It may be efficient to cut your workforce and your water company in half or to cut water inspections. But you have to keep in mind that in cities like Manila on the Philippines and Georgia in the United States where these private companies came in the water coming out people's taps is brown. That may be efficient but nobody is drinking this water!"

Price hikes

Privately owned water corporations will defend their own interests and these boil down to making profit. The result: high water rates. In some countries large sections of the population are deprived of water because they can't afford it. In South Africa, ten million people lost access to drinkable water when the water corporations moved in.

Dutch Deputy Minister Agnes van Ardenne understands these concerns. And she understands that some governments will need assistance if they're to co-operate successfully with large corporations. Therefore in Kyoto she will present a plan to support twelve developing countries in developing a national water plan. The central focus of the plan is boosting cooperation between all ministries involved in water management – a novel concept in most developing nations.

TUESDAY, MARCH 18, 2003



Activists Steamed Over Privatized Water

OSAKA, Japan, March 18, 2003

(AP) Protesting corporate investment in public water utilities around the world, environmental groups said Tuesday they would oppose any statement from an international water conference that supports full or partial privatization of government-owned water services.

"There's no way we're coming out with a joint statement unless it recognizes there's no joint position," said Maude Barlow, author of the book "Blue Gold" and head of the activist group Council of Canadians.

The World Water Council, which is organizing the World Water Forum, has been strongly criticized by some policy makers and activists for promoting the idea of letting corporations operate municipal and regional water systems.

Activists here view the joint public-private ventures as a flawed solution for getting water to the poor people who need it the most.

The council has included activist groups in the triennial forum, after those groups picketed and protested the previous conference in The Hague in 2000.

But environmental and anti-privatization activists say their inclusion has done little to halt the momentum toward greater corporate participation in the water sector.

The eight-day water forum, which began Sunday in three western Japanese cities, aims to tackle a global water shortage by halving the number of people without access to water by 2015. Some 1.2 billion people lack clean drinking water and 2 billion are without sanitation, according to the United Nations.

News of a possible war in Iraq threatened to disrupt the conference. Five Iraqi delegates left for home Tuesday, after an internationally televised address by U.S. President George W. Bush in which he demanded that Iraqi leader Saddam Hussein surrender power within 48 hours or face a U.S.-led attack.

In Tokyo, Japan's Transport Minister Chikage Ogi said she might cancel her planned appearance at the water conference if war breaks out. Ogi is scheduled to chair the first day of the two-day ministerial meeting ending Saturday, when ministers from 165 nations are to issue a joint agreement on policy.

Conference organizers said they had no plans to call off the meetings.

"What's being discussed here is more important than what's going on in other parts of the world," said William Cosgrove of the World Water Council.

In Osaka, privatizing water was at the heart of a contentious dispute over whether companies such as Suez and Vivendi of France and German energy conglomerate RWE-Thames can help countries run their water utilities more efficiently.

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Once held up by water policy-makers as a solution, privatization has become something of a dirty word after a few major failures.

Paul Reiter, executive director of a think tank International Water Association, likened the dispute to a "religious debate" that has been long on ideology but short on counterproposals to improve existing systems.

The two sides remain far apart on the topic.

U.N. agencies, the World Water Council, and other international financial donors stress the need for big spending — around US\$180 billion a year — and point to the benefits of public-private cooperation.

In many cities of the developing world, more than half of the water is lost because of leaky pipes or pumps that governments can't afford to repair. Financial markets can make up for the shortfall in public coffers, those organizations say.

But environmentalists and non-governmental organizations contend that water is a basic human right that should be available to all, and say that water should not be part of global trade talks.

They point to the withdrawal of multinational water companies such as Suez of France from Atlanta, Georgia, in January and Bechtel of the United States from Cochabama, Bolivia, in 2000, when Bechtel's doubling of water rates led to a revolt that left seven people dead.

Barlow said utilities charging for services should reinvest profits in cleaning up polluted lakes, expanding water to the poor and building up infrastructure — not paying investors dividends.

Caught in the middle, water companies maintain they are only meeting a demand for their services and that rates are set by regulators or in contracts.

"There is no ideal model," said Richard Aylard of Thames Water, a unit of RWE-Thames.

The reality is that privatization is a bit of a misnomer.

According to the World Bank, 95 percent of countries retain ownership of the water utility. In recent years, many have increasingly turned to companies to handle services, such as collecting bills and managing water distribution, or financing the upgrades to pumps and mains, fixing sewers and building new pipelines.

Eric Gutierrez, a policy strategist with the London-based NGO Water Aid, said discussions overlooked the low-tech, low-cost solutions and better hygiene and sanitation education that have made a difference in African countries, India and other parts of the Third World.

LE DEVOIR **Un forum de l'eau alternatif à celui de Kyoto**

Louis-Gilles Francoeur
Le Devoir (Montréal, Canada)

Le Forum mondial de l'eau, qui a débuté en fin de semaine à Kyoto, au Japon, révèle l'existence d'un fossé de plus en plus profond entre la vision citoyenne de l'eau et celle des grandes

institutions internationales et économiques, qui appuient cette initiative du Conseil mondial de l'eau.

Plusieurs groupes écologistes et sociaux ont en effet décidé de s'inscrire au Forum de Kyoto pour aller y présenter leur vision «alternative» aux privatisations et à la prise en charge par le secteur privé des ressources en eau afin de résoudre la crise mondiale de l'eau qui s'annonce. Cette démarche citoyenne connaîtra son aboutissement à Florence, en Italie, à compter de samedi prochain, alors que de partout dans le monde afflueront les délégués du «1er Forum alternatif mondial de l'eau».

Le Conseil des Canadiens (CC), un groupe qui milite depuis des années pour le maintien de l'autorité des Parlements fédéral et provinciaux devant les visées libre-échangistes sur nos ressources hydrauliques, sera représenté à Kyoto par Maud Barlow. Cette dernière publiait l'automne dernier chez Boréal L'Or bleu, qui fait le procès de l'ALENA dans ce domaine. Le CC s'en est pris au rapport publié à Kyoto par l'ancien directeur général du Fonds monétaire international, Michel Camdessus, ainsi qu'à l'avant-projet de la déclaration ministérielle, qui doit être publiée à la fin du Forum de Kyoto. On y préconise le financement privé de nouveaux grands barrages et de dérivations majeures pour alimenter les régions assoiffées.

Selon le Conseil des Canadiens, l'idée de forcer la récupération des coûts directs de la consommation d'eau, suggérée par Camdessus et les modèles de partenariats proposés à Kyoto, sont des «modèles inadaptés pour les populations pauvres, qui ne peuvent se permettre de payer des tarifs accrus. Cette proposition de financement privé vise davantage à utiliser les fonds publics pour protéger les investisseurs contre les risques au lieu de procurer un accès à une eau saine et abordable pour tous les peuples.». Il s'agit plutôt, selon M. Caron, «d'un plan taillé sur mesure pour les multinationales de l'eau», basé sur l'idée néolibérale que l'eau est une marchandise et que c'est le jeu des prix va freiner le gaspillage.

De son côté, l'Association québécoise pour un contrat mondial de l'eau (AQCME) préfère participer au 1er Forum alternatif mondial de l'eau, à Florence, qu'à celui de Kyoto. Le forum de Florence commencera le lendemain de la clôture du Forum de Kyoto. Ce forum fait suite au Forum mondial de Porto Allegre, en 2002, qui a jeté les bases d'une coalition mondiale en vue de faire échec à la marchandisation et à la privatisation de l'eau.

Le Forum de Florence mettra plutôt l'accent sur la reconnaissance constitutionnelle dans tous les pays du droit d'accès à l'eau comme droit humain, universel, indivisible et imprescriptible. Dans cette vision citoyenne, l'eau est définie comme un bien commun plutôt qu'une marchandise. Dans cette logique, le financement des équipements de production d'eau potable ou d'épuration devrait être public et leur gestion devrait être totalement imputable en plus d'être le résultat de processus participatifs. Le Forum de Florence s'intéressera aussi à la pollution attribuable à l'agriculture, la plus grande consommatrice d'eau sur la planète, parce qu'elle menace non seulement les cours d'eau et les lacs mais aussi de nombreuses et vastes nappes souterraines.



Privatization Source Of Strife At Intl Water Forum

By Dow Jones International News

OSAKA (AP)--Protesting corporate investment in public water utilities around the world, environmental groups said Tuesday they would oppose any statement from an international water conference that supports full or partial privatization of government-owned water services.

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"There's no way we're coming out with a joint statement unless it recognizes there's no joint position," said Maude Barlow, author of the book "Blue Gold" and head of the activist group Council of Canadians.

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Activists here view the joint public-private ventures as a flawed solution for getting water to the poor people who need it the most.

The council has included activist groups in the triennial forum, after those groups picketed and protested the previous conference in The Hague in 2000.

But environmental and anti-privatization activists say their inclusion has done little to halt the momentum toward greater corporate participation in the water sector.

The eight-day water forum, which began Sunday in three western Japanese cities, aims to tackle a global water shortage by halving the number of people without access to water by 2015. Some 1.2 billion people lack clean drinking water and 2 billion are without sanitation, according to the U.N.

News of a possible war in Iraq threatened to disrupt the conference.

In Tokyo, Japan's Transport Minister Chikage Ogi said she might cancel her planned appearance at the water forum if the U.S. attacks Iraq. She is scheduled to chair the first day of the two-day ministerial meeting ending Saturday, when ministers from 165 nations are to issue a joint agreement on policy.

In Osaka, privatizing water was at the heart of a contentious dispute over whether companies such as Suez (SZE) and Vivendi of France and German energy conglomerate RWE (G.RWE) can help countries run their water utilities more efficiently.

Once held up by water policy-makers as a solution, privatization has become something of a dirty word, after a few major failures.

Paul Reiter, executive director of a think tank International Water Association, likened the dispute to a "religious debate" that has been long on ideology but short on case studies of effective policies.

The two sides remain far apart on the topic.

U.N. agencies, the World Water Council, and other international financial donors stress the need for big spending and point to the benefits of public-private cooperation.

In many cities of the developing world, more than half of the water is lost because of leaky pipes or pumps that governments can't afford to repair. Financial markets can make up for the shortfall in public coffers, those organizations say.

But environmentalists and non-governmental organizations contend water is a basic human right and should be available to all, not supplied based on profits and performance.

They point to the withdrawal of multinational water companies such as Suez of France from Atlanta, Georgia, in January and Bechtel of the U.S. from Cochabamba, Bolivia, in 2000, when Bechtel's doubling of water rates led to a revolt that left seven people dead.

Barlow said utilities charging for services should reinvest profits in cleaning up polluted lakes, expanding water to the poor and building up infrastructure, not paying investors dividends.

None of the water companies took part in the panel discussions.

The reality is that privatization is a bit of a misnomer.

According to the World Bank, 95% of countries retain ownership of the water utility. In recent years, many have begun asking companies to handle services, such as collecting bills and managing water distribution, or financing the upgrades to pumps and mains, fixing sewers and building new pipelines.

Eric Gutierrez of Water Aid, a London-based NGO, said discussions overlooked the low-tech, low-cost solutions that have made a difference in African countries, India and other parts of the Third World.



The 3rd World Water Forum Opens in Kyoto

By Ayenew Haileselassie
The Daily Monitor (Addis Abeba, Ethiopia)
In Kyoto

The Third World Water Forum, where over six thousand people are attending, opened yesterday in Kyoto, Japan.

Dr Mahmoud Abu Zeid, Minister of Water Resources and Irrigation of Egypt and president of the World Water Council, said that the way forward would include establishment of new world water ethics, financing of water activities, promoting water for world peace and security, and giving priority for developing countries.

Princes of the Netherlands and Morocco, expressed the need for the greater commitments that, according to Prince Moulay of Morocco, "humanity is entitled to expect from us.

"May the name of Kyoto, he said, be forever associated with this new vision."

Despite the millennium development goals that anticipated reducing by half by 2015 the number of people having access to clean water, the World Bank has come with the report that the world was in greater danger of shortage of fresh water.

The 21st century will be characterized, among other things, for construction of newer and greater dams to replace old dams and meet additional demands, according to Dr. Abu-Zeid.

President Jacques Chirac, who had intended to attend the opening of the Forum, had to send a video message, because the impending war on Iraq kept him busy in Paris.

He mentioned that the Michel Camdessus report on financing water resources would be a topic of discussion for the coming G-8 summit.

The report, released this month said that one in three people, most of them women, suffered hardship and indignity from the problem of water.

This injustice, the report added, is largely unspoken and one of the most difficult to rectify, and its root cause is "our negligence and our resignation in the face of inequality."

Mr. Chirac said that access to water should be a fundamental right and that industry and investors should work together.

As privatisation of water is becoming a hot agenda among governments and the private sector, various groups are fighting in events like the water forum in Kyoto the whole idea of privatising water.



Indigenous people voice concerns over traditional rights to water

Agence France Presse English
Section : International News
Byline: by Hiroshi Hiyama

KYOTO, Japan, March 18 (AFP) - Indigenous groups from around the world meeting at the Third World Water Forum here say their traditional rights to water resources have been virtually ignored as governments build dams and industrialise their communities.

Representatives of indigenous peoples are using the week-long meeting to appeal to the international community to listen to their voices, which are often drowned out by other interests.

"Outsiders come into our territories to take away our land and water. (Modern developments) damage forests, which are necessary to protect ground water," Santos Norato, a Mayan from Guatemala, told AFP Tuesday.

Dressed in a traditional black wool jacket, decorated with rows of colorful beads, he said many indigenous communities are worried about the expanding commercialisation of water management and distribution.

"We are concerned about privatisation of water," he said. "We regard water as a community good. But big companies disagree and take away water from our land for commercial purposes."

Similar comments were echoed by other indigenous people attending the forum, which has attracted an estimated 10,000 participants along with ministers from more than 150 countries to try to find solutions for global water problems.

They complained that their communities -- and traditional access to water -- have been affected by government policies and modern projects that ignore their culture and surrounding natural environment.

"Dams have made traditional ways of life impossible," said Masanori Toyooka, representing the aboriginal Ainu people of Japan, where virtually all major river systems have been dammed.

"We can no longer catch salmon, and our ancestral land was turned into the bed of a reservoir," he said, sporting a patchwork cloth tribal hat.

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"The rights of indigenous people to protect our own culture are too often violated. What can we do to pass on our traditions to our children and grandchildren?" he said.

Indigenous groups currently lack political strength to lobby international bodies and governments, said Eleanor Bang-oa, a representative of the Tebtebba people in the northern Philippines.

But tighter networking among different groups may help them raise their voice and protect their rights to manage water in their own communities, she said.

"We must communicate among indigenous groups," said Bang-oa, who comes from a rice farming village in a mountainous area.

"We should build the capacity of indigenous people so that they can do research and collect data to manage water resources on their own," she said.

Others emphasized the importance of traditional, organic farming as a way to protect ground water, rather than intensive, industrialised agriculture using chemical fertilisers that can pollute the environment.

"We have traditional knowledge and conservation of water that has sustained our community for thousands of years. We have traditional knowledge of agriculture," said Tom Goldtooth, native American from Minnesota and president of the Indigenous Environmental Network.

"Industrialised forms of commercial agriculture use a lot of chemicals and pollute water," he said, adding: "We can share (our experience) with others."

WEDNESDAY, MARCH 19, 2003

The Japan Times Clear line drawn as private water management debate opens

By ASAKO MURAKAMI
The Japan Times
Staff writer

OSAKA -- Debate on private vs. public water management lived up to its billing as one of most divisive issues at the World Water Forum as a two- day plenary session opened here Tuesday. Lined up against private-sector involvement are developing countries, which believe water would become less accessible and more expensive for low-income communities.

Proponents, however, say privatizing water services would lead to more efficiency and is the best way to solve water-related problems.

The "Public Private Partnerships" plenary session was organized by the World Water Council, which promotes such joint management, and the Council of Canadians, a nongovernmental organization which opposes the idea.

While both camps are concerned that 1.2 billion people have no access to potable water, they advocate widely different solutions, and it appears unlikely a consensus will be reached by the session's close.

The WWC maintains that public entities' inefficiency and lack of money and expertise are the main reasons why they fail to ensure that everyone has access to water. Creating partnerships with the private sector would help improve the situation, it says.

The Council of Canadians, however, argues that placing water management and services in the hands of the private sector would make the situation worse for the poor.

Paul Reiter, executive director of the International Water Association, said during the session that public-private partnerships can take many forms and that each country should introduce programs best suited for local needs.

"The issue here is what the best blend is," he said.

Richard Franceys, a professor at Britain's Cranfield University, cited studies by the Asian Development Bank that show small-scale public-private partnerships benefited people in Manila.

Maude Barlow, chairwoman of the Council of Canadians, argued that under these partnerships the public would shoulder most of the risk and companies would reap most of the profit, a trend that can already be seen in some developing countries where such partnerships exist.

"Even if the company is not corrupt, it is still inconsistent to find profit for shareholders and still deliver water to the public," she said. "One hundred percent of every bit of money that goes from the government to the provider of water services should go to water services and should not go to private investors."

WATER IS LIFE COALITION - PRESS CLIPPINGS
3rd WORLD WATER FORUM – KYOTO/OSAKA/SHIGA
MARCH 16-23, 2003

After both groups made their presentations, opponents to water privatization from such countries as Ghana, Mexico and South Africa spoke to the panelists and audience about how private-sector participation has put more pressure on the poor.

As opponents of private water management were not invited to the previous World Water Forum in the Hague in 2000, Tuesday's session was innovative, observers said. Barlow said the change of heart was prompted by the fact that water companies' operations in developing nations are not profitable.



Bolivian activist flies across globe for one minute with water company executives at international conference

By KENJI HALL
Associated Press Writer

OSAKA, Japan (AP) - Oscar Olivera knows firsthand how easily tempers flare over water.

He took part in the demonstrations and revolts in Cochabamba, Bolivia, over the foreign consortium Aguas del Tunari's doubling of water rates in the spring of 2000, when seven people died in a clash between protesters and soldiers. The consortium, led by the London-based International Water Limited, later pulled out of its multimillion dollar contract.

On Wednesday, the 48-year-old plant mechanic of a shoe factory stood once again on the front line of another dispute over water at the World

Water Forum - the largest gathering of policy-makers, international financiers and activists for water - in this western Japanese city.

Given one minute to speak to executives from major water providers such as Suez of France and German conglomerate RWE-Thames, Olivera held up his hometown as an example of privatization gone awry.

"Water should not be appropriated by anyone. It is a human right," he told the panel of CEOs, urging them to be more responsive to the communities to which they serve water.

Olivera's gripe is part of a growing movement among environmental groups and activists who stridently oppose privatization of government-owned water utilities. They are attending the eight-day forum to demand that companies try to pipe water to the poor who need it the most instead of focussing on their bottomline.

Taking part in the debate required an exhausting sojourn. Olivera arrived in Japan at 2 a.m. Wednesday after a 50-hour trip on six flights that brought him halfway round the world.

In an interview after the panel discussion, Olivera said he came to speak for the poor in his country, a landlocked South American nation of about 8 million people, at least 65 percent of whom live in poverty.

The Cochabamba utility had expanded service by about 10 percent to cover around half of the population of 1 million, after IWL withdrew, he said. IWL is owned by Italian utility Edison, U.S.-based Bechtel Enterprise Holdings and several wealthy Bolivian partners.

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MARCH 16-23, 2003

"Services have improved because the community controls the water system and takes direct responsibility for it," he said.

Olivera acknowledged that corporate investments can bring benefits to a money-starved country such as his.

"But companies must be very transparent, and the benefits must be transparent," he said.



Associated Press

Policy makers, activists issue separate statements at water forum

By KENJI HALL
Associated Press Writer

OSAKA, Japan (AP) - Environmental groups and water policy experts offered opposing proposals for delivering water to the world's poor at an international water conference Wednesday, after failing to find common ground over the privatization of government-owned water services.

The disagreement at the World Water Forum underscored differences over how delegates think countries can meet the United Nations' goal of halving the number of people without access to clean water by 2005.

William Cosgrove, vice president of the World Water Council, which is organizing the weeklong conference, said policy makers endorsed public-private hybrids ranging from community-based management to publicly owned utilities that are operated by companies.

The council also declared water a human right - a concession to activist groups who say it would ensure water for the poor.

However, Maud Barlow, who heads the activists' bloc Water For All, said her group disagreed with relying so heavily on the private sector

and decided to issue its own statement because of the "clear and unequivocal split" in views.

She said the bloc, which includes more than 60 organizations, wasn't against municipalities asking private engineers or consultants for advice in operating the utility.

"But there's a big difference between that and transnationals coming in and running water systems on a for-profit basis" because the environment gets ignored, Barlow said.

Her group blamed the "commodification of water" on the investment strategies of institutions, such as the World bank and International Monetary Fund, and called for the exclusion of water from global trade talks.

The conference, being held in three western Japanese cities through Sunday, has been marked by two days of contentious arguments over whether countries should let corporations take over local water systems.

With top government ministers set to meet from Friday to discuss an action plan, both policy-makers and advocates are eager to have their opinions reflected in the final draft.

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MARCH 16-23, 2003

Over the past few days, government officials have amended the draft plan to emphasize policies that directly benefit the poor and women and protect the environment, one European official said on condition of anonymity.

The document says water should be affordable and nations should consider charging higher rates for the wealthy to subsidize the poor, the official said. The final action plan will go up for approval by the 165 nations attending on Saturday.

"The ministers are very aware of the sort of tensions that exist around this issue" of privatization, said Jon Lane, chairman of London-based Building Partnerships for Development in Water and Sanitation, a non-governmental organization. "I think we can be sure the ministries will be paying a lot of attention to this."

During a panel discussion of executives from major multinational companies, a top official of Thames Water, a unit of German-conglomerate RWE-Thames, admitted some privatization attempts have failed to deliver improvements, forcing companies to rethink their businesses. RWE-Thames has water contracts with 46 countries.

"My company would not go anywhere it was not welcome, not go anywhere it would not make a difference," said Thames chief executive Bill Alexander.

Oscar Olivera, a plant mechanic and activist, demanded that the executives remember his hometown of Cochabamba, Bolivia, as a cautionary tale about privatization.

Olivera said water services had been extended to more people since the 2000 revolt over the U.S. company Bechtel's doubling of water rates that left seven people dead and forced the company to pull out. Three years later, 10 percent more people - half of the city's 1 million residents - have water piped to their homes and corruption has been curbed.

"Services have improved because the community controls the water system and takes direct responsibility for it," he said.

U.N. agencies, the World Bank, the World Water Council and donors say many cities in developing countries lose up to half their water supply to leakage.

They stress the need for big spending - around US\$180 billion a year - and want to examine the idea of letting companies such as Suez and Vivendi of France and others help municipal and regional authorities expand their water systems.

Environmentalists and non-governmental organizations estimate it would cost US\$90 billion per year.

Still, nearly all countries - some 95 percent, according to the World Bank - retain ownership of their water utilities and provide the bulk of funding. Many companies are restricted to collecting bills, financing pump and pipe upgrades but not deciding who gets the water.



Small groups make big splash at Third World Water Forum

Agence France Presse English
Section : International News
Byline: by Lauren Gelfand

KYOTO, Japan, March 19 (AFP) - Beyond the lavish displays and glossy brochures lauding the progress of international donors and non-government organizations at the World Water Forum are the modest hand-lettered posters detailing the real successes of community-based groups.

Official development assistance and aid to global water supply projects may have tapered, but donor fatigue has done little to dampen the spirits of these water activists.

They tout their work in a drafty tent beyond the main hall of the Forum, which has gathered 15,000 participants from 165 countries to discuss the water and sanitation crisis afflicting 2.4 billion people.

In northeastern Kenya's Mandera District, pastoralists of Somali origin who were forced to abandon nomadic rotational grazing to settle around boreholes have begun to relearn traditional ways of ensuring water supply.

With modest help from Canadian aid agency CIDA and a new UNICEF grant, the group CIDRI is teaching a new generation in Mandera a practice known as Aba-herriga, which in the Boran language means the art of building small dams and tapping into groundwater.

"Where there is no borehole, no money and no management from others, we have relearned our old traditions," explained CIDRI president Abubaker Abiker. "We know that after six years that the people we have trained will never need to rely on others to provide them water again."

Self-sufficiency is the goal of the Barefoot College in India, which with 10 main campuses has meshed traditional and modern technology to provide practical knowledge and skills to more than 125,000 people.

A rainwater catchment program atop schools, hospitals and other community centers has helped to fill a 700,000 litre harvesting tank, and has helped ensure that girls -- normally sent out to fetch water -- remain in school.

A million-dollar United Nations Development Program grant is on its way to the college, but director Bunker Roy is adamant that his institution, founded in 1972, can survive on its own.

"So much knowledge was wasted because this weird animal called an urban water engineer showed up with his handpumps and piped water and expensive drilling equipment to solve the drinking water problems of the poor," he said.

How to move beyond the agonies of war and rebuild a country in an environmentally and water-sustainable way has preoccupied Boris Jandric of Bosnia. His LIFE project, assisted in part by the European Union, has since 1997 helped boost environmental awareness and clean up rivers and streams as well as sent people abroad for training.

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"We have told people that they cannot use the war as an excuse for making the rivers dirty," he said. "We have to leave behind the war as an excuse for not caring about our country."

Japanese investment in the Kazusabori project has helped bring low-cost hand pumps and training to the coastal Kenyan province of Kaloleni, where one groundwater pump station can serve as many as 3,000 people a day.

"Some girls have to walk 20 to 30 kilometers to get to a borehole," said the project's affable representative in Kyoto, Raymond Mangi.

Just 34,000 dollars in funds from combined UN organizations has produced a success rate of 95 percent in a rehabilitation land project in the mountainous central Asian nation of Tajikistan.

"In former Soviet countries, you have to give people ownership," explained Tojiddin Rahimov of the project known as CAMP.

Since 1999, locals have learned how to rehabilitate 955 hectares of land and clean 50 kilometers of sewers, which they then "own" for three years. On half-hectare plots with a total 600 kilograms of seed, they have been able to produce four tonnes of cereals a year.

When a reporter marveled at the low cost of the project, Rahimov, who envisions an even wider rehabilitation plan stretching across Tajikistan's rocky terrain, replied: "To you, maybe it is not so much. For us it is like one million dollars."

THURSDAY, MARCH 20, 2003



WORLD WATER FORUM: Debate rages on issue of privatization

By ROY K. AKAGAWA
The Asahi Shimbun

OSAKA - In a conference marked by vague exhortations for further dialogue and cooperation, some of the bluntest comments at the Third World Water Forum come from sessions dealing with the controversial topic of privatizing water supply and sanitation services.

"If privatization does not work in a rich, industrialized nation like the United States, how can it work on a global scale?" asked Wenonah Hauter of Public Citizen on Wednesday.

As examples of how privatization has failed in the United States, Hauter cited the failure of a private firm to provide water to Atlanta and a broad coalition that stopped the privatization of New Orleans' water supply.

Claude Genereux, national secretary-treasurer of the Canadian Union of Public Employees, urged caution over new terminology being used by some large multinationals involved in the global water business. In particular, Genereux called the term "public-private partnerships" a "new code word for privatization."

Genereux's group and the Council of Canadians have been the most vocal in opposing moves to privatize the water business.

As an example of the potential danger of private-sector involvement, Genereux cited pollution of the water supply for Hamilton, Ontario, after a U.S. firm abandoned a filtration project. It was later learned the company had conducted no water treatment for almost three years, leading to the pollution of Lake Ontario.

Genereux's group has signed on to the Civil Society World Water Vision for Action, a manifesto representing 150 NGOs, which rejects the very principles underlying the policies and plans for the Third World Water Forum.

Water Vision representatives wearing signature headbands with the slogan "Water is Life" in three languages have been prevalent at different sessions of the conference.

Genereux said many Canadians took the privatization issue seriously in the 1980s, when firms began proposing taking over the water supply, because they felt the companies "were like salesmen trying to sell sand to nomads."

Canada has one of the highest levels of per capita freshwater supply in the world.

For many developing nations that lack Canada's abundant resources, however, some form of partnership with the private sector may have to be an alternative, especially to provide water and sanitation to the poor.

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Sam Kayaga explained what his consulting company, WSS Services Ltd. of Uganda, had accomplished in providing water services to the poor in six small towns.

Almud Weitz, an economist with the Asian Development Bank, also touched on how external support agencies, such as the bank, could more effectively help nations seeking assistance.

Weitz said these agencies should target funding in client nations to ensure extension of services goes to the poor. Weitz said more rational debate was needed on how to set water fees, adding that local governments should receive help in dealing with some large companies, which may have an inordinate and unfair amount of resources on their side.

Weitz said that with many private firms concentrating on water supply, the public sector may have to handle sanitation because of the larger investment requirements involved. (IHT/Asahi: March 20,2003)

The Japan Times **Water pushed as human right**
Forum mulls consequences of higher status for basic need

By ERIC JOHNSTON
The Japan Times
Staff writer

KYOTO -- Is access to water a basic human right? This is one of the fundamental questions government delegates to the World Water Forum are grappling with as they prepare for a ministerial conference this weekend.

But with war looming in Iraq, only about two-thirds of the registered 170 countries and 40 international organizations were on hand Wednesday morning for the start of a two-day meeting of high-level bureaucrats to prepare for the weekend sessions. The officials are discussing the draft text of a declaration that will be presented to ministers for final approval.

The current declaration draft touches on five areas regarding water. It urges:

National governments to take the lead in advancing water issues with support from international organizations.

Local communities to do more in promoting water policies.

More people, including NGOs and women, to participate in the decision-making process.

Better monitoring and governance of institutions involved in water issues.

Increased public- and private-sector financial support for the water sector.

The draft, however, does not include a clause stating that water is a human right.

Many nongovernmental organizations, and reportedly some government ministers, are seeking to incorporate this concept in accordance with a general comment issued in November by the United Nations Committee on Economic, Cultural and Social Rights:

That access to water for personal and domestic use is a human right fundamental to life and health.

The issue is controversial because of the moral and practical ramifications it poses.

"I don't think anybody has a problem with defining water as a fundamental necessity," said Tim Cullen, a former World Bank official who is now a consultant to the Asian Development Bank. "But when you get into the issue of water as a right, you place a burden upon governments that they may not be able to bear."

NGOs argue that the inclusion of such language will help create a moral mandate for governments to provide water and sanitation to all, regardless of potential profits or losses.

"We went through this battle over whether or not to include water as a human right (in official documentation) three years ago at the 2nd World Water Forum in The Hague, and lost," Canadian NGO activist Maude Barlow said. "This forum is a corporate lobby, and it doesn't want water as a human right included (in the final declaration) because it would take away water as a tradable commodity."

The Japan Times WWF3: Campaigners contest water selloff Catch-22

By AMANDA SUUTARI
Special to The Japan Times

As the Third World Water Forum enters its fifth day, debate over who should control the world's fresh water has become sharply polarized.

The World Water Council -- largely comprising global water giants, banks, hydropower and construction corporations -- is promoting private-sector involvement in water services, especially in the developing world.

On the other hand, delegates to the Kansai forum from citizens' coalitions and nongovernmental organizations are insisting that corporations shouldn't own this basic necessity.

Michigan-based coalition Sweetwater Alliance's battle to block the diversion of the state's groundwater by Nestle is one such example. In May 2002, the corporation bought an \$85 permit to pump an aquifer in Mecosta County, Michigan, as a source of Ice Mountain, one of its 70 brands of bottled water. This groundwater is part of the Great Lakes basin that nourishes the region's network of streams and wetlands.

The North American Free Trade Agreement, which allows movement of goods such as bottled water across state borders, is making it hard for the activists to halt the water's wholesale removal. It may get even more difficult under new agreements; the World Trade Organization is preparing measures to dissolve as many barriers to global trade as possible, including tariffs and laws protecting the environment and regulations affecting services ranging from energy to healthcare, education and supplies of the world's shrinking freshwater resources, for which -- unlike oil -- there is no substitute.

"We are captive consumers," says Sweetwater campaigner Holly Wren-Spaulding. Indeed, Nestle earns a hefty \$1.8 million a day selling Ice Mountain. Globally, the bottled-water industry, which uses 1.5 million tons of plastic per year, is proliferating as water becomes more degraded.

As the world's biggest distributor, scarcity or pollution of the resource is a potential marketing opportunity for Nestle, especially in developing countries.

"One of the many public relations angles on bottled water is that -- because of contamination of water resources -- there are places where people don't have access to clean water," says Wren-Spaulding. "So [these companies] tell us they're doing it almost as a humanitarian gesture. [But] our solutions to the lack of clean water are not by bottling it."

For Wren-Spaulding and the Sweetwater Alliance, simple, cheap solutions to preserving precious water resources abound. "I think as individuals we need to look at our lifestyles and consider what our alternatives are to buying little plastic bottles."

"Here, I have attended [a forum session on indigenous cultures and water] because, though I'm part of a movement defending our water, we also have to be the ones proposing the alternatives. So there's a lot of self-education that goes along with our struggle."

The Third World Water Forum runs through March 23. For more information on the Sweetwater Alliance, visit www.waterissweet.org Amanda Suutari welcomes comments at suutaria@hotmail.com



Associated Press

**International water conference
organizers issue plea to U.S., Iraqi forces
not to destroy water systems**

By KENJI HALL
Associated Press Writer

KYOTO, Japan (AP) - Hours after U.S.-led forces launched an attack on Iraq, organizers of a major international water conference urged both sides not to destroy water supplies, and said they are ready to send experts to evaluate damage to Iraq's water system.

Mahmoud Abu-Zeid, president of the World Water Council and a top Egyptian official, called on the combatants on Thursday to "take emergency measures" to restore any disrupted water services, and ensure that refugees fleeing the conflict have safe drinking water.

The war began just days before top government ministers from 110 nations were to meet in this western Japanese city to attend the ongoing World Water Forum, and has raised questions about whether the weeklong conference will continue.

The ministers are expected to issue a plan on Sunday seeking to end the global scarcity of water. Leaders from eight major industrialized nations - France, the United States, Germany, Britain, Italy, Japan, Canada and Russia - are likely to endorse the plan at a June summit at France's famous spa city, Evian.

As many as 40 top officials, including several from the Middle East, will not be coming this week, and the Iraqi delegation has already gone home.

Also, French President Jacques Chirac and United Nations Secretary-General Kofi Annan canceled to focus on the Iraq crisis and Japanese Foreign Minister Yoriko Kawaguchi decided Thursday to send a proxy to chair the final day's sessions.

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Abu-Zeid said he would propose that the United Nations assemble an international team that would go into war-affected areas around the world to ensure that water continued flowing for civilians.

The United Nations has set a target of reducing by half the number of people without access to clean water or sanitation - estimated at between 2 million and 3 million, most of them poor - by 2015, and the remainder by 2025.

But Abu-Zeid said Iraq would likely have difficulty meeting such targets.

"It's already very challenging. But for Iraq, it's much more complicated now," he said.

Earlier Thursday, Michel Camdessus, a former managing director of the International Monetary Fund, said nations can reach the 2025 target, but must pay more attention to the problem and devote more money to the smallest communities.

"It is daunting, but feasible," said Camdessus, who was heading an international panel on water and finance.

His panel was set to release a 50-page report that will form the basis of the ministers' plan at the water forum.

The report estimates that improving water and sanitation services for the poor would cost at least US\$100 billion more than the US\$80 billion a year currently spent, and recommends that international and regional financial institutions and donors, private groups, local governments and communities coordinate investment and aid, much of which would go to improving sanitation.

It also proposes setting up a new international water agency to track progress in improving water services, encourage developing nations to devise water policies and pass regulations to attract public and private funds and expertise, and suggests the wealthy be charged higher rates to subsidize the poor.

Activists immediately dismissed the report. A statement signed by Water for All, a bloc of 260 activist and environmental groups from around the world, declared water a human right and a precious resource, and protested privatization and private investment in water services.

"The management of water services must not only remain in public hands, but must be revitalized and strengthened to make community and worker participation central," it said.



World water forum / 'Firms, NGOs should close gap on water.

Hiroko Ihara
Daily Yomiuri Staff Writer

OSAKA - Private firms must make a greater effort to overcome divisions with nongovernmental organizations and recipients of their services, it was concluded at a session for business leaders held at the Osaka International Conference Hall in Osaka on Wednesday.

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The program produced a lively debate between members of the CEO Panel and water activists who are opposed to the privatization of water-one of the major items on the agenda of the 3rd World Water Forum, which currently is being held in Kyoto and Osaka.

The panelists included representatives of Suez and Vivendi Water, the two French giants that provide water services in more than 100 countries worldwide.

More than 20 members of the audience participated in the discussion. Most were from Asia, Africa and Latin America, and they claimed water had become less accessible after private firms had started providing water services as many people could not afford to pay for them.

A speaker from Uruguay said: "I've heard that water supplied by a private firm to schools is cut off when they can't pay for it. The pursuit of profits by private firms is not good for society."

A Mexican speaker concurred, saying, "Since water services in my country were privatized nine years ago, water is provided only several hours a day, and there are no benefits (from the privatization)."

A U.S. speaker said the private water industry had contributed to the deterioration of the environment, and that panelists should educate themselves and work for a better environment.



**Kyoto Gathering Launches Alternate Declaration on how to
Resolve Global Water Crisis**

Canada News-Wire
Section: GENERAL NEWS

KYOTO, JAPAN, March 20 /CNW/ - Emboldened by the growing global water crisis, and determined not to let corporate control dominate the World Water Forum, an international coalition of public interest organizations today released a declaration of what they envision to be a new constitution for global water policy.

The vision statement has officially been presented at the 3rd World Water Forum in Kyoto to oppose the official ministerial declaration. More than 225 groups have signed on in support of the alternate declaration.

Since the first World Water Forum in Morocco in 1996, there has been a growing divide between the private companies and governments who want to treat water as an economic commodity and the people in civil society who see water as a precious resource and a public trust. Despite repeated attempts to engage officials in an equitable exchange of ideas and solutions, non-governmental organizations and the people they represent have been ignored.

A massive network of people has now coalesced to challenge the consensus of a corporate model which relies heavily on private funding, private control of water systems, and a disregard for the human suffering that quickly follows such an agenda.

The creation of an international conference dedicated to water began under the auspices of the World Bank at the United Nations Earth Summit in Rio de Janeiro in 1992. Subsequently, the World Water Council (WWC), an independent water policy think tank, was born in 1995. Comprised of World Bank representatives, corporate executives, and government officials, the

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WWC lacks the critical perspective offered by the world's poor, who are the most likely to suffer from water policies inflicted under privatization.

Chief among the groups' concerns is the need to characterize water as a human right, and not a commodity to be profited from on the global market. The two-page document demands a re-evaluation of water policies from the perspective of social justice and environmental sustainability.

To read the vision statement, please visit <http://www.blueplanetproject.net/>.

FRIDAY, MARCH 21, 2003



Cold water poured on idea of business helping thirsty world

Jonathan Watts in Kyoto
The Guardian

Also printed in the Sydney Morning Herald (Australia)

International financiers unveiled a multibillion pound plan yesterday to prevent the world suffering a water crisis that they warn could be far more catastrophic than the war in Iraq. The plan, which aims to raise world spending on water from \$80bn (£50bn) to \$180bn (£115bn) a year, aims to achieve the UN target of halving the number of people in the world without access to drinking water and sanitation by 2015.

Environmentalists and anti-poverty campaigners, however, criticised the plan as a Trojan Horse, designed to allow the private sector to profit from vast construction projects.

The scheme will be formally launched today in Kyoto at the World Water Forum, the biggest environmental conference since the Johannesburg summit last year.

The French president, Jacques Chirac, has said water will also top the agenda at this year's G8 summit in Evian.

Michel Camdessus, the former managing director of the International Monetary Fund, who oversaw the drafting of the report, said: "The war on the lack of water is more important than the war in Iraq."

"It will keep going and going, and soon reach dramatic proportions."

The plan calls for a "global control tower" to oversee a huge growth in investment in water-related projects. It suggests the construction of more dams, the introduction of loans from international financial institutions to municipal governments, and greater protection for investors and multinational utility companies from currency risks.

Critics said it focused too much on large-scale funding and not enough on small-scale efficiency gains that could reap rewards through community initiatives such as rainwater harvesting.

"The Camdessus report is too much about big bucks," said Richard Jolly, of the Water Supply and Sanitation Collaborative Council, a UN-mandated organisation which promotes provision of water to the world's poor.

"It fails to emphasise the need for a change in priorities in the water and sanitation sector. We can't just double the amounts [invested], we must restructure," he said.

Anti-poverty activists said the forum, which is largely sponsored by construction and drug companies, was being used by the private sector.

"These guys have set themselves up as the global high command of water," said Maude Barlow, the co-founder of the Blue Planet Project, a Canadian campaigning group.

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"The Camdessus report is dreadful. It just promotes further public risk and insulates private companies, who admit they are not in the business to help the poor."

AP Associated Press **Activists at International Water Forum**
Protest Privatization

Associated Press
Printed in the Santa Fe New Mexican

TOKYO - Activists demonstrated Friday at an international conference on water to protest proposals that would give a bigger role to the private sector in providing water and sanitation services.

The demonstration came two days before ministers at the one-week World Water Forum in the western city of Kyoto were scheduled to issue a plan outlining steps to reduce global inequalities in access to water.

Chanting "Water for people, not for profits," about 40 demonstrators representing environmental and human rights groups marched into the forum's main venue, conference organizers said.

"We want to make sure that there is a basic right to water," said one of the demonstrators, Leslie Fields with the environmental group Friends of the Earth. "Municipalities and governments should provide these basic services."

The ministers' plan will be based on a report drawn up this week by an international panel on water and finance headed by Michel Camdessus, a former managing director of the International Monetary Fund.

The report estimates that improving water and sanitation services for the poor would cost at least US\$100 billion more than the US\$80 billion a year currently spent.

It encourages nations to create regulatory frameworks that will attract private funding, proposes making development aid available to water projects under private management and suggests that wealthy consumers of water be charged higher rates to subsidize the poor.

Officials from 110 nations were expected to take part in the one-week forum, which began March 16 in three cities in western Japan, but the outbreak of war in Iraq forced some delegations to cancel or leave early.

The United Nations has set a target of reducing by half the number of people without access to clean water or sanitation - estimated at between 2 billion and 3 billion - by 2015, and the remainder by 2025.

Efforts to privatise water infrastructure condemned

By Khalid Mustafa
Daily Times, Pakistan

KYOTO: The participants of the 3rd World Water Forum on Friday came down heavily on IMF, World Bank and other donor agencies for their efforts to privatise the water infrastructure in the developing countries.

The participants lashed out at the donor agencies when representatives of the IMF, World Bank, Asian Development Bank, World Water Council started presenting their viewpoints in the favour of the "report of the world panel on financing water infrastructure."

The participants from Libya, South African region and India took on the donor agencies for their policies on the development of water infrastructure to provide the poor people easy access to drinking and irrigational water especially in the developing countries.

They unanimously opposed the report saying people in the developing countries cannot afford to take loans for water. They stressed that developed countries and their respective governments should cut down their military budgets and pool the capital for funding to develop the water infrastructure in the developing countries.

The participant from the Libya took on the IMF and World Bank for their resolve to finance the water projects saying that water belongs to earth and all species for all time. It is inalienable human right. He said water is not a commodity and must not be left to the whims of a market because no person or entity has the right to profit from it. "Water must not therefore be privatised, traded or exported for commercial gains," he said.

During the proceedings, a group of people representing the coalition of different groups of developing countries against 'the recent donor agencies' efforts to privatise water' entered the conference hall with banners and placards inscribed with slogans "No profit from water" and shouted the full throated slogans against the IMF and World Bank for taking profits out of the water schemes which they (donor agencies) have started in various countries.

The protestors said that they reject funding principles of the World Water Council Vision statement which was adopted in 2nd World Water forum in Hague and which underlines the policies and plans for the 3rd water forum.

Earlier the report of the world panel on financing water infrastructure funded by IMF, World Bank was highlighted in the conference, which says that at the start of the third millennium, more than one person in three in the world suffers hardship and indignity from water problems. "This person is much more often a woman than a man. This injustice is largely unspoken and one of the most difficult to rectify, precisely because it is above all an injustice to women," the report says and added that its root cause is our negligence and our resignation in the face of inequality.

The report says that financial flows should be doubled which would have to come from financial markets, from water authorities themselves through tariff, from multilateral financial institutions, from government and from public development aid, preferably in the form of grants.

The report also suggested supporting the large dams on which many NGOs representatives especially from India registered their concern over financing large dams saying, large reservoirs lead to social and environmental problems.



NGOs reject construction of big water infrastructure

By Yukiko Ochi
Kyodo News

Nongovernmental organizations (NGOs) at the ongoing World Water Forum in Kyoto protested Friday against a report included in the final draft of the forum's ministerial declaration, saying it only serves corporate interests by promoting construction of what they called big and destructive water-related infrastructure such as dams.

NGO members, holding banners such as "Water is a human right," argued that a report by Michel Camdessus, honorary governor of the Banque de France and former managing director of the International Monetary Fund, fails to incorporate the views of society.

"Not once in the report has he talked about how they will increase water resource availability. They keep talking about financial resource doubling...money doesn't solve the problem," said Shira Vandara from India.

Camdessus told a press conference on Friday that he welcomes debate on the report and that improvements will be made, saying that "as in all human endeavors" there are limitations in the report.

After the Financing Water Infrastructure session, a group of NGOs held a demonstration rejecting the report compiled by a panel chaired by Camdessus.

The "Report of the World Panel on Financing Water Infrastructure -- Financing Water For All" states that the current spending of roughly \$80 billion a year on new water infrastructure in developing and emerging countries will have to more than double over the next 20-25 years to around \$180 billion.

The report has been compiled by Camdessus by request of the World Water Council, co-organizer of the forum.

"The group (the World Water Council) that has hijacked the water agenda of the world has no idea about how the hydraulic cycle works. They know how to lay pipes, build dams, they know how to corrupt governments, but they don't know how to bring water alive," Vandara said.

Vandara, from India's Research Foundation for Science, Technology and Economy, and involved in water issues, said water infrastructure is making water ecology, water resources and water culture disappear.

Meanwhile, forum participants who joined ministers in dialogue sessions on Friday also voiced opposition to the Camdessus report, saying the validity of projects must be properly assessed before more money is spent on new projects.

Dialogue sessions between forum participants and ministers were held for the first time at the third World Water Forum. About 300 participants along with about 200 ministerial-level officials from around 100 countries attended the two sessions, the forum secretariat said.

The final draft obtained by Kyodo News refers to the Camdessus report in the context of "addressing the financial needs" to solve the world's water issues.

The final draft senior government officials from around the world adopted earlier in the day stipulates that ministers and heads of delegations "take note" of the report, which is to be submitted to the weekend ministerial conference.

Land, Infrastructure and Transport Minister Chikage Ogi is to chair the ministerial talks Saturday, while Senior Vice Land, Infrastructure and Transport Minister Koki Chuma is to chair the talks Sunday.

Foreign Minister Yoriko Kawaguchi was initially scheduled to chair the talks on the final day of the ministerial meeting but said Thursday she will not be able to attend the meeting.

As of Friday, about 24,000 people from about 180 countries and territories had registered to attend the forum, being held in the western Japan prefectures of Kyoto, Osaka and Shiga, according to the secretariat.

Around 170 countries and about 40 international organizations are expected to take part in the ministerial meeting.



100 billion-dollar price tag for water evokes scorn, protest at Water Forum

Agence France Presse English
Section: Finance
Byline: by Lauren Gelfand

KYOTO, Japan, March 21 (AFP) - Controversy over the role of private investment in the financing of water and sanitation infrastructure for the poor erupted at the World Water Forum Friday over proposals contained in a private sector report.

Loud protests by non-governmental and UN-related organizations accompanied the release of the controversial document by a 20-member panel of businessmen, bankers and NGO representatives chaired by former IMF chief Michel Camdessus.

The report "Water Financing for All" suggested international loans, public investment and official development aid needed to double to begin to attain the UN Millennium Goals of halving to one billion the number of people without adequate access to water and sanitation.

It recommended that private investment at limited return and limited risk be among the ways to make up the shortfall needed to build dams, boost maintenance costs and provide an estimated 400,000 new connections per day to water and sanitation systems to achieve the UN goals.

The report stressed, however, that the onus to provide the additional 100 billion dollars annually to water infrastructure remained on lenders and governments, and called on them to honor their commitments to providing essential resources to the world's poorest.

"The good news is that it is feasible to reach the millennium goals and that if you prolong by 10 years the effort, you get to the big dream of the whole world: universal access to water and sanitation by 2025," said Camdessus.

"This is daunting, but this is feasible." Not according to Jon Lane, the former head of Britain's WaterAid, an NGO that provided its own set of figures for financing the infrastructure needed to attend to the world's poorest 1.1 billion without water and 2.4 billion without sanitation.

"The Camdessus report asks the wrong question and answers it in the wrong way," he said.

The report, he said, asks where the additional funds should come from. What was really needed was an answer as to how to meet the basic needs of water and sanitation with the monies already available -- some 30 billion dollars.

"It's more a question of reallocating funds more wisely, not catering to the large-scale corporate finance sector," said Lane.

The other problem with the report, said Sir Richard Jolly, a longtime head of UNICEF and now the director of the UN-linked Water Supply and Sanitation Collaborative Council, was that it based its financing on "much higher standards" than were needed in the world's poorest countries.

"They are focusing on the big scale hardware, the massively fancy chrome and complicated projects," he said. "And time and time and time again they ignore what the poor are doing themselves, on a small-scale level, with great success."

Private investment can work if companies take a step back, insisted Herve Le Bouc, chief executive of French group Saur, a leader in the world's private water industry.

"In the 1990s, everyone -- companies, the IMF, the World Bank -- pushed too hard to outsource public utilities and the financing of their infrastructure," he said.

But the lessons that have been learned -- for Saur in particular its experience in Argentina that resulted in massive losses after the devaluation of the peso -- "do not mitigate the success that can be had with public-private partnerships."

Activists who disrupted the presentation of the report Friday at the forum, a weeklong gathering of 12,000 participants from 165 countries, said the lessons learned were at too high a cost to the poor.

But "somebody has to pay for water," noted Peter Woicke, a panel member who is also a managing director of the World Bank, as the activists stormed the stage shouting "No profits from water", "Water for life, not for war" and "Water is a human right".



Key points of the "Financing Water for All" report

Agence France Presse English
Section: International News

KYOTO, Japan, March 21 (AFP) - A 20-member panel of bankers, businessmen and representatives of non-governmental organizations released a report Friday at the World Water Forum suggesting an additional 100 billion dollars be spent annually to boost water and sanitation infrastructure.

WATER IS LIFE COALITION - PRESS CLIPPINGS
3rd WORLD WATER FORUM – KYOTO/OSAKA/SHIGA
MARCH 16-23, 2003

The report, "Water Financing for All," suggests that to attain the UN Millennium Goals of halving to one billion the number of people without water and sanitation by 2015, donor nations and private and public sector agencies active in water must at minimum double their investment.

Currently official development aid to the water sector stands at 3.0 billion dollars, according to the OECD, contributing 10 percent of the annual expenditure in the sector. Between three and five percent of populations in the poorest countries are served by operators that are fully or partially private.

Herewith key recommendations of the report:

-- Governments, particularly those in poor nations, must produce national water policies that make specific commitments to meeting the targets set by the United Nations at the Earth Summit in Johannesburg in 2002 to be eligible for official development assistance for water.

-- Donors of official development aid should be accountable for their commitments to increase aid to the water sector, which should at a minimum double current levels. Increases in both the size of grants and the effectiveness of that aid should be a priority, as should a national or international facility that can facilitate "debt for water" swaps to increase local currency available for water projects.

-- International lending institutions should also substantially increase their engagement in the water sector and reconsider decisions to not tender loans on the sub-sovereign level, based on normal lending criteria.

-- Private sector investment in water projects should be considered on grounds of efficiency, cost and effectiveness through open and transparent competition, and be backstopped to address the risks in taking on foreign currency commitments -- which have been a serious disincentive to the entry of foreign loans or equity in the water sector in emerging or developing countries.

-- Arrangements between central and local governments need to be improved as local governments have shouldered the majority of the responsibility for providing water services to populations. Sub-sovereign bodies must be given financial freedom to negotiate their own water lending and be able to achieve credit ratings to facilitate those loans.

-- Providers of water services, be they public or private, must aim to generate enough revenue to cover costs over the long term, which not only include the development of new infrastructure but the maintenance and operating costs of existing infrastructure. Such revenue should come not just in the form of taxes (for public providers) but in the form of tariffs, which are structured to accommodate different use levels and income levels of users, and which should include subsidies for the very poor.

■ Emphasis on local training and capacity development in the water sector should be a high priority for the use of official development aid, so as to ensure long-term, local management and sustainability of water projects.



Financement des infrastructures de l'eau: recommandations du rapport Camdessus

Agence France Presse Français
Section: Économie

KYOTO (Japon), 21 mars (AFP) - L'ex-directeur général du Fonds monétaire international Michel Camdessus a présenté vendredi lors du Troisième Forum Mondial de l'eau à Kyoto (Japon), un rapport élaboré par un Panel de 20 membres contenant une liste de propositions pour financer les infrastructures de l'eau.

Le rapport propose 85 mesures, dont voici les principales présentées par M. Camdessus et qui s'adressent aussi bien aux Etats qu'aux agences internationales, pays donateurs, aux communautés locales ou aux organisations non gouvernementales:

- les gouvernements des pays en voie de développement "doivent assumer leur rôle et élaborer des politiques nationales de l'eau et accepter de décentraliser la prise de décision" en matière d'investissements et de gestion.
- les autorités locales "doivent négocier avec les Etats centraux pour se doter des moyens financiers et obtenir l'assistance technique et de gestion appropriées".
- les fournisseurs d'eau (aussi bien publics que privés) doivent "avoir une politique de recouvrement des coûts (investissements et profits) soutenable (...) avec une tarification spéciale pour les pauvres".
- aux communautés locales et organisations non gouvernementales, M. Camdessus dit: "vous êtes ceux qui doivent faire le travail, nous nous organiserons pour que vous obteniez les financements appropriés notamment des dons" et subventions internationales.
- les donateurs et notamment les gouvernements "doivent multiplier par deux leur aide publique au développement et faire en sorte qu'elle soit bien gérée et parvienne aux plus pauvres ce qui n'est souvent pas le cas actuellement".
- les institutions internationales dont la Banque mondiale et les banques régionales comme la BAD doivent aussi "au moins doubler leur contribution et placer l'eau en tête des priorités". "Elles doivent aussi contourner les obstacles (notamment leur statut) pour prêter directement aux collectivités locales" et pas uniquement aux Etats.
- le rapport encourage les entreprises privées aussi bien internationales que locales à s'engager dans les projets où elles peuvent apporter la rigueur de leur gestion et leur savoir-faire technique et qui "peuvent être financés par une combinaison de fonds publics et privés".
- le rapport préconise la création de marchés locaux de capitaux (obligataires et actionnaires) afin que les projets soient surtout financés sur des prêts en monnaies locales. Des garanties partielles peuvent être apportées par les banques internationales ou régionales.
- en outre, le rapport appelle les agences de notation de crédits et les compagnies d'assurance à jouer leur rôle aussi sur les marchés nationaux de capitaux et espère que l'épargne locale se mobilisera pour financer des projets dans l'eau.



Après débat sur le financement des infrastructures de l'eau au Forum de l'eau

Agence France Presse Français
Section: Économie
Byline: Par Françoise KADRI

KYOTO (Japon), 21 mars (AFP) - Le financement des infrastructures de l'eau a été âprement discuté vendredi lors du Troisième Forum mondial de l'eau à Kyoto (Japon) entre opposants farouches à une "privatisation de l'eau" et défenseurs d'une participation raisonnée des firmes privées aux projets.

Un groupe de 50 militants a perturbé la séance où l'ex-directeur général du Fonds monétaire international Michel Camdessus présentait un rapport sur le sujet. Ils ont brandi banderoles et panneaux demandant que l'eau soit considérée comme un droit de l'homme. Ils ont affirmé qu'un rapport confectionné sous sa houlette ouvrait grand la porte aux privés et que ceux-ci voulaient s'approprier le marché de l'eau.

M. Camdessus a expliqué que les 20 auteurs (banquiers, ONGs, entrepreneurs, chercheurs, agences internationales) du rapport "Financer l'eau pour tous" avaient été chargés par le Conseil mondial de l'eau de voir comment atteindre les "objectifs du millénaire" -- diviser de moitié d'ici 2015 le nombre de personnes sans accès à l'eau potable (1,4 milliard) et sans sanitaires (2,3 mds).

Pour y arriver, il faudra doubler les fonds consacrés à l'eau (barrages, systèmes d'aduction) et passer de 80 milliards de dollars d'investissements annuels à 180 mds, selon le rapport Camdessus. Ces chiffres ont été contestés comme exagérés vendredi par plusieurs ONGs. "C'est plus une question de réallouer correctement les fonds disponibles que de recourir aux financements à grande échelle du privé", a estimé Jon Lane, ancien chef de Wateraid (GB).

"Les normes qu'ils utilisent pour leurs calculs sont exagérées, ils se focalisent sur les gros projets, bien chromés et compliqués et ignorent les projets gérés par les pauvres eux-mêmes", a critiqué Sir Richard Jolly, ancien chef de l'UNICEF.

Michel Camdessus a maintenu que les montants actuels étaient insuffisants, ajoutant: "la bonne nouvelle c'est que c'est faisable et que si on prolonge l'effort pendant dix ans de plus, on peut arriver au grand rêve mondial d'un accès universel à l'eau et aux sanitaires d'ici 2025".

La nouveauté du rapport c'est qu'il demande à tous les créanciers (publics ou privés, nationaux ou internationaux) de ne plus prêter uniquement aux Etats "mais de faire arriver l'argent directement aux communautés locales et municipalités", a expliqué William Cosgrove, vice-président du Conseil mondial de l'eau.

M. Camdessus a évoqué l'importance de la création de marchés obligataires locaux car "il y a une énorme épargne même dans les pays pauvres qui dort dans des produits comme l'or en Inde par exemple ou fuit à l'étranger".

Tout cela implique que des institutions comme la Banque mondiale et la Banque asiatique de développement modifient leur politique de crédit, inscrite dans leurs statuts.

Ian Johnson, vice-président de la BM pour le développement durable a expliqué que la BM n'avait "pas encore arrêté sa position" sur la possibilité de prêts "non souverains" (pas aux Etats) mais qu'elle y réfléchissait activement.

Hervé Le Bouc, directeur général de Saur (groupe Bouygues), numéro quatre mondial de l'eau, a indiqué à l'AFP que le rapport était le constat que "tout le monde, les firmes privées mais aussi la Banque mondiale et le FMI avaient été trop loin dans les années 90 en poussant les pays à externaliser leurs services publics", y compris le financement de leurs infrastructures.

Mais pour M. Le Bouc, les difficultés que son groupe a rencontrées en Argentine (prise de participation en 1998 de 32% dans Obras Sanitarias de Mendoza dont la valeur a été divisée par 4 à cause de la dévaluation du peso) "ne remettent pas en cause les partenariats entre acteurs privés et publics parce qu'ils marchent ailleurs, notamment en Afrique".

Comme le suggère le rapport Camdessus, il faut cependant des garanties contre les risques de change ou d'instabilité politique à la fois pour les opérateurs privés et pour les municipalités et que les contrats de partenariats soient très précisément définis.



Une session interrompue par des manifestants contre la "privatisation de l'eau"

Agence France Presse Français
Section: International

KYOTO (Japon), 21 mars (AFP) - La session de présentation du rapport sur le financement des infrastructures de l'eau au Troisième Forum mondial de l'eau à Kyoto (Japon) a été interrompue vendredi par l'irruption d'environ 50 manifestants dans la salle.

Des militants opposés à ce qu'ils ont appelé la "privatisation de l'eau" ont été autorisés à prendre la parole pour dénoncer le rapport rédigé par 20 personnalités (banquiers, agences internationales, entreprises privées, ONG) sous la houlette de l'ancien directeur général du Fonds monétaire international (FMI) Michel Camdessus, a constaté une journaliste de l'AFP.

"Quand l'animatrice a voulu revenir aux discussions prévues, la salle n'a pas voulu, des banderoles ont été brandies et 50 personnes sont montées sur la scène", a expliqué à l'AFP Achille Du Genestroux, de l'Association pour le contrat mondial de l'eau (ACME). L'ACME était l'une des organisatrices de la protestation avec le Council of Canadians et Public Services International (PSI), fédération internationale de syndicats des services publics.

"Pas de profits pour l'eau", "L'eau pour la vie, pas pour la guerre", "l'eau pour tous", "l'eau est un droit de l'Homme": pouvait-on lire en anglais sur les banderoles. Les manifestants ont cependant accepté de partir à la demande des organisateurs et ont annoncé une marche de 150 personnes.

"Des programmes ruraux sont actuellement supprimés pour accroître la transformation de l'eau en une marchandise comme une autre. L'argent ne résout pas les problèmes", a lancé Vandana Shiva, militante du Mouvement de libération de l'eau en Inde.

Elle a estimé qu'il fallait, plutôt qu'investir 180 milliards de dollars supplémentaires dans l'eau chaque année par rapport aux 80 investis actuellement, supprimer les fuites sur les réseaux et réduire le gaspillage dans l'agriculture.

WATER IS LIFE COALITION - PRESS CLIPPINGS
3rd WORLD WATER FORUM – KYOTO/OSAKA/SHIGA
MARCH 16-23, 2003

Patrick Apoya, un Ghanéen, a lancé: "Assez c'est assez, le rapport est une tentative de vendre la pauvreté aux compagnies privées". "C'est une tentative de satelliser ce que les citoyens font pour eux-mêmes", a-t-il dénoncé, en parlant de mépris pour l'intelligence des Africains.

Blanca Tercero, membre d'un syndicat du Honduras affilié à PSI, a estimé que la privatisation de la distribution dans son pays avait été une "très mauvaise expérience". "Les prix ont augmenté, les maladies se multiplient parce que la qualité de l'eau s'est détériorée", a-t-elle indiqué.



Protesters disrupt finance session on World Water Forum

Agence France Presse English
Section: International News

Also published in South Africa Business Day

KYOTO, Japan, March 21 (AFP) - A group of 50 protesters hoisting banners proclaiming "Water for Life" disrupted a session Friday at the Third World Water Forum presenting a report outlining recommendations for financing water infrastructure.

The 20-member World Panel of Financing Water Infrastructure, led by former IMF chairman Michel Camdessus, recommended some 100 billion dollars be spent annually to boost water and sanitation works around the world.

The panel's conclusions that private investment be one of the factors that contributes to the provision of services to the 2.4 billion people worldwide without access to sanitation and water were widely disputed by the protesters, who railed against the panel, accusing it of sacrificing the poor for profit.

"No profits from water," "Water for life not for war," "Water is a human right," were chanted by the activists, many sporting blue headbands proclaiming "Water is Life" in English and Japanese.

Ghanaian activist Patrick Apoya held the floor as a group of protesters took to the stage and blocked panelists from the Camdessus commission of bankers, representatives of non-governmental organizations and the private sector from the audience view.

"This is a rebellion and I ask all activists within this session to boycott this panel and this decision until they realize that water is for the people and not for profits," he shouted into a microphone.

The protesters then abandoned the main hall of the Forum, which has gathered 12,000 participants from 165 countries, and began a march down the main road outside the venue in this ancient imperial Japanese capital, ignoring pleas from Japanese authorities that they disperse.

"You built your dams, your storage tanks, your reservoirs on your own," Apoya told AFP as the demonstrators paraded in front of police cars and bemused Forum participants.

"We should be able to do the same, without corporations, without foreigners telling us what to do."

SATURDAY, MARCH 22, 2003



WORLD WATER FORUM: Bickering sinks water talks - A participant likens the `historic' discussion to `a kindergarten.'

By ROY K. AKAGAWA
The Asahi Shimbun

KYOTO-A brainstorming session Friday between government ministers and participants at the Third World Water Forum degenerated into a shouting match described by one member as like ``a kindergarten."

The Dialogue between Forum Participants and Ministers was billed as a ``historic" opportunity for representatives of nongovernmental groups, business interests and academia to discuss ways of meeting the global challenges of poverty and water shortages with ministers from participating nations.

But with 33 tables of participants, each seating members with diverse interests, the reporting of ideas deteriorated into pandemonium, with representatives waving their identity cards to attract the dialogue facilitator's attention.

Participants were asked to propose new ideas for beating poverty and water shortages.

But the first few proposals all touched on the need to include in the ministerial declaration the notion that water is a basic human right. The declaration is expected to be released Sunday.

Representatives of anti-privatization groups also reiterated their demand the World Water Council not be allowed to control the water industry. The council is cited as a voice of large business interests in the industry.

It was also unclear whether opinions raised at the session reflected each table's general consensus or were simply the speaker's long-held belief.

The timing of the dialogue-the day before two-day ministerial-level talks kick off-also frustrated participants.

Several members complained opinions raised at the session were not reflected in the ministerial declaration draft circulating at the forum.

The draft has been criticized for failing to define water as a basic human right and for neglecting the importance of gender concerns in addressing water issues.

Kaarin Taipale, a Finnish architect and head of the International Council for Local Environmental Initiatives, blasted the dialogue's format as counterproductive.

``This is not a true participatory process for stakeholders. This is a kindergarten," Taipale said.

``It was not only a waste of time, but it set a bad example for future international conferences."

Taipale contrasted the session with a dialogue meeting at an international freshwater conference in Bonn in December 2001.

Participants aired their views at the start of the Bonn conference, allowing some suggestions to be included in the final document, Taipale said. (IHT/Asahi: March 22,2003)



ADB, WB back water privatization

By REXCEL JOHN SORZA
TODAY Correspondent
Philippines

OSAKA, Japan - Despite reaping criticisms for their involvement in water privatization, the Asian Development Bank (ADB) and the World Bank (WB) announced they would continue pouring in money for projects that would ensure enough water for the world.

Arthur Macintosh, an ADB consultant, said here Tuesday that the privatization of water utilities is only one of the options available, but it is not the only sole option offered to countries that would avail themselves of ADB assistance.

Richard Uku, a senior communication specialist of the World Bank, agreed, stressing that they would listen to all sectors before making any decision. He added that privatization has been picked over the other choices after a careful study where it has been found that it is the best solution.

Macintosh, on the other hand, emphasized that the real issue is the tariffs imposed by the governments and not the private sector. And to let people understand the real score on privatization, he disclosed that ADB would conduct more consultations with all sectors involved.

He admitted that "we have to spend time talking to people." Their institutions would talk to unions, nongovernmental organizations and other sectors to ensure that these people understand what the bank is up to.

Ed Haugh, ADB's social sector director for South Asia, pointed to "social issues" as being one of the top challenges they have to go through all these years in the implementation of water-related as well as other development projects.

He told Today that there is a need for consultation with stakeholders for them to understand what the key issues are. For example, he said, the people don't realize that those who have no access to water spend two to three times more than those who have access.

He also said that they face a challenge on the sustainability of the systems. "Often, investments are made but the utilities are unsound, poorly managed, not sustainable. Utilities are not staffed with correct people. Some don't even have audit systems."

The ADB and the UN-Habitat program inked a memorandum of understanding Tuesday which aims to build the capacity of Asian cities to secure and manage propoor investments and to help the region meet the Millenium Development Goal (MDG) of slicing to half the number of people without access to safe drinking water and basic sanitation by 2015.

WATER IS LIFE COALITION - PRESS CLIPPINGS
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Some P540 million in grants from the two institutions would be made available for the first two phases of the program while another P27 billion in loans would be extended for water and sanitation projects in the cities all over Asia over the next five years.

ADB has poured in some P243 billion to the water supply and sanitation sector, most of which were for the construction of water supply facilities since its establishment in 1966. The amount is close to 5 percent of its total lending.

It has also provided technical assistance totaling about P4.5 billion to prepare projects and strengthen local water service agencies. But despite this strong support, it said that there are still an estimated 750 million people in Asia's rural areas and 100 million people in its urban areas who have no access to safe drinking water.

The World Bank, meanwhile, renewed its call on developed and developing countries to work together to increase investments in water in poor nations and achieve better results on the ground because water is a key driver of growth.

In its report titled, "Water A Priority for Responsible Growth and Poverty Reduction: An Agenda for Investment and Policy Change," the World Bank said investments in water in developing countries will need to increase from the current level of about \$75 billion a year to \$180 billion a year.

It said that in water and sanitation sector alone, the existing amount of investments of \$15 million a year will need to be doubled in order to achieve the MDG of halving the number of people without access to clean water and sanitation by 2015.

The investments, however, should go hand-in-hand with appropriate reforms and apply to all areas of water, including irrigation, water and sanitation, water resources management, hydropower and environmental services, the World Bank said in a statement.

Ian Johnson, World Bank vice president for sustainable development, said that the 3rd World Water Forum "can be a milestone in launching a new approach combining sorely needed investment with improved governance to harness the potential of water as a driver of responsible growth and of a better life for billions of poor people."

In a press conference in Kyoto, Johnson said, "let's be pragmatic." There is a need to "take action that suits the circumstances of each country. The time has come to move beyond the ideological frontier and look at mixed solutions involving all key stakeholders: governments, civil-society organizations, communities, private sector and development institutions. There is no universal prescription."

Estimates peg at two billion the number of people who will be added to the world's population over the next 30 years. That's on top of another billion in the following 20 years, most of whom will be in developing countries. In these same countries, 2.5 billion to 3 billion people now live on less than \$2 (roughly P100) a day.

The report suggests an action-oriented agenda focused on increased investments in water resources and services linked to poverty reduction and the achievement of the MDG and reform, which includes sound management policies, laws, regulations and efficient institutions.

However, the Council on Canadians, a citizens group present here for the weeklong forum, has denounced privatization. It said that "water is a public trust, thus it belongs to everyone. No one

should have the right to appropriate it or profit from it at someone else's expense. Yet that's what corporations and investors want to do."

If we put profit first, people come second," said Maude Barlow of the Council of the Canadians in a forum on public and private partnerships on water. Her argument was that if freshwater becomes a commodity, water will go to those who can afford it and not to those who need it.

Water management will be an increasingly challenging task in Asia and the Pacific because of the growth in both water demand and population. The region accounts for about 36 percent of global runoff, water scarcity and pollution. Of the available freshwater resources in the region, agriculture consumes 86 percent while industry eats up eight percent and domestic use, six percent.

Today, one in three Asians does not have access to a safe drinking water source within 200 meters from home. One in two Asians does not have adequate sanitation facilities. Ninety percent of people deprived of immediate access to water or sanitation are in the rural areas and are threatened by drought, pollution and flooding.



L'ONU et les ministres réunis à Kyoto appellent à se mobiliser pour l'eau

Agence France Presse Français
Section: Nouvelles générales

KYOTO (Japon), 22 mars (AFP) - Les Nations unies et 101 ministres de 96 pays réunis à Kyoto (ouest du Japon) ont appelé samedi la communauté internationale à mobiliser tous ses moyens financiers et humains pour vaincre la "crise mondiale de l'eau" qui voit plus d'un milliard d'individus privés d'eau potable.

Lors d'une conférence ministérielle marquant la fin du Troisième forum mondial de l'eau, ils ont rappelé que le monde s'était engagé lors de deux sommets (2000 à New York et 2002 à Johannesburg) à réduire de moitié cette proportion d'ici 2015 ainsi que celle des populations sans toilettes ni tout à l'égoût (plus de 2 milliards de personnes).

"Plus de 2 millions d'enfants meurent chaque année de maladies liées à l'eau. C'est une crise sociale, économique, environnementale et politique qui doit figurer parmi les principales priorités de la communauté mondiale", a estimé Koffi Annan, secrétaire général des Nations Unies dans un message lu par un autre représentant de l'ONU.

Dans ce texte, il a appelé le monde entier à se mettre au travail parce que "les investissements, les politiques et les technologies nécessaires pour être à la hauteur du défi sont à notre portée".

"Pendant cette année qui correspond à l'Année internationale de l'eau, nous devons passer des promesses à la mise en pratique, des engagements aux projets concrets, de l'intention à l'application", a-t-il ajouté.

Koichiro Matsuura, directeur général de l'UNESCO, a critiqué "le manque de volonté politique et l'inertie des leaders" de la planète qui empêchent les pauvres de satisfaire des droits fondamentaux.

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L'ex-directeur général du Fonds monétaire international Michel Camdessus, président d'un Panel de 20 banquiers, représentants d'organismes internationaux, d'organisations non gouvernementales et du monde des affaires, a jugé possible la réalisation des "objectifs du millénaire".

"La décentralisation est la clef. Les financements et projets doivent être effectués au niveau local", a-t-il déclaré, en résumant le rapport "Financer l'eau pour tous" du Panel qui sera soumis au sommet du G8 de juin en France.

Le rapport a été toutefois contesté comme trop favorable aux intérêts du secteur privé par les ONG représentées au Forum de l'eau qui s'est déroulé toute la semaine en présence de plus de 12.000 délégués de 170 pays et 43 organisations internationales.

"Nous rejetons le rapport Camdessus", a déclaré Hilda Coelho, une Indienne, présidente du Centre des études rurales et du développement. Elle a dénoncé "la transformation de l'eau en une marchandise et les pressions renouvelées pour des projets d'infrastructures de grande échelle" comme les barrages.

Après ces discours, les ministres rassemblés à Kyoto, dont une grande majorité venant de pays en voie de développement, devaient plancher sur les grands thèmes du Forum (assainissement de l'eau, changements climatiques, l'eau en agriculture, financement des infrastructures, barrages, l'eau comme source de conflits). Ils publieront dimanche une déclaration solennelle de Kyoto.

Alors qu'environ 150 ministres avaient été annoncés, le déclenchement jeudi de la guerre en Irak a abouti à l'annulation de voyages de certains d'entre eux, notamment de Jordanie et d'Israël, et au départ de la délégation irakienne.



UN, ministers at Water Forum seek more aid to battle water crisis

Agence France Presse English
Section: International News
Byline: by Hiroshi Hiyama

KYOTO, Japan, March 22 (AFP) - Developed nations must allocate greater financial resources to the battle against the global water and sanitation crisis, ministers and delegates at the Third World Water Forum said Saturday.

About 100 ministers from 96 nations attended the forum's closing two-day ministerial meeting, which was on Sunday to issue a declaration expected to outline ways to achieve the UN Millennium Goals of halving to one billion the number of people without adequate access to water and sanitation.

"This year, the International Year of Freshwater, we must move from promises to practice, from commitments to concrete projects, from intent to implementation," said a statement from UN Secretary General Kofi Annan read by UN Environment Programme chief Klaus Toepfer.

"This is a social, economical, environmental and political crisis that should be among the world community's highest priorities.

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"The investments, policies and technologies required to rise to this challenge are within our means," he said.

Developed nations must increase their financial assistance for poor nations, said UNESCO director Koichiro Matsuura.

"Lack of political will, and inertia at the leadership level" were failing to meet the expectations of the poor, he said.

Empowering municipalities and financing the projects best-suited to their needs was the only way to ensure that the world's 2.4 billion without access to water and sanitation were served, said Michel Camdessus, a former head of the International Monetary Fund.

Camdessus led a 20-member panel of businessmen, international lenders and NGO representatives that presented recommendations to finance water and sanitation infrastructure and suggested an additional 100 billion dollars was needed annually to achieve the UN goals.

The report, "Water Financing for All," said international loans, public investment and official development aid needed to double to achieve the estimated 400,000 water and sewage connections needed daily for the next 12 years to provide adequate access to water and sanitation.

Current global spending on water projects, agriculture, environment and sanitation hovers around 80 billion dollars.

"Decentralisation is key. Financing of projects should be done at the local level," he said. "There is no other way to achieve (the UN) goals."

The report was criticised by NGOs as too bound to corporate interests with not enough focus on the needs of the poor.

They rejected it as the product of "an unaccountable unrepresentative, inaccessible process no longer suitable for this day and age," Hilda Grace Coelho, the president of India's Center for Rural Studies and Development, said in an NGO response at the opening of the ministers' meeting.

"Despite ample and credible evidence of the value of local actions within river basins, (the poor) continue to be marginalised and trivialized."

Many NGOs oppose the construction of large dams, the privatisation of water services and the inclusion of water resources in international trade debates -- among topics debated at the week-long forum gathering 12,000 participants.

The US-led war in Iraq led to cancellations from a number of ministers and delegations to the ministerial conference, including Jordan, Iraq and Israel.

SUNDAY, MARCH 23, 2003

Bangkok Post

www.bangkokpost.com

WATER FORUM

**Report draws controversy in Kyoto : NGOs
decry talk of profits, privatisation**

By Anchalee Kongrut
Bangkok Post

A war of a different kind descended on the 3rd World Water Forum in Kyoto on Friday, but the ammunition was not bombs and bullets but pamphlets, posters and hot debates on how the world should manage its water resource.

Also discussed was whether it was truly for the benefit of the people to open the door for private companies to enter the water utility service sector.

NGOs which opposed dam construction and privatisation of the water utility service staged a walkout from the meeting as former International Monetary Fund managing director Michel Camdessus launched a report ``Financing Water for All''.

Mr Camdessus is now chairman of a panel on financing water infrastructure. The report was a joint initiative of Global Water Partnership (GPO), the World Water Council (WWC) and organisers of the 3rd World Water Forum.

Mr Camdessus was asked to think of new ways to attract new financial support to the water business sector.

NGO and union activists with head bands, walked up to the stage and unfolded banners saying: ``No Profit From Water'' .

``We come here for a war on water and we will depart with a war on water," said Karl Flecker of the Polaris Institute in Canada, an NGO.

``This (Camdessus report) is a recipe for privatisation of water. It is a pretext to allow transnational companies to enter the water service with favourable conditions like currency guarantees and risk-safeguards for investors. Civil society cannot give a consensus on that," said Vandara Shiva, an Indian environmentalist advocating small-scale organic farming.

Mr Camdessus' report was aimed at boosting foreign investment to improve water projects in developing nations.

But he insisted his report was not aimed simply at increasing funding support for water projects.

``We must also broaden the source of funding. Developing countries in particular can no longer rely on the public sector alone," he said.

Under the scheme, rich nations and private companies are encouraged to double their investment in water projects, dams of all sizes, water sanitation plants, wastewater treatment and irrigational structures.

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Agnes van Ardenne, Dutch minister of a development cooperation, said the report focused too much on forging private partnerships and disregarded improvements in the public sector.

She said rich countries spend too little on donations for water. ``Rich countries donate US\$50 billion annually but they spend US\$300 billion to subsidise farm prices.

``I agree people have to pay for water. But the point is poor people cannot afford to pay," she said.

Mr Camdessus said the report had been misinterpreted.

``If you read it carefully, there is not a single word on privatisation in this report," he added.

On the contrary, the report called for drastic change in accountability and transparency and capacity-building in the public utility sector.

The Camdessus report would be submitted to ministers from over 150 countries, as an international guideline for water resource management.

The plan was billed as a means to attain United Nations Millennium Development Goals, halving the number of people with no access to water by 2015 and achieving water sanitation by 2025.

More than one billion people have no access to water, according to United Nations. Another 2.4 billion people lack clean water to drink.

Members of GPO, WWC and the 3rd WWF organisers are mostly from funding agencies like the World Bank, Asian Development Bank. Private companies like Mitsubishi Heavy Industry, Generals des Eaux/Vivendi Water, Suez Water, and Thames Water, which is running the tapwater supply in Pathum Thani, were also here.

The Manila Times **Water policy up for debate, flows past the poor**

By Marwaan Macan-Markar
Manila Sunday Times (Philippines)

KYOTO, Japan—Ministers from over 100 countries will mark World Water Day Saturday by meeting here to endorse over the weekend a contentious report that lays down the road map for poor countries in solving a range of the planet's water-related problems.

The report, "Financing Water For All," which was distributed on the eve of World Water Day, March 22 (today), at the international water conference under way here, has already been shot down from three different quarters.

"The report was disappointing. It is not balanced," Agnes Van Ardenne-Van der Hoeven, the Dutch minister for development cooperation, told journalists at the Third World Water Forum (twwf), being held here from March 16 to 23. "The report is not concrete. The focus is on large-scale infrastructure."

"We need to look at small- and medium-scale infrastructure," she added.

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Likewise, "I fear the report at this critical conference is a missed opportunity and misses direction of focus," says Sir Richard Jolly, chairman of the Water Supply and Sanitation Collaborative Council (wsscc).

The council is an international group lobbying to secure safe water and adequate sanitation for the world's poor.

"There is too little on what is needed to reach the poor and the poorest of the poor," says Jolly. "There is little that comes out in the report to address issues that matter to women, who make up a large number among the poor."

Some of the government delegates already here for the weekend's special ministerial meeting also got a taste of where nongovernment organizations (NGOs) stand on the "Camdessus report," so named after the man who chaired a 20-member panel that prepared the report—Michel Camdessus, former managing director of the International Monetary Fund (IMF).

Activists staged an impromptu walkout, accompanied by chants of "Water for life not for war" and banners held up with the message "No profits from water," when the Camdessus report was released during a session on the "World Panel on Financing Water Infrastructure."

"These 'solutions' will not help the majority of the world's people without access to water—they will only worsen the problems and prevent the adoption of real solutions such as rainwater harvesting and renewable energies," says Joan Carling of the Philippines-based Cordillera People's Alliance.

The NGOs call for the "rejection of the Camdessus report," she adds, since "no public financing should be given for large water infrastructure projects unless they meet World Commission on Dams guidelines."

But Camdessus is defiant about the 54-page report, which was initially launched in Paris on March 5. After being endorsed by the ministers and other participants at the Third World Water Forum, the report will head for approval at the Group of Eight meeting of industrialized countries in France in June.

"We believe this is the way to provide water for all, but we will not tell the ministers to take it or leave it," Camdessus said at a press conference. "There is no alternative to achieve the Millennium Development Goals."

"The urgency is not to change ownership of water services but to improve the service," he added. "We would like this to be endorsed by governments and the international community."

Under the Millennium Development Goals, world leaders have endorsed an ambitious program for dramatic change in developing countries, including halving the number of people without access to safe drinking water and adequate sanitation by 2015.

Currently, some 1.1 billion people lack access to safe water and 2.4 billion people have no proper sanitation, which results in 2.2 million people in the developing world, mostly children, dying every year.

Earlier this week, a new World Bank report estimated that the world needs annual investments to rise from \$75 billion to \$180 billion over the next 20 years to lift the poor out of an environment deprived of safe drinking water and adequate sanitation.

According to the Camdessus report, global financial flows into the water sector "have recently fallen to a very low point," after a slight increase in the 1990s.

It says that developing countries need to attract the private sector to reverse this trend, but also need to produce new national strategies to strengthen the water sector.

It also calls on contracts for private sector participation to be standardized and promoted, "whereby sun-sovereigns [like municipalities] can employ private companies under incentive-driven contracts to raise efficiency and performance."

On building dams, the report states that "the reaction to dams [following criticisms] appears to have been excessive and counter-productive." It supports the funding of both small and large dams to meet the "future needs for water storage, flood control, and irrigation development."

To fund dam building, the report wants governments, international lending institutions like the World Bank and commercial banks to push for "the development of local capital markets in which projects can obtain part or all of their funding."

Camdessus admits that developing countries turning to private sector involvement in their water sector can make them vulnerable due to the volatile financial markets.

"I don't like to expose developing countries to volatile financial markets, and we have mentioned in the report ways developing countries can be sheltered from the fluctuations in the international financial system," he says.

Developed countries, he adds, should take the lead to help build a stable international financial market to avoid a "calamity."

The Japan Times **Kyoto water forum opens amid internal wrangling**

By ERIC JOHNSTON
Staff writer
The Japan Times

KYOTO -- A two-day meeting of ministers from 170 countries opened Saturday in Kyoto at the World Water Forum, with delegates making firm promises to deal with the world's water crisis. The call to action, however, came amid protracted arguments over whether or not water resources should be privatized, growing doubts over Japan's leadership as host of the forum and the United States-led war on Iraq.

"Without concrete action, the world's water problems cannot be solved. We need to act now," said Land, Infrastructure, and Transport Minister Chikage Ogi, who opened the morning session.

Ogi also said Japan was proposing 91 of the 422 specific proposals for action that have been announced by nearly 40 countries. Japan's proposals deal with water resource management, safe water and sanitation, water for food and rural development, the prevention of water pollution and disaster mitigation.

Other proposals cover issues ranging from the provision of clean drinking water to sanitation and irrigation projects.

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The proposals were to be discussed by the ministers, after which a final declaration will be released.

In particular, Ogi said, Japan has much to contribute in terms of technology.

"Japan has the world's most advanced desalination technology. That would aid greatly in water resource management," she said, adding that a funding mechanism is needed to provide such technologies to countries that need it.

The ministerial meetings began after a chaotic week of seminars that saw disagreements -- often intense -- between delegates over issues, particularly the question of privatizing water resources.

On Friday, nongovernmental organizations that oppose the idea disrupted a session in Kyoto. They entered the conference room during a discussion on a report in favor of privatization written by Michel Camdessus, former managing director of the International Monetary Fund.

Chanting "water for people, not for profits," the protesters were allowed to make their point before being asked to leave, which they did.

Ministers continued to discuss the report in a closed session Saturday, as protesters remained outside the conference hall.

"We will likely mention in the final declaration to be issued Sunday that we take note of the Camdessus report," said Koos Richelle, a director general of the European Commission in charge of development issues. "I think its recommendations for doubling of financial flows from various parties, including the private sector, for water infrastructure is the only way to address the investment needs."

In the three days leading up to Saturday's ministerial conference, Japan attracted strong criticism from several countries, as well as from NGO heads such as former Soviet Union President Mikhail Gorbachev, for what they described as weak leadership.

Dutch Development Cooperation Minister Agnes van Ardenne said the language of a draft of the final declaration prepared by Japan on Friday was far too weak in terms of showing commitment. Other ministers said many of the 422 specific plans were anything but concrete.

"I will not return to The Hague without changes being made to be more direct," van Ardenne said in an address to the conference Friday night. "Nobody is waiting for another vague statement."

A new text of the draft was being discussed in Saturday's sessions.

NGOs that oppose water privatization were also disappointed to hear that a strong statement reaffirming water as a basic human right was not going to be included in the final declaration. Some NGOs believe that such a statement would create a moral impetus for governments to avoid privatization of water resources.

Finally, there is the issue of Iraq. Throughout Saturday's discussions, ministers were kept abreast of developments in the invasion of Iraq, and some called for the conference to include a reference to the situation in the final declaration.

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Other delegates, however, claimed that the purpose of the conference was to discuss water, not international politics.

By Saturday evening, the inclusion of a specific statement on Iraq appeared unlikely, although some officials said it was still possible that a more general statement might be made.

Children state beliefs

KYOTO (Kyodo) A total of 109 children and young people from 32 countries taking part in the World Water Forum here issued a manifesto Saturday stating that governments are obliged to improve water and sanitation facilities.

The Children's Water Manifesto also says that governments must "ensure that children and young people are involved in the decision-making and policymaking processes, beginning from the planning through implementation and evaluation of household water-related programs and issues."

Children and young people involved in the compilation of the manifesto said they have forwarded it to a two-day ministerial-level meeting that started the same day, so that their views will be reflected in a ministerial declaration to be adopted Sunday.

The children and young people have been taking part in the Children's World Water Forum as part of the eight-day World Water Forum held in the prefectures of Kyoto, Osaka and Shiga.



World Water Forum Delegates Endorse Urgent Global Priorities

Steve Herman
Voice of America
In Tokyo

Close to a hundred countries attending the third annual World Water Forum have endorsed urgent global priorities for easing clean water scarcity. But some delegates are criticizing the final declaration as short on specific action.

More than a billion people lack access to safe water. An estimated five to seven million people die every year from water-borne diseases, including more than two million children under the age of five.

After a week of meetings in Kyoto, Japan, ministerial delegates to the World Water Forum adopted a declaration on tackling the growing crisis of water scarcity.

The document outlines ways to use regional financing and management to improve sanitation and address water concerns for several billion people around the world

U.S. Undersecretary of State for Global Affairs Paula Dobriansky praised the outcome, saying an integrated management plan will be developed by 2005 to protect water, which is essential to sustainable development and to ease poverty and hunger.

World Water Council Vice-President William Cosgrove says the forum addressed the problem in a more comprehensive manner. "The single most pressing issue, in my mind, is that, while there are some aspects to this problem that are global, it must be dealt with by every government in each country. Up until now, in most countries, leaders have, even though they say that they understand the importance of the issue, have not responded by putting [it] into their

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development plan and their poverty reduction plans. When one thing that we certainly know, by now, is that, without government commitment, that we don't make any progress," he says.

But some European and Latin American representatives say the ministerial declaration lacks specific commitment to action, and the language is weak.

The declaration does not designate water as a basic human right, something the United Nations endorsed last year. It also does not back the creation of an international watch-dog agency to monitor progress on water-related goals.

Some non-governmental organizations walked out of the Friday session to protest a panel report proposing to raise an additional \$100 billion a year in non-government funding to improve water sanitation and infrastructure. While the report was not adopted in the final declaration Sunday, critics say elements of the plan would amount to the privatization of water, something that would make conditions even tougher for the poor.

Vandana Shiva of India, who heads a Himalayan-based environmental research organization, Research Foundation for Science, Technology and Ecology, is one of those critics. "The protests were amazing, colorful ones, wonderful, full of joy, but with a very clear message. Our water is not for sale, and we are not going to let public money be used to hand over our water resources and our water supply systems to big giants," he says.

The Third World Water Forum brought together 12,000 participants to tackle water shortage.

MONDAY, MARCH 24, 2003

The Japan Times *GATHERING UPSTAGED BY WAR*
Water forum closes amid clash over privatization

By ERIC JOHNSTON and ASAKO MURAKAMI
Staff Writers
The Japan Times

KYOTO -- For eight days, and at a considerable cost to local taxpayers, the World Water Forum brought together international corporations in the water supply business, World Bank officials and a large number of Japanese construction and design firms, as well as senior government officials and thousands of members of nongovernmental organizations. But in the end, a lack of political will due to ongoing controversies over the privatization of water supplies and the war in Iraq left many participants doubting whether the conference produced anything of value.

The war began on the fifth day of the conference and prompted several delegates from the Arab world to leave.

"It's not that the issues being addressed were not serious. It's that there was no reason to come all the way to Japan for eight days to simply make speeches and vague promises about dealing with the problems," complained one government official from Europe.

The agenda for the talks was made up of a host of water and sanitation issues for both developing and industrialized countries. They ranged from providing safe drinking water to the construction of large dams.

Many of the delegates were individuals and organizations that belong to or support the World Water Council, the forum's sponsor. Formed in 1996, the council's main role is to lobby governments around the world to address water supply and sanitation needs.

Nearly 200 Japanese companies, including general construction firms, road-building companies and trading companies supported the forum, which took place in Kyoto, Osaka, and Shiga prefectures.

Official delegates gathered to approve 422 specific action plans to deal with water and sanitation issues, building new dams, sharing new technologies and forming cooperative agreements between various regions to exchange information.

One of the main purposes of the forum was to help participants prepare for the Group of Eight Summit in June. French President Jacques Chirac has declared water issues a priority for discussions, and the participants wanted to use the meeting to coordinate efforts to lobby the G-8 governments.

Given the start of the war on Iraq, however, even former Prime Minister Ryutaro Hashimoto, the forum's steering committee chairman, was pessimistic that water would still be high on the G-8 agenda.

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From the first day to the last, the underlying message -- that a worldwide water shortage will lead to conflicts among nations in the 21st century -- was simply but forcefully put.

To prevent conflict, massive investment in water and sanitation infrastructures is needed in order to meet the United Nations Millennium Development Goal of halving the number of people without clean water by 2015.

Most controversially, official delegates argued that the only way such investment will materialize is if cash-strapped governments look favorably upon the idea of private-sector control of their water supply and sanitation needs.

They argued that the private sector has more money and management ability than governments do. But in their seminars extolling privatization, they ignored examples of the failure of water privatization in countries like Argentina, Bolivia, South Africa, and the Philippines.

In Manila, for example, after two private firms won concessions for the city's public water works in 1997, water prices tripled over the next five years.

By December 2002, one of the firms announced it would pull out. This firm was an affiliate of the French conglomerate Suez, which is a major supporter of the World Water Forum.

The announcement meant that the project, which was serving 6.5 million people in the western part of metro Manila, would be abandoned, according to reports by the Center for Public Integrity, a nonprofit research organization based in Washington.

"You learn as much from your mistakes as your failures, and we need to study water-privatization failures as well," said Koos Richelle, from the European Commission.

For NGOs that opposed the privatization of water services, the conference started off hopefully. Members of several groups reported that, unlike in the previous World Water Forum, held in The Netherlands three years ago, the various sessions were open to them.

But their hopes faded toward the end. Most groups issued declarations of their own Sunday, saying, in effect, that the ministerial declaration clearly demonstrates the way in which big water corporations and international lending agencies are heading -- toward the privatization of water and sanitation services through public-private partnerships.

"The World Water Council tried to present themselves as caring for the poor and the environment. But the real agenda (of privatization) didn't change a bit," said Maude Barlow, chairwoman of the Council of Canadians, an Ottawa-based NGO.

World Bank official David Grey claimed at one forum session that the bank does not have an "ideology" regarding privatization. But the rapid growth of water privatization was possible because the World Bank has often made privatization of the water sector a condition for loan guarantees.

NGOs did not just complain. They also presented successful examples of alternatives to the kind of privatization that they said the forum was pushing.

For example, the Departamento Municipal do Agua e Esgoto, a water company in Porto Alegre, the capital of the Rio Grande do Sul province of Brazil, is publicly owned but financially independent from the state.

It is fully financed with the water bills paid by the city's 1.4 million residents. DMAE has been in operation for 14 years and allows public participation and control over its operations and investments.



Water Forum ends with `delicate balance'

By ROY K. AKAGAWA
The Asahi Shimbun

KYOTO-While Japanese government officials were praising the ministerial declaration agreed to Sunday at the conclusion of the Third World Water Forum, representatives of many non-governmental organizations will likely return home less than completely satisfied.

``The declaration reflects a delicate balance between different points of view," said Ichiro Fujisaki, deputy minister for foreign affairs. He chaired the concluding ministerial conference on Sunday in place of Foreign Minister Yoriko Kawaguchi, who was unable to attend because of the situation in Iraq.

One issue brought up by a number of non-governmental organizations over the last week of forum discussions was to include wording that water was a human right in the ministerial declaration. However, the declaration states only that ``Water is a driving force for sustainable development including environmental integrity, and the eradication of poverty and hunger, indispensable for human health and welfare."

Fujisaki said that during the ministerial conference there was a difference of opinion over whether the concept of water as a human right had been widely established and accepted around the world.

A number of national representatives, mainly from South America, at Sunday's ministerial conference also asked that some mention be made of the need to include indigenous people in any consideration of resolving water issues. The declaration only states, however, that ``the participation of all stakeholders" should be promoted and that capacity building at the local level should ``share innovative approaches, best practices, information, knowledge and experiences relevant to local conditions."

Another topic that generated heated debate over the past week was privatization of water services. While several non-governmental organizations recommended that big business not be allowed to dominate the provision of water, especially to developing nations, the ministerial declaration stated that ``we should explore the full range of financing arrangements including private sector participation in line with our national policies and priorities. We will identify and develop new mechanisms of public-private partnerships for the different actors involved, while ensuring the necessary public control and legal frameworks to protect the public interests, with a particular emphasis on protecting the interests of the poor."

Not everyone at the ministerial conference welcomed the balanced approach of the declaration. The representative from Lesotho lamented the lack of stronger language in the ministerial declaration.

``We sound very tentative and half-hearted" about the commitment to dealing with the water issue in the declaration, the Lesotho representative said. He said many of the paragraphs of the declaration that only said ``we should" could have been changed to say ``we will."

The criticism raised earlier in the week that the discussions from the various sessions at the World Water Forum would not be reflected in the ministerial declaration was also brought up at the Sunday ministerial conference. Although five sub-groups of the ministerial conference presented reports of discussions held on Saturday, none of those reports were to be included directly in the ministerial declaration. Instead, the reports, as well as reports from the week's various sessions, would be compiled into a final report from the World Water Forum, the Foreign Ministry's Fujisaki said.

With calls from a number of speakers during the forum for specific actions rather than just talk in dealing with the water issue, the forum did put together a Portfolio of Water Actions that is a list of what countries are proposing in specific measures to achieve the U.N. Millennium development goals of halving the proportion of people who do not have access to safe drinking water and basic sanitation by 2015.

Perhaps feeling motivated as host of the World Water Forum, Japan included 91 actions, more than any other nation. It was also announced Sunday that Japan would earmark 16 billion yen in the fiscal 2003 budget for official development assistance to provide support to poor nations in the water area.

However, Japan's enthusiasm was not matched by other nations. While 170 nations were represented at the World Water Forum, specific water actions were only obtained from 36 nations as of March 10. (IHT/Asahi: March 24, 2003)



World Water Forum / Declaration angers NGOs

By Yanagawa

Following the incorporation of the water service principles of "user pays" and "polluter pays" into the ministerial declaration at the 3rd World Water Forum in Kyoto on Sunday, nongovernmental organizations--which had been protesting against water privatization--complained that their opinions were completely ignored.

Although the declaration said fund raising for water should suit local climactic, environmental and social conditions of the regions' inhabitants, the NGOs claimed that the declaration failed to reflect the opinions of forum participants.

Water-shortage concerns were raised in many parts of the world in the early 1990s, and the Earth Summit in Rio de Janeiro in 1992 acknowledged the importance of international cooperation for water supply, prevention of water pollution and water resources.

The U.N. Millennium Summit and the World Summit on Sustainable Development in 2002 agreed on two clear goals: To halve the number of people without safe drinking water and those without adequate sanitation by 2015. Devising means to achieve such goals was one of the main objectives of the Kyoto water forum.

However, the topic of water privatization became the most controversial issue at the eight-day forum and drew much criticism from NGOs.

Full-cost pricing, the principle of recovering the entire cost of water services from users and the cost of pollution from those responsible for its production, was recommended in the World Water

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Vision, as announced by the World Water Council--which is co-organizer of the Kyoto forum--at the 2nd World Water Forum in The Hague three years ago.

The council stated that water should be treated as an economic commodity. The council is among the most influential promoters of privatization along with large water corporations, the World Bank and the International Monetary Fund, according to a statement released from a thematic session on public and private partnerships in Osaka.

At the session, which was jointly convened by the World Water Council and the Council of Canadians, a major NGO protesting water privatization, NGOs blamed privatization for soaring water prices and the confusion caused in some developing countries by the withdrawal of water companies after their projects became unprofitable.

The WWC was formed as a think tank in 1996 in Marseille, France, and has organized all three water forums. However, some NGOs said that although the council claimed its main objective was for better water management, it is actually a lobby group for huge construction and water companies. The NGOs branded the WWC "water mafia."

Dam construction was another hotly debated topic at the forum. The NGOs considered that the need of dam construction should not be in the ministerial declaration. However, the document cited the need for reinforcement of reservoirs and dikes for disaster mitigation and risk management, implying the need of dams.

THURSDAY, MARCH 27, 2003

The Japan Times Indigenous peoples speak up for nature

By AMANDA SUUTARI
Special to The Japan Times

"In my community," says Roy Laifungbam of the Meitei people in northern India, "water is part of our daily ritual worship, as well as our annual spring festival. And this relationship is totally disregarded when you talk about water as a commodity."

Laifungbam is part of the Caucus of Indigenous People, who attended the recent World Water Forum in Kansai to offer a spiritual perspective many members felt was absent from the discussions.

"We're being treated like we're invisible," complains Santos Norato, a Mayan from Guatemala. "Everybody's more interested in modernity and how to take advantage of nature rather than how to care for it. We think that money takes priority over nature here . . ."

According to UNEP (United Nations Environmental Protection), more than 80 percent of the world's remaining biodiversity, and 90 percent of human cultural diversity, are found in indigenous territories. This highlights their role in caring for the world's last wild areas. Caucus members came with a wide variety of stories -- of coal-mining that is degrading springs in Arizona, desertification affecting Saharan nomads, rising sea levels threatening South Pacific islanders, rivers being dammed in native territories of India, and tourist resorts impacting communities in the Philippines -- but what they shared was a traditional reverence for this basic element.

"The water, the trees, and the forests are all sacred to [the Mayans]," explains Norato. "We are part of nature. So we also have water committees who plant the trees and take care of the areas near the sources for water. These services are unpaid, but we believe that it's a useful natural resource that we all have to care for . . ."

Richard Deertrack, a Pueblo from New Mexico, fears that modern life has threatened the intimate relationship many indigenous people have with water. "I come from a people whose only source of water was a stream, some springs, and hand-dug wells. When I first came into contact with a shower, I thought it was never-ending. So we're probably using 100 times more water than before we had all the infrastructure. If you turn on your water, somehow you lose reverence for it."

But modernity has also inspired many communities to revitalize old customs. "Marine life has diminished in our lagoon," says Te Tika Mataiapo, of the Koutu Nui of the Cook Islands. "A lot of it has to do with irresponsible fishing. We have brought back a traditional method called raii, which we haven't practiced for over 50 years. And it's amazing. We've witnessed the growth of marine life, in fact, we're seeing species we haven't seen for a while. And not only have the fish returned, it has brought back a new consciousness of environmental protection and respect."

Recognition dropped
For the caucus, their challenge is simply to be heard.

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"At the first Earth Summit in Rio, after a lot of lobbying and protest, we were finally recognized [in the concluding declaration] as a major group that had an important stake in the discussion," says Maifungbam. "But in Johannesburg [at the second Earth Summit, last summer], this was dropped completely from the declaration. So we had to fight again, right from scratch, to get indigenous peoples back on the agenda. We are still being marginalized even though we still play a very central role in the world's water resources."

Although Maifungbam remains upbeat, pointing to the media attention they received, he stresses that much remains to be done.

"I think that for indigenous peoples, everything is in the future. We have so much to do, and our struggle will still be long."

SUNDAY, MARCH 30, 2003

The Japan Times *THIRD WORLD WATER FORUM*
Was WWF3 a washout for citizens' rights?

By AMANDA SUUTARI
Special to The Japan Times

While the outbreak of war in Iraq may have disrupted proceedings at the Third World Water Forum being held in Kansai, it also lent them deeper significance.

The Tigris and Euphrates rivers, which flow through what are now Iraq, Syria and Turkey, were the lifelines around which the first civilizations grew; and the region owes much of its past and present turmoil to water.

At the forum in Kyoto, a war of paradigms emerged between the World Water Council, which is the host body, and growing citizens' movements.

From the outset, critics questioned the entire event's legitimacy, and that of the WWC itself, which overwhelmingly comprises elite representatives from the banking, construction, engineering and hydropower sectors, and members of transnational water corporations.

At the World Summit on Sustainable Development in Johannesburg last August, one of the so-called Millennium Development Goals was to halve the number of people without safe water and sanitation by 2015. Consequently, the WWC set up a panel to formulate a plan of action. Chaired by former IMF managing director Michel Camdessus, the panel's action report proposed dramatically upping investment in the developing world's water and sanitation services -- to the tune of \$180 billion annually. As this is an impossible feat for the governments concerned, the implication was that the private sector would be needed to fill the gaps.

Following the Second World Water Forum held in 2000 at the Hague -- where the closing declaration categorized water as a need, not a right (and therefore a salable good) -- water giants like Suez, Vivendi, Bechtel and Thames began to make aggressive forays into Third World markets. However, they've since taken hits as currencies crash and embarrassing failures surface. Privatized water services have been blamed for price hikes, disconnection of nonpaying users and substandard service as corporations divert profits back to shareholders.

Massive protests

In Cochabamba, Bolivia, a subsidiary of Bechtel pulled out after skyrocketing tariffs and disconnections triggered massive protests that were violently suppressed by the authorities, resulting in two deaths, hundreds of injuries, and a still pending lawsuit between Bechtel and the Bolivian government.

Though the World Bank recommended the scheme, it denies any responsibility, insisting that governments must manage their own affairs.

"At the end of the day, the decisions are made by sovereign governments as to whether they want to borrow from us," says World Bank official Ian Johnson. "They are responsible for overseeing the assets that are in their country."

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Governments should also bear the risks, according to the Camdessus panel report, which proposes full-cost recovery and other schemes meant to protect foreign transnationals from currency speculation, wild economic fluctuations or political instability.

However, India-based environmentalist Vandana Shiva points out a major element missing from the report -- water. "You cannot drink money," says the author of "Water Wars: Privatization, Pollution and Profit" (India Research Press; 2002). "This is all about doubling the flow of financial resources, without a word about the hydrologic cycle. They have reduced this to a discussion on water infrastructure -- big infrastructure."

The report also appears to bow to internal pressure from the suffering hydropower industry, which is eager to make a comeback. It makes no mention of the World Commission on Dams report, a two-year study published in 2000 that criticizes the social and ecological costs of dams and calls for a major reassessment of the environmental impact of dams.

But Camdessus says the issues are not so clear-cut. "We shouldn't allow ideology to prevail in this sector," he says. "In America it is easy to say, 'stop the dams.' But there you have 5,000 cu. meters storage per capita. In Ethiopia, you have 50 cu. meters per capita, so I'm afraid this no-dams campaign is a non-starter."

More water sales mean more profits, says activist Maude Barlow, and this explains why corporations, by definition, lack a conservation ethic. She questions an increasingly commodified world where everything, even life's most basic necessities, must be bought and sold. "There used to be a time," she says, "when areas like healthcare, education, genes, seeds, the diversity of our food and, most particularly, water, were out of bounds of the marketplace."

While the WWC, the Camdessus report and World Bank officials deny any interest in trading water, ongoing WTO talks have put the issue of water trade on the table. If GATS (General Agreement on Trade and Services) goes into effect, barriers to services like education, healthcare and water could dissolve, giving trade priority over national laws on labor or the environment.

"Water has been put under the 'environmental services' heading so that you're not actually liberalizing the resource, but the service," says David Boys of France-based Public Services International, which helps municipalities resist deregulation and develop accountable, efficient water utilities.

Corporate control

"But there's all sorts of unanswered questions," he adds. "If a corporation is delivering water services, does that mean they have automatic access to the resource? The problem is, GATS is basically irreversible and indications are that this will lead to a greater corporate control over not only water services but eventually water resources [themselves]."

If endorsed at the G-8 meeting in June, the Camdessus panel report will help multinationals recover from recent setbacks. Meanwhile, the stalemate over privatization is viewed by the WWC as damaging to those most in need. "We must put aside our differences and find solutions," says WWC Vice President William Cosgrove. But activists say derailing the corporate agenda is the only key to finding democratic, sustainable solutions to the water crunch -- solutions that lie not in large expensive projects, but in conservation, traditional methods or innovative local solutions, such as recycling water and rooftop rainwater harvesting.

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The mantra of the official forum literature -- "action, not words" -- and official press releases repeatedly stressing the need to provide water and sanitation to the poor seemed to express a sense of urgency.

But it's not clear whether this urgency is born of a desire to solve the world's water crisis, or simply to cash in on it before further debate stalls the process.

Amanda Suutari welcomes comments at suutaria@hotmail.com.

MONDAY, MARCH 31, 2003



Water Privatisation Issue: Donors Change Strategy

Isabella Gyau Orhin
Public Agenda (Accra, Ghana)

The International Financial Institutions and trans national corporations interested in investing in water projects in Africa and other third world countries have changed their strategy in the area of financing for water infrastructure and delivery in developing countries.

Institutions such as the World Bank and the International Monetary Fund (IMF) and other private companies have faced stiff opposition from civil society groups in its quest for privatisation of public utilities in exchange for aid to expand urban water delivery and others.

Water Multi-national companies refer to water as the blue gold of the 21st Century after the rush for real gold and the black gold, which is oil in the last two decades.

According to a Ghanaian participant of the just ended Third World Water Forum in Kyoto and Osaka, Japan, what the international communities are aiming to do now is even worse than the privatisation of the utilities.

Adam was speaking at the launch of this year's Social Watch which is a report by citizens groups in 54 countries monitoring governments' commitment to social issues in their various countries.

These include recommendations from the 1995 World Social summit in Copenhagen, Denmark and the 1995 Women's Conference in Beijing.

Resources

"Instead of investing their resources in such utilities such as water, they are now asking for management of such utilities only without putting in any money," Said Adam who is also in charge of the Coalition Against Privatisation of Water (CAP of Water) Secretariat which is being hosted by the TUC at the moment.

A report Commissioned by the World Water Council on Financing water infrastructure worldwide which also has the former Managing Director of the IMF Michel Camdessus as chairman among others recommended that funds should be raised locally to finance water projects.

"This is just a confirmation of the strategy which has been on the drawing board for sometime now," Adam said.

The recommendation further said "Both public and private water providers should be able to borrow more of their capital locally, reducing foreign exchange risk."

It further said governments and central banks should encourage the growth of local capital markets and attract more local savings from pension funds, mutual funds and other institutional benefits."

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The report also said Multilateral financial institutions should make greater use of guarantees and other instruments to encourage more long term local lending as they raise more resources in local currencies markets.

"This means that private companies are not interested in investing in water, however they want public funds to be used in financing for water projects to enable them run such companies with huge consultancy charges," Adam said.

"The companies interested in bidding for the management of water projects are not interested in putting their monies in any risks, they only want profit," Adam explained adding they want to prove that private companies can do well in the public sector. Ghana's water privatisation process has stalled for some time now after civil society groups under CAP of Water battled the government for about two years arguing that the process would affect the poor.

Media reports indicate that the investors are no longer interested in the project.

Investment

Adam believes perhaps they may be interested in running it without any investment like the Telenor arrangement with Ghana Telecom or that of Telecom Malaysia and Ghana Telecom.

He said Civil Society groups walked out of the launch of Camdessus' report and organised a protest to denounce it.

They all agreed that it does not address the needs of the poor.

The Dutch government that partly financed the forum also did not accept the report saying it was not pro poor, Adam said.

On the Social Watch report, The Coordinator of Third World Network (TWN) Dr. Yao Graham whose outfit coordinated Ghana's contribution said the launch of the report is a very significant event in the calendar of the world.

"It is one of the most important pointers to how governments respond to the needs of their people especially regarding poverty eradication and equality.

"This year's Social watch is very significant for Ghana as it highlights the water privatisation saga," Dr. Graham said.

The Coordinator of CAP of water of Southern Ghana Gyekye Tanoh said although Water privatisation works, it only works for a tiny minority of the population who fall within the wealthy class.

Again Tanoh said attempts to privatise water in Washington DC, USA was not successful while British tax payers are paying 15 percent more for water since it was privatised.

He also alleged that the quality of water being supplied to British citizens now is not as high as it used to be before the privatisation took place.

He said countries like Sweden where Water has not been privatised is doing far better in terms of pricing and quality of water being enjoyed by the Swedes.

TUESDAY, APRIL 1, 2003

The Jakarta Post.com **Defending global essentials: Notes from Kyoto**

Opinion and Editorial - April 01, 2003
By Yanuar Nugroho, Director, The Business Watch Indonesia,
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The Jakarta Post

While 1.1 billion people do not have access to safe drinking water and almost 2.4 billion do not have adequate sanitation, according to the United Nations Development Program (UNDP), only 1.6 percent of development assistance is spent on providing water and sanitation services. Over 2.3 billion people suffer from water-related diseases, and it is the leading cause of death in the world.

The Third World Water Forum (WWF) in Kyoto, Japan, from March 16 to March 23, failed to address the most important issue in the water crisis: Providing populations, especially the needy, with access to water.

The main message from various related fora prior to Kyoto was clear: The most essential component in harnessing water's potential is to implement reforms in water-related sectors -- water resources management, water supply and sanitation, irrigation and drainage, hydropower and water/environment -- and of course, to increase investments from the private sector. What does this imply?

To the private sector, the gloomy arithmetic of water -- as highlighted at the second World Wild Fund for Nature (WWF) gathering in the Hague in the Netherlands -- is also the "gloomy arithmetic of water financing".

The proposal of the chairman of the World Panel on Financing the Global Water Infrastructure, Michel Camdessus, titled Financing water for all, was released at the end of the third WWF gathering to finalize the sequel.

The proposal, however, was rejected strongly by non-governmental organization (NGO) activists at a massive demonstration during and after the international panel. They accused Camdessus, the former managing director of the International Monetary Fund, of being a liar. Why?

First, Camdessus argued that there was widespread agreement that the flow of funds for a water infrastructure had to roughly double in size, with the increase to come from all sources.

Yet this is difficult when public agencies such as governments have not really prioritized their water sectors because the sector tends to be decentralized. Hence the need for reforming water-related institutions if they are to absorb increased funding.

Sustainable cost recovery is essential, both from generating more internal funds and creating a stable framework for future revenue transfers.

Second, to reach this goal, responsibilities for water have indeed been delegated to local bodies, but without conferring enough power, human resources and funds to make it work. Thus, local

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community organizations and local businesses, vital to the task of improving services, need resources and the power to do this.

Third, although international loans and equity investment in water have been low and falling, banks and private companies are more aware than ever of the risk-reward tradeoff. Official aid for the water sector has also been falling, but there are good prospects for reversing this.

The sovereign risk of projects, including the foreign exchange risk, is a key disincentive that has to be addressed if water projects in emerging markets are to attract international loans and equity.

The three basic notes in the proposal look very moderate, but the implication would entail the following issues: (a) central government action, (b) local government and water authorities, (c) promoting local capital markets, (d) sustainable cost recovery, (e) increasing managerial capacity, (f) corruption and ethical practices and (g) the legal and regulatory environment -- as quoted from Camdessus' proposal.

And these following schemes -- which are imperative -- are the very core of the idea on how to finance the projects. These involve: (1) official development assistance, (2) multilateral finance institutions, (3) international commercial lending, (4) export credit agencies, (5) private investment and operation and (6) community initiatives.

All these schemes assume a mutual public-private partnership. But since water in this context is treated as a commodity, the market logic would easily undermine the water sector itself. Public and private partnerships would mean reinforced privatization.

A quick analysis of Camdessus' proposal shows that if those schemes are to apply, the main thing imposed would be opening up the water sector with schemes 1, 2, 3 and 4, so that the private sector would be able to take over in schemes 3, 4, 5 and 6. Again, the classic arguments would be that the state has been comparatively inefficient, ineffective, bureaucratic and corrupt.

The argument that the private sector would reduce the price of water because of competition -- the main themes of b, d and g -- fails to recognize that the real competition is absent. What is present is the concession among private players to share the market, such as in the main themes of c, e and g.

To understand this proposal one has to seek the answers rooted in the General Agreements on Trade in Services (GATS).

In GATS, all public services -- communication, water, health, energy, transportation, education, housing and tourism -- are treated according to market rules. Here lies the fundamental problem, as not all such services are commercial.

Water, health, education and energy are essential to life.

Minister of Settlement and Regional Infrastructure Soenarno said Indonesia had won a US\$15 million debt-for-nature swap from Germany during the Kyoto forum. This was part of a \$321.89 million debt-for-nature swap that Indonesia was seeking from Germany, France, Canada, Italy, Spain and Finland during the forum.

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The debt swap is to be used to assist water-related projects, such as environmental conservation and food security programs. In particular, it is to be used for coping with water pollution in Garut, West Java and in Pekalongan, Central Java, rural irrigation development and the improvement and rehabilitation of ground water pumps in several other regions.

We should welcome this achievement in securing the debt swap, but this is just one aspect. The biggest loss for common people is that Indonesia will be opened up to private sector management of water resources. This was done without the government putting up any defense, as if there were no other alternatives to privatization.

The key alternative would be public participation, in addition to transparency and accountability of water resource management for the sake of efficiency. The most important principle is that people should not be treated merely as consumers of water -- and that water provision is the role of public agencies, such as the government and state-owned firms. Low public confidence in these agencies is understandable given their lack of transparency, and accountability and widespread corruption so far.

Yet there are alternatives to privatization. There are successful cases of people's participation in water resource management in Porto Alegre and Cochabamba of Latin America, and in Bangladesh and Ghana. Local examples include the provision of water in communities along the riverbanks of the Sungai Serayu, which flows through Central Java, or the model of the Subak traditional irrigation system in Bali.

As such, we can understand the words of the activists as they shouted at Camdessus, "Water is for life, not for profit!"

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