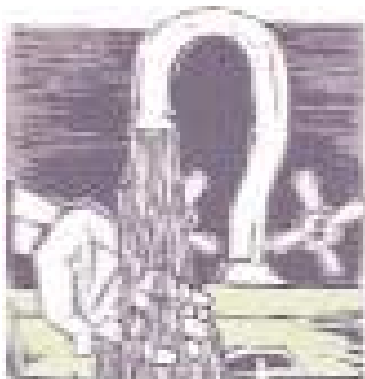


Defend the Global Commons

Water is Life! Safe and Affordable Water is a Human Right!

Reports from Organizations Around the World Defending Water as a Common Resource

Why a World Water Forum, and Who is it for?



Newspapers, radio and television stations are all paying careful attention to the 4th World Water Forum (WWF) scheduled to take place in Mexico City on March 16-22, 2006. The World Water Forum is organized by several pro-privatization groups such as the Global Water Partnership and the World Water Council. The political agenda of the World Water Forum is quite clear when you look at the businesses, institutions and governments on the boards, councils and committees of these various organizations. The World Water Forum is dominated by corporate interests, powerful northern governments, and international institutions such as the World Bank and the International Monetary Fund.

Since its first session in 1997, the WWF has been a major vehicle promoting multinational water corporations and “public-private partnerships” as the preferred solution to the global problem of lack of access to clean and affordable water. The registration fee of US\$600 blatantly exposes the disregard for ordinary citizen participation at this event. A growing number of water activists have been challenging the WWF since its first meeting in The Hague in 2000, followed by a larger number at the WWF in Kyoto, Japan, in 2003. There, wearing bright blue headbands that said “Water Is Life” in several languages, water activists challenged the proposals being put forward by CEOs of 22 corporations. Now, a convergence of Mexican and international water activists are preparing again to challenge the World Water Forum in Mexico City. A very large program of parallel events has been planned. A few of the major events are listed below.

The “Mobilization in Defense of Water” will take place on March 16 and will bring together farmers, indigenous organizations, human rights groups, NGOs, consumer groups, the urban popular movement, trade unions and many others to protest and defend the human right to water, challenge the privatization agenda of the WWF and celebrate water as the source of all life.

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The “Foro Internacional” on March 17-19 will provide space for panels, workshops and strategy sessions that will bring together representatives of organizations defending the right to water from around the world to exchange ideas, build alliances and coordinate strategies for the future.

The “Latin American Water Tribunal” will take place from March 13-20 and will provide a space to hear major water cases from across the continent implementing the courtroom tools of documented evidence, judges, juries and verdicts.

Please join us!

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The World Water Fora Overview

Prepared by Sonia Davila Pobrete

1st WWF in Marrakech, Morocco, March 21-24, 1997

250 international water officials. The WWC* developed "Vision for Water, Life, and the Environment in the 21st Century." The New Water Management Policies developed.

2nd WWF in The Hague, Holland, March 17-24, 2000. Theme: From Vision to Action
5,700 participants; 114 Ministers at the Ministerial Conference and 32,500 Expo visitors. The WWC developed the World Water Vision and the WWA developed the Plan of Action.

Ministerial Declaration with identification of challenges and government commitments. The World Vision and regional Action Plans were presented, to implement Integrated Water Resources Management (IWRM)

3rd WWF in Kyoto, Shiga, & Osaka, Japan, March 16-23, 2003. Theme: Bringing the Vision into Concrete Actions

24,000 participants; 130 Ministers at the Ministerial Conference, 1,000 journalists, 225,000 Expo visitors and 5,300 at the Virtual Water Forum

Supporting Millennium Goals

Presentation of documents:

- 1) Report for water development
- 2) World Water Actions
- 3) Financing water

Fundamental evaluation of private investment in water and review of the economic resources used to establish IWRM or privatization.

4th WWF in Mexico City, Mexico, March 16-24, 2006. Theme: Local Actions for a Global Challenge

It's estimated that 15-20% will be civil society groups that have given a presentation at one of the 580 accepted roundtables worldwide. The result is yet to be seen, but organizers' goal is:

To take the international obligations outlined in the "World Water Vision" and translate them into concrete actions.

Local actions are discussed, not as something that merits government attention, but instead in order to share experiences in implementing IWRM policies at a local level and to evaluate the results of water privatization.

*World Water Commission. **World Water Association

Source: with modifications from: www.cna.gob.mx page visited March 22, 2004.



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What Kind of Internationalism?

Dale T. McKinley, Coalition Against Water Privatisation – South Africa

Without doubt, the last decade of people's struggles around the globe has been witness to a welcome expansion and intensification of progressive internationalism. With a few notable exceptions however, the character of that internationalism has continued, more often than not, to be framed by the historically uneven distribution of financial resources and differential forms of organization between those struggling against the negative impact of globalization and privatization in the North and South.

While recognising that large-scale gatherings against water privatization and its devastating consequences have taken place on a fairly regular basis in the North, the reality is that progressive forces in the North are dominated by campaigning movements, solidarity networks and NGOs. Conversely, the vast majority of struggles in the South were born out of mass (social) movements of the poor at the very point of a globalized oppression. The kind of internationalism 'produced' has, in the most practical of ways, reflected this reality.

In practical terms, mass-based organizations of the poor in the South, possess far fewer financial resources than those predominately located in the North that network, train, visit with, offer solidarity to, research or sponsor them, and use most of the few resources they do have, on mobilising for, and meeting, the direct needs of their constituencies. The continuing result has been a kind of 'internationalist dependency by default,' in which the financial resources and geopolitical positioning of solidarity networks, campaigning movements and NGOs in the North effectively 'call the shots.'

Nowhere is this more apparent than in relation to the plethora of 'social forums,' solidarity conferences, networking meetings and occasional 'anti-globalisation' marches that have taken place over the last several years across the globe. Those who are invited or able to participate using their own resources are overwhelmingly those from the North, those from Northern-funded NGOs based in the South and a handful of grassroots activists from the South who have close ties - especially financially - to progressive NGOs and movements in the North.

In other words, internationalist gatherings designed to take forward the global struggle against water privatization are, in reality, not that internationalist after all. This unevenness is compounded further by the heavy reliance on electronic communication, which presents severe limitations for most constituencies of mass movements of the poor in the South, specifically in terms of democratic/inclusive participation.

As an example, the upcoming World Water Forum and the associated, parallel gatherings will, once again and for the most part, witness the mass movements of the poor from Africa and Asia watching from the sidelines, only to be asked to 'come on board' networks and campaigns already decided upon, when needed.

How can progressive forces expect to seriously challenge water privatization if the struggle itself is riven with commodified relationships. Our struggle means struggling for equality - and that can only come about through a redistribution of opportunity and resources. Our movement should take a serious look at how financial resources are used in order to create new opportunities for increased solidarity, experience sharing and knowledge accumulation amongst the poor and oppressed. That's the kind of internationalism we need.

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STOP THE MADNESS

Another World Water Forum is under way this month in Mexico City. This event will reiterate the flawed idea that the World Water Council has the legitimacy to host a global decision-making process. In reality, the World Water Forum represents another round of exclusion of civil society - although the forum was never meant to be representative. The event's image was severely damaged in 2003 when the 'Water-Warriors' challenged the privatization consensus in an unprecedented show of grassroots power. In Mexico, look to the streets to see the real show of power in the water movement, not the 'official forum' itself.

Meanwhile, another case has entered into the International Court of Settlement of Investment Disputes (ICSID) - Tanzania vs. the British corporation Biwater. In Bolivia the ICSID case was settled. These cases underscore the inherent inequality and power of water corporations when a contract is unfulfilled. However, the settlement in Bolivia shows that corporate power can be challenged by people who, on the surface, appear powerless. But we are not!

It's time to change the power game, it's time to scrap the inequality in our trade disputes and hand power back to true representatives and civil society in order for them, not far flung unrepresentative bureaucrats or corporations, to make the decisions for our water future.

On behalf of the editorial committee, Maj Fiil - Food & Water Watch - Water for All

Defend the Global Commons is available on the Internet on www.foodandwaterwatch.org in four languages: Spanish, English, Portuguese and French.

If you have updates or comments for the next newsletter please contact us on water@fwwatch.org.

Blue Gold Turns to Lead for RWE

Chetan Talwalkar, Lexington, U.S.

Wall Street's visions of 'Blue Gold' are drying up. Last November the German conglomerate RWE put its flagship water companies, Britain-based Thames Water and U.S.-based American Water, up for sale.



RWE had spent billions globally buying water utilities, including high-profile deals for Thames Water in 2000 and American Water in 2003. American Water is the largest private U.S. water company; Thames is the third largest in the world.

RWE's international water business never became profitable fast enough. To boost profits, RWE cut jobs and loaded customers with rate hikes (\$148 million in the U.S. alone), sparking fierce local resistance. The chance to make more money selling gas and electricity in Eastern Europe finally convinced RWE to liquidate its water arm.

Now that RWE's water utilities in 20 U.S. states are for sale to the highest bidder, concerned residents from Felton, California, to Lexington, Kentucky, and across Pennsylvania are asking, "If we don't buy it, who will?"

Large "institutional" investors like insurance companies, pension funds, or investment funds like the Carlyle Group have been mentioned. RWE says it may instead list American Water and Thames Water on a stock market and sell off their shares in an "initial public offering" (IPO).

To understand why RWE's sell-off is being so closely watched, consider the case of Wessex, UK, which privatized its water utility to a dashing U.S. suitor named Enron. When Enron went bust, the Wessex water utility was sold to a Malaysia-based, Chinese-owned construction company.

Enron sold its US water business to RWE.

Rampant corporate misbehavior, the corruption and incompetence that dog private water companies in particular, and the unexpectedness of RWE's sale of American Water have convinced people across the political spectrum that the invisible hand of the market should not be trusted with our water supply. We are joining together to demand local control over the lifeblood of our communities.

You can reach Chetan Talwalkar on ctalwalkar@yahoo.com

Take Action!

Now is a critical time for us to shape the future of public water services in the U.S. When RWE announced its plans to sell American Water, cities and towns affected by the sale announced their plans to restore local ownership and democracy to their water services.

You can make a difference at this critical time, and it's easy:

Go to www.foodandwaterwatch.org, add your name to the petition, and take action.

If you live in an area currently served by American Water, contact your mayor's office to demand the city have a say in the fate of its own waterworks. Let us know how they respond! Email us on water@fwwatch.org

Want to know where American Water is active? Email us at water@fwwatch.org or call us at (+1)-202.797.6556



Thanks for your important work,
Victoria Kaplan
Water for All Campaign Organizer,
Food & Water Watch

P.S. Many communities are already taking leadership in the movement for local control! With the support of citizens' groups like Bluegrass FLOW, the mayor of Lexington, KY appointed a committee to negotiate with American Water on behalf of the city. In Illinois, the cities of Urbana, Champaign,

Pekin and Peoria are pursuing a joint purchase of Illinois American Water. Citizens and community leaders in Monterey, Felton and Wikiup, CA are moving towards local ownership. In Charleston, WV, Mayor Danny Jones continues to fight for local control, as does Mayor Ron Littlefield in Chattanooga, TN. Join them by taking action at www.foodandwaterwatch.org!

In a Perfect World: Guiding Principles for Water Management

David Hall, Public Services International Research Unit



The history of public development of water services is a history of political will to provide a universal service, regardless of income. Public water involves the resource of water itself, labor to provide the service, and finance to pay for it.

Water itself is public in the most basic sense - it is a common resource for all, and should not become a private commodity. It means sharing resources through public and democratic methods - and resisting so-called 'water rights,' which give private individuals the right to buy and sell water.

Any form of water supply involves labor - the family labor of women, children and men who carry it, or the paid labor of workers who build and maintain piped networks. Public water systems should employ workers on proper pay, working conditions, and security, and provide the training necessary to develop the work and the workers. The knowledge of water workers is itself a public good. Water workers unions should be expected to defend their members' rights and also to defend the public service.

Building and running water supply should be paid for according to the principle of fairness and ability to pay. Investments to improve and extend water systems should be made by using public sector finance - taxes and borrowing, through government or municipal bonds and loans - repaid through progressive taxes so that the rich pay more. User charges should be based on the same principle of progressive fairness, and ensure that the poor never lose their water supply as a result of poverty. Communities may choose to develop local systems based on cooperatives or community organizations, and to use microfinance, if the public authorities and public finance system is less trusted. Piped networks are natural monopolies, and private companies should never be allowed to exploit them for profit.

Public water services are a social and economic commitment by the community to provide water for all. They have to be accountable to the public, for what they use and spend, for what they achieve, and for how they behave. They have to be rooted in public planning, open to participation by all, with every document and every financial transaction open and available.

International aid should be based on solidarity, not to exploit commercial opportunities. Financial and technical support should be available in response to demands from developing countries, not imposed as projects and policies of richer countries or international financial institutions.

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Colonization of Water Rights on Guam

Sabina Perez, Water Rights Campaign Coordinator

The study of the latest struggle against privatization of water in Guam reveals that the presence of continuing U.S. control or influence, both direct and indirect, is impacting water policy in Guam.

Chamorus, an indigenous population in Guam, have relied upon local, decentralized sources such as natural springs, ponds, rivers, and catchments for a greater part of the 4,000 years of living in Guam. That relationship to water was drastically altered with the discovery of an abundance of groundwater and the subsequent development of a centralized water system initially built by the U.S. military to meet their water demands for military bases.

Fifty years later, this centralized system is collapsing due to improper upkeep. In 2002, the U.S. Environmental Protection Agency sued Guam and the subsequent consent decree required upgrades that have been projected to initially cost \$212 million. The consent decree stipulated a U.S. takeover of the water system in the event that local

authorities fail to complete the overhaul by 2007.

The consent decree has made Guam Waterworks Authority (GWA) vulnerable to privatization. The cash-strapped Guam government, strong pro-military and pro-privatization Guam Chamber of Commerce, the demonization of GWA by mainstream media with ties to the Chamber, and political leadership adopting the Chamber's mass privatization agenda, have been the obvious driving forces behind water privatization on Guam.

The promotion of military build-up by the local elite has come to fruition in the post-September 11th militarization of the Asia/Pacific region. The water system improvements due to be completed in response to the consent decree and funded by a \$104 million revenue bond is perfectly timed with the expectant influx of approximately 6,000 Marines. Meanwhile, the residents of Guam are bracing themselves for increases in water rates of at least 40% to repay the 30-year loan, which was quickly rushed through the Republican-controlled legislature.

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The Red VIDA (Inter-American Vigilance for the Defense and Right to Water) was founded in August 2003 when 54 organizations from 16 countries across the American continent met in San Salvador to launch a hemispheric campaign to defend water as a public good and fundamental human right. The following reports represents some of the struggles of the Red VIDA.

We Can Take Back the Commons!

Claudia Lopez, activist, Water and Gas Coordinating Group, Bolivia

Our perspective is that this victory, similar to the victory in 2000, is internationally significant because the secret courts and the corruption of the World Bank have been defeated. These entities assault and rob people worldwide, and never before have the solidarity and struggle of the social organizations - the true courts of justice - successfully defeated these corporations and entities.

Press release of the Committee for the Defense of Water and Life, on the day Bechtel signed an agreement with the Bolivian government.

In 2001, Bechtel and Abengoa sued Bolivia for US\$50 million using a World Bank body called the International Centre for the Settlement of Investment Disputes (ICSID). On Jan. 19, 2006, representatives from Bechtel and Abengoa traveled to Bolivia to sign an agreement to drop the ICSID lawsuit, and in exchange would be paid only a symbolic amount of 2 bolivianos (30 cents) per share.

This victory against Bechtel is historic, and was achieved through social pressure and the organization of a regional movement that started with the water wars in 2000. The water wars lasted more than six years, during which more than 300 organizations from 43 countries united in solidarity. Together, this coalition used their solidarity to put pressure on Bechtel to drop the ICSID case that was being imposed on the Bolivian people.

After the Bechtel left in 2000, Bolivian lives began to change, especially in Cochabamba, because the struggle in April of that year demonstrated to everyone that unity and strong organization really could overcome the interests of transnational companies.

The fight ignited by the Bolivian people is an example that

The Struggle Against the La Parota Project
Agnieszka Raczyńska, Centro de Derechos Humanos "Fray Francisco de Vitoria, O.P.", A.C. and Claudia Campero Arena, Coalición de Organizaciones Mexicanas por el Derecho al Agua, Mexico

The construction of the hydroelectric dam project "La Parota" has provoked a struggle that has revealed numerous human rights violations. If the dam is built, 17,000 hectares will be flooded, including cultivated land, roads and bridges. This land is home to 21 communities and 25,000 people would be displaced. Through a covert and hidden process, the authorities have named illegal assemblies, bought votes to favor the dam; polarizing and isolating the communities in the area. The authorities' actions

The fight in 2000 first began because Bechtel was imposing water laws that destroyed the "customary uses and practices" of people in rural areas. They were threatening local traditional agriculture practices, and community traditions that were passed down from prior generations. Rural residents organized through the federation of irrigation, sending out alerts and organizing together with city residents to form a large and diverse conglomeration of people. The group became the "Coordinadora del Agua" (Water Coordinator). The people said, "enough!" and with the April demonstrations, the organization and solidarity of the whole town made it possible to throw out Aguas de Tunari (Bechtel). The private company had begun applying its privatization politics by raising water rates in the city and appropriating water wells in the rural areas. The policies of the new company further required Cochabamba residents to pay exorbitant prices for water, far out of their reach.

the people can go against the privatized companies and fight against the interests of transnational companies. For the Bolivians, this opened a large door of hope, showing that although the recuperation of public goods is difficult, it is not impossible.

The inherited wisdom from our culture and the strong sense of unity and solidarity amongst the people, made this triumph possible. This triumph is not just Bolivian, but belongs to all towns that are mobilized to protect what nature provides for us, that are struggling to protect Mother Earth, which we call Pachamama, the land which offers us water, food, life and protection.

The global commons, things such as water, natural gas, and petroleum, should be for the pleasure and enjoyment of all. Water is a vital element for life, and although it contains many substances and live beings, it is transparent and so should its use and management be transparent.

You can reach Claudia on cklopez@gmail.com

have resulted in three assassinations, three serious injuries, and seven imprisonments. The community members' rights have been continuously violated including rights to access information, consultation and participation in the decision-making process. Also at risk are the human rights of these communities to life, health, work, food, the environment and sustainable development. The construction of the mega-dam is strongly questioned due to its exorbitant ecological and economic costs. A diverse group of organizations have joined this struggle and many locals from the area are now more united than ever to demand the deserved right of the communities affected.

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In Honduras, the Defense of Water is a Patriotic Duty

Erasto Reyes, Red VIDA/ Popular Bloc/SPS, Honduras



The inequality in water distribution in Honduras is another burden carried by the poorest – people the politicians only remember when they seek votes. In the poorest households each day is a struggle to bring home water to meet the most basic needs.

In the poor neighborhoods of Tegucigalpa, San Pedro Sula, Progreso as in other cities, families fall farther

into debt to pay for basic water. The poor buy their water supply from the street vendors who make a lucrative business from their sales. The water vendors get water from the taps of SANAA, the main service operator in the city, that sells it to them at 2.5 Honduran cents (*centavos*) per gallon. The water vendors serve some 100 communities in the marginalized outskirts of the city where the households don't have piped water in their homes due, in part, to the difficulty of installing pipes in their communities, since their shacks have been built on steep foothills bordering the capital city. 500,000 people live under poor conditions, and they invest a large part of their incomes in water.

The water vendors, due to a lack of regulation, sell a barrel of water at whatever price they want. There are marginalized communities where they sell a barrel of salt water for 13 *lempiras* and a barrel of fresh water for 15 *lempiras* (almost one US dollar). This is a highly inefficient way of supplying water, and the poorest people are forced to use it due to the shortcomings SANAA. Residents in these communities say that many times they have to decide between buying a barrel of water or a pound of beans to feed their large families.

Loan Commitments of the IDB and the Privatization of Service

For the residents of San Pedro, Phase I of the Municipal Development Program of the Inter-American Development Bank (IDB) meant the privatization of water service in 2000, and of solid waste collection by the end of 2005. Presently we are fighting to prevent the national congress

from ratifying the IDB loan because it would mean financing the expenses of IDB officials. It means a debt of more than 650 million *lempiras* (US\$33 million) and the transfer of the municipal assets to the private corporation Aguas de San Pedro (ASP).

In San Pedro Sula, the ASP and the municipality "negotiated" the concession contract for running the Drinking Water and Drainage Service behind closed doors. The contract has a period of 30 years with the possibility to extend it for 10 more years, permitting the transnational to obtain assets worth more than 1.6 million *lempiras* (US\$81,000). In addition, the contract contains a series of harmful clauses such as job cuts and reduced power of the union. Furthermore, the contract protects ASP from inflation and devaluation with extraordinary adjustments to protect profits. It also authorizes ASP to increase water rates by 20% in the third year of operation, starting from Feb.1, 2001.

For the people of San Pedro, the privatization of water has failed them with bad service, water contamination, high rates, worse drainage, corruption, and violation of our sovereignty and national constitution. In communities like Cofradía, El Ocotillo and Chamelecon, residents have documented the contamination of water with fecal material. In addition, the ASP has not extended the coverage of the drinking water and sanitation distribution network to areas that should have been covered by Feb. 1, 2004. The privatization has meant that the water in San Pedro Sula is no longer a national good of social, economic, or public character; rather it has meant that only those who can pay for the service can have access. The public discontent has grown to the point where people are calling the company SAN PEDRO ASSAULTS.

The people's struggles cannot be made to wait and are underscored by the actions of the people of Cofradía, Chamelecon, El Ocotillo, La Pradera, among other barrios, colonies, villages, and communities of San Pedro Sula. These communities condemn privatization and are looking for a way to make water a public, rather than a private, good. They have also set as goals the reversal of the privatization process and the conversion of the service to a socially responsible system of distribution.

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Stop the Destruction of the Wetlands in Colima

Gabriel Martínez Campos, Bios Iguana A.C., Mexico

Colima is the smallest state along the Mexican Pacific Coast, consisting of approximately 157 km of coastline, 70% of which is coastal wetlands, some aquatic zones, and both temporary and permanent flooded and swamped lands. There are also approximately 3,467 hectares of mangroves. Every year, approximately 50 hectares of mangroves are permanently lost due to changes in the use of the land. To defend these ecosystems, Bios Iguanas A.C. promoted educational events about the environment, how it benefits all of us, and how community management is a good solution. Bios Iguanas, AC has also promoted the development of scientific knowledge and analysis of the wetlands and the use of legal instruments and environmental law to demonstrate the importance of wetlands conservation.

For about two years we have tried to put the brakes on a port development in Manzanillo that will impact 100 hectares of wetlands and destroy 30 hectares of mangroves in order to construct concrete docks for container cargo in a zone of high biological diversity called Laguna de San Pedrito.

There is also an ambitious harbor development plan with high impact and risk that would be installed in the Cuyutlán Lagoon, the most important coastal lagoon in the region. The development would combine the established thermal-electric plant, a liquid natural gas (LNG) plant, and a natural gas plant (is that significantly different from the LNG stuffYES) (the biggest in Latin America), another terminal port and a complete network of industrial installations. The network also includes an entire system of gas pipes and railway terminals. This development is moving forward without the necessary environmental impact and risk studies that help prevent the destruction of the water cycle and the functioning of biological and ecological systems. For this reason, Bios Iguana took legal action against the developers and the irresponsible government authorities who authorized the project without sufficient technical and legal certification.

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Popular Sovereignty Versus Water Corporations

REDES (Friends of the Earth), National Commission in Defense of Water and Life and Red VIDA, Uruguay

Suez remains in Uruguay even after the Constitutional



Reform in defense of water was approved in October 2004, supported in a popular referendum by 64.7% of voters. Due to the political pressure exercised by the corporation that is

exploiting the water service in the department of Maldonado, Suez has stayed, represented by its subsidiary Aguas de Barcelona know as Aguas de la Costa.

By agreeing to let the transnational water companies stay, the government of Uruguay capitulated to the threats by Suez and Aguas de Bilbao to bring lawsuits before the World Bank's International Centre for Settlement of Investment Disputes (ICSID). Suez and Aguas de Bilbao protected themselves through the Bilateral Investment treaties between Uruguay and the European countries where these companies are based (France and Spain, respectively). Fearing the lawsuits, the government issued an unconstitutional decree that allowed both companies to remain in Uruguay.

However, on October 2005, the contract for the company URAGUA—a subsidiary of Aguas de Bilbao—was cancelled, and the government is currently negotiating the termination of the Suez contract with a proposal to purchase their shares in Aguas de la Costa.

The debate over the de-privatization of water services, established by the 2004 Constitutional Reform, has overtaken the discussion of a new model of water management in Uruguay that should be public and based on the principles of participation, social control and sustainability.

The Red VIDA (Inter-American Vigilance for the Defense and Right to Water) was founded in August 2003 when 54 organizations from 16 countries across the American continent met in San Salvador to launch a hemispheric campaign to defend water as a public good and fundamental human right. The following reports represents some of the struggles of the Red VIDA.

2002 Suez Go Home! 2005 Suez Left!

After 10 years of struggle against private water management in Santa Fe, Argentina and 3 years after the historic plebiscite where 256,000 citizens voted to terminate the Suez contract and replace it with an accountable public company and after many years of overcharging, contractual non-compliance, and a long history of bankruptcy, the model of private management has FINALLY ended!

Suez left but it was only after trying many different avenues that they conceded. Instead of defending the interests of consumers or the general public, Suez was protected by the blackmail of the judges in the World Bank court of ICSID as they searched for a variety of different angles to enable them to maintain contractual continuity through selling their shares to a third party. Initially they tried to sell their shares to Latinaguas, a company that provides services in the provinces of Corrientes, Salta, la Rioja, and that has entered into Peru, but was soon cast aside after numerous accusations made by consumer associations in these provinces and reported by the news media.

Later Grupo Engasud entered, a company with no experience in water and sanitation and whose only qualification was its connection to the National Planning Minister Julio De Vido. Later the possibility of Agbar, Aguas de Barcelona maintaining the technical operation of the service was mentioned, a company controlled by Suez and which currently holds 10.89% of the shares. Then there was the Grupo Taselli with infamous experience in dismantling businesses during the Menem administration.

It is worth mentioning that the alternative of a public buy-back or "municipalization" presented by various officials was systematically discarded as was the proposal by the 5th of September company created by the workers in the Province of Buenos Aires after the private company Azurix (Enron) initially withdrew.

The final chapter took place when the group made up of the Bank of Galicia, current financial operator with the business Ceramica Alberdi de Rosario, brought as a technical operator the company Passavant subsidiary of the German group Bilfinger Berger in the final stubborn attempt to try to continue with the failed private model.

This was the last unexpected twist trying to pass off the failed model as French perfume with a new German accent – a country by the way that has very efficient and well-organized water and sanitation services the majority of which have been public since the 19th century.

The information shared by Red VIDA, ACME, and other international organizations struggling against water privatization, were of immense value to analyze and critique the weakness of these proposals they were attempting to thrust upon our population after 10 years of Suez's failure.

On January 13, 2006 at the shareholder meeting of Aguas Provinciales de Santa Fe (Suez is the major shareholder) the decision was made to dissolve the company. Nobody in the 15 areas where the Suez concession operated bemoaned the departure of the company; it was obvious the battle had already been won. The government finally come to accept the failure.

We are now in the process of transition constructing a public company incorporated with shares from the provincial state, the municipality, and the workers. The governor has made a commitment not to transfer these shares to any private company for the next three years. And, as the Provincial Assembly for the Right to Water we are demanding that the future authorities of the public company commit to comply with a Bill of Rights for water consumers as a starting point for the process of recuperation after 10 years of disinvestments and mistreatment of citizens. The challenge is great but so is the conviction that we are going to achieve the public water company that we deserve.



Ghana's Water Privatization and Cronyism

The National Coalition against Privatization of Water, Ghana

On Nov. 22, 2005, Vitens (The Netherlands) and Rand Water (South Africa) signed a management contract with the Ghanaian government, promising millions in private investment into the water sector. We know now that that was a lie. The truth is that hundreds of millions of our public money – money belonging to the Ghanaian people – is being handed over to the control of multinational companies worth billions. The poor and thirsty of Ghana are being forced to invest their scarce finances in corporations that are already so rich and big that their national markets have become playgrounds that are too small for them.

The real truth of what the management contract is all about is in the actual provisions of the contract.

A management fee of about €10million (108 billion Ghanaian cedis) will be paid to a maximum of 12 expatriate staff (i.e. General Manager plus 'specialists'). But 1200 retrenched Ghanaian water workers only received a total paltry severance package of \$10 million, leaving behind a rump of aggrieved, demoralized workers with uncertain futures, money paid for by a loan from the World Bank to which ordinary Ghanaians must pay debt service. For the reward of staying, the remaining workers will face a new round of mass lay-offs within 18 months. Meanwhile the multinationals, "its sub-contractors and their foreign personnel shall be exempted from paying Taxes." (clause 6.7.1.).

In the same way that the pro-privatizers want us to believe that private management does not add to our foreign exchange burdens and to the un-sustainability of the water sector, they also tell us that it will have no impact on tariffs. Technically, it is true that the private operator cannot unilaterally raise tariffs. It can only apply to the PURC for a tariff adjustment.

But this is primarily a 'paper procedure.' In the first place, the political problem of tariff adjustment has been taken care of by the introduction, on the insistence of the IMF and multinational water companies, of an "automatic tariff adjustment formula." The tariff is automatically adjusted when various indicators change, many of which – like prevailing interest rates and exchange rates - have absolutely

nothing to do with the level of efficiency or inefficiency of the water sector. This guarantees that tariffs are always set at a level that has built-in prices to ensure not only full cost-recovery but also a profit margin to attract private companies who would like to repatriate their profits abroad in hard currency.



Furthermore, we must remember that the multinationals has every interest in maximizing tariff revenue. They gain twice from this. First, they will be paid extra for increasing revenue. Second, it is this same revenue from which other performance bonuses will be paid. But also a full quarter of the operators' fee from year 5 (and inevitably an even bigger proportion in subsequent years), worth €500,000 (5.4 billion

Ghanaian cedis). Meanwhile, one of the major performance indicators for the operator is to reduce the numbers of non-paying water users. The logic is that a dwindling number of payers must provide a growing source of revenue. The only way to achieve this is to raise tariffs.

Indeed, while there are clear targets for reduction of non-revenue water (by at least 5% a year) there is absolutely no target for expanding services to the poor. The irony is that one of the ways to increase non-revenue water is to cut off those who are too poor to pay for water and therefore consume it without increasing the company's business revenue!

Moreover, the two corporations are not expected to expand the areas that are currently serviced by the water company (clause 3.1.1). Any planned expansion of the service area must be negotiated between the Ghanaian authorities and the corporations for an additional fee.

Since the contract signing and workers, layoff major cities and regional capitals in Ghana; Accra, Kumasi, Cape Coast, Tamale and Takoradi, have been hard hit with water shortages and cholera outbreaks claiming several lives.

The coalition has told the government, World Bank and Vitens-Rand Water management that we are committed in continuing the resistance to privatization. We will not allow Ghanaians to be used as guinea pigs the same way Biwater, donors and Government treated the people of Dar es Salaam, Tanzania.

Read the full analysis of the Ghana water contract on: www.foodandwaterwatch.org

Biwater Files Claim in Tanzania; NGO Launches Campaign

The Tanzanian Network of Non-Governmental Organizations (TANGO) launched a campaign against privatization at a successful rally in December 2005, which attracted over 500 people. After the failure of privatization in the capital Dar es Salaam, people are fighting back. The campaign challenges the government to secure access to clean and affordable water for all and demands that the public be included in working towards these goals. The privatization of water in Dar es Salaam was conditioned by the World Bank; a contract was signed with British Biwater and German Gauff Ingenieure in 2003. The 10-year lease came to an abrupt end in 2005 when the government canceled the contract after the companies failed to deliver on con-

tractual promises. In response, Biwater held secret proceedings in the British High Court and in November filed a claim for lost future profits (allegedly \$25 million, but proceedings are kept from the public) in the secret World Bank dispute court: ICSID (International Centre for Settlement of Investment Disputes). ICSID has apparent jurisdiction over the case in accordance with the bilateral trade agreement between Britain and Tanzania (yet another document kept from the public). Worse still, Biwater's investments were insured by the UK Export Credit Guarantee Department, so wherever Biwater seeks compensation on its inability to deliver the service, Tanzanians will end up paying the bill. This is the unhappy logic of our current global rule of corporate control - corporations can trample on people and nations, while governments, such as Tanzania, have little recourse.

Bottled up and tapped out



Why bottled water purity is a myth and reliance on bottled water is a threat

Exploiting the growing health-consciousness of consumers, some of the world's largest corporations have used extravagant advertising campaigns to convince people to pay exorbitant prices for water that is typically no safer than what pours from a tap at 1/1,000th the price. So that's a rip-off.

But the explosive growth in bottled water sales is not merely a clever marketing ploy conditioning consumers to pay more than they should for a product they don't need—Coke's version of the pet rock. Increasingly, the bottled water phenomenon depletes the world's already-stretched fresh water resources and degrades the environment through breakneck aquifer mining. And the more those who can afford bottled water depend on bottled water, the harder it is for communities to muster political and financial support for urgent upgrades to public water systems that most people depend on to provide safe, affordable water.

A lot of money...

A 1-liter bottle of water with a pretty picture of a mountain on the label can cost \$1 or more in a supermarket. One liter of water from a tap can cost consumers as little as one-tenth of a cent. The bottled water industry by some estimates does as much as \$10 billion worth of business each year.

...and a waste of money

Cash-strapped cities need to replace and expand aging, over-

burdened water and wastewater systems—and the cities are expected to fall about \$500 billion short over the next 20 years. Congress has been stingy, allocating just a little more than \$1 billion a year for water/wastewater systems. The rich often buy bottled water and ignore the decaying conditions of public water systems, leaving the disadvantaged to deal with their water source. All the money doled out for what often is no more than tap water in a handsomely packaged plastic bottle would be better spent guaranteeing safe, affordable water for all.

Bottled water is NOT safer

A landmark study by the Natural Resources Defense Council found approximately one-third of tested bottled water brands violated, in at least one sample, an enforceable standard or exceeded microbiological-purity guidelines. The most common contaminants were arsenic and synthetic organic carcinogens. The Food and Drug Administration regulates bottled water—IF the water is sold over state lines. That means as much as 70 percent of the bottled water sold in the U.S. is exempt from FDA regulations. In those instances where FDA regulations apply, the standards are not as rigorous as those applied to tap water by the Environmental Protection Agency. And the NRDC study found that testing of bottled water facilities was less frequent and less rigorous than regulatory monitoring of municipal systems. For instance, a city water system will test for coliform bacteria several times a day, while a bottling plant need only test for coliform bacteria once a week.

Bottled water often IS tap water—or worse

Not only are bottled water labels pretty, they can be pretty misleading. Approximately 25 percent of bottled water is merely tap water. Rules allow manufacturers to call their product "spring water" even if it has been chemically treated. In one case in the NRDC test, water from an industrial parking lot next to a hazardous waste site was marketed as "spring water" from a pristine source.

WELCOME TO FOOD & WATER WATCH

We are delighted to formally introduce ourselves as a brand-new consumer advocacy organization in Washington, D.C. Food & Water Watch is dedicated to protecting food and water through research, education, lobbying, e-activism and media outreach.



As a spin off from our former parent, the national non-profit organization Public Citizen, Wenonah Hauter, our executive director, and 12 former Public Citizen staffers moved into our new headquarters in early January 2006. This move was designed to help our existing campaigns expand with new resources to achieve the vital mission of protecting our food and water from increased corporate control, factory farming and privatization. Because we carried all of our institutional memory and knowledge with us on these issues, we are confident we can pick up where we left off at Public Citizen. We're the same team who helped develop these programs over the past eight years.

The Water for All Campaign will continue to work hard in fighting for the right to water for all people. We are devoted to maintaining the existing partnerships that we cultivated while at Public Citizen with other non-governmental organizations, journalists and citizens.

In the coming months, we have lots of exciting developments, including the launch of our new website, re-designed newsletters to keep you informed, and new and improved list-serves to keep you in the loop on all the news and actions taking place around the world.

Stay tuned to www.foodandwaterwatch.org for more details. If you have any questions, we'd be happy to hear from you. Email us at water@fwwatch.org.

We look forward to working with you!

