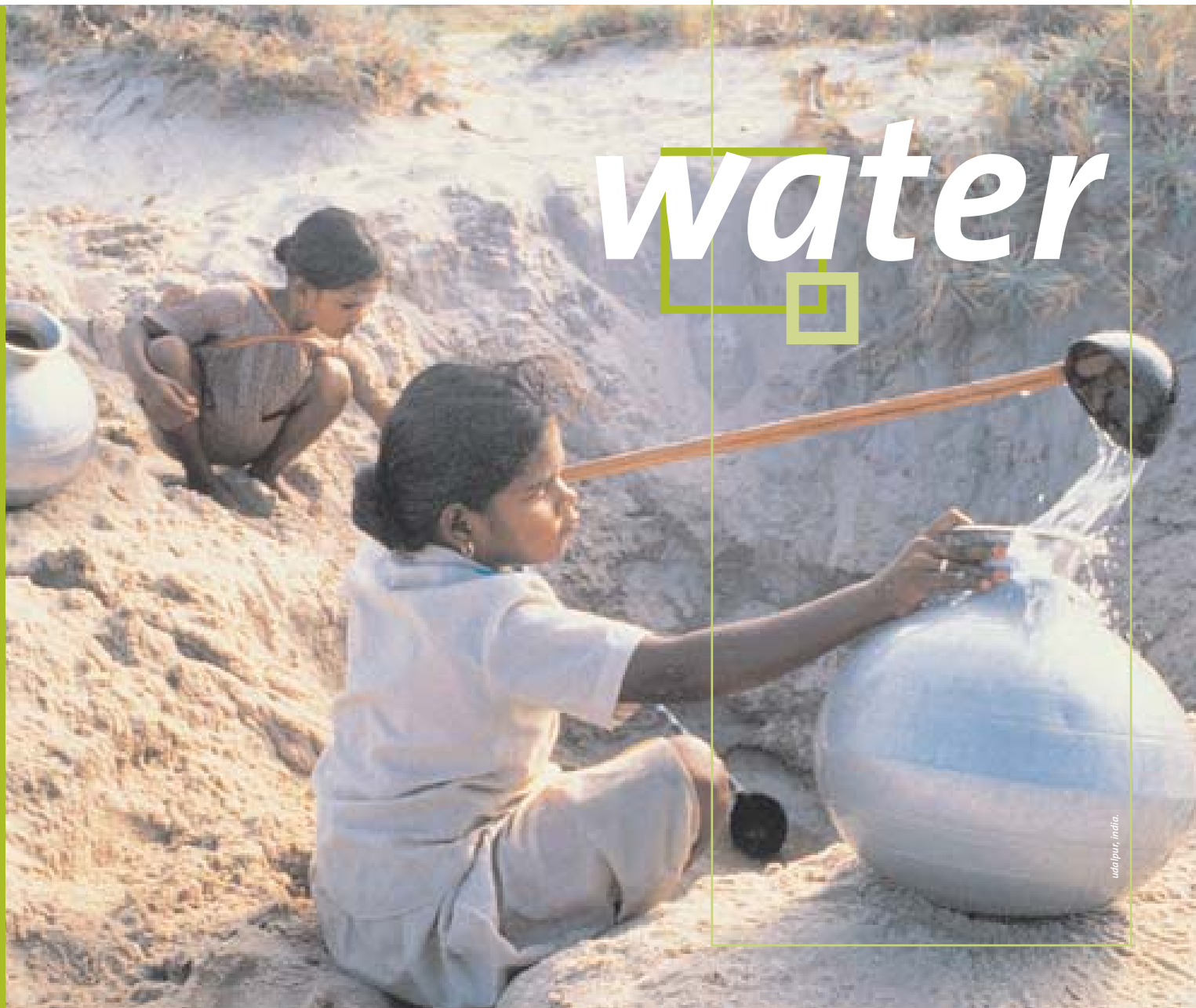


water



udaipur, india.

issue 102

water justice for all

global and local resistance to the control
and commodification of water



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the Earth**
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water justice for all

global and local resistance to the control and commodification of water

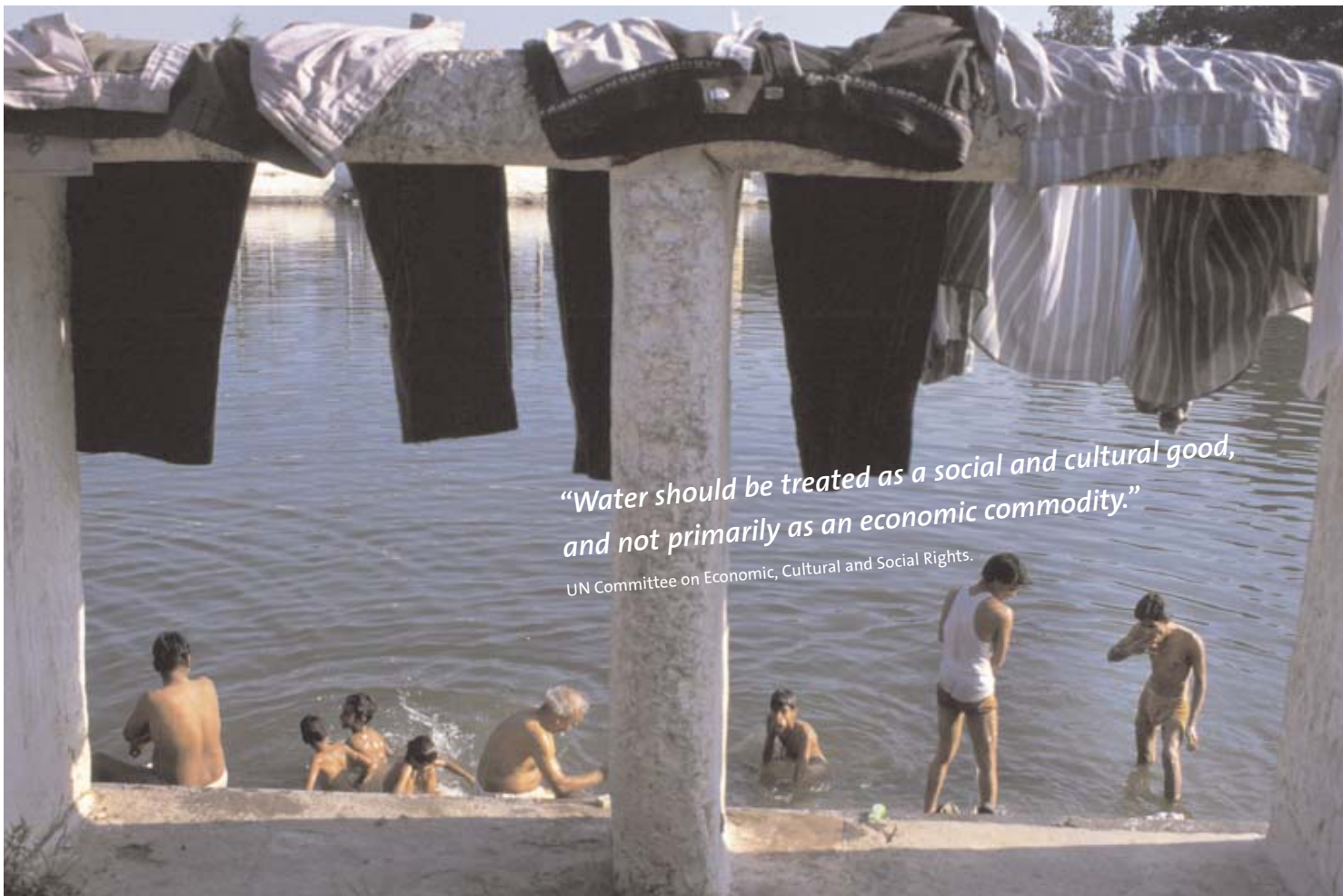
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*“Water should be treated as a social and cultural good,
and not primarily as an economic commodity.”*
UN Committee on Economic, Cultural and Social Rights.

water justice

hemantha withanage, foe sri lanka

Life on earth is utterly dependent upon water. The average human needs a minimum of fifty liters of water per day to drink, to cook with, to wash, for sanitation and to grow food. There are gross inequities in the way that water is consumed around the world. The average person living in the United States uses between 250 and 300 liters of water per day.

The average Somalian, however, lives from less than 9 liters per day. Not only is water scarce in many parts of the world, but it is often polluted or otherwise disrupted through human activities including large-scale hydropower projects, industrial and urban pollution, deforestation, pesticide use, waste disposal and mining. Global ecosystem transformations caused by climate change and desertification also impact the availability of water.

The privatization of water sources around the world is a growing problem. Water is a basic human right, and although water management in the public interest may be necessary, this vital resource should not be subject to ownership. International financial institutions, hand-in-hand with multinational water corporations, are paving the way by conditioning their loans to poor countries upon privatization promises. Trade treaties are helping by requiring countries to deregulate their water sectors and open them up to private investment.

The world's poorest people are desperately in need of water and sanitation services, but experience has shown that they are just further marginalized when their countries follow the corporate mode of privatization. Unable to afford connection to the services, they are condemned to using water that runs the risk of being contaminated.

Friends of the Earth groups around the world are fighting for water justice in various ways, reflecting their various environmental and political situations. Many are involved in the struggles against privatization, and are proposing new models based on collective, communal systems that respond directly to the needs of the poor. Others are focusing on reduction and reuse of water, and on restoring rivers and wetlands to a more natural state. In our campaigns for the sustainable and equitable use of resources, we are determined that water justice shall be served for people everywhere.



Friends of the Earth International delivered large quantities of "World Bank Springs" tap water bottles to World Bank President James Wolfensohn in September 2002, including a bill for US\$318 million, 25% of the World Bank's annual administrative budget of \$1.27 billion, and a rate comparable to the water rates charged poor Cochabamba residents by the Bechtel consortium.

world bank sucks water

foe malaysia



The World Bank and other international financial institutions play a key role in promoting water privatization around the world, in alliance with the multinational water giants and the trade agreements, promoted by industrialized countries, that pry water markets open for corporate access.

In many developed countries, including the United States, Japan, Germany, Sweden and the Netherlands, water is supplied by the public sector. However the World Bank is telling Malaysia and many other indebted countries to privatize their water utilities because our public sectors are incompetent. This means, in effect, that water users will pay the full costs of the operation and maintenance of these countries' water systems, increasing prices for people and creating opportunities for the global water giants to take control over our water.

In March 2000, the World Bank and the United Nations sponsored the second World Water Forum in The Hague, which was dominated by water and food transnationals. The Bank has also helped to spawn a bewildering array of front organizations on water, including the World Water Council, the World Commission on Water for the 21st Century and the Global Water Partnership (see page 10). These bodies provide a forum for making deals between major water companies, multilateral banks, UN agencies and NGOs. The Bank realizes that the concept of water as an economic commodity is still unpopular and politically unacceptable, and these strategic partnerships allow the water companies to disguise their economic motives as public interest objectives.

The World Bank and other multilateral and regional donors are powerfully placed to persuade governments to comply with privatization agendas, being the single most important source of loan finance for infrastructure investment in poor countries like Malaysia. They demand "public sector reform" — the privatization of state-owned companies — as a condition for getting loans. Some of the poorest countries in the world, including Mozambique, Benin, Niger, Rwanda, Honduras, Yemen, Tanzania, Cameroon and Kenya, have been forced to privatize their water supply under pressure from the IMF and the Bank. Ironically, most of these countries privatized as a condition for receiving credits from the IMF's new Poverty Reduction and Growth Facility.

Rather than reducing poverty, water privatization often means that the poorest families are no longer able to afford clean water. For example, in May 2001 Bank and IMF conditionalities imposed a 95 percent hike in water fees in Ghana, doubling the average price for a bucket of water.

Although the World Bank claims that it aims to "reduce waste of this vital resource", privatization may lead to greater water wastage. In 1996, a World Bank team led by John Briscoe, now the Bank's senior water advisor, criticized leakage levels of between 1 and 5 percent in Germany's public sector for being too low. According to his report, water should be allowed to drain away if the cost of stopping the leak is greater than the price for which it could be sold at a profit.

The Bank's insistence that "water must be treated as an economic good" means that if you are rich enough, you can use water as wastefully as you like. For the poor, however, access to water for even the most basic of needs will be a daily struggle.

Water protests during Johannesburg Earth Summit in September 2002.



thirst for profits

are major corporations fit to deliver water to the world? | [foe united states/foe england, wales & northern ireland](#)

An astonishing one billion people worldwide lack access to clean water, while global consumption of water is doubling every 20 years - more than twice the rate of human population growth. In short, the world faces a major water crisis.

Increasingly, multinational water corporations are asserting that they can provide the answer to the world's water needs by delivering new investment to extend services and networks, and to improve quality. Yet in recent years, the rapidly rising level of private investment in water services in both developing and developed countries has been accompanied by an alarming number of incidents involving corporate malfeasance and irresponsibility. Worse, it has often led to rising charges that effectively exclude the poor, even where water and sewerage networks have been extended. Rarely have markets been regulated tightly enough to promote public needs. And the water companies have lobbied hard, often through powerful lobby groups, to open up the water market and to have international rules adjusted accordingly.

International financial institutions - including the World Bank and IMF - have supported the expansion of these companies' operations globally by pressing countries to privatize their water service systems as a condition for loans and debt restructuring. The World Trade Organization has also recently begun negotiations to liberalize water services under the General Agreement on Trade in Services (GATS). Meanwhile, investment treaties are being used by water corporations to try to force governments to compensate them for failed water privatization schemes, and similar investor rights rules are being written into new trade agreements such as the Free Trade Area of the Americas (FTAA). Services and investment negotiations could cement privatization in those countries that have been forced to privatize their water and also require countries to deregulate their water sectors.

The world of privatized water is overwhelmingly dominated by two French multinationals: Suez (formerly Suez Lyonnaise des Eaux), with US\$9 billion of water revenue in 2001, and Vivendi Universal, with \$12.2 billion of water revenue in 2001. Both are ranked among the 100 largest corporations in the world by the Global Fortune 500, and between them they own, or have controlling interests in, water companies in

over 100 countries and distribute water to more than 100 million people around the world. Other major corporate actors include German water giant RWE and its British subsidiary Thames Water, and US-based Bechtel, which is promoting privatization plans in South America. Another major player, Enron, has recently withdrawn from the scene.

Graffiti in Johannesburg, South Africa.



bribery, high prices and pollution

The major water companies are being given increased access to and control over water markets, yet their record has been troubling on many fronts. Bribery has been endemic to the industry. For most of the past decade, French magistrates have been investigating allegations of corruption against executives of Suez and Vivendi. On three occasions, water executives have been convicted of paying bribes to obtain water contracts in France. The ability of such firms to serve the public interest, rather than being driven to maximize short-term returns to shareholders, is highly questionable

Major controversies have erupted over high prices charged by water corporations. Before privatization, poor households without connections often pay high rates for small amounts of water from tankered or carted supplies. But privatization often dramatically increases the charges faced by those with main water.

In Cochabamba, Bolivia, rates reached as high as 25 percent of household income for some poor residents (see pages 15-16). Since 1993, Suez has been the major partner in the privatized utility supplying water to Buenos Aires' 10 million inhabitants, one of the largest water concessions in the world. According to the first independent study of the utility, prices were raised by more than 20 percent after privatization. The study reported that many poorer families could no

longer afford to pay their water bill. Privatization contracts also tend to exclude alternative suppliers, such as informal aguateros, who could otherwise offer a competitive service sensitive to local needs as seen in Santa Cruz and in parts of Paraguay.

Major water multinationals have also committed serious environmental violations and have failed to provide adequate or sanitary water supplies: Suez, Vivendi, Thames Water (RWE) and Wessex Water (Enron) all were ranked among the top five polluters by the UK Environment Agency in 1999, 2000 and 2001. In Buenos Aires, where Suez operates the major water concession, 95% of the city's sewage is dumped into the Rio del Plata River, causing environmental damage that must in turn be paid for with public funds.

Multinational water companies are being handed increasing control of the world's water. International financial institutions continue to promote these companies' expansion internationally, and international trade agreements will enable the companies to have even greater influence over the water sector. Yet the major water companies have thus far placed private profits before public need, and the international financial and trade institutions have failed to ensure that water privatization schemes will not harm people and the planet. A significant shift in water policy is needed to protect the poor and the environment.



gats

greater rights for water multinationals | alexandra wandel, foe europe

Over one billion people lack access to safe and affordable drinking water, and 2.4 billion people are without adequate sanitation. Water is scarce, with some 31 countries currently facing water shortages and another 17 likely to be added to this list by 2025. This growing scarcity and demand has led many to believe that water may well have as important a role as oil in the 21st century, with the water market becoming as valuable and politicized as the fossil fuel market.

Like oil, water is also big business. The value of the global water and waste water industry is estimated as much as US\$800 billion annually. Currently, the corporate water giants are aiming to substantially increase their current revenues by lobbying the World Trade Organization to remove barriers to trade.

Within the framework of the WTO's General Agreement on Trade in Services (GATS), the European Union is pushing hard to secure greater market access for its water multinationals. The EU, under pressure from the corporate lobby federation European Services Forum, the two French water giants Suez (previously Suez Lyonnaise des Eaux) and Vivendi Universal, German multinational RWE and its British subsidiary Thames Water, is asking for global trade rules to be adjusted to the demands of these companies.

Within the framework of the GATS negotiations, the EU has targetted 109 countries, many of them least developed, in which they would like to see open markets for the collection, extraction, purification and distribution of bulk and retail water. Countries are being asked to commit to this commodification of their water resources by the end of March 2003. The EU has been accused of bullying countries into making commitments to open their water markets in closed-door bilateral negotiations.

Given the increasing scarcity of water in many communities, the proposed inclusion of water collection in the GATS raises concerns. Market access commitments could limit the rights of governments to restrict the amount of water removed from lakes, rivers and groundwater sources by private service operators. The resulting increased pressure on water sources could lead to sustained environmental damage.

Friends of the Earth Europe and many other groups have called on the EU to halt the GATS negotiations and to conduct an economic, social and environmental assessment before proceeding with further GATS commitments. Any services related to water extraction and collection must be clearly excluded from GATS obligations.

more information:

FoE Europe: www.foeeurope.org/trade/publications.htm

GATSWatch: www.gatswatch.org

FoE Australia: www.foe.org.au



Three Gorges Dam, China.

watery facts



- Available fresh water amounts to less than one half of one percent of all the water on earth. The rest is seawater, or is frozen in the polar ice. Fresh water is naturally renewable only by rainfall, at the rate of 40-50,000 cubic kilometers per year.
- Thirty one countries and over 1 billion people completely lack access to clean water.
- More than five million people, most of them children, die every year from illnesses caused by drinking poor-quality water.
- A child dies every 8 seconds from drinking contaminated water.
- The annual profits of the water sector are less than half of those of the oil sector. But only about 5 percent of the world's water is currently in private hands.
- In the past century over half of all wetlands on the planet have been lost to development and conversion. Wetlands are important to the health of natural systems and people because they act as filters and flood buffers.
- The underground aquifer that supplies one-third of the water for the continental US is being depleted eight times faster than it is being replenished.
- In India, some households pay 25 percent of their income for water.
- The manufacture of computer wafers, used in the production of computer chips, uses up to 18 million liters of water per day. Globally, the industry uses 1.5 trillion liters of water and causes 300 billion liters of wastewater every year.
- 57 billion liters of bottled water were sold worldwide in 1996 and sales of over 143 billion liters are expected by 2006. People in the United States consumed over 17 billion liters of bottled water in 1999 at a cost of nearly US\$5 billion.

Sources: Maude Barlow, "Blue Gold"; Gil Yaron, "The Final Frontier"; Public Services International www.world-psi.org; Fortune magazine; World Water Vision; Pacific Institute www.pacinst.org; www.hf.caltech.edu/whichworld/tour/waterscarcity.html



world water forum

making water everyone's business | *corporate europe observatory*

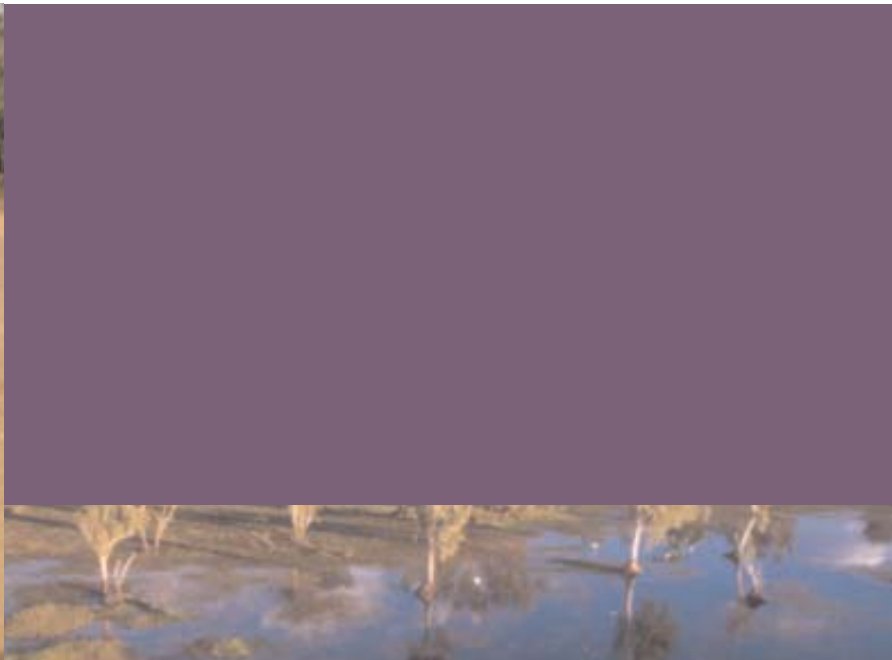
The World Water Fora are the triennial meetings of the World Water Council - an international think-tank with considerable influence in the world of international water politics. Taking advantage of the fact that there is no UN body or international institution with the mandate to facilitate intergovernmental discussions on water policy, the Forum has become the official meeting of minds on the issue. As a result, the outcomes of these meetings have tremendous influence over international, national and local water management decisions.

Much of the fodder for today's developments in global water policy can be found in the World Water Council's 1998 "World Water Vision: Making Water Everybody's Business" document. According to World Bank Vice-President and former chair of the World Water Council Ismail Serageldin, the result was intended to "contribute to changing our world water future." If change is measured by the increasing rate of privatization and deregulation in the water sector, it is clear that the Council's vision has become more than just wishful thinking.

The World Water Council and its sister organization, the Global Water Partnership, which boasts many of the same masterminds as the Council, were firmly guided by corporate and neoliberal personalities in their early days. The World Water Commission, the body entrusted with drafting the World Water Vision, included some high profile corporate and neoliberal personalities including Suez Chair Jérôme Monod; Business Council on Sustainable Development founder Maurice Strong; former World Bank President Robert S. McNamara; Inter-American Development Bank President Enrique Iglesias; and World Bank/UN Global Environment Facility CEO Mohamed T. El-Ashry.

In recent years, both have backed away from their corporate identities, likely in an attempt to lend more credibility to their agenda, by including more representatives of national ministries and UN agencies on their boards. Still, Suez Vice President Rene Coulomb doubles as Vice President of the World Water Council, and Emilio Gabrielli of Thames Water is Executive Secretary of the Global Water Partnership.

Discussions at the first two World Water Fora (1997 and 2000) did not focus on debt relief, water conservation, community empowerment, land reform or corporate regulation, all of which would have contributed to resolving the water crises unfolding around the world. Instead, resounding calls were heard for full liberalization and deregulation of the water sector, "national treatment" whereby



Protests at World Water Forum 2000.

transnational corporations should be given the same treatment as local enterprises and/or public authorities, and of course privatization.

The showroom area of the conference (the World Water Fair), gave corporations such as Nestlé, Suez, Unilever, and Heineken a chance to showcase their efforts to promote sustainability and water efficiency, while their CEOs addressed the assembly demanding that water be recognized as a commodity rather than as a human right.

Critical voices were raised during the Forum. In one session on Public-Private Partnerships, a Filipino member of a public sector union in Manila stood up in the audience and displayed a sample of Manila tap water after one such partnership was implemented with Suez (formerly Lyonnaise des Eaux). The yellow-brown water held aloft in a small bottle was quite an embarrassment for the company's marketing director, who had just completed a dry presentation on the success of the gigantic Manila project. At the end of 2002, Suez announced that it will pull out of its 25 year contract and the Philippine public water operator will take over the country's water system.

And there were the members of Los Solidarios con Itoiz, a group seeking to stop the construction of the Itoiz dam in the Basque country, who managed to interrupt the opening ceremony with a banner drop inside the main hall, a chorus of protest from the audience, and a 'naked truth' action on stage demanding "No Profits from Water" and "Stop Itoiz Dam".

The Third World Water Forum will take place in Kyoto, Japan in March 2003. This will be the largest water gathering to date, reflecting the Council's successful conquest of the political space open for water policy discussions. The World Water Forum will likely be used to give a high-level, official seal of approval to the results of the 2002 Johannesburg Earth Summit, which gave a firm endorsement to the public-private partnership model that corporations have been lobbying for. The Forum will also adopt a World Water Action, drafts of which show some very impressive rhetoric, but as always, the bottom line is increased market access for private water companies.

more information:

Corporate Europe Observatory: www.corporateeurope.org

World Water Forum: www.worldwaterforum.net

World Water Council: www.worldwatercouncil.org

Global Water Partnership: www.gwp.sida.se



malaysia

pay up or get cut off | foe malaysia

In September 2002, the recently corporatized Selangor State Water Department in Malaysia made good its promise to cut the water supply to homes and business premises which had not settled their bills. The company was determined to collect the RM232 million (US\$61 million) owed by more than half a million Selangor consumers, which it urgently needed in order to pay back the RM900 million (\$237 million) owed to the three water companies that supplied the water.

One housewife whose water was cut off complained that the water bill for her house amounted to RM1,700 (\$447) over the last three months. "I have been complaining to the department over and over again that my bills were unusually high. They told me to pay up first and promised to check. Only when disconnecting the supply today did they tell me that there may be a leak in the underground pipe" she related to the press.

Friends of the Earth Malaysia feels that these actions reveal the undisguised disdain for consumers and disavowal of social responsibility that privatization will bring. Indeed, since water privatization in Selangor State in 1994, water tariffs have increased with no end in sight. The last increase in April 2001 saw water tariffs for domestic users increase by 35.7 percent. There is currently a proposal to privatize all water supply departments in Malaysia.

The Malaysian government is taking the wrong approach to solving the country's water woes. It is investing some RM60 billion (\$16 billion) for more dams and pipelines, while nothing is done to preserve the vital catchment areas that are the sources of our water. Twenty-three of the 27 drinking water sources in Selangor are heavily polluted with industrial and animal waste, heavy metal and sewage. The individual consumer is blamed for water wastage - 36 percent of the total in 2000 - although the biggest users are industry, golf courses, hotels and agriculture.

We believe that water is not an economic commodity, and that providing water should not be a commercial service like providing transport, electricity or telephone connections. Friends of the Earth Malaysia is campaigning for effective laws and regulations that will protect consumers and the poor, by guaranteeing equitable rate structures, conservation measures and universal access to water.



uruguay

seeking constitutional protection for water | [redes/foe uruguay](#)

In 1992, the Uruguayan public resoundingly voted against the privatization of public services in a referendum organized by social movements. The crystal clear message sent to the government, international financial institutions and transnational corporations pushing for privatization became a milestone in Uruguay's history and an inspiring example for social movements all over Latin American.



Yet ten years after this victory, the government is again poised to trade away Uruguay's public services with the expressed goal of "rescuing" the country from the financial crisis that has followed the failure of neoliberalism in the region. Water is up for sale, and any package that the Uruguayan government offers up in the context of the ongoing services negotiations in the World Trade Organization and the Free Trade Area of the Americas (FTAA) is likely to include drinking water distribution and bulk water extraction.

Water privatization in Uruguay's Maldonado province has had ominous impacts, including increased prices for consumers and technical failures. Attempts to privatize water in neighbouring countries have also been disastrous. In the Argentinean province of Santa Fe, where a Suez subsidiary took over water and sanitation services in 1995, local people have seen price increases, an increasingly opaque regulatory process and the neglect of local shareholder interests.

Social movements, including the water workers union, farmers, the Neighborhood Association in Defense of Water, REDES/Friends of the Earth Uruguay and the Sustainable Uruguay Programme have launched a national campaign to protect water from privatization. They are promoting a constitutional amendment that would secure the recognition of water as a public good and fundamental human right that must be managed sustainably. If campaigners succeed in collecting the necessary 250,000 signatures, the amendment will be voted on during the national elections in 2004.

In the meantime, REDES continues to organize trainings on hydrological cycles and basin management and strategy sessions about alternatives for the sustainable management of Uruguayan and continental waters.

more information:

FoE Uruguay: www.redes.org.uy (Spanish)

Water Day protest in front of West Java regional legislative office against the privatization of water management in the region.



indonesia

people's rights bottled and sold | walhi/foe indonesia

Water is a critical resource in Indonesia. The rainy season brings flooding and the dry season drought, leading to frequent water crises. Water quality also influences the quality of human life: in Indonesia, water-borne diseases have become the major cause of death for children under the age of five.

The major causes of water problems are industrial pollution, overuse, and the decrease of water catchment areas. Instead of dealing with these problems through regulation and enforcement, the government is shirking its responsibilities by handing the country's water to the private sector.

The government has given concessions to several companies, including Danone and Coca-Cola, to commodify what has always been common property. Millions of liters of Indonesian water are being pumped from the ground to be sold in bottles. In Indonesia, a liter of bottled water costs more than a liter of gasoline.

Simultaneously, the government is trying to hand over the management of river basins to corporations. The World Bank has sponsored a US\$300 million Water Resources Sector Adjustment Loan in return for the privatization of the Indonesian water sector. The millions of farmers that depend upon these river basins to nourish their crops will now be charged for water use.

Water consumers in urban areas formerly served by public water companies also face increased water prices due to privatization. No less than 20 foreign and domestic investors have lined up to invest in the water supply sector, including Suez from France and Thames Water from the UK. Despite the higher fees charged for this privatized water, polls have found the quality unsatisfactory in Jakarta.

The World Bank programme will promote a "discharge fee", to be collected by the water corporations. While this may help to reduce river pollution, it discriminates against poor urban people who do not have the resources to build their own septic tanks. Rather than providing communities with wastewater treatment facilities, the government will instead provide incentives for industries with the "goodwill" to improve their wastewater treatment plants.

WALHI/Friends of the Earth Indonesia has been working with other NGOs to formulate an alternative bill with sustainable and equitable policies for natural resource management. This bill is being developed from the bottom up through discussions in workshops, meetings and public consultations involving communities, NGOs and local governments. We are also conveying the message through public hearings and mass actions that we oppose the privatization of our common property.

Oswaldo speaking at the September 2002 demonstration organized by FoE Netherlands, parallel to the Johannesburg Earth Summit in September 2002.



bolivia

from the frontlines of the water wars | interview with osvaldo pareja, cochabamba.

“Many years ago, the government of Bolivia was responsible for subsidizing water services. Water was recognized as important for the population’s health, for the reduction of child mortality and morbidity rates. But as a consequence of the neoliberal policies implemented since the 1980s, the region has been undergoing intensive economic globalization and privatization of basic services and the transport, energy and education sectors.

When Aguas del Tunari - a joint venture of the US-based Bechtel and the Italian Edison companies — first came to Bolivia, the government promised no more than a ten percent increase in water costs as a result of the privatization. People were outraged when their water bills showed increases of up to 300 percent. Academics, environmentalists, urban workers and farmers came together to form the Coordinadora de Defensa del Agua y la Vida (Committee for the Defense of Water and Life).

This was an awakening. People were ready to defend their rights, and started carrying out days of action in early 2000. Simultaneous mobilizations took place in the countryside and the city, closing the roads for days. During the final mobilization in April 2000, more than 100,000 people demonstrated in the center of Cochabamba. The military was brought in to contain the demonstrators. They used tear gas, and a student leader was shot and killed.

The national government accepted our demands: Aguas del Tunari must leave, and water supply and distribution be controlled by a public enterprise formed and managed by the local government, the trade union and the Coordinadora, representing the regional population. Despite inheriting a technologically underdeveloped business with enormous debts, the new enterprise went straight to work piping water to poor areas of Cochabamba without water access under the slogan “water is a public good and not a commodity.”

This was the first popular victory against the neoliberal agenda in 15 years of defeats. But the government was left with a big problem, and that was that it had signed a 40-year contract with the company. Aguas del Tunari, now operating under the name of Bechtel, has demanded \$25 million in damages and lost profits (see page 16).

It is unethical to demand this amount of money. After all, Aguas del Tunari made no significant investments to improve our water supply service. And furthermore, in a poor country like Bolivia the US\$25 million claimed by the transnational company could mean 125 thousand water connections in Cochabamba, or 3,000 annual doctor’s salaries in rural areas, or 12,000 annual teacher’s salaries. But it’s not just the money that’s the problem. We deplore the moral sanction that Bechtel is using to punish people who are resisting the privatization of what they feel is their basic right.”

ann doherty & antia portillo, foe international



Protests against Cochabamba privatization in the Netherlands (top) and in Bolivia (below).

bolivia

privatization gone bad in cochabamba | david waskow, foe united states

Even after protests in Cochabamba finally led to the departure of Bechtel's subsidiary, Aguas del Tunari, the company snuck back like an unwelcome cat. In February 2002, almost two years after leaving Cochabamba, Bechtel/Aguas del Tunari filed a suit against Bolivia under a bilateral investment treaty, demanding US\$25 million in compensation for what it claims are its lost future profits from the water privatization scheme.

Even though Bechtel is a major US multinational, the case is being brought under an investment agreement between Bolivia and the Netherlands. Since Bolivia and the US do not have an investment agreement, Bechtel appears to have registered its consortium in the Netherlands solely in order to have this investment treaty available for such a suit.

The case is being heard by a tribunal operating under the auspices of the International Center for the Settlement of Investment Disputes (ICSID). ICSID is situated at the World Bank, which pressed Bolivia to privatize Cochabamba's water system in the first place, and World Bank President James Wolfensohn picked the chair for the tribunal for the case when Bechtel and Bolivia couldn't agree who should fill the seat.

The case may be conducted in almost complete secrecy. In August 2002, more than 300 citizens' groups from 41 countries presented an international citizens' petition to ICSID and the tribunal, demanding that it allow public participation in the case.

This case should set off a major alarm about the serious and harmful consequences of investment agreements for the public's right to decide about how it wants its water delivered. The Bolivia-Netherlands agreement is very similar to the Multilateral Agreement on Investment (MAI). And while the MAI is dead for now, similar proposals are part of the proposed Free Trade Area of the Americas (FTAA/ALCA) and numerous regional and bilateral trade agreements. At Cancun in September 2003, the WTO will consider whether to launch its own global negotiations on investment rules.

Meanwhile, bilateral investment treaties are being used when companies are unhappy that water privatization didn't turn out their way. Another recent example: Argentina has been sued over a failed water privatization plan by Enron's water subsidiary, Azurix.

more information:

International petition:

www.democracycctr.org/bechtel/international_petition.htm

Friends of the Earth US: www.foe.org

Asana river area, where the open pit mine is planned.



peru

turning water into copper | labor/foe peru



Local people demonstrate against the use of water by the Quellaveco mine.

The mountains of southern Peru consist of little more than sand and rock, except for the green oases where farmers have toiled to grow crops. Here, in one of the driest regions in the world, Minera Quellaveco plans to mine for copper - and use 700 liters of water per second, divert a river, dispose of the waste in an unprotected riverbed, and create a highly acidic pit lake.

Minera Quellaveco is a joint venture of Anglo American (80 percent) and the World Bank's International Finance Corporation (IFC). The mining company and the Peruvian government claim that the mine will have hardly any negative impacts. However, scientific environmental analyses have found otherwise, and it is clear that many of the impacts will be related to the area's water. Due to water conflicts that have already arisen, coupled with low copper prices, the IFC put the project "on hold" in late 2002.

Locals are most concerned about the use of groundwater. Chilota, one of the sources from which the mine plans to extract water, is a beautiful wetland full of birds and butterflies. The alpacas and lamas that graze here provide many communities with subsistence incomes. The use of Chilota groundwater will lower the area's water level and change the micro-climate. Farmers say their land will be useless if Minera Quellaveco extracts water from Chilota, and many have declared their refusal to sell their land at the low prices offered by the company.

In Tala, five kilometers from the planned mine site, a small community has managed to turn a steep hill into a beautiful and productive agricultural area. The community's dream of converting to organic farming will be destroyed with the coming of the mine, which threatens to blanket their fields with toxic dust. Furthermore, the planned diversion of the nearby Asana River into a small riverbed running through Tala will flood their productive lands.

Local people, working within these harsh surroundings for centuries, have created a delicate balance between water supply and demand. The proponents of the Quellaveco mine, in their quest for copper profits, will upset this balance, and more than likely disrupt social cohesion in the area as well. The mine could also interfere with the long-awaited Pasto Grande irrigation project, which would increase land for cultivation and improve the drinking water supply for nearby cities. Community members, NGOs, government officials and industry representatives plan to hash out these issues together, and the local people hope that this will put an end to the potential dangers of the mine.

FoEI believes that risky and harmful projects like the Quellaveco mine should not receive financial support from the World Bank Group. This funding is meant to contribute to sustainable development, which is not likely to be generated by mining operations.

more information:

Labor/FoE Peru: www.labor.org.pe (español)

FoEI: www.foei.org/worldbank/cases.html

Project Underground: www.moles.org



france

damning big dams | sébastien godinot, foe france



Yusufeli Dam, Turkey.

In 2003, the United Nations International Year of Water, Friends of the Earth France will launch a campaign against big dams. But why such a campaign in France, where big dams are no longer being built? The answer is that there are three major players from France with huge responsibilities in the global mega-dam arena.

The French company Alstom is the world's largest constructor of big dams. It is currently involved in the Bakun Dam in Malaysia, the Yusufeli Dam in Turkey, the Maheshwar Dam in India, and the Three Gorges Dam in China. If completed, the Three Gorges Dam on the Yangtze River will be the planet's largest hydroelectric dam. Its reservoir will stretch over 600 kilometers, and it will displace up to 1.9 million people. To justify its involvement in Three Gorges, Alstom stresses that "the Chinese government began the project, not Alstom", and "the products we sell are safe for the environment and the population".

Risky projects like big dams are usually backed by the French export credit agency COFACE. In direct contradiction with the commitments made by the French government during the 2002 Johannesburg Earth Summit, public money is being used to support projects with very poor environmental standards and no social standards whatsoever. COFACE is involved in Three Gorges, Yusufeli, and the Nam Theun Dam in Laos to name just a few.

Another public body is involved in dams: the French Development Agency, AFD, which has environmental and social standards almost as weak as those of COFACE. AFD finances the Nam Theun Dam in Laos.

Friends of the Earth will ask Alstom, the French government and its AFD and COFACE agencies to adopt the recommendations of the World Commission on Dams. This independent international body, consisting of governments, industry, academics and civil society, has drawn up best practice guidelines for the hydro industry which recognize the environment and the fundamental rights of people living in dam-affected communities.

more information:

www.amisdela terre.org

World Commission on Dams: www.dams.org

International Rivers Network: www.irn.org



Three Gorges Dam, China.



sri lanka

who owns the rain? | elf/foe sri lanka

King Parakramabahu of Sri Lanka (1164-1197) knew the true value of water. He created an entire civilization based on highly complex irrigation systems to store, distribute and manage water for agriculture, drinking, sanitation and landscape gardening.

This irrigation-based hydraulic system went into decline once the country was invaded by foreign rulers, who introduced tea, rubber, coconut and coffee cultivation. The accompanying clearing of forests impacted groundwater, run-off and river flows negatively. As farmers turned towards rain-fed agriculture, traditional water management fell into disuse.

Today, due to climate-induced weather changes, rainfall is not sufficient to grow food in the drier zones of Sri Lanka. Human mismanagement, watershed degradation and water pollution add to the serious water shortages that the country faces today. Almost all of Sri Lanka's rain comes during the short monsoon season from October to January, and nearly half of the rainfall escapes, unused, to the sea.

Friends of the Earth Sri Lanka believes that these problems can be resolved by resurrecting traditional irrigation, management and storage systems and addressing water pollution. But the government is currently most interested in implementing a method of charging fees for water, thus satisfying the interests of international organizations and multilateral development banks.

The government's new water policy, which the Asian Development Bank helped to formulate, transfers ownership of water resources from the people to the government. Whereas the rights of large companies with water entitlements are protected, small users will be charged higher rates. Given experiences in other countries, we are skeptical that the introduction of water pricing will provide the best water future for Sri Lanka.

ELF/Friends of the Earth Sri Lanka used the media to inform the public about the implications of the new water policy. Public opposition grew, and the government revised the policy. The new policy is still problematic, however, and we have organized public meetings to discuss entitlements, the potential interference of multinational organizations, the lack of attention to water pollution, the principle of charging for water, and the likelihood of future water privatization given the contents of the new policy. The government has promised to take these considerations into account, and has gone back to the drawing board.

Good Water Neighbours staff members on the border between Israeli and Palestinian communities



middle east

water heals political wounds | foe middle east

Water must be shared among countries, even those with complex political borders. In Israel, Palestine and Jordan, fresh water is scarce, and sustainable management policies are insufficient to quench the thirst of people on all sides of the border.

One of the most glaring problems is that whereas water flows freely from the taps in Israel, the Palestinian and Jordanian areas suffer from a lack of sufficient drinking water. The physical proximity of communities along the border leads to anger and frustration about this inequitable situation.

Friends of the Earth Middle East believes that the sustainable management of water resources must include a region-wide perspective and consider all peoples and communities fairly. Their Good Water Neighbours project aims to raise awareness among eleven neighbouring communities on different sides of the Palestinian- Israeli- Jordanian borders about how to share water. The immediate water needs of participating communities are addressed, and communities are trained in the saving and reusing of water resources and the treatment of sewage.

For example, the agricultural community of Wadi Fukin on the Palestinian side of the border needs water for domestic and agricultural purposes. The Good Water Neighbours project is investigating the possibility of a wastewater treatment plant that would allow water from Wadi Fukin as well as from Tsur Hadassa across the border to be reused for irrigation.

Household water tanks in many Palestinian cities and villages have been shot at, and either damaged or destroyed. The Good Water Neighbours project is also collecting donations to provide replacement water tanks from Palestinian factories in the West Bank. This will also provide much-needed jobs for local people.

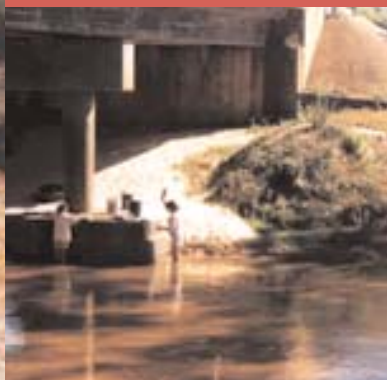
more information:

Friends of the Earth Middle East: www.foeme.org

Unsustainable land use, in particular deforestation and large-scale agriculture, is largely responsible for the degradation of inland waters like this stream in the Alto Paraná basin.



Peasant women washing clothes in a stream in the Los Altos region.



The Los Altos region in Paraguay has a wealth of fresh water, which Sobrevivencia/FoE Paraguay, together with the local communities and local governments, is working to preserve.

paraguay

communities get their hands wet | [sobrevivencia/foe paraguay](#)

The Rio de la Plata water basin includes the Paraguay, one of the last great rivers on the planet that still runs totally free, and the Paraná, one of the world's largest rivers. The floodplains and lakes formed by these rivers house much of the region's natural wealth and are critical for soil fertility and water management. A number of wetlands of international importance are also found here, as well as thousands of biodiversity-rich smaller rivers, brooks and lakes.

These inland freshwater resources are essential for food production and sustainable development. Women, in many traditional societies responsible for securing drinking water for their families, are directly dependent upon the quality and quantity of this freshwater. But Rio de la Plata's drinking water sources are terribly threatened by deforestation, pesticide use, industrial and urban pollution, and huge development projects. If this process continues, the quality of life of millions of people will deteriorate drastically, and the poverty level of local communities will increase.

Sobrevivencia/Friends of the Earth Paraguay focuses its water campaigning on the densely populated Los Altos area, which provides freshwater to the region and produces much of the food consumed in the city of Asunción. We believe that active and meaningful community participation is a prerequisite for socially and ecologically sustainable water management, and we assist rural communities in recovering and promoting traditional water technologies and cultural practices, as well as introducing environmentally-friendly new technologies.

In particular, Friends of the Earth works with two sustainable production farms, and has established a 300-hectare protected area, the Vyraty forest, containing original subtropical moist forest humid forest and savannah at the headwater of the Porã creek. The nearby urban area and rural communities are wholly dependent upon the conservation of this forest for their water supply.

At the same time, Sobrevivencia works with local communities and municipal governments to develop and implement a sustainable watershed management system for the whole area. And at the regional level, we coordinate the Rios Vivos coalition's inland water programme, which promotes a collective Latin American vision for the sustainability of inland water.

more information:
Rios Vivos: www.riosvivos.org.br



canada

finding soft paths for water | david brooks, foe canada

In the mid-1970s, Friends of the Earth proposed a new approach to analyze energy futures. This “soft path energy analysis” was largely conceived by Amory Lovins, then with FoE United States. Today, the effects of soft path analysis can be felt around the world, and the largest source of energy has been found right where Friends of the Earth said it would be: in greater demand efficiency, not new supply.

It is time that we applied the soft path analysis to water. Just as soft energy path analysis demonstrated the feasibility of a decentralized, democratic and non-nuclear energy future, so could soft paths for water demonstrate the feasibility of decentralized, democratic and non-dammed water futures.

Soft paths go beyond water efficiency. Soft path policies ask not only how to use water more efficiently but why use water at all. Not just low-flow toilets, but why is water necessary in toilets at all? And not just more efficient irrigation, but how can food be grown with rain-fed techniques, or with supplemental irrigation alone?

In contrast to typical economic approaches, policy analysis for soft paths challenges patterns of water use. Does watering lawns or washing cars make sense in a world increasingly short of water? Even if it does, should water for such uses be potable in quality? Does it make sense for nations in arid regions of the world to use the bulk of their water to grow food? Even if it does, is it sensible to grow crops for export, which is an indirect way of exporting water?

The essence of soft path analysis can be reduced to three principles. The first is to resolve supply-demand gaps in natural resources as much as possible from the demand side and think of innovative ways to satisfy human demands for water. The second principle is to conserve the quality of water as well as the quantity. High-quality water can be used for many purposes, low-quality water for only a few. But, happily, we need only small quantities of potable (high-quality) water but vast amounts of irrigation (low-quality) water. The third principle is to turn typical planning practices around. Instead of starting from today and projecting forward, start from some defined future point where we want to be and work backwards to find a feasible and desirable way (a “soft path”) to get there.

Following our success with soft energy paths, Friends of the Earth should lead the world in finding soft paths for water. And however much efficiency of water use is increased, we should insist that water management also achieves greater equity in water use and more democracy in water decisions.

more information:

Friends of the Earth Canada:

www.foecanada.org/safewater/timetoact.htm

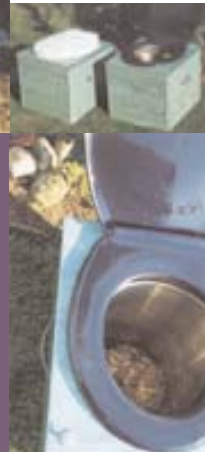
Rocky Mountain Institute: **www.rockymountaininstitute.org**

The Soft Path for Water, Gary Wolff and Peter H. Gleick:

www.pacinst.org/book/worlds_water_2002_chapter1.pdf

Tomorrow's World, FoE England, Wales and Northern Ireland:

www.foe.co.uk/campaigns/sustainable_development/publications/tworld



belgium

pennies from heaven | marie denayer, foe belgium

Friends of the Earth Belgium has a vision for water management, one that goes against the current of regional and European policy. Our vision involves a more decentralized, equitable and sustainable use of water with greater participation of local users. We are encouraging Europeans to stop over-exploiting limited groundwater resources in two ways: by drinking rainwater, and by using compost toilets.

drinking the rain

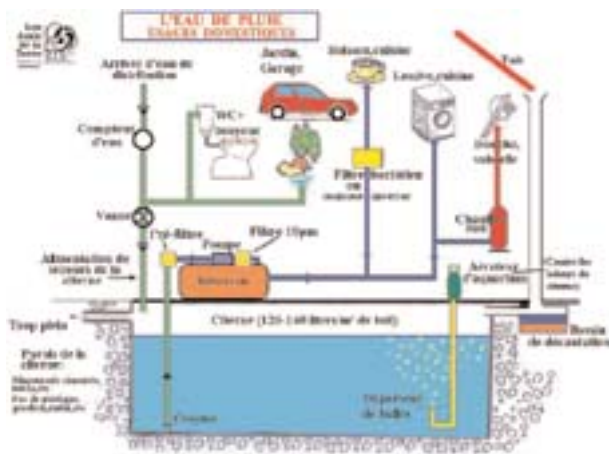
In Europe, we attempt to reduce water consumption either by changing our water-use habits (for example taking shorter showers) or by using new technologies (such as water-efficient washing machines). But we should not forget that our rainy climate is also a potentially important source of household water. Even if rain has been polluted in the atmosphere, it can be filtered at home. Naturally fresh, rainwater enables us to reduce the use of cleaning products and other softeners, thus cutting down on environmental pollution. And as an added bonus, the widespread use of rainwater would eliminate the need for expensive, wasteful bottled drinking water.

Rainwater is not the solution for everyone, particularly those living in sunny and dry climates. It makes more sense for decentralized use, for example in remote rural regions, than for densely populated cities.

poop for compost

Flush toilets use up to one-third of the water consumed each day in Europe. And the water that is flushed away is drinking water quality, which is unnecessary and wasteful. Friends of the Earth Belgium is promoting a toilet that uses dry wood shavings, rich in carbonated matter, in place of water. This compost can then be spread on vegetable gardens and fields. In Belgian Wallonia, some 200 families currently use this kind of integrated toilet and composting system.

For Friends of the Earth Belgium, the use of rainwater and compost toilets are part of the resistance against economic globalization and water privatization. We believe that showering and using the toilet can be highly political activities!





norway

too many drops flood the country | [tore braend, Norges Naturvernforbund/foe norway](#)

Norway's experiences with hydropower indicate that even a relatively high degree of sovereignty and involvement of local communities in development does not guarantee the creation of a sustainable society. Currently, almost 100 percent of the country's electricity consumption comes from hydropower. Due to intensive industrialization from around 1900 to the present, Norway's *per capita* energy consumption is among the world's highest.

Compared with most developing countries, our hydropower development projects have been fairly small scale, and local communities have reaped fairly decent economic benefits from the projects. Very few people have been forced to move, as most dams have been built high in the mountains. The losses that have incurred to local people have to a large extent been compensated.

Yet when the total effect of all of these individual projects is taken into account, it is clear that Norway's natural environment has paid a very high price. A large proportion of the habitats dependent on the natural flow of our lakes and rivers have been irreversibly impacted. Due to the lack of comparative research before and after the development, we simply cannot tell what species have been eradicated. It is of course inevitable that humans change the environment in order to live, but there is a big difference between securing basic livelihoods and financing lifestyles of superabundance, as Norway has done over the past decades.

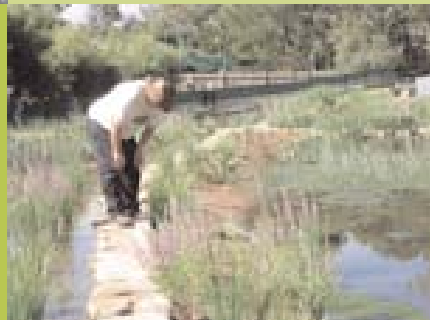
Hydro-power developers use the argument of local sovereignty of communities when confronted with the environmental movement, and Norway's fairly decentralized form of local government has lent strength to these arguments. However, the argument that it doesn't do a lot of harm to dam one small river carried more weight around the turn of the century than it does today, with 63 percent of all economically viable hydropower in Norway already developed.

FoE Norway believes that one possible way to ensure the rights of local communities while protecting the country's ecosystems as a whole would be to allow communities to adopt projects that can be developed with local resources and know-how. This would pretty much exclude oil and gas exploitation, as well as large-scale wind parks and big hydropower. However, sensitive environments can still be damaged by many wind turbines or micro hydropower plants concentrated in one area. Thus we feel that there must be some authority that can take into account the totality and put limits to the development of sustainable energy sources in vulnerable areas.



australia

restoring wetlands | ted floyd, foe australia



Two hundred years ago, Whites Creek was a babbling little brook. As the suburb of Annandale began to grow around it, the creek was pushed underground and channelled into concrete pipes. The creek water became dirty and smelly, and the area barren of native plants and animals.



In 1994 Friends of the Earth Sydney started a campaign to restore the natural water cycles of inner-city creeks and rivers. The construction of a wetland alongside Whites Creek is the most successful achievement of this campaign to date. What was previously an abandoned, weed-infested piece of land alongside the creek is today a living freshwater wetland replete with frogs, fish, birds and the occasional child wielding a tadpole net.

The main source of freshwater is rainfall runoff, which is widely used to meet human needs and is an essential part of the water cycle in healthy ecosystems. Nonetheless, planning authorities have long treated rainwater runoff as a major disposal problem, capturing it in gutters, drains, pipes and canals.

Numerous obstacles stood in the way of the restoration of the wetlands — bureaucratic red tape, a local council that initially found the idea silly, and a handful of local residents who preferred conventional flower gardens to wetlands full of insects and reptiles.

The restoration of the creek and its wetlands will help to reduce pollution, decrease flooding and allow aquatic biodiversity to thrive. As part of the project, the local council developed an education programme that encouraged schools in the area to use the wetlands for field studies. In September of 2002, the “Whites Creek Wetland Environmental Education” project won an award for urban wildlife habitat restoration and renewal.



switzerland

goodbye channelled rivers, hello beaver! | pia salathé, foe switzerland

Switzerland's 6,000-kilometer long water system is vital to the survival of the many plants and animals living within its bounds. Yet an incredible 95 percent of the country's rivers have been tamed to flow in artificial channels. If Swiss rivers were set free to meander naturally across the landscape, the surrounding biological diversity would increase substantially. People would also benefit from the increased green space that would emerge.



Pro Natura/Friends of the Earth Baselland runs a "Hello Beaver" campaign in the northwest of Switzerland that encourages beavers to return to the area around the city of Basel. Beavers, still found along the Rhine in eastern Switzerland and France, face obstacles like dams and locks in the Basel surroundings, and much of the existing shoreline is not suitable habitat. In collaboration with politicians, companies, and the interested public, the "Hello Beaver" campaign works to remove obstacles, rehabilitate shorelines, and allow rivers and creeks to flow more naturally.

The ideal beaver habitat includes slow-flowing rivers about half-a-meter deep, natural shorelines for lodges, and shore vegetation with softwood, mainly willows, as a winter food supply. Beavers influence and change their habitats by chewing down trees for food and building material for their lodges and dams. Unlike other animals, the beaver constantly changes and impacts its habitat to better suit its needs.

FoE Switzerland's campaign uses the beaver in order to promote the ecological rehabilitation and connection of rivers, creeks and shorelines. However, a successful campaign would also mean a more natural and diverse water system, with many other plants and animals returning to areas where they had become extinct.

more information:

Hello Beaver campaign: www.hallobiber.ch (German)

FoE Switzerland: www.pronatura.ch

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