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# The Fourth World Water Forum

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WDM's verdict from Mexico City

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## 1. Summary

- The ministerial declaration fails to address the fundamental issues involved in tackling the global water crisis and as such, is not worthy of ministerial endorsement.
- The initiative of the Bolivians and the Venezuelans to issue a separate statement is significant and symbolically important.
- The rhetoric of the pro-privateers is changing and while this demonstrates that the debate is moving towards public solutions to the water crisis, water privatisation remains firmly on the agenda.
- The World Water Forum is a body which lacks the legitimacy to make public policy pronouncements.

## 2. Privatisation and its advocates at the WWF

At the WWF4 it is clear that the private sector is now on the defensive. The rhetoric that is being used by private water companies and their proponents is changing. They have been forced onto the backfoot by the success of anti-privatisation struggles around the world, high profile privatisation failures and overwhelming evidence that privatisation cannot deliver the necessary investment. We have been repeatedly told by officialdom during the week that the public vs. private debate is dead. However, the fact that Loic Fauchon, the head of the World Water Council, has revealed that over 90 per cent of questions at the opening press conference were about the public vs. private debate, shows how the debate is far from dead.

As part of the ongoing rhetorical shift, outright talk of privatisation has been less prevalent in the WWF4 and instead there is far more emphasis on partnerships, co-operation and local solutions. Business is starting to accept language which recognizes the right to water, but while the primary role of the state is recognized within this framework, the pressure for private operators to be included within management and control positions in the water sector continues to be strong.

Perhaps the clearest demonstration of the vulnerability of the private sector is the creation of Aquafed, the international federation of private water operators. Now on the defensive, the private sector has been forced to set up its own advocacy group, but the extent and breadth of its private company membership remains unclear. It is run by Gerard Payen, a former senior official at French water multinational Suez who has been highly active in plenaries, press conferences and discussions during the WWF4 week.

However, it is not just the private companies that are wedded to private management of water. Discussions with official delegations and IFIs here have demonstrated that the push for private water continues within these arenas too. The World Bank will continue to be a major focus of civil society concerns because, despite some warm words about public

utilities this week, it remains determined to promote private sector participation and public-private partnerships in developing countries.

### 3. Ministerial declaration

In January 2006, civil society groups from across Europe, including the World Development Movement, Corporate Europe Observatory and the Transnational Institute, wrote to the EU presidency in Austria, and to respective national governments, to demand that the Fourth World Water Forum (WWF4) ministerial declaration should include the following five points if it was to be a genuinely meaningful document:

- Access to clean water should be recognized as a human right.
- Water privatisation initiatives should be recognised to have not delivered in developing countries in the way that they were expected to.
- Public reform models which improve the capacity of public utilities plus public-public partnerships which link together public utilities to exchange good practice, should be recognised as the key way to tackle the global water crisis.
- Donors including national governments and international financial institutions (IFIs) should not set economic policy conditions such as water privatisation when agreeing debt relief or aid schemes.
- Water should not be included in any international trade agreement including the General Agreement on Trade in Services and regional trade agreements.

The ministerial declaration is a long way from including these critical issues - ideas which have been repeatedly discussed at the rich and vibrant alternative forum held in parallel to the official events in Mexico City.

It is possible that statements such as *“governments have the primary role in promoting increased access to safe drinking water ... with the active involvement of all stakeholders”* signal a change but past experience suggests the built-in ambiguity is designed to keep privatization on the table. Governments seem unwilling to openly acknowledge the failures of the private sector.

Disappointingly, the ministerial declaration continues to confer undue legitimacy on the World Water Forum (which is essentially an industry conference) as part of the UN process.

### 4. Alternative declaration by the governments of Bolivia, Venezuela, Uruguay and Cuba

It is a significant and symbolic step that the governments of Bolivia, Venezuela, Uruguay and Cuba have issued an alternative declaration. The Mexican government worked extremely hard to achieve consensus here and the fact that these four countries have

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refused to play ball is very important. The statement expresses concern over the inclusion of water supply in trade agreements, acknowledges water as a human right and questions the legitimacy of the World Water Forum.

Together with wider behind-the-scenes disquiet at the drafting process of the ministerial declaration and the strong-arm tactics being used to try to achieve consensus, other countries are likely to be sympathetic to the move by these countries. Arguably this process has discredited the WWF in the eyes of many official delegations.

### 5. Finance issues

Finance issues have played an important role at the Forum. The Gurria Report "Financing Water for All", like its predecessor the Camdessus Report from the Kyoto WWF in 2003, has promoted public-private partnerships and continues to perpetuate the myth that the private sector can bring significant finance to projects aimed at meeting the Millennium Development Goal to halve the proportion of people by 2015 without access to safe water and sanitation. A new focus was brought to the issue of local finance and calls for new forms of public financing were also included.

But there is a failure to analyse the evidence showing that the private sector is not delivering new sources of finance. In contrast, WDM's new report "Pipe Dreams – the failure of the private sector to invest in water services in developing countries", demonstrates that the private sector has connected as few as 600,000 households or only three million people in the regions of South Asia, sub-Saharan Africa and East Asia (excluding China); regions where 1 billion people currently lack access.

### 6. Public solutions

A positive outcome of activities in Mexico has been the United Nations' Secretary General's Advisory Board on Water and Sanitation work. At their meeting in Mexico, the Panel endorsed the idea of Water Operator Partnerships. The crucial thing about these is that operators will be enabled to work together to build capacity within public utilities, but on a not-for-profit basis. As there is currently no real international funding mechanism to support partnerships between public utilities, we have to hope that public-public partnerships, especially between southern utilities to promote the good practice that already exists in extending access to water services, will now develop out of this initiative. If this becomes another mechanism to promote public-private partnerships, it will be a major disappointment.

Other debates and discussions in the WWF4 have looked at public sector solutions, but in the absence of a forceful critique of the legacy of private sector participation in water services, the public sector has to continue to argue its corner. How much more evidence does there need to be before there is collective recognition of the failure of water

privatisation and global efforts and finances are concentrated on boosting publicly-managed utilities?

## 7. Legitimacy of the WWF

Both the WWF itself and the processes leading up to it have excluded important voices, especially from southern civil society. The high entrance fees have been a barrier to low-income groups attending in Mexico. Meanwhile, the lack of transparency and accountability in the process behind the drafting of the ministerial declaration has also been the focus of much criticism by civil society. We would argue that a body such as the WWF4 which lacks official UN status and which reports to no UN body should not receive ministerial endorsements at all. Questions also remain about the role played by Gerard Payen (head of the industry lobby group Aquafed) in the drafting process of the EU contribution to the Ministerial declaration.

Disappointingly, the World Water Council is already planning for the 5<sup>th</sup> World Water Forum. Yesterday a vote was taken to hold it in Turkey in 2009. It is regrettable that this decision has been taken before any kind of review has taken place of the need for, the role of, and the processes within WWF4. It is clear that there must be significant reform of the whole WWF process if the event in 2009 is to make a more significant contribution to meeting the Millennium Development Goals on water and sanitation.

Overall, it is clear that until the WWF and its organizers, the World Water Council, move away from their line that the debate between public and private sector is dead, and come out clearly for public solutions to the global water crisis and against the failed legacy of private sector management and control of water provision, these bodies will never be able to claim genuine credibility in tackling the global water crisis.

## 8. Relevant recent WDM reports on water and the WWF

### **Pipe Dreams: The failure of the private sector to invest in water services in developing countries**

Full report: [www.wdm.org.uk/resources/briefings/aid/pipedreamsfullreport.pdf](http://www.wdm.org.uk/resources/briefings/aid/pipedreamsfullreport.pdf)

Media summary: [www.wdm.org.uk/resources/briefings/aid/pipedreamsmediabriefing.pdf](http://www.wdm.org.uk/resources/briefings/aid/pipedreamsmediabriefing.pdf)

Press release: [www.wdm.org.uk/news/presrel/current/pipedreams.htm](http://www.wdm.org.uk/news/presrel/current/pipedreams.htm)

**WDM briefing on the World Water Forum:** [www.wdm.org.uk/wwf/wwfmediabriefing.pdf](http://www.wdm.org.uk/wwf/wwfmediabriefing.pdf)



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