

04 January 2007

Mr B Southworth
Director
World Development Movement
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Dear Mr Southworth

Nepal : Kathmandu Water Service

I thank you for your letter dated 20th December 2006.

Severn Trent appreciates your Movement's goal of seeking justice for the world's poor and your concerns about the delivery of effective water services in the Kathmandu Valley.

The proposed Kathmandu Water Service Management Contract is not a privatisation of the water sector in the Valley. Rather, it is a Contract under which Severn Trent Water International would mobilise certain key managers and experts to assist with the establishment and running of the new publicly owned Kathmandu Valley Water Company (KVWC) for a fixed period. The Management Contract has, as its focus, assisting the Company to improve water services for the people of the Valley and this specifically embraces improving the quality and availability of drinking water, including to the poor. It is a challenging task but one that I am convinced is a worthwhile and honourable cause.

Severn Trent Water International (STWI) has over twenty years of experience of working in developing countries which needed help to improve the quality of their water services. We recognise the importance of and engagement in dialogue with local NGO communities and whilst developing our responses to the needs of the Kathmandu Valley over the past 5 years STWI has consulted with concerned NGO's and civil society in both Nepal and the UK on many of the issues raised in your letter.

A part of Severn Trent Group



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STWI also met recently with the NGO Forum in Kathmandu to listen to their concerns, outline our views and to solicit their ongoing support, guidance and assistance in the most effective ways to bring water to those who need it in the Valley. We are well aware of the different opinions of stakeholders such as your Movement, and of the challenges that any major change or improvement programme poses when action has to be taken notwithstanding the difficulty of reconciling strongly held opinions.

The previous paragraph demonstrates our current and future commitment to working with all stakeholders in this improvement process and we are convinced that the Management Contract has the potential to assist the new publicly owned KVWC to deliver improved water services to the people of the Kathmandu Valley.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Norman', with a small dot to its right.

Andrew Norman
Managing Director
Severn Trent Water International