

WORLD BANK WATER STRATEGY IS REACTIONARY, DISHONEST AND CYNICAL

RICH PICKINGS FOR THE DAM LOBBY, HARM FOR THE POOR AND ENVIRONMENT

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The World Bank's Board of Directors approved a new Water Resources Sector Strategy (WRSS) on February 26. The strategy says the Bank needs to shrug off its critics and boost spending on big dams, inter-basin transfers and other water megaprojects.

The strategy is reactionary, dishonest and cynical. If put into effect it would benefit the big dam lobby and private water companies but only worsen poverty, water shortages and the dire condition of the world's rivers.

As the world's largest development institution the World Bank helps set the agenda for other donors and governments. The WRSS could thus do great harm not only through setting priorities for World Bank lending, but also through influencing other institutions.

REACTIONARY

Over the past decade water managers and analysts have slowly moved away from prioritizing water and hydropower megaprojects. They have increasingly realized that focusing on huge projects for water supply, flood control and electricity is expensive, frequently ineffective and socially and environmentally damaging.

The new approach to meeting water needs prioritizes small-scale, affordable technologies such as harvesting rainwater and recharging groundwater, nonstructural flood management measures and reducing water demand.

The Water Resources Sector Strategy shows that the World Bank is seeking to turn back the clock on water management. It promotes the megadam-based strategies of the 20th century as the solution to the water problems of the 21st century – even though these problems have often been caused by dams and related megaprojects.

DISHONEST

Shortly before the release of the report of the World Bank-sponsored World Commission on Dams in November 2000, Bank management told the Commissioners that the WRSS would be the main vehicle in which the Bank would address their findings and recommendations. Yet the WRSS ignores the Commission's findings on the poor economic performance of dams and their strongly negative social and environmental impacts, and the availability in many cases of better alternatives.

In the few cases where the WRSS mentions the WCD's findings, it seriously distorts them. It twists criticisms of the Bank's role in dam building into praise, and criticisms of the poor implementation of large dam projects (almost all of which have been built in the public sector) into support for private sector dams.

The WRSS states that the Bank concurs with the "core values" and "strategic priorities" of the WCD, but will not adopt the WCD's detailed "guidelines" because they are stricter than its existing policies. But this is precisely why they should be adopted. The Commission was established because the Bank's policies were inadequate at preventing it from lending for destructive and unnecessary dam projects.

The WRSS calls on the Bank to support hydropower "ensuring, of course, that this is the most appropriate option and that good environmental and social practices are followed." But the Bank repeatedly supports dams that are not the best options and do not follow good practices. Only if the Bank committed to following WCD recommendations could there be optimism for change from business-as-usual in the Bank's dam building practices.

The WRSS uses the conclusions of the 2002 Johannesburg World Summit on Sustainable Development (WSSD) to justify the promotion of hydropower. The strategy claims that the official summit declaration emphasizes hydropower's role in poverty reduction and calls for increased support for developing countries' efforts to develop hydropower.

In fact, "The Johannesburg Declaration on Sustainable Development" contains no mention of hydropower. The Summit's "Plan of Implementation" does contain one mention of hydropower but nowhere links it with poverty reduction. The mention of hydropower is in a sentence calling for "advanced, cleaner, more efficient, affordable and cost-effective energy technologies, including fossil fuel technologies and renewable energy technologies, hydro included..."

The only internationally recognized criteria which could be used to assess which hydro schemes are "advanced, cleaner, more efficient, affordable and cost-effective" are the recommendations of the WCD. In refusing to implement these recommendations the Bank is ensuring that it cannot support hydro projects as called for by the WSSD.

CYNICAL

In the WRSS the World Bank feigns concern for the more than a billion people who currently lack access to safe water. The Bank claims that the solution to this humanitarian tragedy lies in promoting guarantees and other subsidies to encourage private investment in water supply schemes.

Yet four-fifths of the people who lack decent access to safe drinking water live in rural areas. Water multinationals have little or no interest in investing in rural drinking water systems, which are rarely profitable. Infrastructure projects, such as large reservoirs and pipelines, are often too costly to be feasible. They also deprive rural areas and the poor of their water resources for the benefit of cities and agribusiness.

The strategies of the WRSS are thus largely irrelevant to meeting the needs of the great majority without access to water.

Almost all water supply privatization has taken place in urban areas - and has largely been a failure for both consumers and investors. The WRSS does not mention lessons learned from the water privatization fiascoes in Bolivia, Argentina and the Philippines, nor does it address concerns over the impact of water privatization on the poor.

WORSENING THE WATER CRISIS

Implementing the model proposed in the WRSS will worsen the already serious failings of the water sector and undermine efforts to implement viable solutions to meeting the world's water needs.

The Bank has an important role to play in improving the performance and safety and mitigating the negative impacts of existing infrastructure. Outside of these activities, it would be better for the World Bank to disengage from the water sector than to implement measures proposed in the WRSS.

FOR MORE INFORMATION

Critiques of the Bank's Water Resources Sector Strategy are available on the web.

Letter to World Bank from former Commissioners of the World Commission on Dams, July 12, 2002, <http://www.irn.org/wcd/020911.wcdcritique.pdf>

International Rivers Network
"Avoiding Solutions: Worsening Problems," March 2002, <http://www.irn.org/index.asp?id=/new/020527.wbwatercritique.html>.

Citizens' Network on Essential Services
"A Critique of the World Bank Water Resources Strategy," September 2002, <http://www.globalpolicy.org/socecon/bwi-wto/wbank/2002/0919critique.htm>.

IUCN - The World Conservation Union
"The World Bank's new Water Strategy - Disengagement from the poor and the environment," May 2002, <http://www.iucn.org/themes/wetlands/pdf/WBWaterStrategyIUCNAnalysisMay2002.pdf>.

Public Services International Research Unit
"Still fixated with privatization: A Critical Review of the World Bank's Water Resources Sector Strategy," December 2001, <http://www.psiu.org/reports/2001-12-W-WBstrat.doc>.

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