

**WATER WAR:
ADB's Water Projects in India**
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I. Water, water everywhere, but not a spare to drink

With an average annual rainfall of 1,170 mm, India is one of the wettest countries in the world. Still, even with its rich natural water resources, with more than 300,000 square meters of bodies of water, the country is plagued by environmental issues such as water pollution from raw sewage and runoff of agricultural pesticides (Sharma, 2005). Another major problem is that tap water is not potable throughout the country. This implies that people, especially those from the lower income bracket, cannot avail of clean drinking water, since these have to be bought. Repugnant as it may sound, it is a reality that millions of Indians queue up everyday at public taps for one of life's most precious commodity — water.

II. Water for all or water for big businesses?

According to the ADB Water Policy (ADB, 2001), they envision Asia with “Water for All.” The vision recognizes the Asia and Pacific region's need to formulate and implement integrated, cross-sectoral approaches to water management and development. It also advocates that water is a socially vital economic good, water needs careful management and that a participatory approach will help conserve and protect water resources. The main strategy for this policy is through privatization of the water sector.

In India, changes in the economy have been made with the liberalization, privatization and globalization of almost every aspect of the economy. While this process began in 1991 in sectors like power, this is just the beginning for the water sector. Looking back, after much effort towards liberalization and privatization, the power sector is still looking dreary. The power reforms were clearly a disaster – power shortages, high electricity tariffs, expensive contracts entered into by the country. This should have served as a lesson for the Indian government. However, almost the same strategies of liberalization, privatization and globalization are being done for the water sector (Dharmadhikary, 2003).

The aim of the ADB Water Policy is to provide water for all. However, as the strategies and projects unfold, the ADB and the Indian government are staging an all-out strategy to secure water privatization projects. Is the policy really for the provision of water for all, or for the provision of business for the private sector?

The privatization of the water sector is taking place through two strategies. The first strategy is the outright privatization of water resources through either BOT projects or management contracts. This is being used for industrial water supply and urban water supply projects. The second strategy, which is more precarious, is through water sector reforms (Dharmadhikary, 2003). The water sector reforms are following the same line as the power sector reforms and are similar to the water sector reforms all over the region – Cambodia, Philippines, Pakistan and other Asian countries. These policies are geared towards converting the whole water sector into a market. The usual menu of full cost recovery, elimination of subsidies, public-private partnerships, allocation of water to high value users through market mechanism - are all present, as always being justified in the name of the poor.

III. ADB: Swimming in Indian waters

ADB's annual lending program for India is expected to increase from about US\$1.5 billion this year to over US\$2 billion annually in the next few years, and will focus mostly on infrastructure projects particularly in transport, energy and urban development (ADB, 2005). ADB funds will also come in through methods of infrastructure financing to meet the country's needs, including public-private partnerships. The Indian government is looking at the ADB to finance building up of infrastructure in support of agriculture through irrigation projects, water resources and tourism, where scope exists for promoting public-private partnerships.

For India, the ADB provided a loan amounting to US\$220 million under the Water Supply, Sanitation, and Waste Management. This represents 1.4% of the total projects of the ADB to India. The Rajasthan Urban Infrastructure Development Project*, is intended to develop the Bisalpur water source to provide treated surface water to Jaipur City and reduce the city's dependence on the existing ground water sources. The water table in Jaipur has fallen dramatically over the past 3 decades and continues to decline at an alarming rate (ADB, 2005). This project necessitated the construction of a dam in Bisalpur. And this infrastructure project became a Pandora's box, causing displacement, disenfranchisement and disempowerment in the affected communities. Furthermore, these loans are being pushed forward without genuine consultations with the major stakeholders, the communities, NGOs and other support groups.

The Karnataka Urban Infrastructure Development Project† is considered as a milestone by the ADB as the first project where policy conditionalities are laid. The policy conditionalities aimed at full cost recovery in water supply and sanitation components. The second project that followed is the Karnataka Urban Development and Coastal Environment Management Project,‡ with a focus on expanding water supply infrastructure (ADB, 2005). Without proper Environmental Impact Assessment (EIA), the projects have expanded the existing water supply lines that would dry the source quickly during summer months, impacting the whole watershed.

Moreover, due to the policy conditionalities, the government of Karnataka has introduced tax on vacant lands. This policy measure is forcing people to sell vacant lands as they have to pay taxes, causing tree felling and loss of green cover. The Government of Karnataka is now closing all the public taps, raised water tariffs and forcing poor to drink the already contaminated ground water.

The third one in line, the North Karnataka Urban Infrastructure Development Project, would streamline the ongoing reforms in service delivery and pave way for Private Sector Participation.

IV. There is blood in your water

In June 2005, five farmers were shot dead during a protest demanding their share in the water from Bisalpur dam, which is diverting water from their villages to the city of Jaipur (Shiva, 2005).

This demonstrates the politics of water that is happening in India – bloodshed in exchange for the implementation of private water infrastructure projects. The ADB and other aid agencies are

* ADB Loan # 1647-IND

† KUIDP, 1995-2001

‡ KUDCEMP, 2001-2005

creating water markets for global water multinationals while robbing the Indian people both hydrologically and financially.

The ADB has absolved itself of all responsibility by telling affected communities living near the dam site that it is not funding the dam but is only taking the water and supplying it to the cities. While the ADB encourages full cost recovery and efficiency for water resources, the consequences for the poor are grave, who are already squeezed by the whims of an ailing economy.

In dam-affected communities, villagers who used to fish in the river, who used the river for bathing, who took water from the river for growing vegetables and small crops and depended on the river for other needs, will no longer have any rights to these resources. It now depends entirely on the discretion of the private entity.

In the case of Mangalore, the KUDCEM Project projected high water calculations and expanded the pipelines. Such a mechanism causes concern as the involvement of water users like agriculturists in the upstream is not considered. During the summer months, conflicts are compounded between Mangaloreans and the farmers in terms of sharing water. As a result, the District Administration and Mangalore City Corporation issued an order to the farmers not to draw water. A similar event happened in another town, Sirsi. To enable the supply of water to Sirsi town, the District Administration threatened to withdraw licenses from the farmers, if the pipelines will not be allowed (Shiva, 2005).

The usual argument for privatization and price increase is that higher costs will reduce water usage. But with the existing income inequities, an increase in price that can bring devastation to a slum dweller or a poor farmer is a trivial expenditure for the rich. Privatization, as dictated by ADB and other IFIs, means that water will be diverted from the poor to the rich, from rural areas to the industrialized cities. It is the rich who can afford to pay for water. If poor communities are set against businesses in war for water the rich will win.

Looking back at the various accounts of ADB projects in the water sector in different countries, it appears that the overall result has not been development but destruction. Where there used to be problems or areas for expansion in the water sector that needed to be addressed, Bank-supported intervention has been that avowed objectives, such as they were, were not met. In fact, as a direct consequence of project activities, there has been irreplaceable damage to the environment, displacement of communities from their livelihoods and residence, and the waste of millions of dollars that even now the aggrieved countries are still paying for.

V. We must win the war

In the current water war in India, what is imperative is the presence of strong opposition and challenges to the process and strategies adopted by the government and the ADB. Mass protests, campaigns, and other forms of resistance are building up all over the country. We must build the momentum and further strengthen formations, so as to forge an alternative which is based on genuine participation of the people, especially the communities who stand to be affected.

The ADB Water Policy is structurally flawed making it unrealistic to meet their goal of "Water for All." Its framework of water as a tradable right, instead of a human right, is not pro-poor, and transforms water into a profitable business for ADB clients such as transnational water corporations (NGO Forum, 2005). A water policy with sincere intentions should recognize and uphold every person's fundamental right to water.

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