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## **PRESS RELEASE**

### **ADB's Water Policy: Still Half Empty**

**May 4, 2006 Hyderabad.** "Water is a right, not a need!" said Ana Maria Nemenzo, International Convener of the NGO Forum on ADB during the Panel Discussion on the Review of ADB's Water Policy Implementation at the Hyderabad Information Technology Engineering Consultancy (HITEC) City. She said that water should not be treated as a need since it will open the possibility to exploit the water sector that is usually associated to the profit-oriented private sector.

The discussion highlighted the recommendations of an independent group that reviewed the water policy of Asian Development Bank. The panel recommends doubling ADB's investments. "How can you recommend ADB to double its investment in water if it has not even addressed its past failures," Longgena Ginting of Friends of the Earth International said. He added that an evaluation should first be made before ADB increase its investment to the water sector.

Depinder Kapur of Water Aid India pointed out that the need for monitoring and evaluation was not prioritized in the report. He said that ADB has not enough staff as admitted by the panel. He further added that the recommendation on pro-poor policy was very general. He suggested that it should be included as a technical assistance. Further, there was no mention that slums in the urban areas will be covered. There was no mention of any priority given to sanitation.

On public-private partnership (PPP), the panel emphasized that it is not privatization. Erma Whoelar, one of the panel members, said that they do not agree to privatization. But according to Nemenzo, PPP does not remove the fears associated to privatization since the paper only focused on efficiency and cost effectiveness but did not mention creation of a market-friendly environment. Agnes Balota of Bantay Tubig, Philippines further said that this would lead to assigning of ownership to a public resource. "Let us not be naïve. It is happening in the ground."

Nemenzo said that a good example of the failure of private sector is the case of Manila Water Privatization in the Philippines. It only gave additional burden to the government and the people with additional borrowings of US\$421 million and more due to losses and bankruptcy. The gaps in PPP were not discussed in the policy paper. "Possible negative impacts of PPP was not included in the paper," Kapur added.

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