



Press Release

**Contact
Release**

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World Bank partners with Nestlé to “transform water sector” New venture aims to privatize water country by country

[WASHINGTON, DC]: Today, the World Bank launched a new partnership with global corporations including Nestlé, Coca-Cola and Veolia. Housed at the World Bank’s International Finance Corporation (IFC), the new venture aspires to “[transform the water sector](#)” by inserting the corporate sector into what has historically been a public service. The new partnership is part of a broader trend of industry collusion to influence global water policy.

The venture — called the 2030 Water Resources Group Phase 2 Entity — aligns global corporations that have major financial stakes in water governance with the World Bank, one of the world’s leading development institutions. Nestlé Chairman Peter Brabeck-Letmathe has been appointed to chair the Water Resources Group, which has already received \$1.5 million in IFC funding. Nestlé is the world’s largest water bottling corporation.

Advocates for people’s access to water point to this as the latest example of [water corporations’ efforts to interfere in legitimate, democratic water governance](#). The Water Resources Group presents a conflict of interest to the World Bank’s goal of poverty alleviation. It also advances an approach to water governance that is incompatible with the U.N. recognized human right to water.

“This is an unmistakably activist campaign by the private water industry to gain funding and credibility for a radical power grab, with the help of the World Bank,” said Corporate Accountability International’s Senior Organizer Shayda Edwards Naficy. “According to the World Bank, 34% of private water contracts are in distress or terminated before maturity. Last April, the IFC’s Compliance Advisor Ombudsman reported that an astounding 40 percent of complaints received from all regions and sectors were water-related. This is evidence that water privatization has been fraught with a range of problems, including broken promises for expanded service, wasted public funds and threats to human rights, especially for the lowest income families. For the Bank to sanction this approach despite a track record of failure points to compromised decision-making at the Bank due to pervasive partnerships with and financial stakes in corporations.”

Currently, 90 percent of the world’s water-users access water through public delivery. Turning these systems over to private corporations would result in rate hikes, cutoffs and significant layoffs of water sector employees. Focusing on the private sector also distracts from the need to support governments in protecting human rights.

The Water Resources Group aims to “[develop new normative approaches to water management](#),” paving the way for an expanded private sector role into best and common practices, worldwide. In order to be eligible for support from this new fund, all projects must “provide for at least one partner from the private sector,” not simply as a charitable funder, but “[as part of its operations](#).” The group’s strategy is to insert the private sector into water management one country at a time, through a combination of industry-funded research and direct partnerships with government agencies. Currently, the Water Resources Group is formally working with the governments of Jordan, Mexico, and the Indian state of Karnataka, and discussions are ongoing with the governments of South Africa, China and several other countries slated for participation in the next phase.

“Corporate Accountability International has [consistently demonstrated](#) the World Bank’s inherent [conflicts of interest](#), acting as an investor, a government advisor, an arbitrator and a public relations vehicle in support of [profiteering in the water sector](#),” said Naficy. “Global water corporations must not be allowed to tap into public ‘development funds’ to promote their private agenda because case after case shows that profitability and fulfillment of human rights in the water sector are at odds.”

Corporate Accountability International (formerly Infact) is a membership organization that has, for the last 34 years, successfully advanced campaigns protecting health, the environment and human rights. Through its Campaign Challenging Corporate Control of Water, Corporate Accountability International is playing a leadership role in the global movement to secure the human right to water, and people’s access to water; prevent corporate control of water; preserve and protect water resources and systems for the public good; and preserve water resources as an ecological trust.

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