October 8, 2004

Dear Dr. Iglesias:

We are outraged that the Inter-American Development Bank has, in the face of strong opposition by the people of Nicaragua, extended a loan of US$13.9 million to the government of Nicaragua to privatize the "modernization of the management of water delivery and sewage services."

This is a clear violation of current Nicaraguan law because, in 2003, the Nicaraguan National Assembly passed a moratorium on any privatization of water resources until a national water law was approved. Two separate bills on this subject are pending in the National Assembly, making it illegal to extend any concessions on water at the present time and, depending on which version is passed, in the future as well.

There should always be full participation of all sectors of civil society in any decision-making about public services; this did not occur in this case. Nicaraguans have already suffered the failed privatization of telecommunications and of the supply of electricity in their country. The US$13.9 million loan [Loan 1049/SF-NI], extended by the Inter-American Development Bank to pay for this concession, will create a new debt that all Nicaraguans will have to pay.

Above all, water is a human right, not a commodity for profit. **We urge you to cancel this loan that violates human rights and Nicaraguan law.**

Sincerely,

Brian J. Stefan Szittai
Coordinator

copies: 
Presidente Enrique Bolaños ~ via fax: 011 505 228-9298
Amabassador Salvador Stadthagen, Nicaraguan Embassy ~ via fax: 202.939.6545
Barbara Moore, US Ambassador to Nicaragua ~ via fax: 011 505 266.3861
Maeve Dwyer, Nicaragua Desk at the US State Dept ~ via fax: 202.647.2597

*The following people hereby urge you to take action on this matter as indicated in this letter:*