

IRTF

InterReligious Task Force on Central America
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via fax: 202-623-1799
Dr. Enrique Iglesias
President of Inter-American Development Bank

October 20, 2004

Dear Dr. Iglesias:

We were glad to learn of the postponement of the opening of bids for the privatization of the management of Nicaragua's water delivery services (ENACAL), about which we wrote in our letter to you on October 8. However, our request is for the **CANCELLATION** of this loan which we urge you to bring about at the National Assembly hearing on October 21.

Again, we remind you that in 2003, the Nicaraguan National Assembly passed Law 440 which prohibits any type of concession over water or water resources until the legislature passes a general water law, which is being debated at the present moment in the National Assembly. Nicaraguan protests in recent weeks have clearly demonstrated their opposition to water privatization. They have already suffered the failed privatization of telecommunications and of the supply of electricity in their country.

In addition, the US\$13.9 million loan [Loan 1049/SF-NI] extended by the Inter-American Development Bank will create a new debt that all Nicaraguans will have to pay. And the jobs of ENACAL workers will be left at the mercy of the company that wins the concession, which will hire them as contractors only if it is convenient for the company, in open violation of collective bargaining agreements.

Furthermore, there should always be full participation of all sectors of civil society in any decision-making about public services, which did not occur in this case. Above all, we support Nicaraguans' view that **WATER IS A HUMAN RIGHT, NOT A COMMODITY!**

CANCELLATION OF LOAN 1049/SF-NI IS THE ONLY LEGAL ALTERNATIVE.

Sincerely,

Brian J. Stefan Szittai
Coordinator

copies: Presidente Enrique Bolaños ~ via fax: 011 505 228-9298
 Carlos Noguera, President of National Assembly ~ via fax: 011-505-228-3039
 Ambassador 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

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