

InterReligious Task Force on Central America 3606 Bridge Avenue, Cleveland, Ohio 44113

ph: 216.961.0003 fax: 216.961.0002 e-mail: irtf@igc.org

via email: rnunez@correo.asamblea.com.gob.ni

Deputy René Núñez

President, National Assembly of Nicaragua

January 26, 2005

Dear Mr. Núñez:

We, members of the InterReligious Task Force, urge that you notify the head of the Institute of Water and Sewers (INAA) of the January 18 ruling by the Appeals Court of Managua that put a stop to the bidding for privatizing ENACAL, the national water and sewage delivery company. We are appalled that, on January 24, ENACAL opened the bids for the "modernization" contract in open repudiation of the court's ruling. This has occurred because of the INAA's failure to notify ENACAL of the ruling.

ENCAL seems to have communicated to members of the National Assembly that the "modernization" is not really privatization. However, we are aware that the Inter-American Development Bank (IDCB) has extended a loan to Nicaragua for the "modernization" of ENACAL and, according to the procedures of the IDB, this modernization is always a pre-condition to the eventual privatization of the distribution of water.

In October 2004 we wrote two letters to the president of the Inter-American Development Bank to protest the \$13.9 million loan to Nicaragua because the loan violates a current moratorium on water privatization.

In addition to notifying INAA of the court ruling, we also urge you to:

- order that INAA abstain from approving any contract that ENACAL might sign involving any private company;
- call for a national consultation on the protection of water so that Nicaragua's citizens can express their opposition to turning over the country's water to foreign companies;
- meet with community leaders to hear testimony from them about the masked privatization of water.

Thank you for your immediate attention to this serious international concern about the issue of water in your country.

Sincerely,

Brian J. Stefan Szittai Coordinator

cc: Deputy Enrique Quiñoz ~ email equinoz@correo.asamblea.com.gob.ni

Presidente Enrique Bolaños ~ via fax: 011 505 228-9298

Dr. Enrique Iglesias, President of Inter-American Development Bank ~ via fax 202-623-1799

Nicaragua Network ~ via email kathy@afgj.org

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

Senator George Voinovich, US Senate ~ via email: <a href="mailto:Daniel\_knezevic@voinovich.senate.gov">Daniel\_knezevic@voinovich.senate.gov</a>

U.S. Representatives Kaptur, Kucinich, LaTourette, Ryan, Tubbs Jones ~ via email and fax

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