

# How the World Bank's 'Payday Loans' Are Increasing Dire Water Shortages in Latin America

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In-depth Report: [Climate Change](#)

*In midst of global warming's frightening and growing droughts, increasing shortages of water resources in Latin America are being exacerbated by World Bank (WB) million-dollar loans to unstable governments desperate to rise out of poverty by attracting global industries to exploit their irreplaceable natural resources. And most use millions of gallons of water to do it whether it's fossil-fuel fracking requiring [2,500,000 gallons per well](#) or gold/silver corporations dumping cyanide and other death-dealing chemicals into waterways which millions depend on for drinking, household use, irrigation, or fishing.*

The WB's hand is involved in the latest trend for corporations exhorting—and extorting—African governments such as Zimbabwe to install pre-paid water meters. As [one correspondent](#) noted recently:

Despite U.N. recognition that water is a human right, international financial institutions such as the World Bank argue that water should be allocated through market mechanisms to allow for full cost recovery from users.

As for those WB-funded multi-million dollar hydroelectric dams that constrict water supplies, they are built to provide electricity for foreign industries, not for impoverished Latino households. The WB's hand additionally touches those households when water rates climb to astronomical [60-200%](#) hikes because its loan conditions to governments too often mandate privatization. WB loans also are tied to military massacres of thousands in water-related protests because having given foreign corporations free reign to plunder resources, governments are then forced to protect them against their own people.

The situation has become dire because climate change is projected to adversely affect the globe's remaining [0.007](#) percent of potable water, according to the most recent study by the United Nation's Intergovernmental Panel on Climate Change ([IPCC](#)). What little remains for the developing-country poor has been significantly diminished by such multinational corporations, indirectly supported by the WB. Their policies and practices in the last decades of the Bank's 71-year history have betrayed its stated [primary purpose](#):

Investment loans provide financing for a wide range of activities aimed at creating the physical and social infrastructure necessary for poverty alleviation and sustainable development.

Critics have accused the WB for years about funding gigantic projects that *increase* poverty and misery. Poverty is to be eradicated evidently by eradicating the poor. There's much

truth in that because such WB loans between 2004-13 have meant that [3,350,449](#) have lost homes, land, occupations—and access to clean water.

The U.N. has accused the WB of being an [accessory](#) to multinational corporations getting rich off the poor by inducing greedy, frantic, or meglomaniacal leaders to help them, just like colonial powers of old:

Recent history offers many examples of [global] lenders that have tempted sovereigns to commission unnecessary or even harmful projects to access the hard-currency loans on offers to finance the project[s].

In short, much of the [\\$350,000,000,000](#) drawn from taxpayer monies by WB donor nations is perceived to be frittered away on boondoggles, enriching global exploiters, and governmental corruption. [Corruption](#) in developing nations, by the way, was estimated to be \$6,600,000,000,000 between 2003-12, increasing annually by 9.4%. Guatemala currently is its poster child because a U.N. committee revealed millions have been drained off foreign contracts and tax revenues by government officials. The vice president, and three cabinet members just resigned (mining, energy, interior) in a historic [scandal](#) also involving four judges, a bank president, the tax chief, and law firms. It has set off weeks of huge nationwide protests demanding the president's resignation, shutdown of mines, and cancellation of at least one WB dam project (Xalalá).

Too, the WB too often has looked the other way when military savagery stemming from its projects cause uprisings over foreign industries poisoning waterways or clearing land for dam reservoirs benefitting those corporations. It then uses ordinary banks' detachment from loan outcome. Yet commercial banks' chief mission is *not* "poverty alleviation and sustainable development." WB officials may deserve to squirm at the U.N.'s July [summit](#) of global lenders—attended by Pope Francis I—when it spotlights this [principal issue](#):

Lenders financing a project in the debtor country have a responsibility to perform their own ex ante investigation into and, when applicable, post-disbursement monitoring of the likely effects of the project, including its financial, operational, civil, social, cultural, and environmental implications.

## WB Loans Negatively Impact Latin America's Water Resources

Present estimates are that less than [130,000,000](#) Latinos are without safe drinking water. In mountainous El Salvador alone, 92% of its rivers were reported to be "[dangerously contaminated](#)." Surface runoff *and* groundwater have always contained erosion's sediment, farming's toxic fertilizer chemicals, animal/human feces, garbage, and industrial waste. But since the 1970s, gold/silver-mine corporations and dams have significantly decreased river flow and increased [polluted water](#).

And WB loan conditions for water/sewer systems promote privatization, never mind the "public-private partnership" label attached to such deals; nothing is public about PPPs. Privatization means rates geared to whatever the traffic will bear—even if the poor must resort to purifying mud-puddle water. No solution has been suggested to rectify this travesty—not even inexpensive household [solar stills](#), thanks to governmental racism, inefficiency, greed—and WB silence or actions.

WB-funded hydroelectric dams have been even more destructive than mining to rivers and tributaries. Ever since the 1980s, WB decision-makers decided that a string of dams would attract foreign industries to the area. Further, they would not be asked to finance or pay for water used in what was to become the 2006 "[Plan Mesoamerica](#)." Companies would earn millions from factories using hydroelectric power and spend a pittance for local labor and taxes. Little regard was given to impacted residents whose lives and livelihoods would be destroyed. WB planners never expected anyone to object. Such [elitist attitudes](#) are no secret, as observer Susan Fitzpatrick-Behrens noted:

...the World Bank's projects disregard the social and environmental costs of large-scale hydroelectric dams, including the devastation of natural environments, the mass displacement of people, and the creation of large-scale public debt. Moreover, they suggest that hydroelectric dams are less about "clean energy" and more about "cheap energy" to be consumed...by the dirtiest of industries, including mining and oil extraction concessions, as well as manufacturing. Meanwhile, most of the countries that are attempting to build new dams are confronting overwhelming opposition, especially among the indigenous [mostly Mayan] people who will be affected most directly.

In fairness, Bank officials couldn't have known global warming would create such drought that [dam turbines](#) would lack sufficient water to churn out power and, thus, become white-elephant boondoggles after foreign corporations departed.

The Bank's 'Enforcer': ICSID's 'Court of No Resort'

The Bank's other device to control borrowers since the 1950s, especially poor nations, has been a supra-national court for corporations with grievances against countries: the International Center for Settlement of Investment Disputes ([ICSID](#)). Its three-judge panels render binding and non-appealable [decisions](#), enforced by blackballing defiant countries hunting for other global lenders.

One pending decision pits a Canadian-Australian gold-mining corporation (OceanaGold) against [El Salvador](#) because new pro-environmental laws bar new mining permits. Oceana is demanding \$301,000,000 for lost future profits, under the "investor-rights" clause ("Investor-State Dispute Settlement" or [ISDS](#)) of international trade treaties. Because governments can't countersue or appeal an adverse judgment, their taxpayers will foot the bill for the ruling, half of the Court's expenses, and millions in attorney fees for the time span between filing and verdict.

Small wonder then that an open-door policy for exploiters has led to governmental fears of showing them that door even when an infuriated populace is pounding on it. Some Latino presidents have crushed those protests with military firepower. Others, concerned about worldwide opprobrium for slaughter, at least have staged plebiscites concerning mine, dam expulsion, or water privatization—usually *after* a secret deal starts—and then declare overwhelming opposition ballots to be "non-binding."

In 65 recent [plebiscites](#) in Central and South America, 1,250,000 have voted (90-99%) to ban foreign exploiters even though knowing nullification would follow. Response usually has been "direct-action" demonstrations and sabotage. Thousands denied adequate water have organized and risked assaults, gassing, torture, murder, or prison rather than become homeless, jobless, starving, and disease-ridden wanderers.

Bolivia may have set the example of resistance against governments embedded with foreign exploiters by its famed 2000 Cochabamba Water Revolt. In 1995, its debt—mostly to the WB and the International Monetary fund—hovered around [\\$5,537,000,000](#). Two years later, expanding populations in three major cities vastly increased water and sewage-treatment needs.

When officials sought a WB loan, it demanded a condition only the desperate could accept: a 40-year privatization of the system. Because a Bechtel consortium was the only bidder, the government also was forced to agree to its guaranteed annual [16% profit](#). Rate hikes soon rose by [35%-50%](#). The poor literally were left high and dry.

Rioting broke out in Cochabamaba, Bolivia's third largest city (pop.800,000) when rates finally reached [200%](#). Despite martial law and the Army opening fire on thousands (1 killed, 1000s wounded), demonstrators [protested](#) for months with general strikes, street rallies, and an Internet campaign against Bechtel. Finally in April 2000, the government canceled the contract. Bechtel sued for \$50,000,000 in the WB court (loss of investment/future profits). An international firestorm against it burned so fiercely that to save face, it dropped the case and awarded Bolivia [30 cents](#). Even so, the taxpayers had to cover steep court costs and [\\$1,000,000](#) in legal fees.

By contrast, Argentina's No. 1 budgetary priority guaranteed citizens of affordable water above all else at the expense of other items. But by 1990, like Bolivia, the public water/sewage utility for Greater Buenos Aires (pop. 5,559,270) could no longer cover costs. Again, the Bank was quick to take advantage, and, like payday loan sharks, offered a "rollover" deal to Argentina's [\\$3,200,000,000](#) WB debt. Again, the condition was privatization. So in 1992 the government sold the system to a [European consortium](#) (Suez, 25.3%; Vivendi 8%) for 30 years, but at least paid off *that* loan.

By 2003, rates were up by 63% and service and maintenance was down. Then came the discovery of "[high levels of nitrates](#)" in drinking water. Linked to cancer, nitrates come from fertilizers and animal waste. That may have been the last straw for an already enraged public. To avert a "Cochabamaba," officials also canceled the contract in early 2006 and "remunicipalized" the system.

But Argentina then also wound up in the WB court sued by Suez/Vivendi for [\\$1,019,200,000](#), once again under a treaty's loss-of-future-profits clause. The foreigners won only [\\$405,000,000](#) perhaps by a merciful panel aware of Argentina's crushing WB debt load and 20 pending lawsuits from creditors demanding a collective [\\$95,000,000,000](#) caused by its 2001 defaults.

El Salvador's case has become famous as the victim of a greedy corporate bully. Its government was diligently making WB loan [payments](#) (\$11,100,000 in 1959 for a highway; \$12,000,000, 1974-77, urban services) when in 2000 it began courting foreign gold/silver-mining corporations to exploit its metal-rich terrain and collect both royalties and tax revenue. One of dozens accepting the invitation was Canada's Pacific Rim to reopen the El Dorado mine. So eager were officials for its startup, that they apparently let the corporation stall the [approval process](#), including a vague Environmental Impact Statement (EIS).

An honest and thorough EIS might have revealed operations needed [900,000](#) liters of water per day from the nearby Lempa River. It supplied water to 55% of Salvadorans. Nor did they

apparently say that [waste](#) dumped into the river would come from the daily use of 22 tons of cyanide to strip gold from rocks and soil. Or that sulfuric acid exuded from rocks also would release heavy metals (lead, magnesium, cadmium, mercury, arsenic) which soon was found in ailing residents' bloodstreams. At least an EIS would have described basic information of how today's [procedures](#) destroy water resources:

In the exploration stage, the mining companies make hundreds of deep holes in the ground (up to 1,312 feet down) to verify the presence and concentration of gold. This process often affects the aquifers and water sources of the nearby communities....[That] ...company dried up more than 20 historical springs in the local communities.

Residents near another gold mine saw river water turning red and orange. The well-off could afford [50¢ per gallon](#) for "clean" water, \$3 per barrel for bathing and laundry. But the poor were left to suffer kidney failure, rashes, neurological ailments—and [cancer](#).

Meanwhile, Pacific Rim announced expansion plans for El Dorado and informed residents they either could sell or lease properties. Some [90% refused](#), followed by the [murder](#) of at least four anti-mine activists. Fearing trouble, government [revoked its permit](#) in 2008 on grounds of tardiness in providing "steps in the approvals process, including an acceptable environmental assessment." Pacific Rim sued in the WB court for [\\$77,000,000](#) on grounds of loss-of-future profits, but lost on technicalities.

Cheering stopped, however, when Pacific Rim sold out to OceanaGold, a Canadian-Australian corporation, which refiled for [\\$301,000,000](#) for future lost profits. The verdict is pending, but trial costs in 2010 to Salvadoran taxpayers were some [\\$13,000,000](#). Honduras has been on the WB dole for years as an [HIPC](#) ("heavily indebted poor country"). It owes [\\$80,000,000](#), of which \$30,000,000 is for a non-transparent "[extractive industries transparency initiative](#)," a ruinously expensive item just to provide data to the government. Militarized, pro-mining governments have let Canadian and U.S. gold-mining companies control [30% of its land](#) for production—and pollute surrounding waterways with poisonous wastewater. In fact, the 1999 General Mining Law stipulated they could have "[unlimited access](#) to any water source" even if that led to significant cuts to residents' supplies. Worse was to come.

Perhaps Honduras' [greatest acid spill](#) was at the open-pit, heap-leach San Andrés gold mine by the Lara River, the area's principal water resource. Each of three successive foreign owners after 1994 [stalled paying](#) residents for appropriated properties and none for poisoning the Lara. Then, in 2003 the first of two major cyanide [spills](#) poured into the river and a tributary, destroying them, bankside ecosystems, and the fishing industry (18,000 fish died).

Resentments over those property non-payments and the spill boiled into [protests](#) against Canada's Greenstone Resources, the mine owner. Activists were vigorously supported by key [Catholic clergy](#), especially papal contender Cardinal Oscar R. Maradiaga. In July 2004, a liberal government suspended [new mining permits](#) until 2009, the same year of *another* massive [spill](#). Unfortunately, a coup ushered in a pro-mining regime so by 2013, a new law reversed most restrictions, and added one that "[prioritizes industrial use](#) of water over community needs." A Central American court fined Greenstone only [\\$54,000](#), but operations continue with five cyanide-treatment [ponds](#) still perched near the Lara.



The second example involved the American-Canadian Glamis Gold Company (aka “Goldcorp Inc.”). Even before the 2009 shutdown of its open-pit San Martin mine after five years of operations, it boasted about its “100%” [reclamation](#) effort though gold mining makes that an [impossibility](#). [Farewell gifts](#) were deadly health problems from cyanide-laced water, altering river courses, and polluting ecosystems.

For the last two years a sizable, multi-leader opposition has hobbled construction of the [Agua Zarca dam](#), one of 47 to be financed by [foreign](#) (chiefly Canadian, American, Chinese) and the WB. Protesters declared a four-dam complex on the Gualcarque River to be unneeded, especially because [solar power](#) has been introduced. The Gualcarque was the region’s [main source](#) of furnishing water to homes and irrigating orchards, coffee plantations and vegetable farms. Honduran community groups also knew the negligible value of mine-owner IOUs for property—and how to picket despite the recent [murders](#) of four activists.

In Peru, resistance also is rising. It’s against a WB-funded expansion of the massive [Yanacocha](#) gold mine near Cajamarca. Owned jointly by the Bank and the U.S.’s Newmont Mining Corporation, plans call for draining four lakes and adjoining lands to mine more gold. Again, local water needs have been disregarded.

And up near the Amazon River’s headwaters, Peruvian unrest grows daily over the WB’s “Plan Mesoamerica.” It involves 20 hydroelectric dams on the [Marañón River](#) to supply power to foreign industries. Among the first to be WB-financed has been the \$819,000,000 [Chadin 2](#) dam. Its reservoir will flood nearly 12 square miles, [displace](#) nearly 1,000 in 21 communities, and destroy its fruit industry. It could cause an Amazon “[ecosystem collapse](#),” extensive flooding, and cut water for householders, farms, and fishing. Tampering with the Amazon also risks “critical changes in [continental water flows](#)” through Peru, Bolivia, Ecuador, Colombia. To block hundreds of opponents from hearings, [police](#) tear-gassed one meeting and packed the hall for another.

Then, there’s Brazil. Another *vox-populi* lesson for government officials with tin ears and WB tin cups have been hundreds of enraged indigenous pickets. They know protesting in [tribal dress](#) is a guaranteed stunner for global Internet audiences and an embarrassment for the government. Also useful are their constant reminders about Brazil’s constitutional protections of the environment and the U.N.’s [human-rights declaration](#). Their focus last December was construction of a dozen dams on the [Tapajós](#) River largely benefitting mining and logging companies while destroying water resources in their widespread territories.

That tactic has been successful. When the WB was about to lend Brazil \$500,000,000 in the mid-1980s to build what would be the world’s third largest dam ([Belo Monte](#)) near Altamira, the indigenous came out in force. It would have driven [20,000](#) from their lands, choked off a major Amazon River tributary (the Xingu), killed the fishing industry, and wrecked a world-famous ecosystem. Their

massive demonstrations had to have been a major factor in 1989 for the [loan’s cancellation](#).

Again, celebrations were aborted when a largely foreign consortium of [investors](#) (JP Morgan Chase, BlackRock, *et alia*) picked up where the WB left off even if the eventual pricetag might be near \$14,000,000,000. To circumvent Internet exposure, consortium leaders decided on a business expense of \$1,500,000,000 for “[indigenous outreach](#)”—until the dam’s 2019 completion. It ended protests and transformed the community into a [Gomorrah](#) by providing monthly stipends of \$10,000, houses, pickups, freezers, laptops,

TV sets, a supermarket that grew Altamira's population to [100,000](#). Whether most will leave such largess at dam completion possibly may be a matter for the Brazilian Army and national police.

Leaders of water-starved Guatemala are no different than their protesting Latin American counterparts. Indirectly aided by WB's financing for projects, a horrifying record has emerged about water stewardship as it affects poor communities— particularly Mayan. Recovery from the 1960-96 civil war obviously was cited by leaders in 1996 in wheedling a [\\$66,000,000](#) WB loan for a highway through earthquake/flood-prone mountains to gold and silver lodes. New laws in the 1960s to attract foreign gold-mining firms cut environmental regulations, business taxes, and royalties (1%).

In 1967, Canada's Inco had a 40-year lease for its [Fenix](#) mine along the 30-mile [Lake Izabal](#) and its tributaries to the Caribbean. The government pledged Army security which meant clearing land by [massacring](#) nearly 3,000 Mayans under the pretext that even women and children probably were "guerillas."

By 2013, [107 mines](#) were operating in Guatemala, with 359 permits requested. Canada's Glamis Gold's open-pit and underground mine ([Marlin](#)) was 50 feet above the [Tzala River](#) upon which [thousands](#) relied. It used over [1,500,000 gallons](#) per day, paying nothing. Eventually, [40 community wells](#) dried up.

Water quickly became so tainted with cyanide, arsenic, nitrates, mercury, cobalt, aluminum, copper, and manganese that by 2009, [health experts](#) predicted residents would suffer for decades. And instead of fulfilling promises of everything from high-wage jobs to school funding, [Glamis](#) provided rowdy crews, [alcoholism](#), crime, prostitution—and it hired foreigners besides.

Shutdown demands began in 2003, first to Glamis, then the government, then the WB which indirectly had made a [\\$45,000,000](#) loan to the company, but "refuted all allegations." That set off a 40-day [protest](#), an Army/police intervention (2 killed, 16 wounded), and activists' complaints to the U.N. about violations of its human-rights declaration.

The [result](#) forced the government to hold a plebiscite on mine closure and nullify the 90% vote. It showed little concern about the mine's seven inside spills and a major one from a waste pool into the [Tzala](#). In December 2010, protest leaders traveled to [WB headquarters](#) in Washington, D.C. to confront its ombudsman and then-president Paul Wolfowitz about Glamis. Both listened, but did nothing. Interestingly, however, [Glamis](#) sold the mine five months later to Canada's Goldcorp and paid off the WB loan. Mine operations continue, but so do [protests](#), sabotage, savage retaliations, the flow of highly toxic water, and its fatal ailments.

Goldcorp expanded, partnering with an American company for a Guatemala silver mine ([El Escobal](#)), sending its poisonous offal into the Los Esclavos River on its two-mile downhill route into the huge, volcanic Ayarza Lagoon and aquifer. Protesters have surrounded the mine since its 2004 opening, first by thousands of farmers greeted by [police](#) (1 killed, 12 wounded). Other [protests](#) followed after the Canadian-American Tahoe Resources bought it in 2010.

Twelve area [plebiscites](#) voted for shutdown (90%) because of water and air pollution. Governmental nullification only increased violence, especially in 2013 when Tahoe's [Israeli](#)

[security force](#) opened fire on [demonstrators](#) (1 killed, 6 wounded). The President *did* declare a [State of Siege](#) protecting the mine with 8,500 soldiers and police and *did* imprison protestors. But he also put a moratorium on awarding *new* mining permits. Efforts to close Escobal continue despite the shooting [death](#) last April of an activist leader.

### Plebiscites Favoring Shutdowns Nullified by Governments

By 2007, under the Plan Mesoamerica, the WB had lent Guatemala \$13,000,000 for a set of 15 small dams, four by the [Q'am'balam River](#). Thousands voted against the projects in a plebiscite covering closure of *all* extractive companies and WB dams. Nullification triggered customary consequences: a decade of [protests](#) blocked dam entrances, destroyed equipment, and “detained” workers, followed by dead or jailed activists, and mass evictions.

Another WB loan (\$944,000,000) went for a concrete showpiece straddling the [Chixoy River](#), incredibly, on its earthquake fault line. Residents with access to the plans could see the reservoir alone would require eviction of nearly 6,000. The government quelled most opposition by promising those turning in property titles would be compensated after dam completion in 1983. Not at the *start* when residents could have resettled elsewhere and enriched *their* economies. Obviously, officials were not about to lose a peso to those regarded as collateral damage. Instead, they [sold the dam](#) for far more than the loan, repaid it, and apparently pocketed the rest.

Downstream flow first was curtailed by construction, then polluted when released downstream. Unanswered complaints about water shortages and quality led to protests, intensifying after news that [titles](#) couldn't be found. The swindled were silenced in 1982-83 by state-supported militias staging the first of those [massacres](#). Survivors were herded into an Army-controlled [concentration camp](#), starved, assaulted, and left to die. A WB “[inspection panel](#)” *did* pay a brief visit, but reported nothing amiss.

It took 32 years of constant agitation by Guatemalans and international advocates to secure the recent presidential promise for \$154,500,000 in [reparations](#). Depending on the whims of subsequent presidents, legislators, and cash on hand, the money is to be dispensed annually to survivors and heirs over the next 15 years.

These are but a few examples demonstrating how far the WB has strayed from its original philanthropic, altruistic mission to lift developing countries out of poverty. Policies have ossified into making it—and its 188 donor nations—a payday loan institution for governments building immense projects benefitting only multinational corporate extractors. It has abetted governmental corruption and been a long-time accessory to their atrocities and massacres committed over water resources. But their greatest crime is to permit usurpation and poisoning of that fast-disappearing resource—water—humans must have within five days or [die](#).

The WB assuredly has the financial resources and ties to expertise to execute a turnabout and return to its avowed purpose of helping the impoverished. The imperative No. 1 priority in view of climate change, should be to preserve water resources for the impoverished. To use donations from its 188 members to make loans only for projects conserving supplies.

The Bank's decision-makers must recognize it is no longer the only global lender pledging not only to help developing third-world countries rise from poverty, but to address water “security.”



The newest and fastest growing global lender is China's Asia Infrastructure Investment Bank ([AIIB](#)), busily gathering billions in lending funds with anchors such as Britain, France, and Germany among its present 57 [donors](#). Its mission statement capitalizes on WB obvious [shortcomings](#) and vows to aid "water supply and sanitation." Considering China's super-enterprising reach, AIIB won't confine itself to Asian clients for long.

Indeed, so unnerved that AIIB might entice many of its contributors to depart, the WB's current president has suggested the two institutions "co-finance individual infrastructure projects and/or work on [regional integration](#)."

Other worries should be U.S. Congress grumbling about continuing to be the WB's major donor (\$13,500,000,000 in 2014) for projects yielding poor results. It recently [blocked donating](#) to WB efforts that "allow governments to opt out of safeguarding affected indigenous peoples'...environmental and social protections from harm caused by Bank-funded projects." Several object to monies going to "[financial rogues](#)" such as Argentina, indicating hearings may be ahead on what governmental officials pilfer from those WB loans. That prospect alone should make Bank officials consider funding [Grameen](#)-like credit unions where members decide which vital projects get its earnings; Grameen last year reported a 92% payback of its loans.

Moreover, what's to stop Latin American countries from leading other victim nations to lobby the U.N. to shut down the WB's cash cow Court? Trade litigation could be moved to the International Court at The Hague or the European Union's court so that nations such as Argentina and Bolivia could sue rapacious extractors.

Another WB worry should be that at least 30 countries—mostly Latin American/African—have passed "[right-to-water](#)" legislation to hobble global polluters. Also, [180 cities in 35 countries](#), once forced to privatize water services, have returned them to public systems.

As water shortages grow more acute, other nations can be expected to follow because many presidents know one of the principal causes of the French Revolution were thousands rioting and overwhelming the military because of sudden shortages of [bread](#) triggering 88% price increases. If the masses guillotined a king, the nobility, and churchmen over lack of bread, government leaders—and WB officials—should tremble at what populaces will do without water.

In Latin America, protesters will be led perhaps by groups such as "[La Mesa](#)," formed in 2005 and powerful enough in Guatemala to win tough, enforceable environmental and human-rights regulations in 2011—especially access to clean water.

For the WB to survive, it must undergo a drastic housecleaning, something scarcely easy, given its ossified culture. Even a recent internal "[restructuring](#)" triggered howls from many of its 15,000 staffers when \$400,000,000 was trimmed from internal-operations. Outrage centered on cuts to perks—parking, free breakfasts, flying first class—but also ending executive job duplications and hiring expensive "big-names." But if changes suggested below result in mass resignations of those viewed as "[bloated](#), incompetent, and even corrupt," new blood would be circulating for today's needs.

Among revolutionary changes to water rights in loan policies are:

- No loans to governments failing to do a thorough environmental-impact study as

it pertains to preserving clean water resources prior to issuing permits to extractive companies.

- No loans to governments failing to ensure extractive companies carry sufficient insurance to cover spills affecting water resources.
- No loans to governments whose projects interfere with people's access to clean water systems.
- No loans to governments failing to require regular inspection, repair, and maintenance of water infrastructure.
- No loans to governments failing to monitor water quality weekly and publicizing the results to users.
- No loans to governments privatizing water systems or establishing public-private partnerships.
- No loans to governments charging prohibitive water rates to impoverished households.
- No loans to governments failing to use its military or police to actively enforce protection of clean-water resources.
- No loans to governments failing to charge extractive industries for both water usage and wastewater discharges.
- No loans to governments failing to force extractive industries to complete reclamation work within a year after ceasing operations.
- No loans to governments nullifying results of water plebiscites.
- No loans to governments permitting attacks on peaceful demonstrations or plebiscites concerning water.

Admittedly, such a lengthy qualification list for loan applicants is a departure from the WB's present practice of almost *no* qualifications as it concerns outcome. That has permitted both the WB and governments to spend donor money for boondoggles, corruption and destruction of lives and irreplaceable water resources. Unless far-reaching changes are made immediately regarding that resource, someone—perhaps Pope Francis I (he's from Argentina)—will prod the WB's 188 donors to shut off the WB's "water."

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