In March 2013, the Asian Development Bank will be holding its Asia Water Week. During this event, ADB intends to push for recognition and acceptability of its Water Operation Plan 2011-2020 which resonates the policy recommendations of its Green Urbanization Proposal.

No longer eulogizing privatization but still singing the same old tune, ADB claims that its experience has proven the effectivity of public-private partnerships (PPP) and corporatization of water services and resources. It writes, “Private capital and private expertise are essential ingredients in closing the water [supply and demand] gap.”

Tapping into private expertise entails recourse to market mechanisms, such as pricing for externalities or environmental costs. This is to manage demand and disincentivize wasteful use of water. However, this has only been to the detriment of the poor in most developing countries.

According to the 2006 United Nations Development Report, poor people pay for the cost of industries being able to simply pay-off governments for pollution of water resources through such policies. Take for instance the case of Java, Indonesia where a textile industry has severely degraded the environment causing food scarcity and livelihood insecurity to local communities. Another example are the two rivers in Tamil Nadu, India, which can no longer be used for food production downstream as dyeing and bleaching industries have polluted the water upstream.

Both of these cases demonstrate the limitations of relying on pricing mechanisms to manage demand or discourage harmful environmental practices with upstream activities having far-reaching downstream negative effects.

However, using pricing mechanisms is not only limited, but self-defeating when private "expertise" dictates the enforcement of cost-recovery measures. This has been done through raising water rates, laying-off employees or increasing water supply. The latter being the least contentious option, the tendency is for water use to increase. This is especially when the environmental cost could be easily accounted for.

This would then add to the already high amount of money divested on water supply systems—the recovery of which has been guaranteed by governments in concession agreements and backed up by strong bilateral treatment treaties (BITs), which can allow multi-billion companies to haul poor countries to international court.

And how about private capital, don't large-scale water infrastructures require vast amount of financial resources that only the private sector can provide? But, first, has it really been private capital which has been facilitating water coverage expansion in developed and developing countries? According to Public Services International Research Unit (PSIRU) , "there is no historical record of this happening – not even in France or the UK."—both of which have been the motherland of big water companies, such as Suez, Veolia and United Utilities.

PSIRU cites a World Bank study on South Asia, which shows public sector finance comprising 88% of all infrastructure investment, amounting to $24.4 billion annually. The South Asian case is also not so different with Africa where public financing through taxes and external aid finances 2/3 of its infrastructure spending on water, energy and transport.

PSIRU states that the reason behind the expansion of water coverage among households has been mainly possible through public capital and not private financing is that:

- Starting capital for governments is cheaper with no or low interest rates for investment loans, as compared with private companies
- Using taxpayer's money as the main funding source is more reliable, as compared to consumer's capacity to pay on full cost principle with the latter being unaffordable for most of the population
- Lack of access to improved water and sanitation of an individual or group can have serious social repercussions, one that most governments would avoid to prevent public unrest

Despite the empirical studies showing that most PPP projects and corporatized government bodies in the water sector have not led to significant increases in water access among marginalized sectors, ADB still insists that, "Experience reveals that business-oriented water utility management achieves substantive service improvements and expansion." But improvement and expansion for whom exactly?

Last month, Manila Water Co. Inc. (MWCI) was able to buy majority shares of Jakarta's water supply system. It is also expanding its operations in Vietnam and India. Meanwhile, 81.2% of MWCI's service area coverage is still unserved what with water connections amounting to around $122-158 for poor families who can barely survive on less than $2 a day.

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The series, "Money Grows in Cities, Not Trees: ADB's Green Urban Wet Dream" is part of Water for the People Network's effort to expose and oppose Corporate Green Economy and create awareness on how this neoliberal agenda is being systematically carried out by international financial institutions, such as the Asian Development Bank. See a slideshow presentation on the topic here .