



PACIFIC  
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# Pacific Institute Report

*Research for People and the Planet*

Spring 2003 Issue

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## Oakland Breathes Easier

### Research and Community Pressure Shut Down Top Area Air Polluter

On April 1st, the residents of West Oakland were greeted with news that almost seemed like an April Fools joke: Red Star Yeast, the largest fixed source of toxic air pollution in the area, announced plans to shut down.



Red Star Yeast factory.

For a community long-ignored, there was a feeling of victory – not only will Red Star's closure greatly reduce air pollution in a neighborhood plagued by toxic air, it will also pave the way for smart growth development as the site is located next to a stop for the regional commuter train BART.

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## Happy Birthday! PI Turns 15

### Celebrates with New Logo, Report, Open House

The Pacific Institute celebrated its fifteenth year with an open house, a new logo, and the publication of its first-ever annual report. Prepared to mark the Pacific Institute's fifteenth anniversary, the report details the work of our various programs, covers their successes and results, and offers history and background about some of the most pressing challenges we face (it is available online at: [www.pacinst.org/anniversary](http://www.pacinst.org/anniversary)).

The open house, held near our official birthday at the end of 2002, was a smashing success, according to those who attended. Over seventy supporters, old and new, came out to celebrate, learn about our work, and chat with staff.

A Pacific Institute time-line tracing our fifteen-year history and dotted with press clippings and relevant computer media (from punch cards to smart cards) was popular as was a pyramid of water bottles that compared the average Californian's daily water use (130 gallons) with the

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## Letter From the President

As I write, the United States is winding down its military campaign in Iraq. Despite some well-televised scenes of celebration, it is far from clear that the military solution imposed by the United States and its small coalition of allies will be effective in either rebuilding Iraq or improving the security of the United States.

But no matter what happens in Iraq, the go-it-alone mentality of our current administration is creating serious political risks for the United States while crippling our ability to influence important environmental, economic, and social decisions on the world stage.

In the short span of one year, I have seen the vast stock of international goodwill that resulted from the tragedy on September 11 evaporate as the United States has alienated friends and allies, abrogated and disavowed international treaties and the concept of multinational cooperation, and threatened the use of military force in the Middle East, Asia, and elsewhere.

Equally upsetting is how current U.S. international policies are having a direct and adverse effect on the work we do at the Institute.

When I go abroad now, or talk with my international colleagues, they ask me why the U.S. has chosen to project the image of an isolationist, imperialist power while simultaneously ignoring critical problems of equity, environment, and poverty. And this image has driven them to push environmental policy forward without the input of United States scientists and NGOs, less-

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## Letter From the President

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ening our influence and effectiveness.



The U.S. position in the water community is proof positive of this problem. Our country refuses to acknowledge the formal human right to water, now accepted by the broader international community and the United Nations. Our international aid contributions in the water area are paltry and misdirected. Our delegations to international water meetings are staffed by poorly-briefed representatives from agencies with conflicting and ill-defined agendas mainly focused on avoiding new commitments. As a result, U.S. efforts are usually ineffective, irrelevant, and ignored.

### Bad News Begets Good

It's not all bad news: the irresponsible position taken by the U.S. on the Kyoto climate treaty was so wrong that other countries are moving forward without us. Ultimately, a future President will have no choice but to join the international effort to limit greenhouse gases. Comparable efforts are underway to move forward on water issues without the U.S.

Despite successful efforts by the United States and other nations to water down the ministerial declaration at the 3rd World Water Forum recently concluded in Kyoto, NGOs and water experts made progress on important issues such as meeting basic water needs, privatization, and climate change.

Our own work on a human right to water was well received in Kyoto and was used to help draft the NGO statement. This work has also been explicitly cited in recent U.N. documents on the human right to water.

There is also good news regarding water privatization and climate change: Our efforts to set fundamental principles to protect the public in efforts to privatize water systems are bearing fruit with the World Bank and international water companies. And, our long experience with climate change issues is moving policymakers to action in the U.S. and abroad.

In other news, this issue of our newsletter introduces our new logo and tag-line – we hope you enjoy them.

Peter H. Gleick, President  
May 2003

### Editor's Note

## Online Update Grows, New Logo Goes Live

After much discussion and development, our new logo has finally gone public. Introduced in the Pacific Institute's 15-year Anniversary Report (see front page), the logo now graces our letterhead, business cards, and the cover of this newsletter. We hope the new design will aid our outreach by better communicating the essence of our work and the spirit of our values.

Speaking of outreach, curious why you haven't see this newsletter in awhile? Although we are continuing to publish the Pacific Institute Report, we are increasingly turning to our monthly, email-based Online Update to share important news.

Messages are few and your email is secure so please sign up from our front page ([www.pacinst.org](http://www.pacinst.org)) or via our online update web page ([www.pacinst.org/online\\_update](http://www.pacinst.org/online_update)).



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### Pacific Institute Report

Editor, Nicholas L. Cain

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The Pacific Institute Report is printed  
on recycled paper with soy-based ink.

## Kyoto: Silver NGO Lining to Minister's Gray Statement

From a participant's perspective, the 3rd World Water Forum was an overwhelming amount of information and activity.

Thousands of nongovernmental organizations (NGOs), government agencies, water experts, and corporate representatives from every corner of the world descended on the picturesque Japanese city of Kyoto for a week of water-related sessions. From sanitation in the developing world to

privatization, from climate change to filter technology – there was a session for every interest and topic.

But despite plenary meetings, open sessions, protests, a minister's meeting – and the start of a war – not much progress was made in terms of the formal ministerial statement and new commitments for action.

NGO's, including the Pacific Institute and the United Nations, saw

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## Pacific Institute Calls for National Water Commission

In March, the Pacific Institute called publicly for the creation of a National Water Commission for the 21st Century.

We believe that the Commission should direct an aggressive new effort to protect and sustainably manage our national water resources and to advise the U.S. on how best to address the global water crisis.

The U.S. has not had any national body to coordinate water policy for over 30 years and the benefits of such an effort – including a stronger national economy, improved international security, and more sustainable water use around the world – are many.

### Bill in Congress

The good news is that H.R. 135, a bill recently introduced into the U.S. Congress by Representative Linder, will create a national body to look at water policy.

Unfortunately, this bill is focused on increasing domestic water supply through major infrastructure projects instead of a more comprehensive and sustainable water policy, which would emphasize efficiency and conservation.

Also problematic: The bill neglects the role of the U.S. in addressing the global water crisis. By leading a global effort to reduce the number of people without access to clean water, we can help the millions who die yearly from preventable water-related disease, assist countries mired in poverty, and reduce the chance of conflict over resources.

We applaud efforts to create a national water commission – it is high time the U.S. has such a body. But the commission must emphasize appropriate water policy for the 21st century, not outdated approaches from the past. ■

## Researchers Win Award for Work on Sustainability

On February 26, Jason Morrison and Andrea Sumits were given the Silicon Valley Environmental Leadership Award by the Pacific Industrial Business Association for their work on environmental sustainability.

Morrison, a Senior Research Associate with the Pacific Institute, and Sumits, an attorney with the law firm Beveridge & Diamond and Affiliate researcher with the Pacific Institute, were praised for their work on sustainability in general and for a report they recently authored.

The report, "Creating a Framework for Sustainability in California: Lessons Learned from the New Zealand Experience," details New Zealand's attempt to integrate environmental protection and resource management



Andrea Sumits and Jason Morrison accept their award from PIBA.

with a "goals-based" policy framework, and sets out the lessons California can learn from New Zealand's experience.

The report is available online: [http://www.pacinst.org/egs/sustainable\\_california.htm](http://www.pacinst.org/egs/sustainable_california.htm)

### Water Words Delivers First Books New Project Delivers on the Ground Assistance

Water Words delivered its first water library this year to the African nation of Malawi. Other libraries went to East Timor, Ethiopia, Barbados, and India.

With millions of people dying every year from water-related diseases, helping communities build sustainable water and sanitation systems is of critical importance.

Water Words helps communities in need by providing information on everything from basic water science to community-scale water systems.

To learn more or make a donation, visit us online at: “[www.waterwords.org](http://www.waterwords.org)”. ■



Readers at the Blantyre Branch of the Malawi National Library dig in to the first set of Water Words-funded books. *Photo by Jon Lane.*

### Institute Launches Water and Climate Bibliography

Good news for researchers studying climate change and its impact on water: a searchable bibliography of literature on the topic is now available online.

“The Water and Climate Bibliography” contains over 3000 citations of peer-reviewed and “gray” literature, and offers a powerful and flexible search interface.

Paid for by the Dialogue on Water and Climate, the California Energy Commission, and the California Department of Water Resources, the bibliography is also available on CD-ROM. To search or submit new citations surf to: “[www.pacinst.org/resources](http://www.pacinst.org/resources)”. ■

### Environmental Justice Coalition for Water

## Everyone Deserves Clean Water: Coalition Builds Strength

Communities across California who are struggling to provide clean water now have some help: The Environmental Justice Coalition for Water.

This project, founded by the Pacific Institute in 1999 and now a separate organization, is at an exciting time in its development.

### Outreach Powers Growth

The Coalition’s efforts over the last year and a half to reach out to more communities in California have been a catalyst for growth.

With the additional support of a two-year grant from the Hewlett Foundation, the Coalition will be able to expand its scope and help more communities build their capacity to re-

spond to water issues which affect them. And, the Coalition has recently hired an Executive Director and a Legislative Analyst to help coordinate important legislative, outreach, and research work.

Our workshops in Los Angeles, Fresno, and San Jose have also played an important role in the research process for our soon-to-be released “Blueprint for Environmental Justice in California Water Policy.”

This guide, the first resource of its kind, will outline key issue areas and possible remedies for the wide array of injustices related to California’s water management and policy. (For more information on the Blueprint, contact Sarah Farina, Research Asso-

ciate at: 415-284-7209.)

The Coalition is also quite busy helping shape and implement Proposition 50, the clean water bill recently passed by Californians.

Over the coming year, the Environmental Justice Coalition for Water will continue to meet with community groups across the state to create language related to Prop 50 that will maximize funds for communities in need and create appropriation mechanisms that are more accessible to those traditionally ignored by California water policy.

For more information about the Coalition, contact Amy Hui at “[ahui@svtc.org](mailto:ahui@svtc.org)” or visit us online at “[www.ejwatercoalition.org](http://www.ejwatercoalition.org)”. ■

**Environmental Economics****Sustainable Ag Could Harvest Lucrative Crop**

By Gary H. Wolff, Principal Economist and Engineer

Sustainable agriculture offers farmers and consumers many benefits: cleaner water, healthier food, stronger rural communities, and better jobs for farm-workers and farmers.

To aid the transition towards sustainable agriculture, The Pacific Institute is working to inform the California legislature about the benefits of increasing the pesticide mill fee (now at 1.75% of pesticide sales) and imposing a small fee on water transfers, with revenues used to invest in sustainable techniques.

Our research has shown that such fees, used to support public investment in pesticide use reduction and increased agricultural water use efficiency, are beneficial for farmers and for Californians in general.

The first report in this project, “Healthy, Fair and Profitable: A Win-Win Pesticide Policy,” was released in February of 2002 and documented the opportunity to improve our health, environment, and economy. Health and environmental benefits from reduced pesticide use are easy to imagine; but how does reduced use translate into a stronger economy?

**Pesticide Costs Squeeze Profits**

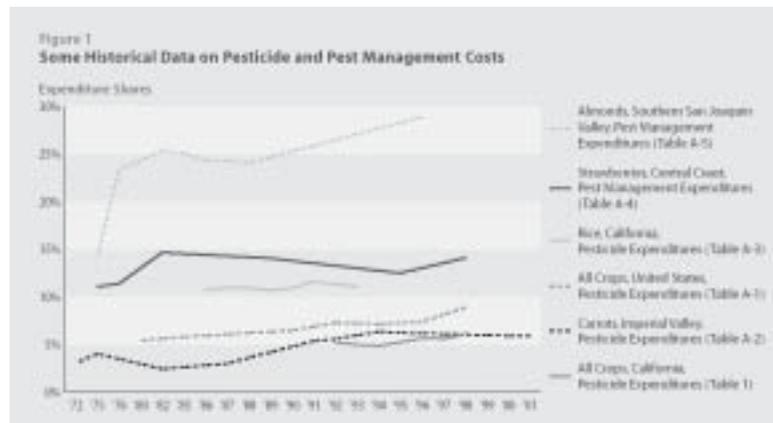
As Figure 1 from the report shows, the share of farm revenues that is spent on pesticides and pest management has been growing for three decades. This squeezes farm profits, just as would rising expenditures for labor or any other expense. Pesticide use reduction can save more money than it costs, unlike traditional regulatory policies that force the use of safer pesticides. Consequently, reversing or controlling upward spending on pest management can increase farm profits.

The second report in this project will be released in the Fall of 2003. It shows that each dollar raised with a higher mill fee costs farmers only \$0.50, but can bring a dollar of support to farmers who lead the way toward sustainable pest and water management.

Other pesticide users, like water and wastewater treatment plants that kill bacterial pests with chlorinated

compounds, will pay the difference.

From a consumer perspective, this indirect payment for reducing pesticide use is a bargain since pesticides in our water supplies are a significant but currently under-regulated health problem.



We are also working on research that shows the benefits of a fee on water transfers with revenue used to reward farmers who sustainably manage water and manure on their farms. ■

## How Much for a Drop? New Paper Looks at Value of Water

A new paper on the value of water is now available online. “Valuing Water for Better Governance” was co-written by Gary H. Wolff, the Pacific Institute’s Principal Economist and Engineer, Eric Gutierrez of Water Aid, Graham Gladden of Unilever, and Jack Moss of Suez. The paper explores the social, environmental, and economic value of water and how issues of valuation affect water policy. The paper was sponsored by the Business and Industry CEO Panel for water and was originally presented at the 3rd World Water Forum. It is available without charge at: “[www.pacinst.org/reports](http://www.pacinst.org/reports)”.

# Environment, Economy Need New Approaches

## Workshop Brings Together Public, Private Innovators to Find Common Ground

By Jason Morrison, Program Director

How can we protect public health and the environment while allowing business to flourish?

That is the question at the heart of recent efforts by governments, businesses, and environmentalists to fashion new ways to reduce pollution while giving businesses the freedom to innovate.

These efforts to encourage sustainability and move beyond traditional top-down regulation are gaining steam with a recent workshop held by the Pacific Institute and California's Environmental Protection Agency (Cal/EPA) in conjunction with the Multi State Working Group (MSWG) and the Council of State Governments (CSG).

The workshop, "Tools to Improve Environmental Performance: Expectations and Obstacles," was held November 21-22, 2002 at the California Environmental Protection Agency headquarters in Sacramento and was attended by over 70 representatives of government, industry, environmental NGOs, and academia. The goal of the workshop was to create a foundation upon which the MSWG and CSG could build their curriculum and research programs.

The Multi State Working Group is an organization that convenes government, nongovernment, business and academic interests to conduct research, promote dialogue, create networks, and establish partnerships that improve the state of the environment, economy, and community through systems-based public and private policy innovation.

The mission of the Council of State Government's Center for Environmental Innovation is to prepare state leaders to utilize the next generation of environmental management tools by encouraging information-sharing and consensus-building between the three primary stakeholder groups – government, business, and nongovernmental organizations (NGOs).

Given the broad scope of the dialogue, we do not attempt to provide a synopsis of the discussion here, nor did we try to identify areas of consensus and disagreement. Instead, we are providing an overview of what we learned from the workshop. Below is a condensed version of the proceedings: further information and an electronic version of the full proceedings can be found at: "[www.pacinst.org/ege/sacramento\\_workshop.htm](http://www.pacinst.org/ege/sacramento_workshop.htm)".

### Challenges Facing Innovation

#### *Coordinating Efforts and Breaking Down Barriers*

Efforts to encourage sustainability are occurring at all levels of government and in the private sector, but these activities constitute a patchwork that has not been well coordinated: there is a need to bring together these smaller projects into a comprehensive and integrated system.

Current efforts emphasize "good deeds" by individual companies and are just beginning to expand into sectoral, regional and other, broader approaches. There is also a need for federal, state and local governments to clarify what government ultimately wants from these efforts, give clear guidance to their own agencies, and then send a consistent message to the private sector.

Political fragmentation and inconsistent priorities and objectives from government agencies have stifled innovation to date. For sustainability-oriented policy to be successful, government will need to establish a framework by setting goals and making plans, then tracking performance against them.

#### *Triple Bottom Line: Linking Environment and Social Sphere with Economy*

Innovative approaches to sustainability, like the "triple bottom line," which adds the environment and social well-being to economic performance, can be implemented by aligning environmental goals with economic drivers – for instance, providing tax incentives for pollution reduction.

Based on growing evidence that improved environmental performance supports economic success, well-designed market tools can be used to enhance environmental protection.

While it is desirable to tap market forces by finding new ways to internalize environmental costs of, for instance, air or water pollution, some environmental challenges, like the protection of endangered species, do not necessarily lend themselves well to such approaches. Thus a mix of techniques is needed to protect the environment and public health.

## Workshop Looks at Innovative Approaches to Regulation

### Altering the “License to Operate” Equilibrium

Another approach, presented by Professor Robert Kagan, describes an expanded notion of license to operate that includes three elements: economic, legal, and social.

Kagan’s research has shown that a confluence of factors create an environment where companies (at least in the paper pulp industry) can’t drop too far below, or aim too far above average industry performance in any of the three areas, but especially the economic sphere.

For example, within the economic sphere of license to operate, companies that wish to be environmental leaders can’t go too far ahead of their industry peers by, for instance, installing expensive pollution abatement technologies, and still remain competitive in a globalized market. Thus there is only a limited business incentive for undertaking major (and costly) innovation efforts, as the market may penalize innovators if they cannot stay economically competitive. This needs to be recognized within the context of limitations to policy innovation programs, as expensive, high-risk programs will not attract even the most innovative businesses.

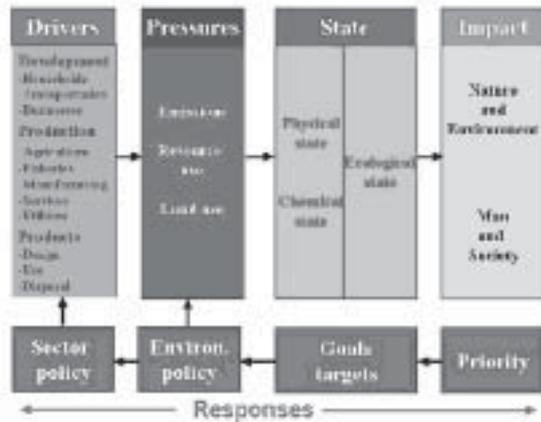
Part of the shift toward sustainability-oriented innovation will include expanding the definition of an organization’s “critical customer” to include stakeholders like regulators, communities, and future generations. Sustainability innovation can help motivate and align critical customers so that their responsiveness to an organization’s activities (good or bad) will lead to desired behavior from the organization.

For example, companies are presently required to report on their environmental performance, but government innovation programs can lead to more meaningful, comprehensive, and credible environmental information, which in turn can be more effectively used by NGOs to influence the public’s purchasing decisions.

### Innovation Within and Outside Current Law

Current efforts to improve sustainability are divided between innovating to achieve better outcomes within the existing “command and control” regulatory framework,

### A Systematic Approach to Environmental Improvement



Environmental impacts, be they physical disturbances of an ecosystem or emissions to air, water or land, arise from the combined effects of multiple sources of human (and natural) activity. These sources constitute an interactive system of multiple causes and effects that should be understood in order to design effective policy interventions in the system. The DPSIR approaches (see illustrations above) can provide the basis to understand how environmental impacts arise from human actions.

and innovating to encourage sustainable outcomes outside the current structure.

Within the current regulatory structure, innovation activities usually revolve around locally tailoring one-size-fits-all mandates, statutes or regulations in order to “reduce drag” and improve performance beyond legal minimums. Examples include: performance contracts, “cap and trade” programs (such as in the area of air pollution) and flexible/facility-wide permitting.

Historically, debates within this realm of innovation have revolved around what was dubbed the “Sacred Trinity”: Equivalent or better performance outcomes; Equivalent or better compliance assurance and practical enforceability; Equivalent or better public participation.

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# Workshop Looks at Innovative Approaches to Regulation

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Some NGO participants felt innovation efforts within the command and control system must focus on *better*, not equal, performance in order to be justified, whereas some in industry felt that if performance improved in some areas (say two of the three), then innovation should not be curtailed if performance stays equal in the other.

Another notable difference between NGOs and industry centers on the issue of sequencing: For NGOs, performance must be proven *before* regulatory flexibility is offered.

Businesses prefer that innovation start with benefits for leaders and then followed with regulation for laggards. However, most businesses agree that to be a “leader,” performance must be established.

The outstanding question becomes the appropriate height of the performance bar (above the required minimum) that deserves recognition and flexibility.

## Managing the Innovation Transition

### *Managing Expectations: Sustainability Doesn't Happen Over Night*

Currently, there is no tolerance of failure in innovations, as expectations in all sectors are high. And, there is little understanding among different sectors of the processes and investment decisions associated with other sector's role in innovation.

A problem to date has been the high transactions cost of involvement in innovation efforts for all stakeholders. One solution could be to start with incremental, low-risk improvements and ramp up investment as the successes and processes warrant. This approach, however, may limit breakthrough improvements.

Another challenge is reconciling the short and long-term drivers for change. For government, long term “visioning” becomes difficult in a political system that demands results in 2- to 4-year cycles. Corporate management decisions are largely driven by short-term returns to investors, and much of the general public has a *now* attitude to sustainability as well.

### *Using an array of tools*

After leading an effort to decide what goals we want to

achieve, government can then choose the tools that fit. There is a need to identify which environmental challenges respond to regulation and which do not. An example: non-point source pollution does not generally respond well to “command and control” system, but could be addressed through knowledge/results of individual actions.

The tools should include the use of both incentives and penalties to be effective. A mix of approaches will provide incentives to drive change, while also ensuring performance minimums through enforcement. The systematic raising of the regulatory bar pushes innovation and performance forward while providing a business case for industry leaders that know that competitors will soon be required to follow suit.

### *Education as an Enabler*

Institutionalized distrust characterizes the current regulatory system. Regulators fear increased flexibility for industry equals loss of control for government. NGOs fear that innovations will mean backsliding on environmental protection.

Stakeholders are often unaware of the calculations that other players make in terms of whether to pursue innovation, and there is currently a lack of common language and understanding among them. NGOs, for example, lack knowledge of how businesses work and the economic imperatives that constrain improved performance. Innovation will require an understanding of risk for all players. Switching roles can help stakeholders gain a better appreciation of others' perspectives.

### *Role of Information*

Information can play an extremely important role supporting innovation and driving continuous improvements in environmental performance. In order to be successful, performance-based regulation will require that companies' performance be thoroughly monitored, and information about their performance be made accessible to all stakeholders. For information to be useful across various sectors and regions, the way it is gathered, analyzed and reported needs to be standardized. Regulations can establish credible indicators and measurable performance standards.

## Workshop Brings Together Public, Private Innovators

Currently, we're drowning in data, which to be useful, must be translated into information. Information can serve as the enabler of investment decisions with government playing the role of information collector and disseminator. It is important that the information be "personalized" – that it has the ability to resonate with the target audience. Providing context by using benchmarks, showing relationship to goals, and providing spatial or sectoral information is critical. ■

### Oakland Breathes Easier

*Continued from page 1*

"This victory shows that putting high-quality research in the hands of neighborhood residents is an incredibly effective advocacy tool," noted Meena Palaniappan, Senior Research Associate with the Pacific Institute and director of the project.

The Red Star factory, long a source of complaints by residents, had been under increasing scrutiny from local and state officials since it was highlighted in the Pacific Institute's "Neighborhood Knowledge for Change: The West Oakland Environmental Indicators Project" report (available online at [www.pacinst.org/reports](http://www.pacinst.org/reports)).

Despite the innocuous nature of its product, the factory dumped about 30,000 pounds of carcinogenic pollution into the air each year and was unable to control its noxious odors.

Residents and community groups, including the Coalition for West Oakland Revitalization, are now pushing for the Red Star Yeast site to be converted into a smart growth development, which will mix housing, retail, and commercial space and help revitalize the once-vibrant neighborhood.

Meanwhile, the Pacific Institute has begun working to train community groups in Richmond, California to use environmental indicators, while continuing to help West Oakland with its next environmental challenge: reducing air pollution from diesel trucks.

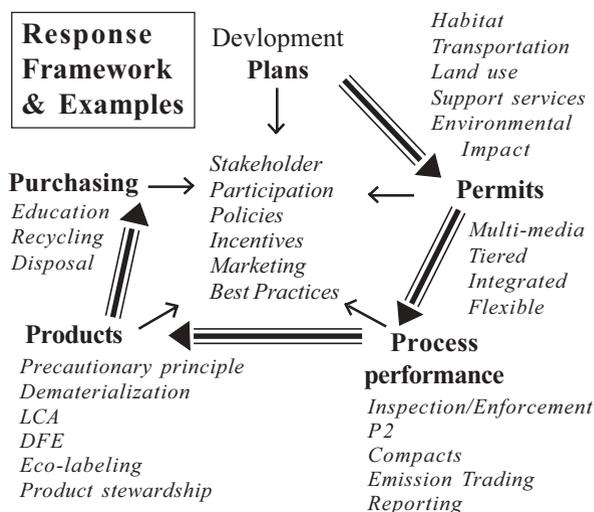
"Neighborhood Knowledge for Change" and more information on our work in West Oakland are both available online: "[http://www.pacinst.org/west\\_oakland](http://www.pacinst.org/west_oakland)". ■

### Evaluating Areas of Impact

Environmental impacts can be broadly classified as arising from decisions made in five broad areas:

- 1) Regional development **plans** that establish the balance between habitat conservation, economic development (transportation, business development, and housing), access to the supporting infrastructure (access to energy and fresh water, wastewater treatment, waste disposal) and the concomitant environmental impacts.
- 2) The environmental permissions and standards defined by the **permit** process, for the production of goods and services.
- 3) The actual production **process performance** of the technology that creates food, goods or services.
- 4) The design of **products** and the impact of their use and disposal.
- 5) The **purchasing** decisions made by consumers and their behaviors while using and disposing of products and services.

Over the past decades governments have focused mainly on the second and third areas, with recent attention on the fourth. Innovation is growing in all five areas as indicated in the examples listed in the graphic below.



The focus of future innovation should be to foster widespread and rapid learning in each of the areas and to develop best practice examples of the integrated application of the entire tool box.

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## WATER AND SUSTAINABILITY

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**4/2-4/4/03: Water Efficiency** Dana Haasz gave a presentation on “Efficient Use and Management of Urban Water Supply” at the II International Conference held in Tennerife, Spain.

**3/23/-3/29/03, 3rd World Water Forum** Peter H. Gleick made a compelling case for the human right to water at the Opening Plenary Session on Sanitation, Water Supply and Water Pollution. Dr. Gleick also made presentations on coping with climate change, water and conflict, and basic human needs for water.

**3/23/03, 3rd World Water Forum** Meena Palaniappan presented the Pacific Institute’s new study, “Principles and Practices in the New Economy of Water,” (available for public release shortly) at a session on Global Water Liberalization Scenarios. Ms. Palaniappan also made a presentation on the human right to water and helped draft the NGO statement.

**2/25/03, Corporate Water Challenge** The Pacific Institute hosted a workshop on corporate responsibility in the water area with representatives of the Earth Day Network, Conservation International, Trillium Asset Management, Domini Social Investments, and other groups.

**2/12/03, State Department Meeting on Kyoto** Peter Gleick met with representatives of the Department of State to discuss global water problems and the upcoming Kyoto water conference.

**2/10/03, Water Privatization** Peter Gleick presented a talk on the risks and benefits of water privatization at a World Bank seminar entitled “Re-thinking Privatization: A Brainstorm-

ing Exercise” in Washington, D.C.

**12/15/02 Water Efficiency** Dana Haasz gave a presentation on “Urban Water Use Efficiency: A California Case Study” at the Watersave U.K. conference.

**12/14/-12/19/02, Water and Climate** Peter H. Gleick traveled to Dhaka, Bangladesh for a meeting on water resources and climate change with the Dialogue on Water and Climate. Attendees discussed the risks to Bangladesh from climate change, how to include those risks in long-term disaster planning, and how to best prepare for the upcoming Kyoto conference.

**11/19/02, Environmental Justice Water Coalition** Dana Haasz, Meena Palaniappan, and Peter Gleick attended a meeting of the Environmental Justice Water Coalition to talk about water privatization, the risks to California communities, and how the coalition should become involved.

**11/14/02, Climate Change and California Water** Mike Kiparsky and Peter Gleick attended a meeting at the Department of Water Resources on how best to integrate climate change into the next California Water Plan. This is the first time DWR has committed to reviewing and — we hope — addressing, the risks climate change poses to California’s water supply.

**11/13/02, Development, Environment, and Security** Peter H. Gleick gave a presentation on the connections between environment, development, and security to the Woodrow Wilson International Center for Scholars Environmental Change and Security Project’s awards dinner held at the Fairmont Hotel in San Francisco.

William Draper, former director of the UN Development Programme,

former Congressman Lee Hamilton, and former Secretary of Defense Bill Perry were among the attendees.

**10/24/02, World Food Prize Keynote** Peter H. Gleick gave one of the opening keynote addresses at the World Food Prize Symposium in Des Moines, Iowa. The symposium this year focused on global freshwater problems. The \$250,000 Prize was awarded to Dr. Pedro Sanchez for his pioneering work on soils and food production in Latin America and Africa.

**9/26/02, Global Water Crisis** Peter H. Gleick gave a talk at the Dr. Bruce J. Nelson Distinguished Speaker Series at Harvey Mudd College (Claremont, CA) entitled: Water in the 21st Century: “Old Problems, New Solutions.”

**9/25/02, Rivers and Water** Peter H. Gleick, presented the keynote address at the Brisbane, Australia “Riversymposium” where 500 participants discussed long-term global and local river issues.

**9/25/02, California Water Overview** Peter H. Gleick gave an overview of past and future California water issues at the Ventura County World Affairs Council. Dr. Gleick was joined by Adan Ortega of the Metropolitan Water District and Don Kendall of the Calleguas Municipal Water District.

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## COLORADO RIVER/ SALTON SEA

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**3/12/0, Colorado River** Michael Cohen participated on a panel entitled “The Colorado River — What’s Next?” at the Water Education Foundation’s 20th annual Executive Briefing in Sacramento.

**2/28/03, Colorado River** Michael Cohen participated on a panel called “What is the forecast for the Colorado

River?" at the Nevada Water Resources Association Annual Conference, in Sparks, Nevada.

**12/16-12/17/02, Colorado River and Salton Sea** Michael Cohen organized and led meetings to discuss pressing issues relating to the lower Colorado River and the Salton Sea. Assistant Secretary of the Interior Bennett Raley, senior Interior and Bureau of Reclamation staff, and several environmental organizations attended the meeting, which was held in Las Vegas.

**10/14-10/17/02, Colorado River delta** Michael Cohen, Senior Research Associate, attended the "Mapping Conservation Priorities" workshop in Tijuana, Mexico to identify priority conservation areas within the Colorado River delta and to develop an annotated map depicting these areas.

**10/10/02, IID-San Diego Water Transfer** Peter Gleick and Michael Cohen attended the POWER water conference in Los Angeles. Mr. Cohen, as part of a panel, discussed the Imperial Irrigation District-San Diego water transfer and the consequences for farmers, the Salton Sea, and the environment. Dr. Gleick provided the final lunch crowd with a vision of California's water in 2025.

**6/14/02, Colorado River** Michael Cohen testified before the House of Representatives Subcommittee on Water and Power regarding the "Implementation of the California Plan for the Colorado River: Opportunities and Challenges." The meeting took place in La Quinta, California.

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## ENVIRONMENTAL JUSTICE

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**3/26/03, Diesel Reduction Project** West Oakland residents and the Pa-

cific Institute interviewed and selected a contractor for the West Oakland Diesel Study. Residents of West Oakland helped determine study objectives, methods, and a contractor to complete the study. The West Oakland Diesel Study will answer key questions posed by West Oakland residents, characterize the extent of diesel pollution in West Oakland, and identify options to reduce diesel pollution in the community.

**2/27/03, Bay Area Community Meets With Air District** The Pacific Institute, community groups, and others met with the Bay Area Air Quality Management District to revamp the odor complaint process.

Communities throughout the Bay Area have been prevented from documenting on-going odor and air pollution problems due to the failure of the district's complaint process. Based on pressure from the Pacific Institute, elected officials, and the West Oakland community, the air quality district has begun a region-wide review of its complaint process.

**2/10/03, Diesel Pollution Reduction Stakeholders Meeting** The Pacific Institute hosted the first stakeholders meeting to discuss a diesel pollution study in West Oakland, which is heavily impacted by truck traffic from the Port of Oakland. Attendees include Oakland City Council member Nancy Nadel, West Oakland community members, USEPA, and the California Department of Health Services.

**1/25/03, West Oakland Residents at Town Hall Meeting** Residents involved in the West Oakland Environmental Indicators Project made a series of presentations at a town hall meeting being held to help guide the area's redevelopment process. Residents spoke on the importance of improving access to affordable

housing, cleaning-up contaminated sites, and encouraging green business development and used research from the Pacific Institute's report on West Oakland to help make their case.

**1/16/03, Meeting with Congresswoman Barbara Lee** The Pacific Institute, the West Oakland Environmental Indicators Project, and West Oakland community members met with U.S. Congresswoman Barbara Lee to update her on the environmental and social conditions in West Oakland. Congresswoman Lee agreed to help advocate for community-identified concerns.

**1/1/03, Air Quality District Takes Action** The Bay Area Air Quality Management District finally took action to place Red Star Yeast, the largest fixed source of toxic air pollution in West Oakland, on the list of Chronic Odor Violators. Red Star is one of very few facilities ever to be placed on this list, and this was due to pressure applied by the community.

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## GLOBALIZATION AND THE ENVIRONMENT

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**3/25-3/28/03, ISO: Water Management** Jason Morrison and Mike Cohen participated as U.S. delegates in the second working meetings of ISO Technical Committee 224 — water resource management. Held in Paris, the meetings represented the beginning of work in earnest on the four standards being developed within the committee formed in late 2001.

**2/27/03, Corporate Responsibility Presentation** Jason Morrison delivered a closing plenary address at the 9th Annual Pacific Industrial and Business Association's (PIBA) conference. His presentation on the pro-

*Continued on next page*

## STAFF BRIEFINGS

posed role of corporations in a post-Johannesburg World Summit world was followed by a lively 20-minute question-and-answer dialogue with the predominantly private sector audience.

**2/24/03, ISO: NGO Task Group** Jason Morrison chaired a meeting of the ISO Technical Committee 207 NGO Task Group in London. The group is working to produce a discussion paper on the obstacles to effective NGO participation within ISO/TC 207.

The paper, which includes recommendations for addressing the obstacles identified, will be presented for approval by the full membership of the Technical Committee at its plenary meeting in July 2003 in Bali.

**2/19-2/21/03, ISO: Environmental Communications Standards** Jason Morrison attended a standards meeting of ISO Technical Committee 207 Working Group 4 (WG4)-Environmental Communications in London. Mr. Morrison continues to be one of only a few NGOs participating in WG4, which is developing the international guidance document.

**1/29-1/30/03, Workshop on EMSs** Jason Morrison attended a workshop entitled "Environmental Management Systems (EMS) and Financial Incentives in the Public Sector." The objective of the two-day event, held at the University of Pennsylvania, was to identify relationships and benefits between entities in the public sector that implement EMSs, including ISO 14001.

**12/13/02, Morrison Joins ISO CAG** Jason Morrison accepted an invitation by ISO/TC 207 Chair, Daniel Gagnier, to serve on his Chairman's Advisory Group (CAG). NGOs within the committee first began advocating for representation on the CAG in 1999 and this recent development

can be seen as a milestone for NGOs participating in ISO standards development. Jason attended his first meeting as a member of the TC207 CAG in January 2003 in Washington, D.C.

**11/15/02, Environmental Management Systems** Jason Morrison accepted the invitation of the National Biosolids Partnership to serve as a member of its EMS Initiative Appeals Board. The nine-member Board is being established to provide an independent appeals process that provides EMS program participants in the wastewater sector the formal ability to question an EMS auditor's verification determination.

**11/14/02 ISO: Environmental Communication** Jason Morrison attended a meeting of U.S. standards experts working to develop national comments and positions on the draft international standard on environmental communications (ISO 14063). The meeting was held in Washington, D.C.

**10/15/02, Corporate Environmental Reporting** Jason Morrison attended his first meeting of the Genencor Sustainability Management System Stakeholder Board (SHB), which was convened at the Genencor International, Inc. main campus in Palo Alto. Morrison agreed to serve as the environmental NGO representative on the multi-stakeholder panel, which has been assembled to provide input on Genencor's sustainability and reporting practices.

**10/6-10/7/02, ISO: Environmental Communications** Jason Morrison attended a standards meeting of ISO Technical Committee 207 Working Group 4 (WG4), held in Cancun, Mexico. Mr. Morrison is one of four US delegates to WG4 (and one of two NGOs in WG4), which is developing a standard on environmental communications.

**9/25/02, ISO: Water Management** Mr. Morrison and Meena Palaniappan, Director of the Community Strategies Program, participated as U.S. delegates in the first plenary meeting of ISO Technical Committee 224 — water resource management. Hosted by the French national standards body, AFNOR, the meeting focused on establishing the work plan and structure of the newly formed technical committee.

**8/28/02, NGOs and Sustainable Development** Jason Morrison provided a keynote retrospective on the past and future role of NGOs in implementing sustainable development. The talk, "Designing the Future: A Workshop on Sustainability Leadership," was given in Johannesburg, South Africa at the World Summit on Sustainable Development. On the second day of the event, Mr. Morrison presented the findings of the Pacific Institute's New Zealand environmental policy reform report.

**6/25/02, MSWG** Jason Morrison participated in a Multi-State Working group/Council of State Governments cosponsored dialogue entitled "Curriculum Needs of the Policy Academy on Environmental Management Tools." The multi-stakeholder forum, held in Chicago, was assembled to provide input into the future work plan for the Policy Academy.

**6/19/02, GEMI Presentation on Transparency** Jason Morrison presented the findings of the Pacific Institute-GEMI cosponsored NGO/industry roundtable workshop, "Defining Transparency: Expectations and Obstacles" at the Global Environmental Management Initiative (GEMI) annual conference in Atlanta, Georgia. Full proceedings of the workshop: "<http://www.pacinst.org/egem/transparency.htm>".

**6/9-6/16/02, ISO: NGO Task Group** Jason Morrison attended the

10th plenary meeting of ISO Technical Committee (TC) 207 in Johannesburg, South Africa.

As the Chair of the TC 207 NGO Task Group, Mr. Morrison steered the group to completion of its first two work products: a fact sheet describing the purpose and activities of the NGO Task Group, and an informational document, entitled "A Guide to NGO Participation in ISO/TC 207." The full Technical Committee approved both documents at its closing plenary session.

**6/3-6/4/02, Environmental Regulatory Innovation** At the Multi-State Working Group June annual conference in Orlando, Florida, Jason Morrison provided the "NGO response" to the keynote address of Chairman James Connaughton of the White House's Council on Environmental Quality.

At that same conference Jason and his wife, Andrea Sumits, presented on the findings of their policy study, "Creating a Framework for Sustainability in California: Learning from the New Zealand Experience."

## ECONOMICS AND THE ENVIRONMENT

**4/2/03, Value of Water** Gary H. Wolff presented a version of "Valuing Water for Better Governance" at the 2nd International PRINWASS Conference held in Mexico City.

PRINWASS is a three year international research project sponsored by the European Union that seeks to define the conditions (if any) under which private involvement in the water sector is desirable.

**3/23/03, 3rd World Water Forum** Though he did not attend, Gary H. Wolff coauthored a paper on the value of water, which was presented at the

CEO Roundtable.

**3/15/03, Water Privatization** Gary H. Wolff made the keynote address on the "Risks and Benefits of Privatization" at the University of Montana Law School Public Lands Conference on March 15, 2003.

**3/6/03, Environmental Economics** Gary H. Wolff presented on the "Economics of Environmental Regulation" to senior staff of the California Environmental Protection Agency.

**2/15/03, Water Privatization** Gary H. Wolff completed an independent review of the privatization proposals for Stockton's wastewater and water systems, and presented the review to the Stockton City Council.

**9/15/02 and 1/15/03 Value of Water** Gary H. Wolff attended meetings in Amsterdam (2002) and France (2003) to participate in workshops on the "value of water" sponsored by the Business and Industry Roundtable for Water.

**10/29/02, Water and Economics** Gary Wolff was one of eight invited speakers at a short course on "Challenges of New Water Policies in the XXIst Century" at the Universidad Internacional Melendez Pelayo in Valencia, Spain.

He presented the Institute paper, "The New Economy of Water: The Risks and Benefits of Globalization and Privatization of Freshwater," to about 100 faculty and students of the University.

**2002, Demand Management** Gary H. Wolff served as chair and member of the 17-member, multi-stakeholder EBMUD Demand Management Advisory Committee and presented the Committee's water conservation recommendations to the EBMUD Board. ■

## Institute Turns 15

*Continued from page 1*

average water use of someone in the developing world (roughly five gallons).

The official unveiling of our new logo was also a highlight. Now that the dust has settled, our new logo has been used to create letterhead and related items and is now gracing this newsletter as well.

Dr. Peter H. Gleick, President and cofounder of the Pacific Institute, topped off the anniversary celebration with a hilarious if sobering vision of the future that featured various presidential daughters going head-to-head in a future election. More on this in 2008. ■

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## Kyoto: Silver NGO Lining to Minister's Gray Statement

*Continued from page 3*

the failure of the ministers to include strong language on the human right to water as a big disappointment. Also disappointing was the meeting's bias towards big projects and increased privatization.

There was also some good news: NGOs made a strong show and, perhaps even more than agencies or businesses, took advantage of the networking possibilities.

The NGOs ran the gamut from small, issue focused organizations to major, multinational nongovernmental organizations like the United Nations. And despite being largely ignored in the official statement, the assembled NGOs made substantial progress on many important issues from the human right to water to privatization as well as drafting their own NGO statement.

### Institute Brings Papers, Presentations

The Pacific Institute brought several new papers to the conference and presented in no less than eight sessions. Dr. Peter H. Gleick, President of the Pacific Institute, spoke as part of a panel during the opening plenary session on the global water crisis and human health. This presentation led to an Associated Press story that was picked up widely in the U.S. and abroad ("Global Water Conference Opens in Japan," 3/17/03).

Dr. Gleick also made two presentations in Kyoto on the human right to water and gave a talk on water and conflict in Shiga, Japan to a session that was hosted by Mikhail Gorbachev of Green Cross International. Another well-received presentation was made to the NGO task group meeting, which used this information to help formulate the NGO-statement, released at the end of the conference.

Meena Palanaippan, Senior Research Associate with the Pacific Institute, also presented a major paper on the principles and practices of water privatization. That paper, a follow-up to the Pacific Institute's "New Economy of Water," includes 11 cases studies assessing how the Pacific Institute's principles to protect the public interest in water privatization were met (or not met) in various examples. The case studies look at public, private, and community-cooperative models of water management throughout the world and offer up real-world lessons on what works and what doesn't. The paper will be available online shortly.

Ms. Palanaippan also made a presentation to the NGO



Peter H. Gleick listens to a translation of remarks during the Opening Plenary discussion of the Water and Sanitation at the 3rd World Water Forum.

panel on the human right to water based on Gleick's research, and over the course of the week, took part in the drafting of the official NGO statement. Ms. Palaniappan was interviewed for the concurrent Water Water conference being held in New York City the same week.

Dr. Gary H. Wolff also contributed to the Water Forum – although he did not attend the conference – by co-authoring a paper on the value of water.

The paper, "Valuing Water for Better Governance: How To Promote Dialogue To Balance Social, Environmental, And Economic Values?" was sponsored by the Business and Industry CEO Panel on water and presented at the CEO Roundtable session.

Dr. Wolff, along with coauthors Jack Moss of Suez, Graham Gladden of Unilever, and Eric Guttierrez of Water Aid, explores how people value water socially, culturally, and economically – and how the values gap over water stymies fair and equitable use ("Valuing Water for Better Governance" is online at: [www.pacinst.org/reports](http://www.pacinst.org/reports)).

Nicholas L. Cain, the Pacific Institute's Communications Director participated in a panel on Media Misperceptions and environmental issues. Journalists and public information officers from countries including Poland, India, Germany, the United Kingdom and the US took part. ■

## Celebrating 15 Years of Research for People and the Planet!

Dear Supporter,

Good decisions depend on good information and for over 15 years the Pacific Institute has brought critical information on pressing environmental threats to both grass roots advocacy organizations and international policy makers.

Our work on the human right to water and water privatization was used to craft the NGO-statement at the 3rd World Water Forum, held earlier this year in Kyoto, Japan. In February the first books from Water Words reached libraries in Malawi, East Timor, Ethiopia, Barbados and India. In April, research on West Oakland's air pollution problem bore fruit as the neighborhood's largest fixed source of toxic air pollution was shut down.

*There are many other important projects in the works but we can't make progress without help from you!*

Although many of our long-term research projects are funded by grants, it is donations from individual members that allow us to research new areas, respond to new threats, and protect the public interest.

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Thanks for your support,

Diana Lee, Director of Development

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# Pacific Institute Report

Spring 2003 Issue

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