



## BPD PROJECT SUPPORT

# The Agua Para Todos Partnership

## Potential Opportunities and Potential Hurdles for Scaling-up and Replication

**Author:** Harold Lockwood

**Date:** December 2005

### Background and Context

The Agua para Todos partnership is set in Bolivia's fourth largest city, Cochabamba, bringing together a locally-based private company (Agua Tuya/Plastiforte), the public water utility which currently holds the concessionary agreement (Servicio Municipal de Agua Potable y Alcantarillado or SEMAPA), the municipal authority and the United Nations Development Programme office of Bolivia. In addition, two micro-financing institutions work with the partnership: the foundation Pro Habitat, which also provides training in aspects of community-managed systems, and CIDRE, a regional credit agency for Cochabamba department.

The formal partnership is relatively new, although individual members have worked together before under different modalities; a major new expansion of activities is proposed to implement 17,000 water connections in a five-year period that will require external financial support. The early evidence suggests that this is an important model for resolving water supply problems in peri-urban contexts given that it is locally driven and provided that it is sustainable. However, given that the partnership is only just starting out with its planned expansion, it must now go through a period of consolidation to establish the extent of benefits with practical evidence from the field.

This short paper examines both the success factors that have enabled the positive growth of the partnership model as well as potential hurdles for scaling-up. The paper considers a number of possible scenarios relating to scaling-up and replication:

- i) Scaling-up of the partnership within its existing context of specific districts of Cochabamba and potentially to work in other parts of the concessionary area;
- ii) Replication of the model in other peri-urban contexts within Bolivia; and
- iii) The possible replication of the model in other countries in the Latin American region.

### Success Factors

The factors that point to early successes with the Agua para Todos model include both external factors and those internal to the partnership. External factors that appear to have influenced the partnership include:

- **High demand:** the fact that households in the concessionary area (and beyond) have poor access to improved water supply is a key element in the success of the programme. A public service is not yet available in these areas, and private suppliers provide water at high cost (approximately US\$2.5/cubic metre) and of questionable quality, therefore demand for services is strong.
- **Willingness to invest financially:** linked to the issue of demand is an associated willingness to pay for a good quality service. Once communities see practical examples of functioning secondary networks, they are willing to invest and take out (and repay) loans to improve services. This is significant, given the generally low level of household incomes (typically less than US\$100 per month).
- **Strong community mobilisation and organisation:** communities in the southern districts of Cochabamba are already motivated to organise themselves in order to address common (social) problems; the



creation of solid community management structures has been a key to project implementation under the partnership approach.

- **Clear and enabling legislation:** linked to community organisation is the specific legislation in Bolivia under the 1994 Ley de Participación Popular (law of popular participation), which facilitates locally-based organisations (Organizaciones Territoriales de Base or OTBs) to prioritise and invest in needs within a defined geographic area. This law underpins the high level of mobilisation and representation of communities to engage with the partnership.

**Factors internal to the partnership approach that appear to have facilitated progress and contributed to success include:**

- **Local initiative:** prior to winning the SEED Award<sup>1</sup>, the activities of the partnership have not been widely known outside of Cochabamba. The absence of donor agencies, bringing certain conditionalities and administrative demands, has in this case been a positive factor. The partnership has developed through local initiative and has been highly cost-effective.
- **Receptiveness on the part of public sector agencies:** both the Cochabamba municipal government and the public utility, SEMAPA, have shown a great deal of openness in working with unconventional modalities, including close collaboration with both community groups and the private sector.
- **Dynamic leadership:** although there is no formally recognised lead agency in the partnership, it is clear that Agua Tuya/Plastiforte is the *de facto* leader and provides much of the drive behind progress to date. More specifically, this is due in no small part to the efforts and vision of its director.
- **Flexible financing models:** the partnership benefits from the presence of local micro-financing institutions that tailor loans to suit each community depending on their capacity for repayment, the total cost of the system and other specific conditions.
- **Proven technology:** the partnership project uses locally manufactured HDPE<sup>2</sup> pipe, which has been tried and tested and is known to out-perform other pipe materials. The manufacturer also provides expert design advice, oversees all aspects of installation and guarantees the products.

**In addition to the above factors, the activities of the partnership must be seen in the broader context of Cochabamba, which was scene to a**

vociferous, and at times violent, backlash against an attempt at privatisation of the main water utility in 1999 and 2000. Indeed, the protests in Cochabamba forced the national government to re-think its policy on water privatisation and ultimately led to the retraction of a number of large concessionary contracts. Profiting from water (along with the exploitation of other resources, most notably natural gas), has become a potent social issue in Bolivia. Given that the partnership involves a private sector company, it is significant that further conflict has been avoided; one factor in this success seems to have been the completely **apolitical stance** taken by the partnership (and the private company) regarding its dealings with both the public utility and community groups.

### **Scaling-up within Cochabamba**

By the end of 2005 the partnership will have completed five systems under the full methodology, plus an additional three pilot projects, all carried out within the concessionary area of SEMAPA; these systems will provide improved water supply to approximately 10,000 people.

The partnership now proposes to expand, or scale up, with the same approach in four districts in the southern part of the city to provide services to approximately 85,000 people in the next five years. To do this the main requirement is **increased financing** for the rotating fund for lending to communities. Other conditions necessary for scaling up at this stage include:

- An increased partnership management capacity to oversee larger numbers of projects;
- Greater access for communities to the partnership and a permanent presence in local districts through the establishment of a coordination office;
- A transparent mechanism to transfer public funds from the municipal authority to the private sector company; and
- Access to grant funding to develop and sustain certain training and outreach components of the projects that have to date been informally financed by absorbing costs into the overheads of the partners.

<sup>1</sup> Please see <http://www.seedawards.org/> for further details.

<sup>2</sup> High density polyethylene.

The potential hurdles to scaling up within Cochabamba are effectively the opposite of those cited above, namely: lack of financing for gearing up the micro-credit rotating fund; lack of transparency, particularly where a private sector company is seen to benefit from public resources; and limited management capacity and financing for training and other software components of the projects. Any future political protests or agitation could also derail the partnership as it expands further in the south of the city.

Although the partnership does not depend on SEMAPA in terms of bulk water supply at present<sup>3</sup>, its withdrawal from the partnership, for example due to political pressure, would lead to credibility problems and perhaps questions of adherence to norms and standards, given that SEMAPA is the current concessionary holder for this part of the city.

At present the partnership functions in the south of the city. If the factors cited above are met, the partnership approach could also be replicated in other areas of the city, for example in the north and west, where residents (and SEMAPA) face very similar problems over lack of secondary networks. This could be done by employing exactly the same approaches, with the same partners, but would probably require the establishment of a similar coordination office in this part of the city to make the partnership immediately accessible to local residents.

### **Replication of the model in other cities in Bolivia**

The Agua para Todos partnership approach is specific to Cochabamba, but it is not the only such experience in the country. There is reportedly a similar initiative in the city of Santa Cruz involving Aguas del Este; other, similar projects are being funded by the Swiss Development Cooperation (COSUDE) in El Alto. Nevertheless, if the partnership continues to show positive results, as is the expectation, there is little doubt that there will be a demand for replication elsewhere in the country.

---

<sup>3</sup> The newly constructed systems still rely on private water carriers who deliver water in bulk to one central storage tank and offer a reduced price, usually 50% lower than the cost to provide directly to each individual household.

One of the great strengths of this partnership is its local origins and relations which have developed without (negative) external influences. The principal actors in each member organisation of the partnership are 'local' and very much known to one another, professionally if not socially as well – Cochabamba still has a small-town feel and way of working, despite it being one of the largest cities in the country.

It is true to say that the partnership model has grown out of the particular socio-economic fabric in Cochabamba<sup>4</sup> and therefore may, or may not, be readily transferable to other cities. For example, one representative from a water sector agency in Bolivia cited the example of El Alto. He commented that although El Alto is in a similar situation<sup>5</sup> and in many ways desperately requires such a model, and where community cohesion is also high, social attitudes and expectations towards what government should finance would make a largely credit-based approach to infrastructure investment problematic.

Lastly, any transfer to other cities in Bolivia would require an agency, or person, to replicate the leadership role played by Agua Tuya/Plastiforte in the development of the partnership in Cochabamba. Ideally this should emerge from a local, indigenous source and not be imposed from outside through 'technical assistance'.

### **Possible replication of the model in other countries in Latin America**

Cochabamba and Bolivia are not unique in the Latin American context when considering lack of access to water supply services. There are many other small cities in many countries in the region where many, if not all, of the ingredients of the Agua para Todos partnership must already exist, but where they have not been developed in the same way. This model clearly has lessons for other countries and should be documented adequately to allow for dissemination and broader learning.

---

<sup>4</sup> This very much includes the population's exposure to, and in some cases participation in, the political processes involved in the "water wars" during 1999 and 2000.

<sup>5</sup> The government also withdrew the concessionary agreement in El Alto from a private consortium, Aguas del Illimani, leaving a weak public utility with limited capacity to service large parts of a growing, low-income population.

When considering the external success factors, it is also clear that many of these exist in parallel in other peri-urban contexts: high levels of demand for improved service and strong community organisation are not unique to Cochabamba. However, one of the very important success factors *is* unique to Bolivia, and this is the enabling legislation that is enshrined in the Popular Participation Law (1994), under which locally-based organisations are legally recognised and empowered to identify and prioritise local needs. The law also provides for a (re)-distribution of significant amounts of central government funding to the local level channelled via the prefecture and municipal level government structures.

This law has greatly strengthened and facilitated the way in which local communities are organised (through the OTBs), as well as providing practical part-financing for investment in infrastructure. Without this legal framework in place in Bolivia, the partnership would have evolved differently and engagement with communities would also have been carried out in a different way. This factor would be a key consideration in any attempt to replicate the model in other countries in the region.

*Please note that the opinions expressed herein are those of the author and not necessarily those of BPD or its members.*

*Building Partnerships for Development in Water and Sanitation (BPD) is a not-for-profit membership organisation that supports public, civil society and private sector decision-makers and practitioners engaged in partnerships that provide water and sanitation services in poor communities. Active since 1998, BPD focuses on how best to structure, manage and assess such multi-stakeholder collaborative arrangements.*

For information on other BPD projects and how to apply for BPD project support, please see [www.bpdws.org](http://www.bpdws.org).

**Series Production Manager:** Tracey Keatman  
**BPD Water and Sanitation**  
2nd floor, 47-49 Durham Street  
London, SE11 5JD  
United Kingdom  
Tel: +44 (0)20 7793 4557  
Fax: +44 (0)20 7582 0962  
Email: [info@bpdws.org](mailto:info@bpdws.org)  
Website: [www.bpdws.org](http://www.bpdws.org)