# POLICY DIALOGUES

# Water and Sanitation works with Neighborhood Participation: regulated and transparent

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# PITCH

This policy brief is targeting State authorities involved in the water and sanitation sector, regardless of whether they are responsible for public policies, regulators, executors or projects financers seeking to meet the demands regarding access to water in the city of El Alto. The process of expanding water and sanitation coverage through the modality known as Works with Neighborhood Participation has been analyzed, and adjustments in this model are proposed to ensure greater transparency in the choice of contractors and of materials, and with respect to the public company, although not the executor of the work, that it assume greater responsibility in monitoring the works financed by local residents.

## ISSUES

Over the last twenty years, there has been a general shrinkage of private capital investment in the water and sanitation sector and at the same time the re-emergence of public water management, mainly assumed by municipalities, a phenomenon that has been called "water remunicipalization".

In Bolivia, although Law No. 2066 states that drinking water provision services are the responsibility of public, cooperative, community or mixed non-profit entities, the return of this matter to the public sphere is in fact linked to the central State. In La Paz, the Public Enterprise for Water and Sanitation, EPSAS S.A., took control of water management in 2007 and despite having been intervened by the State in 2013 due to its poor performance, it still has control over it without competences being transferred to the municipal entity.

To guarantee the respect of the right to water, the water operator must expand coverage at the pace of population growth. Given the impossibility of raising resources either from the public treasury or from international donors, operators turn towards local residents' funding. Officially called Works with Neighborhood Participation (OPV), this model is regulated by the 2017 Regulatory Administrative Resolution but it derives from the pro-poor growth promotion model, which emerged in the 1990s as a palliative to

the economic structural adjustment measures, within the framework of the so-called Washington Consensus<sup>2</sup>. Its implementation discloses the institutional weaknesses and lack of business efficiency of EPSAS S.A. The water connections achieved through OPV participated in magnifying statistics on water coverage and hiding/minimizing financial issues in water management particularly in relation to the necessary investment<sup>3</sup>.

#### METHODS

Based on interviews with leaders, local residents and EPSAS contractors, as well as participation in neighborhood assemblies in El Alto and the monitoring of news on the matter, the research on corporate citizenship and inequalities in access to water in municipal district No. 7 of El Alto shows that OPV directly impacts the poverty indicators; and that it is possible to link inequality in access to water with social organization and inhabitants' collective action. Regarding Statesociety relations. collective mobilizations demanding access to water also represent a way of giving effect to citizenship.

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Geography: Bolivia, Latin America

Themes: Water, Citizenship

Find out more about this project: <u>https://www.afd.fr/en/carte-des-projets/inequalities-urban-water-services-la-paz-</u> and-el-alto







### RESULTS

One of the formulas to increase drinking water coverage based on the self-financing efforts of the people was the approval of the National Regulation on the Provision of Drinking Water and Sewerage Services for Urban Centers (Ministerial Resolution No. 510 of 29 October 1992). The aforementioned Regulatory Administrative Resolution issued by the AAPS, which approves the Regulation on Works with Neighborhood Participation, introduced some elements to ensure greater transparency in the execution of OPV. Articles 10 to 12 include guidelines for the preparation of such projects, administration, operation and maintenance of the works, and responsibilities regarding their execution.

However, although the Works with Neighborhood Participation offer a certain degree of autonomy from EPSAS funding to the neighborhoods, the application of the model based on the use of self-managed energies for the satisfaction of basic needs of peripheral and self-built neighborhoods shows some problems. Faced with the lack of sufficient funds to expand drinking water coverage, EPSAS turns to OPV to provide water to all residents, but there are doubts about the contractors selecting process and the quality of the materials used in the construction of the systems.

District 7 residents protest in front of EPSAS building in El Alto



Source: Perales, 2019

According to the law, these works will be subject to the technical review of companies providing drinking water services, which includes an analysis of the characteristics of the hydraulic infrastructure, the design of the expansion and the materials used; supervisors of the companies providing the drinking water services also have to monitor and analyze companies awarded by the Works with Neighborhood Participation.

Access to water and sanitation based on residents' funding entails while inequalities; residents of consolidated housing developments not need to make do anv investments, inhabitants of periurban areas being in need of a network extension must provide partial or total financing for it. Nevertheless, the process of selffinancing the extension of the distribution network does not include a system to control the contractors selection procedure.

The participatory efforts of the population to solve the problem of the lack of access to water is invisible if its contribution does not differ from works carried out with State resources or international donors' money.

#### RECOMMENDATIONS

- To guarantee the exercise of the human right to water, it is necessary to realign the regulatory framework of the Works with Neighborhood Participation through complementary regulations, i.e. from being consultants they should become payroll employees; moreover, the public company should take on greater responsibility.
- The choice of contractors for construction of the works should be based on experience in the field and proven capacity, i.e. a national register of construction firms specialized in Works with Neighborhood Participation.
- EPSAS must report the source of funding and the percentage of neighborhood participation in the execution of works to expand water coverage. The planning of services should be done jointly with the municipal government, prioritizing the health needs of populations with the most difficult living conditions due to the poor quality of their dwellings.

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<sup>&</sup>lt;sup>1</sup> McDonald, D. A., & Swyngedouw, E. (2019). The New Water Wars: Struggles for Remunicipalization. Water Alternatives, 12(2), 322-333. Retrieved from http://www.water-alternatives.org/index.php/alldoc/articles/vol12/v12issue3/528-2-11/file

<sup>&</sup>lt;sup>2</sup> Medina, F., and Galván, M. (2014). ¿Qué es el crecimiento pro pobre? Fundamentos teóricos y metodologías para su medición No. 89. Santiago de Chile. <sup>3</sup> Perales Miranda, V. H. (2020). "Ciudadanía corporativa y urbanización del agua en la periferia urbana de El Alto". In Agua y desigualdades urbanas, Urquieta and Botton (coords.). CIDES/AFD. Colección 35 años. La Paz: Plural editores.