

La Paz, 22 March 2011 (Tierramérica) - There is still no apparent solution to the unsatisfied demand for drinking water in Cochabamba, 11 years after this central Bolivian city made international headlines with a popular uprising that halted the privatisation of water service.

Only 326,504 people, representing 48 percent of the population of Cochabamba, have piped water service, and the poorest are forced to purchase drinking water at exorbitant prices.

Meanwhile, sanitation service coverage extends to only 48 percent of the city's inhabitants, according to the municipal drinking water and sanitation company, Servicio Municipal de Agua Potable y Alcantarillado (SEMAPA).

SEMAPA produces 20.6 million litres of water daily and provides service for less than 16 hours a day in this city nestled in a valley of the Andes mountains, 2,600 metres above sea level.

Often water is illicitly diverted from SEMAPA and then sold from tanker trucks in neighbourhoods on the farthest outskirts of the city, a local woman who asked to remain anonymous told Tierramérica.

This critical state of affairs in Bolivia's third largest city, with a population of 680,597, is the outcome of a series of failed experiments, beginning with a process of privatisation which, after unprecedented opposition, ended with the return of water management to the publically owned SEMAPA.

The company is run by the local municipal government, but urgently needs support from the departmental and national governments, SEMAPA general manager Julio Vargas told Tierramérica. Saddled with debts, it cannot tackle on its own the challenge of investing the 170 million dollars needed to expand service in the next five years, he explained.

In 2010, the company managed to overcome its cash deficit, but "we still can't say that it is completely solvent," said Vargas.

In 2009, that deficit had reached three million dollars. Numerous irregularities contributed to the creation of SEMAPA's debt, including thefts of materials, purchases of materials at overly inflated prices, and the presence on the company's payroll of a number of employees who did not actually work there.

To balance its finances, the company was forced to lay off 150 people, Vargas said. SEMAPA currently employs at least five workers for every 1,000 household connections, significantly more than the standard considered adequate for the efficient provision of water services in Latin America, which is three workers per 1,000 connections.

Bolivia has one of the lowest water and sanitation coverage rates in the region: 85 percent of its inhabitants have access to drinking water and 46 percent are reached by some form of sewerage services, according to 2004 figures gathered by the United Nations.

The theme selected by the United Nations for this year's World Water Day, Mar. 22, is "Water for Cities". Every month, five million people join the urban population of the world's developing countries.

In Cochabamba, the only possible option to at least partially satisfy the demand for water is a project that involves damming three rivers in the Misicuni River basin and the construction of a reservoir to supply water for human consumption and irrigation, along with a hydroelectric power plant.

The project is being undertaken 20 kilometres from the city and is managed by Empresa Misicuni, a "social public" entity whose board of directors is made up of representatives of the government, local municipal authorities, and water users. The planned facilities are not scheduled to begin operating until 2013, however.

"In the case of Bolivia, the private and state models have both failed," Carlos Crespo, a researcher at the Centre for Higher University Studies, told Tierramérica. Crespo proposes a decentralised water management system directed by the consumers themselves.

The involvement of the state inevitably implies centralisation, which combined with a "terrible kind of corruption" in Cochabamba and ended up absorbing the social control of citizens, turning them into clients of this irregular administration, he said.

Crespo supports a proposal put forward by residents of the southern section of Cochabamba, who want to establish an association, purchase water from SEMAPA or Misicuni, and handle water management themselves, distributing it through a network of pipes to the association's members.

This is a more democratic and "face-to-face" model of water management which could make it more efficient than previous models, Crespo believes.

SEMAPA was created in July 1967 to provide water service in the province of Cercado, of which Cochabamba is the capital, under autonomous and decentralised administration.

In 1999, the government of Hugo Banzer (1971-1978 and 1997-2001) granted the concession to provide the service administered by SEMAPA to Aguas del Tunari, a consortium made up by International Water Limited of the United Kingdom, Edison of Italy, Bechtel of the United States, Abengoa of Spain, and two Bolivian companies, ICE Ingenieros and SOBOCE.

Under the terms of the privatisation contract, Aguas del Tunari would provide drinking water and sanitation services to the entire population of Cochabamba, thus doubling the area of coverage at the time, while also supplying electricity and irrigation water to the area.

But the Bolivian authorities approved the contract through a law that granted wide powers to the consortium to administer water resources that even SEMAPA did not control, such as communal water systems.

This fact and a steep hike in water rates triggered a popular uprising in January 2000. Massive demonstrations, strikes and roadblocks continued through April, making news both nationally and internationally.

One person was killed and 30 were wounded in the violent crackdowns against the demonstrators, but in the end, Aguas del Turani was forced out of the country and the controversial law was overturned by the congress.

SEMAPA was resurrected, but its administrators placed priority on paying high salaries to its staff, ignored the public's demands for more transparent management, and disregarded the growing demand for water.

In Cochabamba, SEMAPA customers pay roughly 0.80 dollars for a cubic metre of water, according to company figures from the third quarter of 2010. But the poorest often pay many times that amount for drinking water.

In the ongoing and widespread debate over water service, some propose the creation of a cooperative. For Vargas, this is not a viable solution, since there is no entity that would be willing to take on SEMAPA's debt.

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