



water for people  
BOLIVIA

## Investment by Water For People Toward the Implementation of Drinking Water Projects in Municipalities of Bolivia

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## Introduction

Water For People, together with municipal partners, has been working for fifteen years in the implementation of basic sanitation projects with a focus on sustainability in basic services in the Valle Alto in the Department of Cochabamba.

The implementation of drinking water systems has been the main area of work, with attention given to infrastructure, but with greater emphasis on the long-term sustainability of the service. The Community Development model, according to local regulations, is used to achieve the application of tariffs that succeed in recovering operation and maintenance expenses for infrastructure and staffing, as well as the partial recovery of at least a percentage of the capital cost.

This document presents information regarding the investment made by international NGO Water For People in Bolivia towards the implementation of new projects, as well as improvements and expansions of drinking water systems. The time frame for these projects is fiscal years 2013 to 2018, with each fiscal year beginning on October 1 and ending on September 30. The data for fiscal year 2018 includes only the months of October to December 2017.

## Municipal Partners

There are five Water For People municipal partners in the Valle Alto of the Cochabamba Department and one in the Santa Cruz Department (Table 1). In these communities, multiple drinking water systems focused on sustainability have been introduced. These have been enhanced using various techniques such as improved access to sanitation.

Table 1: Water For People Municipal Partners

Department	Province	Municipality
Cochabamba	Punata	Villa Gualberto Villarroel
Cochabamba	Punata	Villa Rivero
Cochabamba	Punata	San Benito
Cochabamba	Arani	Arani
Cochabamba	Tiraque	Tiraque
Santa Cruz	Andrés Ibáñez	San Pedro

## Water For People Financing Mechanism

After adjustments to its financing mechanisms, Water For People was able to finalize the signing of framework agreements with a duration of five years with general terms and pre-requisites, leading to the signing of annual agreements for joint financing.

These annual agreements must be registered in the municipal annual operating plans, with details including community name, beneficiary families, type of projects for community development, and the corresponding investment amounts of both Water For People and the Autonomous Municipal Governments (GAMs, for the Spanish acronym). At the same time, projects and budgets must be registered in the Vice Ministry of Pre-Investment and External Financing (VIPFE, for the Spanish acronym) to ensure the contribution of the municipal government.

## Water For People Fiscal Policy

A matching fund contribution has been established by Water For People of up to 50% of the investment costs in infrastructure for drinking water systems.

## Financing for Drinking Water Projects

Prior to 2006 until the present, Water For People's goal has been to increase access to drinking water for families in rural areas. To that end, Water For People provides co-financing for the

construction of infrastructure for potable water services at the household level with municipal support and financial and labor support from the beneficiaries.

This analysis includes investments in fiscal years 2013 to 2018 by Water For People. Table 2 includes details of the water project investments carried out by Water For People, GAMs and beneficiaries, corresponding to infrastructure costs according to final project delivery plus work scheduled for 2018.

**Table 2: Investment Contributions in Water Systems by Water For People and Municipalities (in US dollars)**

Year	Number of Beneficiaries	Water For People (USD)	GAM (USD)	Beneficiaries (USD)	Total (USD)
2013	1025	11,929	1006	12,476	25,410
2014	2099	56,637	66,118	33,067	155,822
2015	4734	133,142	130,636	49,285	313,063
2016	4106	173,570	255,504	100,519	529,593
2017	4080	94,542	268,774	52,036	415,352
2018	2190	136,710	147,456	20,086	304,252
<b>Total</b>	<b>18.234</b>	<b>606,530</b>	<b>869,494</b>	<b>267,469</b>	<b>1,743,492</b>

From 2013 to 2018, Water For People financed a total of USD 606,530 in water projects. Partner municipalities provided USD 869,494 and beneficiary families contributed USD 267,469.

A total investment of USD 1,743,492 was made, which benefited 18,234 people. During fiscal year 2018, this included implementation of 47 new, upgraded, or expanded water systems.

Figure 1 shows the trend of investments, with contributions in 2013 to 2014 low in relation to 2015 to 2017. For data on 2108 investments, refer to the planning in Agreements with GAMs.

### Per Capita Annual Financing by Source

Figure 1 shows annual co-finance contributions, as well as the number of beneficiaries per fiscal year. This data can be used to calculate per capita investment data by each entity. Figure 2 then shows the per-beneficiary amount received.

The performance of the total per capita costs varies by year, tending towards growth from 2013 to 2018 (including projects scheduled for 2018) with total costs fluctuating between USD 25 and USD 139 per person.

From 2013 to 2018, Water For People has contributed a minimum of USD 12 and a maximum of USD 62 per resident. During this time period, they invested an average of USD 32 per resident:

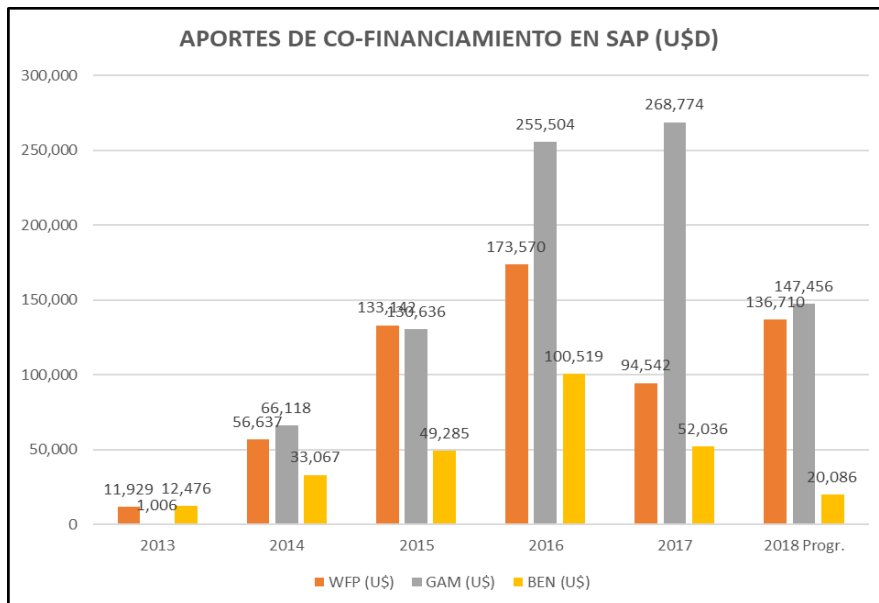
- USD 12 per resident in 2013
- USD 27 per resident in 2014
- USD 28 per resident in 2015
- USD 42 per resident in 2016
- USD 23 per resident in 2017
- USD 62 per resident in 2018



In the same period, the municipalities have contributed a minimum of USD 1 and a maximum of USD 68 per resident with an average of USD 43 per resident.

- USD 1 per resident in 2013
- USD 31 per resident in 2014
- USD 28 per resident in 2015
- USD 62 per resident in 2016
- USD 66 per resident in 2017
- USD 67 per resident in 2018

**Figure 1: List of Annual Co-Finance Contributions by Water For People, Municipalities and Beneficiaries (in US dollars)**

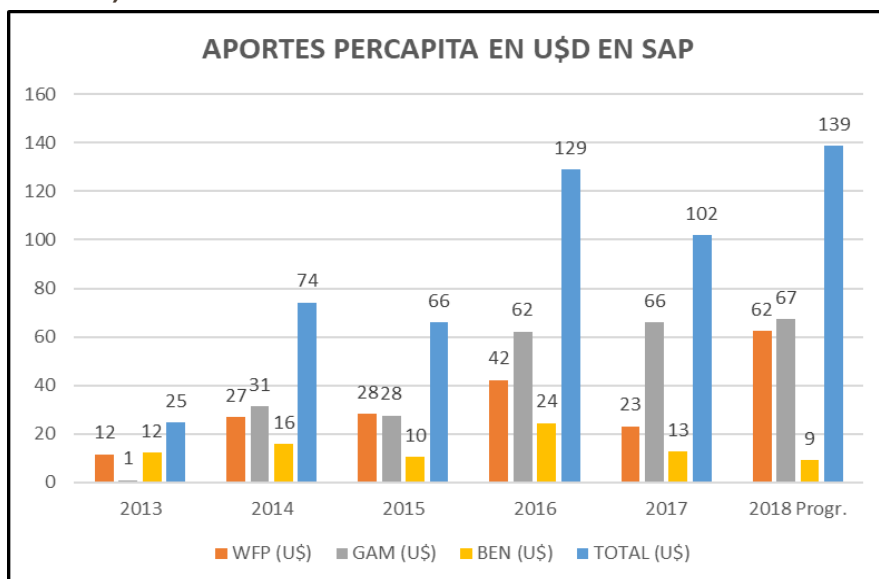


This data demonstrates that the GAMs are increasing investments over time by envisioning the importance of improved access to drinking water.

Beneficiaries from rural settlements have also contributed from USD 9 to USD 24 per person with an average of USD 14 per person:

- USD 12 per resident in 2013
- USD 16 per resident in 2014
- USD 10 per resident in 2015
- USD 24 per resident in 2016
- USD 13 per resident in 2017
- USD 9 per resident in 2018

**Figure 2: Ratio of Annual Per Capita Contributions by Entity (in US dollars)**



### Financing of Water Projects by Percentage

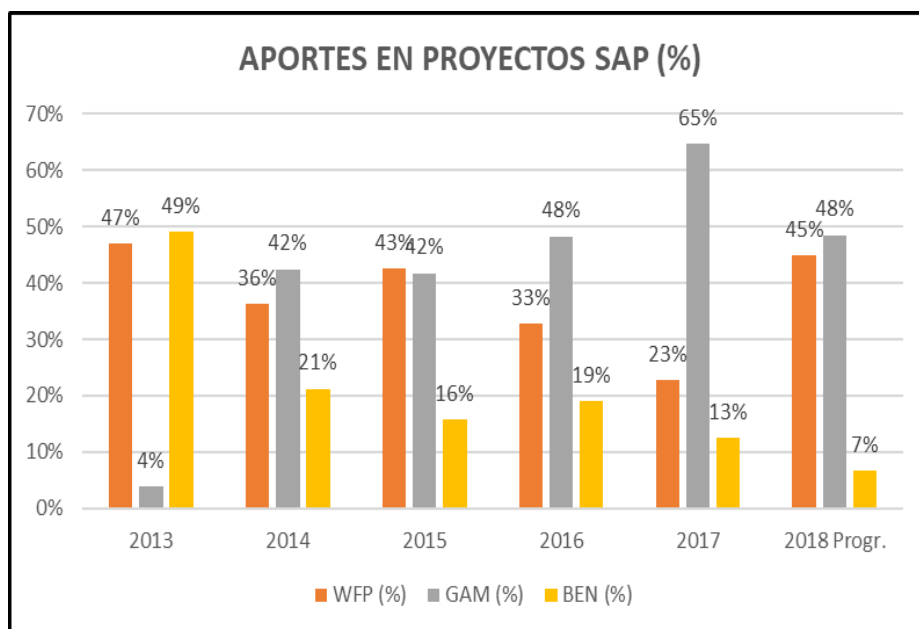
The data from Figure 2 allows the calculation of contributions by percentage as shown in Figure 3. For a clearer view of economic trends, Figure 3 shows the performance of investments by percentage. Water For People provided 47% of project costs in 2013, 36% in 2014, 43% in 2015,



33% in 2016, 23% in 2017, and 45% in 2018. In older municipalities, the trend is for cofinancing to decline over time.

For their part, municipalities provided 4% of project costs in 2013, 42% in 2014, 42% in 2015, 48% in 2016, 65% in 2017, and 48% in 2018. This shows the increasing level of economic contribution by municipalities towards the implementation of drinking water projects.

Figure 3: Ratio of Annual Contributions by Percentage



Families that are beneficiaries of drinking water services also contribute. They provided cofinancing contributions of 49% in 2013, 21% in 2014, 16% in 2015, 19% in 2016, 13% in 2017, and 7% in 2018.

## Conclusions

- Water For People utilizes a work flow and strategy capable of mobilizing municipal authorities and beneficiaries to be active in the co-financing of drinking water projects with a sustainable approach.
- Contributions by Water For People range from USD 12 to USD 62 per resident, with the overall percentage not exceeding 47%. From 2013 to 2018, the average contribution is 38%.
- Contributions by municipalities in this time period are as high as 65%, with an average of 42% and a maximum of USD 67 per resident.
- Realizing the importance of reliable good quality water and service, beneficiary communities contributed up to USD 24 per resident, with an average of 21% during the time period.
- Added together, the contributions of GAMs and beneficiaries make up 62% of total project costs, with Water For People providing the other 38%. This indicates that Water For People has achieved strong financial leverage towards cofinancing. This compares favorably with government financed projects which use 80% contributions by the government and 20% by beneficiaries, which is far less balanced.
- Finally, the average total cost for Water For People drinking water infrastructure projects is USD 89 per resident. This data demonstrates optimization of resources alongside the operation of implemented technologies and budgetary management of government investments.



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