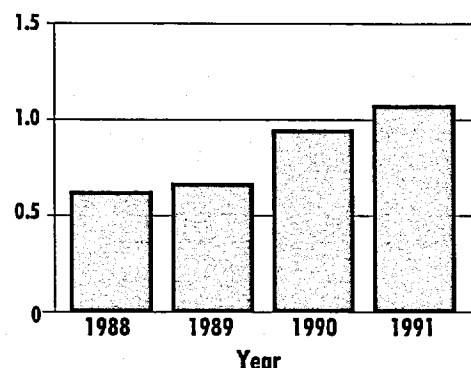


## 4. SECTORAL OPPORTUNITIES — WATER AND INFRASTRUCTURE

**FIG. 4.1**  
**PUBLIC INVESTMENT IN WATER INFRASTRUCTURE**  
**(U.S.\$ BILLIONS)**



Source: National Institute for Statistics, Geography and Information (INEGI)

The economic depression of the 1980s resulted in significant deterioration of Mexico's water infrastructure. Construction of new systems did not keep up with the needs of a rapidly increasing population. By 1988, less than 70 percent of the population had access to potable water, less than 50 percent had access to sewer systems, only 15 percent of municipal discharge was treated and few industries were treating their waste water. Irrigation systems were not maintained and dams did not have the capacity to meet growing agricultural and electrical needs. The government, recognizing that the deficiency must be addressed quickly, has committed substantial resources and instituted a privatization program to shift the financial burden to the private sector.

From 1988 to 1991 Mexico's public spending on water infrastructure doubled exceeding U.S. \$1 billion in 1991. It is expected to remain in this range for the foreseeable future.

In Mexico, the federal government department responsible for water is the *Secretaría de Agricultura y Recursos Hidráulicos* (SARH). The *Comisión Nacional del Agua* (CNA) is the decentralized department of SARH responsible for water.

### COMISIÓN NACIONAL DEL AGUA (CNA)

The government agency responsible for administration of water is the decentralized *Comisión Nacional del Agua* (CNA) — the National Water Commission. The CNA oversees all aspects of Mexican water policy, including:

- potable water;
- sewer and storm water systems;
- water treatment;
- irrigation; and
- dams.

It is mandated to direct and administer federal government policy, set technical standards, oversee the implementation and enforcement of these standards and control funding for the projects. However, state and municipal governments are responsible for the actual building and operation of local water systems.

### WATER PROJECTS

There are substantial opportunities in the construction of water works as the country moves to upgrade, rehabilitate, and create new infrastructure.

#### POTABLE WATER

Mexico's first priority was to provide access to potable water to as much of the population as possible. Considerable resources were dedicated to bringing coverage up to 90 percent of the population. The priority has now become maintenance and rehabilitation of existing systems; it is estimated that as much as 40 percent of the nation's network leaks. Future works will focus on new

