

### Initiatives and Actions of the Federal Government in terms of National Waters

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During 2024 and so far in 2025, the federal government has promoted several initiatives and carried out certain actions regarding national waters, through (i) the initiative to reform articles 4 and 27 of the Mexican Constitution (*Constitución Política de los Estados Unidos Mexicanos*) (the “CPEUM”), (ii) the initiative of the General Waters Law (*Ley General de Aguas*), (iii) the National Water Plan 2024-2030, and (iv) the National Agreement for the Human Right to Water and Sustainability.

The purpose of the foregoing is to establish a more robust legal framework in accordance with the current challenges in the management and use of water resources, as well as to guarantee equity, sustainability and social participation in the administration of the resource, with a direct impact on strategic sectors such as industry and agriculture.

#### **I. Constitutional Reforms**

On February 5<sup>th</sup>, 2024, former President Andrés Manuel López Obrador, presented before the House of Representatives (*Cámara de Diputados*), the “initiative by which various provisions of the CPEUM are reformed, in terms of right to food, healthy environment and right to water” (the “Constitutional Initiative”).

In order to protect and guarantee the human right to water, the Constitutional Initiative proposes to reform the sixth paragraph of article 4 of the CPEUM in order to give preference to the use of water for personal and domestic consumption over any other use (industrial or agricultural).

Also, the Constitutional Initiative seeks to reform the sixth paragraph of article 27 of the CPEUM, in order to prohibit the granting of concessions in areas with low water availability in terms of quantity and quality. In this case, only allocations destined to population centers will be authorized to guarantee personal and domestic consumption.

Likewise, the Constitutional Initiative in its fifth transitory article provides that the reform made to article 27 of the CPEUM will observe the contracts, permits and authorizations granted to private parties prior to the entry into force of the decree.

## **II. General Waters Law Initiative**

As part of the measures of the federal government in terms of water, and in compliance with the third transitory article of the February 8<sup>th</sup>, 2012 reform to the CPEUM, the Morena Parliamentary Group presented on November 12, 2025, an initiative issuing the new General Waters Law and that abrogates the current National Waters Law (*Ley de Aguas Nacionales*) (the "Law Initiative").

The purpose of the Law Initiative is to reform various aspects of the National Waters Law, covering both technical and administrative provisions. These modifications plan to have a direct impact on strategic sectors of the country, such as industry, agriculture and others that depend on access to and use of water resources. The proposed measures include the establishment of new legal obligations, the implementation of additional requirements and redefine the deadlines applicable to holders of national water concession titles.

The most relevant changes are detailed below:

### 1. Creation of the Regional Basin Councils

The creation of Regional Basin Councils is established as an additional mechanism to encourage the active participation of civil society, the private sector, and government authorities in the management and evaluation of water resources. These councils will also be involved in the granting of concessions and permits related to water use, which could extend the duration and complexity of administrative procedures.

### 2. Reserves, expropriation and temporary occupation

The proposal expands the powers of the National Water Commission (*Comisión Nacional del Agua*) (the "CONAGUA") to establish closed areas, saturated areas or areas of environmental water significance. The new powers include:

- The issuance of reserves of water volumes previously concessioned, in order to favor the sustainable regeneration of the water cycle in the long term.
- Temporary use of water volumes or occupation of private infrastructure to address emergencies related to water resources.

- Expropriation of concessioned infrastructure to guarantee domestic water supply in critical situations.

### 3. Creation of the Use Register

A new instrument called the Use Register (*Padrón de Aprovechamiento*) is proposed, which will allow the Regional Basin Councils to annually determine the availability of water volumes for allocation or concession, as well as for reservation or expropriation of those already granted. This list will be updated periodically based on evaluations of negative impacts on ecosystems and with the objective of promoting an equitable distribution of water resources.

### 4. Implementation of the Socio-Hydric Impact Assessment

A Socio-Hydric Impact Assessment is established as a prerequisite for the request of concessions or permits. This assessment must ensure:

- Respect for the human right to water of indigenous and Afro-Mexican communities, in accordance with current legislation.
- Sustainable availability of water resources in the corresponding basin.
- That access to water for the resident population is not compromised.
- Preservation of water bodies and their ecosystem services.
- Mitigation of risks related to climate change.

### 5. Creation of the Water Rights Transmission Center

The creation of an agency responsible for managing the wastewater owned by the Nation is proposed, which must be returned by the concession holders following the use, exploitation and treatment thereof. Such waters may be reallocated by CONAGUA to activities that do not require first quality water. Likewise, the transfer of wastewater between private parties is expressly prohibited.

### 6. Hoarding of water resources

The concept of “water resource hoarding” is introduced, defined as the action by which an actor, upon becoming a concession holder, retains volumes of water owned by the Nation without using them, with the objective of waiting for the creation of a market for said resource and subsequent transfer thereof. This phenomenon encourages speculation, deprives other actors of access to the resource and limits its immediate use

for the development of projects, thus violating the equitable availability of national waters.

This concept becomes relevant given that CONAGUA will seek to prevent the monopolization of water resources upon resolving requests for the transfer of water concessions between private parties.

## 7. Concession extensions

The concession for the use or exploitation of national waters may be extended only once with the same characteristics of the current title, for a period equal to that initially authorized.

In the case of extension requests in basins and aquifers with a deficit, CONAGUA may determine the reduction of the volume granted with respect to the volume originally granted.

## 8. Transfer of concessions

The Law Initiative establishes new provisions on the transfer of concession titles for the use or exploitation of national waters. Such transfers may only be made between concession holders registered in the Public Registry of Water Rights and shall be subject to the following conditions:

- They will only be applicable to current concessions and for the same use authorized in the original title.
- Transfers will be limited to the total amount of the concessioned volumes (partial transfers are no longer allowed) and may be carried out under two forms:
  - Temporary, only in favor of CONAGUA.
  - Final.
- Titles granted for domestic use, urban public use and preservation activities cannot be transferred, unless it is to continue with preservation activities, in which case this use may not be modified.
- Transfers must be made exclusively through the Water Rights Transmission Center, the body in charge of managing the water resources returned by the concession holders following the use and treatment thereof, allocating them to activities that do not require first quality water.

In addition, the Law Initiative establishes important restrictions:

- During the first five years following the issuance of a new concession title, the transfer of the authorized volume will not be permitted. However, in the case of renewed concessions, this restriction will not apply.
- In the case of concessions for urban public use, these may only be transferred in favor of the states, Mexico City, municipalities and territorial districts.

### **III. National Water Plan**

On November 21, 2024, President Claudia Sheinbaum Pardo presented the 2024-2030 National Water Plan (the "Plan"). The Plan is based on four fundamental axes:

1. Water policy and national sovereignty;
2. Justice and access to water;
3. Environmental impact mitigation and adaptation to climate change; and
4. Comprehensive and transparent management.

For the implementation of the Plan, an investment of approximately 20 thousand million pesos for water projects is estimated for 2025.

Furthermore, the Plan also contemplates the following actions aimed to secure previously concessioned water volumes:

- Review of concession titles. Those that are not used will expire and the volumes covered by them will be reincorporated to the use and control of the Federation.
- Creation of the Registry of National Water for the Wellbeing with a single database that allows an efficient, transparent and zero-corruption management.
- Implementation of a nationwide inspection program where citizens can report irregularities in the use of water.
- Amendments to the National Waters Law will be promoted regarding transfers, changes of use and guarantee fees, in order to put an end to speculation, as well as the issuance of the General Waters Law.
- Issuance of a facilities decree that will allow more than 25,000 agricultural and livestock producers to access credit, subsidies and different programs by regularizing concessions.

The Plan also proposes the implementation of measures to improve water management and overcome CONAGUA's administrative backlog, including the creation of the Management

Platform (*Ventanilla Única de Gestión*), which will reduce the number of procedures from 27 to 19, with response times established between 15 and 60 days.

CONAGUA is considering the implementation of measures that include the technification of more than 200,000 hectares of irrigation to optimize the use of water in the field. The Plan suggests the possible implementation of 16 water infrastructure projects, such as dams, desalination plants and aqueducts, financed by federal and state programs. It also contemplates the development of sanitation projects in several rivers, as well as collaboration between different sectors to improve the management and use of water.

#### **IV. National Agreement for the Human Right to Water and Sustainability**

One of the first actions under the Plan was the signing of the National Agreement for the Human Right to Water and Sustainability (the "Agreement") which occurred on November 25, 2024, with the participation of irrigation districts and units, major industrial consumers, academic and research institutions, users' communities and the government at different levels. The Agreement was published in the Federal Official Gazette on December 19, 2024.

The Agreement lists ten generic actions for the agricultural, livestock, industrial, social and academic sectors, within the scope of their respective jurisdictions, to address the water stress existing in Mexico:

1. To guarantee the human right to water in sufficient quantity and quality;
2. To efficiently use water in the production processes of industrial, agricultural and livestock activities;
3. Invest, the three levels of government, in infrastructure within the framework of the National Water Plan;
4. Collaboration between the public, private and social sectors to carry out actions to improve local environments to strengthen the human right to water;
5. To carry out an efficient, orderly and sustainable management of concessions;
6. To develop a program for digitalization and simplification of procedures;
7. To promote technological innovation for water treatment, reuse and potabilization, including biotechnology and green infrastructure;
8. To carry out adaptation and mitigation measures to address the effects of climate change, including reforestation and environmental restoration;
9. To avoid contamination of rivers and water bodies, as well as contribute to the restoration and sanitation thereof; and
10. To implement a permanent water awareness, saving, use, reuse and care campaign.

The parties to the Agreement accepted to formalize the necessary legal instruments to ensure compliance with the established commitments, setting up a committee to follow up on a monthly basis the aforementioned actions.

The implementation of the Agreement may result in the cancellation, revocation and/or expiration of unused concessioned water volumes, as well as the eventual restriction in the use, transfer, assignment and/or extension thereof.

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