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## Efficiency of urban services

For the past few years there has been a renewed impetus in the debate on public – and especially urban – services, mainly because their importance in sustainable development, particularly that of cities, is being increasingly recognized. Urban services are both responses to changing and developing markets and instruments for social and political cohesion. The efficiency of these services is one of the keys to urban efficiency in general. To improve urban services in many developing countries, the tendency is towards deregulation and delegated management.

However, the efficiency of a city cannot merely be reduced to its economic efficiency. A dimension of social efficiency is also involved – the capacity to maintain social equilibria. Urban services have a mission to contribute to this aim. To gain an insight into the issues involved, it is interesting to examine how they have developed over time – in France, for example, from the first medieval delegations arising out of the feudal system to the advent of State management and the development of the market concept in the XXth century. Today's problems and their solutions generally correspond to evergreen issues under all types of regimes. For instance, the project for the first urban toll bridge in Abidjan is simply the resurgence of an ancient tradition.

Another important factor is the very long lifetime and depreciation period of the investments required for some urban services such as drinking water or sanitation. From this point of view, those European cities that have inherited infrastructure from the XIXth century or the first half of the XXth century are in a very different situation from cities in the South, which tend to be very young. François Vergès, in his article, clearly shows the relevance of comparisons between the charging systems and the transparency of costs in different countries – if only by putting into perspective certain «models» reputed to be an inspiration to cities in the South.

The last point of interest is the fundamental role and wide diversity of private operators involved in providing today's urban services in many developing countries. For example, the supply of water to small centres and irregular districts of the large metropolises of West Africa or Haiti. These operators often fill service gaps left by national companies (public or private) and their importance tends to be all the greater where the national service is deficient. ■

Claude Pralraud  
Chief Editor

# Private financing of transport infrastructure

Jean-Louis VENARD (AFD)

## **Abidjan's third bridge: a 30-years concession to the private sector**

### **Context and content of the project**

Abidjan and its suburbs, with a population now estimated at nearly three million inhabitants and likely to exceed five million by the year 2020, has gradually spread on either side of the Ebrié lagoon which forms the main natural barrier between the city's north and south districts. This lagoon is currently crossed by two arterial roads: in the west, the Felix Houphouët Boigny Bridge, which dates from the late 1950s, and in the east, the Charles de Gaulle bridge, built in the late 1970s. Both bridges are becoming increasingly congested, with long tailbacks at peak hours. This has meant that, for the past twenty years, the priority concern has been to build a third bridge over the lagoon. After examining several possible sites for this new bridge, including doubling the Houphouët Boigny bridge, the authorities have opted for a third bridge between the communes of Cocody-Riviera and Marcory.

The main benefit of this bridge would be to relieve traffic flow onto the two existing bridges in the south, as far upstream as possible, and to provide access in the north to the fast-developing residential districts, where a majority of very mobile, highly motorized households live, by using sparsely-occupied, and consequently easily-cleared rights of way. This future link will be an urban expressway in three sections: (i) in the north, a dual two-lane approach road, 2,600 m long, (ii) in the central part, a 440 m long dike supporting the toll gate, extended by a dual three-lane viaduct,

1,560 m long, and ending in an embankment above the natural ground, and (iii) in the south, a dual three-lane approach road, 2,075 m long, ending in an interchange leading to the Boulevard Valéry Giscard d'Estaing.

According to traffic counts performed in 1997, the average total traffic flow in both directions on the Houphouët Boigny and Charles de Gaulle bridges, amounted to some 175,000 vehicles per day, with two daily peaks of 6,000 vehicles/hour/direction. The increase in traffic demand across the lagoon is estimated at 7.2% per year between 1997 and 2000 and 5% per year between 2000 and 2020. The present bridges taken together only have five lanes in each direction, which means that they are virtually gridlocked at peak hours. Assuming that the third bridge will attract 30% of the total traffic across the lagoon, the saturation flows on the two existing bridges, predicted for 2000, could then be delayed until 2015 or 2020. A traffic projection for the opening of the bridge at the end of 2000 provides an estimation of the financial return of the project taking into account the deterrent effect of an average toll of 500 FCFA per crossing. It predicts the average traffic on the third bridge as 32,000 vehicles/day in both directions, consisting in 46% private cars of high-income users, 29% private cars of low-income users, 20% taxis and 4% lorries.

### **Setting up the funding**

To lighten its public infrastructure financing costs for the third

bridge in Abidjan, in 1996, the Ivorian Government decided to opt for private financing of the BOT type, under «The Twelve Works of the Elephant of Africa» infrastructure building program. It called on BNETD to put out an international call for tenders in July 1996, for the design, construction, operation and financing of this bridge. After lengthy negotiations, a concession agreement between the Ivory Coast Government and a consortium formed by the Bouygues Group was signed on 14 November 1997.

Under this contract, SOCOPRIM Company<sup>1</sup>, the owner and operator, is responsible for building and operating at its risk for a thirty-year period, the toll bridge between Cocody and Marcory and the approach roads linking this bridge to the boulevards Mitterand in the north, and Giscard d'Estaing in the south. The construction work is assigned to the Bouygues/SETAO Group. The toll charges will be determined freely by the concession company but with an «average weighted charge» ceiling of 650 FCFA and with the possibility of indexation in the event of inflation. In return, the concessionaire will pay the conceding authority a fee of: (i) 3% of the quarterly turnover as from the end of the repayment of loans contracted by SOCOPRIM to finance the project, and (ii) a percentage of at least 25% of the distributed dividends.

The total cost of the project is estimated at some 900 million French francs, to be borne by the concession company, including the cost of the work itself (estimated at some F 700 million), studies and conduct of the project, management costs and the debt interests during the construction period.

The State will pay the cost of clearing the rights-of-way, consisting in moving service mains and rehousing displaced people.

The project financing plan comprises initial capital contributed by the shareholders of the concession company, amounting to around 30% of the project cost, this company's loans from various financial institutions (IFS, PROPARCO, ADB and BOAD) and the attendant backup facilities collateralized by the project, with limited recourse by the operator to the parent company during construction and operating start-up. AFD has also agreed make a soft loan to the Ivorian Government, to finance some of the components for which it is responsible, which include moving the service mains to clear the project rights-of-way and building an interchange between the new approach road and the boulevard Giscard d'Estaing.

### **The lessons of experience**

Building a primary urban thoroughfare using the BOT system, which involves setting up toll facilities on a sustainable basis, is a «first» in Sub-Saharan Africa. It is difficult to know how the toll will be accepted although this will depend largely of the level of the toll charge. Compared with other, more common BOT systems in which the concessionaire sells wholesale to a distribution firm, the difficulty here is increased by the fact that the concessionaire is in direct contact with the end user of the service, which exposes it to a risk of boycott, against which it may not always receive much support from the conceding

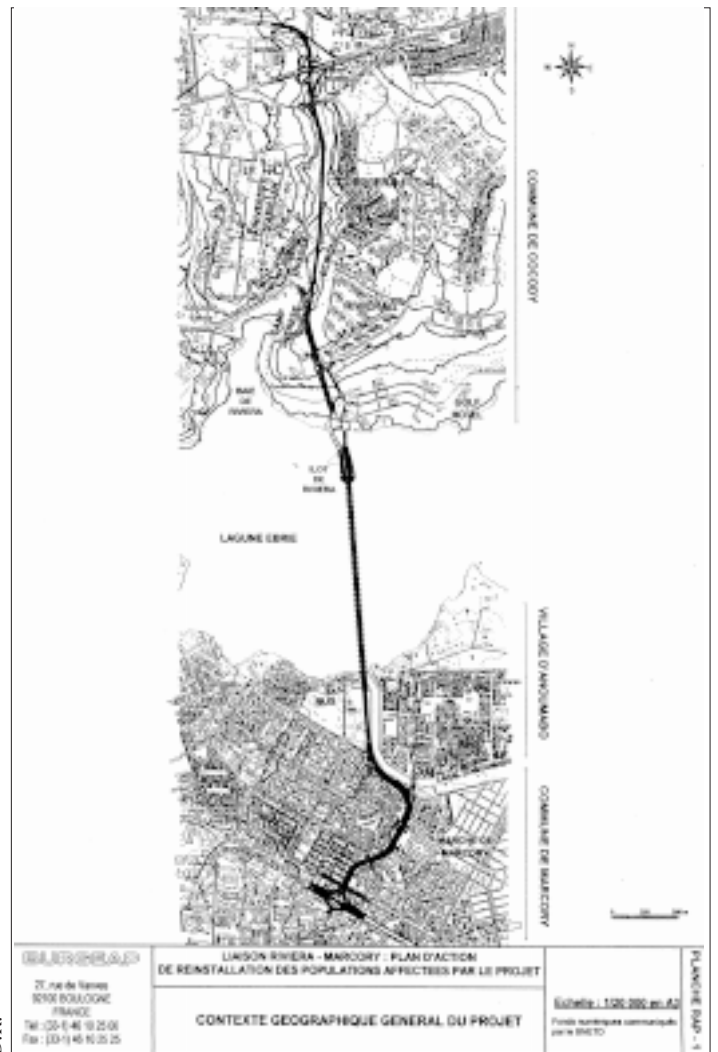
authority. This risk coverage has not called into question the principle of private financing of this bridge, but, despite the quality of the project developer, it has caused the awarding agencies to couple the loans extended to SOCOPRIM with strengthened guarantee mechanisms involving more shareholders, which has resulted in an increase in invested capital and a performance guarantee. The passage of an urban road project from public ownership to private BOT-type financing is quite some revolution in Africa in terms of procedures for designing and building public works, and it required all BNETD's experience and professionalism to see this procedure through successfully so that the start of work could be scheduled less than three years after the announcement of tendering.

The main change brought about by private financing of public infrastructure concerns the conditions of competitive tendering and price setting. Once the

private authorized representative has been selected, there are no more formal calls for tenders, but negotiations during which legal experts defend the interests of each party (conceding authority, donors, concession company shareholders, contractors) and play a key role in drawing up the various contracts: concessions, loans, works contracts, etc. And for this type of engineering structure, which involves a major financial risk and a complex set-up, private financing can only be feasible, under penalty of abandoning the project, if the conceding authority finances some of the ancillary components which are nonetheless essential to its viability, such as the interchange onto the boulevard Giscard d'Estaing and the work to clear the rights-of-way. ■

1. whose shareholders are, inter alia, the Ivorian Government, Bouygues, SETAO, SFI.

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## Delegated management of France's public service: a retrospective

Xavier Bezançon - Deputy Delegate General of SNBATI

***The history of public services, their delegation practices and the contracts of times past, is little known and little studied. Can we clarify the widespread confusion in today's concepts without going back to the origins and putting a few of these historic now-abandoned contracts into perspective?***

The scope of delegated missions, works or public services has long since been three-fold:

- requiring a third party to work the useful domain rationally in order to profit from the public domain in its broad sense (from the first millennium to the French revolution);

- requiring the domain to be developed by a third party to enrich the community (from the XIIIth century);

- enabling, organizing and contracting to a third party the creation of an infrastructure or a service for the general good (chiefly from the XVIIth century onwards).

### Medieval fiscal delegation

The first form of delegation arose out of the feudal system itself, through a long cascade of rights and powers from the king down to the nobility and communities, and culminating in the first local public services.

The organization of concessions of mediaeval banalities to private persons by the nobility or the communities was intended to generate resources through the monopolization of an economic activity. These ancient delegation practices were initiated from the top down, through a tender procedure to ensure a maximum return.

From the XIth century onwards, the serfs and the bourgeois demanded their emancipation and the first «lettres de communes» were awarded by the king. At the same time, revolts led to

«concessions de communes» being awarded by the lords to the bourgeois.

Municipal authority was thus built upon a transfer from the nobility of the power to establish rules for community life and to issue permits, particularly for town planning.

### **Development of the domain between the XIIIth and the XVth century**

Fiscal and domanial delegation was also an age-old practice. It consisted in selling or renting revenue from direct taxes and revenue from the Royal domain. Sometimes awarded by tender, sometimes *intuitu personae*, it covered regalian services, fiscal services, domanial services.

There were two types of contract: - those within the purview of the prince's eminent domain, such as mines, marshlands, and colonies;

- those within the purview of the king's useful domain, such as agricultural land resources, towns, districts.

The XIIIth century saw the development of urban planning concessions of «bastides» in southwest France.

In the XIVth century came the farming of taxes.

Strange to say, it was not until the XIVth century that the word «contract», from *contrahere* (to make a bargain, rely legally) appeared.

In the XVth century, major public services emerged, particularly under the aegis of Louis XI (reign from 1461 to 1483), who organized the post coach service (1464) and above all, mining concessions (1471), through pseudo-delegated systems.

### **Confidence in the private sector: infrastructure and service delegation from XVth to XIXth century**

The last form of delegation was direct between the king and a

person who took the initiative to set up infrastructure and services. These concessions were «bottom up» processes.

The XVIth century saw the creation of the lottery by François I, which was immediately delegated, then the introduction of nation-wide mining concessions, canal concessions, stagecoach concessions, horse hire concessions and marsh draining concessions.

It was in the XVIIth century that public services were consolidated and methods matured. This was the «grand siècle» of the delegation process and the creation of public contracts:

- paving and maintenance of the Paris streets in 1605;

- household refuse collection in 1608.

A concession was granted for the Briare canal in 1638 and another for the Languedoc Canal, to Riquet, in 1666. These contracts were to usher in conventional procedures for concession contracts.

Concessions for urban planning and bridges multiplied, through contracts assigning the urbanization of entire districts to developers, particularly under Louis XIII.

Colbert introduced a requirement for engineering structure contracts to be accompanied by an eight to ten year maintenance phase.

The XVIIIth century introduced concessioning of the major municipal public services:

- drainage of cesspits;

- the first water concession to lift the waters of the Seine using fire pumps. This was the beginning of the water supply system in Paris;

- street lighting services.

The XIXth century was characterized by its action-oriented and concessionary liberalism. It was based on the concessioning of jointly-financed public works.

The Revolution did not halt the process of public works concessions, but slowed it down due to political unrest. As the feudal regime was abolished,

the Revolutionary Law remodelled the concession by separating it from the concept of the fief. It normalized the concepts of public works and public services and included the latter in the titles of several acts. And above all, it clarified these concepts.

The philosophy of the *régie*, public authority controlled management, was frowned upon and prohibited as it ran counter to revolutionary liberal laws which based the pre-eminence of the individual enterprise on a completely different form of undertaking.

The Restoration and the July Monarchy enabled more than three hundred bridges to be built by concessioning to private persons or limited companies set up for the purpose.

The Act of 1807 on the draining of the marshes gave the State the power to concede not only the marshes but also the diking right, and the land accretions, aggradations and alluvial deposits from the domanial waterways.

The canals and railways were, as it was put at that time, «built and maintained by concessionaires. This is the case even where the State has given financial assistance to companies, either through a loan or an interest guarantee».

And municipal concessions were to develop. Not only did the commune assign work to third parties but it largely financed or co-financed engineering structures and services and reverted to the age-old methods of *affermage* (leasing), particularly for managing city tolls and some services including mainly household refuse and public lighting.

*Régie intéressée* treaties (public ownership with private management) were regular practice. The local authorities' profits, made under these treaties through the profit-sharing rule, were considerable. The first major water delegation contract for Paris and the suburbs newly joined to it in 1856, was a 50-year contract of the *régie in-*

*téressée* type, signed with the *Compagnie Générale des Eaux*.

### **The emergence of state management and the development of the market concept**

The XXth century began by sanctioning the delegation system through the enacting of a number of concessionary laws concerning, among others, water, electricity, hydroelectricity and casinos.

But three new events in public-private relationships were to take place against the backdrop of the two world wars, which were a challenge to public contracts:

- The *régie* (government-controlled management), which was virtually prohibited before the 1920s not only became possible but was encouraged;

- The mixed economy became a new system of management;

- After 1944, drawing on the ideas of the *Conseil National de la Résistance*, two waves of nationalizations placed the main concessionary activities in public hands: the railways, shipping companies, electricity and gas, airlines, the metro.

The second post-war period brought back semi-public companies, mainly in the housing and development sector. A real qualitative and quantitative renewal finally took place in the period between 1960 and 1970, through urban and regional planning concessions and under many contemporary laws such as the concession of French television. ■

# Management and charging systems for water and sanitation –

François Vergès, ICEA

## **Techniques and problems as old as urban civilization itself**

Solid waste disposal, roads and transport, the supply of «potable water» and the disposal of «waste water» are in essence the same urbanization problem. 2000 years ago, the «Curator Aquarum» was responsible for supplying a million inhabitants of Rome with some 140 litres of more or less «potable» water per capita per day, and disposing of an equivalent quantity of waste water. Virtually all the hydraulic techniques and «knowhow» of our CGE, Lyonnaise and SAUR companies today have long been in place, including penstock and water lifting. The management problems were already the same: thefts of water along the aqueducts, wastage, the emperor's excessive consumption, continual leakage and works maintenance problems. Above all, there was an enormous need for infrastructure destined to last, not forty years as we are told today by AFD or the World Bank, but four or five centuries, and even twenty centuries for the Aqueducts of Segovia, or the Aqua Virgo which still today supplies the Trevi Fountain in Rome. Our concern here will not be the ignorance of techniques, dating back more than 20 centuries, in which a large part of the world has been kept. We will just examine briefly three economic problems still inadequately addressed in many countries: the lifetime and depreciation of works, cost accounting, and lastly the charging system.

### **A highly capital-intensive sector and facilities with long service lives**

CGE, Lyonnaise, SAUR and EDF, by making wholly-owned

investments in the British privatized, competitive sector, of the financial resources they have built up through their French monopolies, pay to the British institutional framework of commercial public services the homage of vice to virtue. These companies are thereby discovering a certain type of competition and are gradually revealing to us the economic truth about costs, doubtless the key contribution of a reform which has largely inspired the Brussels directives.

The British water and sanitation sector is on a par with France or the rest of Europe as regards prices and quality of service. Thanks to OFWAT, the sector's economic regulator, we have learned a number of things about its economic structures over the past few years: (i) Despite the perseverance of the regulators, the sector is marked by the curse of the natural monopoly, which will long continue to hang over it; (ii) The net value of the sector's capital assets is thirty times its turnover; (iii) For its capital assets to be maintained, they require annual maintenance and renewal budgets not exceeding 0.8% of their value and consequently have economic lives of a hundred years for the sanitation system; (iv) The financial return of these capital assets is 1.2% with prices slightly below French prices, and (v) The dividends distributed to the private companies from this sector's management, account for around 20% of the water and sanitation billings and 11% of the financial capital invested. On the basis of these analyses, OFWAT has obtained changes in charges that are much more favourable to users than in France, where no real economic

regulation exists in this sector to date. As all the water and drainage systems have roughly the same technical and economic structures the world over, the lessons to be drawn from OFWAT are transposable. It is a highly capital-intensive sector, perhaps the highest of all. In cities in the rich countries, it was only built up over a very long period and/or with considerable state subsidies. A 7% earning capacity of the net capital assets would require an increase of the present prices in Europe from 3 \$/m<sup>3</sup> to nearly 10 \$/m<sup>3</sup>. By requiring that their third world borrowers recover the full cost from users, in cities growing much faster than did our own cities during the 19th and 20th centuries, donors such as the World Bank are simply asking either for the impossible or for a stop to the development of these networks which are keeping in step with urban development (and thus with healthy, clean, «sustainable» cities).

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### **Institutional systems and cost transparency**

The British institutional model makes public water and sanitation infrastructure and services consistent with global commercial accounting standards. Both operating and capital costs must be accounted for (without consolidating them with other upstream activities, as French «integrated» businesses like to do). There is still the problem of accounting for the capital costs of pre-privatization facilities. The regulator takes charge of these costs, reconstructs and evaluates them. And in the context of an inevitable natural monopoly, it initiates competition based on comparisons between thirty companies. The transparency

procured by this accounting and comparison-based competition benefits consumers. It has brought to an end the «economic law» of inescapable increases in water bills in the developed countries.

The French management delegation system has made it taboo to privatize such «strategic» works as the Paris sewerage system and its supply aqueducts. Upon examination, French supporters of real concessioning (private operator responsibility for investments) are, like in Molière's «L'Avare», more worried by the word than by the thing as regards privatization. Except for the temporary nature of concession-based privatization and, above all, the cost confusion generated by the system of crossed fees and subsidies of the water agencies, the difference between French concession and English privatization is more a question of the word than the thing.

However, there is more difference between the *affermage* system (and worse still, *régie intéressée*) and the concession than between the (real) concession and privatization: no real responsibility of the private manager, no transparency or serious accounting of the capital costs. It is understandable that developing countries, where investment requirements are still great and present major political risks, have to settle for *affermage*. It is less understandable that this opaque system can endure in a country such as France.

### **Towards charging systems accounting for costs, necessary subscriber solidarity and services' external economies**

France's institutional backwardness goes together with



Le modèle ivoirien en questions. Crises, ajustements, recompositions, edited by Bernard Contamin and Harris Memel-Foté. - Paris: Karthala, 1997. - 802 p., tabl. (Coll. Hommes et Sociétés).

Many different points of view throw light on the change and debate that have taken place in Ivorian society in the 1990s: the forms of democratic rule of law, the schools crisis, the impacts and internal management of structural adjustment policies, State urban policies, private initiatives and urban development mediators, the transformation of peasant societies, migration control and the place of foreigners, etc. This work gathers together some of the papers presented at a conference organized from 28 November to 2 December 1994 in Abidjan, by the Ivory Coast interdisciplinary group for social sciences (GIDIS-CI).

Price: FRF 220

→ Contact: Editions Karthala, 22-24 bd Arago, 75013 Paris - France

São Paulo. Ville mondiale et urbanisme français sous les tropiques, by Maria Adélia de Souza. - Paris: L'Harmattan, 1998. - 163 p., fig., bibliogr. (Coll. Métropoles 2000 - Géographies en Liberté).

Diversity, multiplicity and universality in the metropolis: the geography and history of São Paulo reveals a third-world space/time rhythm. This metropolis is a living laboratory for urban planners and urbanologists desirous to understand the metamorphoses of generated and appropriated spaces.

Price: FRF 110

→ Contact: L'Harmattan, 5 - 7 rue de l'Ecole Polytechnique, 75005 Paris - France

Le commerce itinérant dans les quartiers en difficulté, by Mylène Leenhardt-Salvan and Laurence Wilhelm. - In: Cahiers de Politique Urbaine, No. 2, Sept. 1998.

The «Urban Policy» unit of the Savings Fund Department of Caisse des Dépôts et Consignations, has issued the second number of a collection, the first of which (Nov. 1997) concerned the financial management of housing project restructuring. These guides are intended to promote methods based on French experience and to provide input to discussions on urban development and solidarity issues.

→ Contact: Unité «Politique de la Ville», Direction des Fonds d'Epargne, CDC, 7 à 11 quai André Citroën - BP 1001, 75901 Paris Cedex 15 - France

particularly simplistic water rates: charging systems not reflecting a cost structure in which fixed costs are the majority; expensive-to-supply, single-family dwellings subsidized by cheaper-to-supply multi-family and low-rental dwellings; fixed consumption levels enabling non-existent m<sup>3</sup> to be billed; no progressive charging of the public, therefore no incentive to save water and no solidarity

between consumer categories (justified by external effects on general urban sanitary conditions).

French people, and inhabitants of rich countries in general, are mainly living on the legacy handed down by their ancestors of the 19th and 20th centuries. Unlike the new countries, they do not have to pay for all the infrastructure and service costs, which are consequently less of a strain on their budgets (less

than 1% of the GDP and household incomes). The «French model» thus has nothing to export to countries new to such problems. Quite the contrary, because of their budget constraints, the developing countries have had to introduce more modern charging systems, adapted to the economic structures of cost and demand, from which we would sometimes be wise to take our lead. ■

## The public water service for disadvantaged people

by Bernard Collignon, Hydroconseil

### **Private operators play an important role in supplying water to small centres and irregular districts of major metropolises**

In ill-favoured, irregular or outlying districts of big cities and in the **secondary centres of developing countries**, from which national water supply companies are absent, much of the water supply (and virtually all the sanitation) is provided by private operators from the informal sector.

This was the hypothesis confirmed by the research project led by Hydroconseil under the «Water and Sanitation Program in peri-urban districts and small centres in Africa», financed by the Ministry of Development Aid. It has built on the experience of eight organizations involved in water supply programs in five countries, which have formed an information exchange network.

### **An original approach: making «micro» consistent with «macro»**

The activities of private operators was approached from two levels:

macro-economic (evaluation of their city-wide importance) and micro-economic (analysis of inherent corporate dynamics). The originality of the approach lay in making this information **converge** into a consistent whole, without becoming short-sighted (only seeing the anecdotal micro aspect) or long-sighted (reasoning from exclusively macro-economic data).

### **Private operators have considerable economic weight**

Based on an analysis of turnovers of operators in five cities, we showed that the average drinking water budget is US\$ 4 to 9 per capita per year. That amounts to 2 to 3% of the GNP per inhabitant in these countries (which is not insignificant but much less than that announced by many projects).

Small private operators (water carriers, carters, street fountain

managers, tank or borehole operators) play a key role in supplying drinking water in the five cities under study). **Private operators in the drinking water sector achieve between 21% and 84% of its added value**, even though they are mostly from the informal sector. A realistic economic study must not therefore overlook these private operators. They tend to play a greater part in small centres than in big cities. The city of Port-au-Prince is an exception because of the degeneration of the public sector.

Small-quantity water supply by these private operators is an activity that creates many jobs: three to fifteen times more than in the concession companies (public or private). The employees account for 2 to 4 per thousand of the population in the cities in question, which is 1 to 3% of regular jobs.

### **A complementary service to that of public corporations**

Private operators grow up in the chinks and cracks remaining



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in the public service, by satisfying the often fragmented demand of low-income groups in disadvantaged or recent neighbourhoods.

Their weight (in economic and employment terms) is often inversely proportional to the concessionaire's efficiency. In Dakar, for instance, the SDE provides a quality service throughout practically the whole city. Private operators thus only have a marginal activity, to supply worksites or deliver to the door. Their share in the water supply turnover only reaches 20%. Conversely, CAMEP, in Port-au-Prince, only supplies half the districts and 13% of families, and even then irregularly. In this case, private operators have a much greater role and their activity amounts to 80% of the sector's turnover.

### Dynamic operators that occupy all the segments left vacant by the other players

When the service provided by the national operator is particularly poor, private operators are shown to occupy all the segments of the «potable water» sector and form a parallel system. The best example is Port-au-Prince, where the gradual deterioration of the metropolitan public service gave rise to the creation of private

water producers, private water carriers and lastly, private water traders.

### The move towards the formal sector does not necessarily improve the quality of service

Formalization puts added pressure on operators whose survival depends mainly on their adaptability to an irregular, fragmented market. And so formalization and all its attendant constraints most often lead to increased costs (extra overheads) and a deterioration in service (less responsive to demand) rather than the expected improvement (better quality, more stable prices, etc.). This means that a ban on neighbourhood selling will often put the «formal» water point in a monopoly situation with no greater guarantee of the quality of service.

### The right choice of operator - real or ideal?

The most striking feature of these water-related jobs is the dynamism and variety of the operators' strategies. Projects tend to disdain operators already in the field (said to be «incompetent») and to promote a model, ideal, yet artificial operator.

A typical example of this misconception is the maintenance of small networks for which it is often decided to train a repairer from the village, on the assumption that he will stay there. But what happens is that the «local» abandons his activity (because his turnover is too small) or leaves the village (to sell his skills elsewhere).

### Is it a good idea to set up projects to «promote» private operators?

Although these private operators are of paramount importance, it is difficult for «project» dynamics» to give them any efficient help:

- Their scheduling and short-term financing (two or three years) do not correspond to the rate of development of a business, which can take ten years,
  - Offers of service under projects do not correspond to the needs of businesses,
  - Project designers and supervisors are national or international civil servants who have difficulty in anticipating the concerns of these businesses,
  - The rigidity of the criteria fixed by «project» structures» induces businesses to begin by taking an «as is» project model without any real internal corporate adjustment.
- Local operator's requests for assistance are not so much for financial aid (subsidies or loans) as for better access to public contracts (well-tailored invitations to tender, flexible contractualization, regular payouts) and greater legal aid against malpractice of the administration or certain competitors (sometimes artificially placed in a monopoly situation by these same projects). ■

→ For further details contact: *Hydroconseil*, 53 rue de Moulins des Prés, 75013 Paris, France, tel/fax: 33 (0)1 45 65 11 16, E-mail: [h2oconseil@aol.com](mailto:h2oconseil@aol.com) - web <http://www.hydroconseil.com>

## Training



### Local development engineering

The International Study Centre for local development (CIEDEL) is organizing an academic and vocational twelve-module training course for practitioners in the field, on the following three themes:

- development policies and strategies;
- project design, management and evaluation;
- local development methods and tools.

→ Contact: *CIEDEL Formation*, 30 rue Sainte Hélène, 69002 Lyon, France, tel 33 (0)4 72 77 87 50, fax 33 (0)4 72 41 99 88, E-mail: [ciedel@univ-catholyon.fr](mailto:ciedel@univ-catholyon.fr)

### Transport economics at the service of development in Africa

Since 1991, in conjunction with the SITRASS network, the Transport Economics Laboratory (LET) has been organizing a summer school on transport economics. A new session is scheduled from 28 June to 23 July 1999. This training, which centres on land transport, addresses the management of analysis tools and studies of concrete cases and research findings.

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### Urban management concepts and models in the context of developing countries

At the request of N-AERUS, the Network-Association of European Researchers on Urbanization in the South, the European Foundation for Science has provided assistance in forming a network of European researchers working on the subject of «Innovative practices and emerging concepts for sustainable urban management in the developing countries: a European contribution». The first seminar will take place at the University Institute of Architecture in Venice, on 11 and 12 March 1999, on the subject «Urban management concepts and models in the context of developing countries».

→ Contact: *IUAV Scuola di Specializzazione Pvs*, fax (39041) 524 0807, E-mail: [est-pvs@iuav.unive.it](mailto:est-pvs@iuav.unive.it) or *Alain Durand-Lasserre*, scientific network coordinator, fax 33 (0)5 56 99 15 85, E-mail: [adl@dr15cnrs.fr](mailto:adl@dr15cnrs.fr)

Third meeting of European experts on urban development, 9 and 10 November 1998 in Rome

The group of experts formed by the Commission of the European Union on the theme of urban development, held its fourth meeting in Rome on 9 and 10 November 1998. The items on the agenda included a presentation of Italian experience and a discussion (long and fruitful) on a good draft guidance document from the Commission. A tighter schedule was set for 1999 in the expectation that positions would be harmonized on many multilateral issues.

### Meeting of French Cooperation for local and regional development in the Mediterranean region

This meeting will be held in Marseille, on 11 and 12 February 1999, organized by DATAR and the Ministry of Foreign Affairs, in collaboration with the Conseil Régional Provence-Alpes-Côte d'Azur, the Conseil Général 13, the City of Marseille, with the assistance of IEREM and the participation of APEM.

→ Contact: IEREM - N. Nivet, 47 rue du Faubourg Saint Antoine, 75011 Paris, France, tel. 33 (0)1 44 73 41 69, fax 33 (0)1 44 73 41 99

### CODATU VIII Conference

The CODATU VIII Conference (Conference on Urban Transport Development and Planning) was held in Cape Town, South Africa, from 21 to 25 September 1998. After a plenary introductory session, technical workshops were organized around the following core themes:

- The different aspects of an urban transport policy,
- How to make urban travel policies sustainable,
- The implementation of an urban transport policy.

At the same time, an exhibition hosted some fifty company managers and operators, transport engineering companies, OEMs and urban transport equipment manufacturers. A stand brought together French public and private partners around the Ministry of Public Works, Transportation and Housing, where documents were on display concerning urban transport, transport networks in France and French projects abroad.

The conference was a tremendous success, and received the participation of some 500 representatives from 50 countries throughout the four days. There was a regular attendance at the workshops, where subjects covered the methodological aspects (planning tools, travel policies, urban transport financing) and many case studies.

The next conference, CODATU IX, is scheduled for April 2000 in Mexico.

# News on cooperation

## Cities of the 21st century between towns and metropolises: change or continuity?

Gathered in La Rochelle, from 19 to 21 October 1998, 380 participants from various countries in the North and South of the planet addressed the subject of cities of the 21st century from seven angles:

- globalization and metropolization;
- social bonds and public space;
- ways of life, living conditions, perceptions and practices in a metropolis;
- urban forms and designs: competing models?
- technological innovations and urban utopias;
- sustainable cities, vulnerable cities.

The severity of problems in cities of the North and South may vary; cities do not all develop along the same lines; European cities have a clearly specific nature. Yet when the participants compared notes, they found the same trends throughout the world: concentrations of people around the

metropolises, urban sprawl, individualized ways of life; the tendency towards social apartheid, seclusion, secession, illustrated in particular in Buenos Aires and Lagos by «gated communities» and, in a more embryonic form, in Europe, by the separatist impulses of regions in Italy, Spain or Belgium, or the hostility of municipalities towards state-owned housing projects.

One of the initial aims of this international conference was to give designers of European cities a new perspective on their own cities, based on completely different examples. From this point of view, it fulfilled its aim well. On the other hand, the contributors from the South, who provided considerable input, may have been rather disappointed in the listening response or the answers to their own questions.

### The urban forum in Vienna

On 26 and 27 November 1998, at the initiative of the European Commission (DG XVI - Regional Policy and Cohesion), the first urban forum brought together more than six hundred European participants: many local elected representatives, technicians from local, regional and national administrations, professionals, researchers, active members of associations or representatives of civil society in countries of the European Union. France was particularly well represented with sixty participants including elected representatives of big cities such as Lille, Lyon, Orleans and Caen. The workshop discussion was based on the project «Sustainable urban development in the European Union: a framework for action», drawn up in the past few months by DG XVI as a follow-up to the communication adopted in 1997 by the Commission on «Towards an urban agenda in the European Union». Four themes were selected: strengthening economic prosperity and employment in cities, promoting equal opportunity, social integration and rehabilitation of urban areas, protecting and enhancing the urban environment towards local and global sustainability, contributing towards good urban governance and strengthening local acting capacity. A consensus emerged from the debates, requesting that the European structural funds should explicitly take into account the urban dimension. Some went as far as to demand the appointment of a

European Commissioner in charge of urban issues. Many participants requested that the «urban» program, at least, should be maintained. The city policy-makers expressed the wish to be more closely associated with the Commission's work and that subsidiarity should be clearly defined (the Europe of cities now exists and European associations grouping together elected representatives have become organized with a view to making themselves heard). The fight against unemployment, particularly long-term and of young people, using all possible incentives, even non-market, should be one of the European Union's priorities and form part of an overall, territorial and partnership-based approach. The exchange of good practices in all areas of urban affairs and urban governance, should be encouraged and supported. Claude Bartolone, Minister of Urban Affairs, who took part in the final round-table discussion, emphasized the importance of cities as a driving force for economic development, providing the threats of social fracture are averted and the challenge of sustainable development is met. He also expressed the wish that European Union policies should enable a significant share of European budgetary development aid to reach the cities in the South. A summary report on the work of this first forum will be submitted to the Commission with the proposal for a regular meeting to be held on this subject at least once a year.

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