

Welcome remarks





Mr. Juan Salazar

President, Fundacion Chilena del Pacifico

The Minister of Housing, Mr. Jaime Ravinet, last night had an unfortunate change in his schedule and he cannot come this morning. However, we have other very interesting and important guest speakers that I will be introducing to you.

As you might be well aware, this is another session of the series of this PECC program on Sustainable Cities. The idea is to gather government representatives, academics, experts and, in general, representatives of different communities, urban centers, with whom we can exchange views on how to implement public policies, how we can resolve problems that are affecting our cities today.

In this session we will focus on certain services like water supply and treatment, waste management and related issues regarding three Latin American cities, which are Cartagena de Indias in Colombia, Mexico Valle and Santiago de Chile.

Before I introduce our first speaker I would like to thank first our host this morning which is

ECLAC, United Nation's Economic Commission for Latin America and the Caribbean, represented by Mrs. Alicia Barcena, and our main sponsor of this seminar which is Aguas Andinas. Also, as co-organisers of the seminar, we would like to thank the Catholic University of Chile, and especially our representative before the Sustainable Cities Task Force, Professor Francisco Sabatini.

This is a PECC program, as I said before, which the French Pacific Territories Committee of PECC is organizing under the efficient coordination of Mrs. Genevieve Dubois-Taine, and so we should thank also those who have been working on these issues for a long time. This should end up in 2003 with a symposium to present recommendations based on all these discussions. Having said this, I would like to introduce our friend, the Ambassador of France to Chile, Mr. Alain Le Gourri rec, who would like to give us some introductory remarks on these issues today. Thank you very much, Ambassadeur, for joining us today. ■



H. E. Alain Le Gourrierc

Ambassadeur de France au Chili

Good Morning, Bonjour, Mr. President of the Fundación Chilena del Pacífico, Mr. Ambassador of Colombia, Messrs. directors, Mr. professor, ladies, thank you for inviting me to the inauguration of this event and thank you to ECLAC for receiving us once again in this magnificent place. I want to congratulate the organizers, both Chilean, French and of the other participating countries. I know the great effort required to organize a seminar such as this one, especially considering the geographical extension of the area.

The originality of the Pacific Economic Cooperation Council, an association that gathers 25 countries located around the Pacific Ocean, lies in its multiple representatives, of local and national governments, enterprises, and experts. Its objective is to enhance business and financial exchanges between all these countries, particularly to present the relevant recommendations in terms of public policies and savoir faire, thanks to a significant work of disseminating the information.

The PECC was created 20 years ago, and France was incorporated as an associated member in 1996. As a contribution to the Council's work, France proposed launching a Task Force, one of the six existing at present, on the issue of sustainable cities, entrusted to Ms. Geneviève Dubois-Taine. For this reason, in my capacity as Ambassador of France in Chile, I am honored to participate in the launching of this seminar. The sustainable cities operation was launched in 1999. After the inaugural seminar in Bangkok, it was decided to focus the papers on sustainable urban services, restricted in a first stage to water and management of solid residues. Sustainability is a need in its four dimensions: economic, social, cultural and environmental. In this working group, urban services are studied

in relation to the processes of establishment, management, financing and public private partnerships.

The 2001-2003 program contemplates four seminars, which will be synthesized in 2003. Thus the Hong Kong seminar in 2001 was focused on the social encouragement of sustainability, and analyzed how to make the population take advantage of the urban services in acceptable economic conditions, both for public networks and for companies and users.

The current seminar in Santiago will specifically address the role of the public authorities in establishing and managing sustainable urban services and the different possibilities of distributing between the public and private sectors, through the analysis of the water services in the Mexico Valley, Cartagena de Indias and Santiago, Chile. France wants to contribute to these debates because it has a significant savoir faire in the area of urban services, not only from a technical point of view, but also due to its public-private associations that characterize the numerous contacts of French companies throughout the world. In addition, the next world summit in Johannesburg on sustainable development, will focus on the same matters, defining some major orientations, as well as implementation methods. In other words, guaranteeing everyone's access to the essential services such as water, sanitation, and land management, and the mechanisms of solidarity and financing, which require strict governance and transparency rules. Therefore, the presentations that will be dealt with today are not only a current reality but also a global questioning.

I hope this seminar may contribute to feed all these reflections and I wish you a great success. Thank you. ■



Ms. Alicia Barcena

Director

Environment and Human
Settlement Division, ECLAC

Good morning to all, welcome to ECLAC, it's really a pleasure to have you all with us here today and for ECLAC it is a great honour, to host this meeting. We are very pleased to have you here in our Headquarters, and we hope that you will enjoy your stay in Chile.

Thank you for selecting ECLAC as the venue to celebrate this important seminar on urban services with particular emphasis on sustainability. I would like to welcome most especially the French Ambassador, who is one of the closest partners of ECLAC. We have many joint programs with the Government of France and therefore it is a pleasure for me to welcome him today. I would also like to welcome professor Mr. Sabatini, Ms. Dubois-Taine, and Mr. Salazar.

ECLAC is working on these topics with a comprehensive and integral approach, trying to link sustainable development and human settlements, under a perspective that articulates the environmental dimension with the economic and social areas. In fact, this is probably the major challenge that sustainable development is facing today. For many people, sustainability until now has been to a certain extent synonymous of environment, and frequently economic and social development have not been sufficiently integrated to the environmental issue. Integration of the three dimensions of sustainable development is a pending issue that needs to be resolved at the Johannesburg Summit, which will be held from 26 August to 4 September 2002, a decade after the Río Summit held in 1992.

At the Earth Summit, it was determined that the existing development patterns needed urgently to

be changed as well as the promotion of an integral development perspective in its three dimensions: economic, social and environmental. We see that after 10 years there still is a long way to go. In fact, some feel that there has been some progress but also some stagnation. A critical issue such as financing - since in order to promote sustainability, additional investments and funding is required - continues to be an important pending issue. I hope that in Johannesburg, in the light of the recommendations and resolutions made in the Monterrey Summit on funding for development, we may advance in that respect. Over these 10 years, we know that Rio de Janeiro was the first world conference that started a social cycle of important global conferences and one of them was undoubtedly the conference on Habitat II held in 1996. ECLAC has been working in the follow-up of all these conferences. The conferences have included sustainable development in Rio '92, Habitat in 1996, social development in 1997, the Millennium Summit in 2000, and finally funding for development in 2002.

Perhaps a very important aspect in the international sphere is the recent conference of the Millennium held in 2000, which produced the Millennium Declaration which includes the Millennium Development goals agreed by all the Heads of State and Government. Statement that for the first time in the history of the United Nations, the heads of States made specific agreements on the basis of concrete and quantitative goals in relation to development. These quantitative goals, both in temporal terms and in terms of expected outputs, are directly related to the issues we are concerned with here. But undoubtedly the water issue was a top prior-

ity in the Millennium Declaration. The heads of State proposed to expand coverage of sanitation services and drinking water supply for 2015. We know that there are regions in the world with fewer problems than others. Our region has reasonable coverage in water supply and sanitation, however, despite being a highly urbanized continent - 75% of the Latin American Region is urbanized - the most serious sanitation and water supply problem is present in the rural areas. We know that the challenge are the cities, but we must not neglect rural human settlements. That is a pending issue.

The Millennium Declaration also gives priority to the elimination of urban slums, and poor neighborhoods. The main focus of the Millennium Declaration is the eradication of poverty, which in the end continues to be one of the most urgent issues that humanity has to solve. Unfortunately, poverty appears in much more serious and direct way in urban areas. That is why we feel that one of the goals of sustainable cities must be how to attack urban poverty. Therefore, the Rio Summit, the Johannesburg Conference, the Habitat II Conference and the Millennium Declaration provide us with referential frameworks of what the international community is thinking about these issues. I think this can be an adequate context for this seminar. The results of this regional seminar and the one held in Asia may be taken to Johannesburg as an example of a public-private association, and of a way of operationalizing this private-public association.

The presentation of the three case studies, Cartagena de Indias, Mexico Valley and Santiago, are particularly important and quite representative of the problems affecting our region. In another room here in ECLAC, we are holding another meeting that is closely related with this one. It is focusing on the role of medium and small-sized enterprises in the provision of environmental goods and services in cities. The interesting fact also is that we are also analyzing the case studies of Colombia, Mexico and Chile. I must say that the Colombian case is particularly interesting because Colombia has a very clear environmental legislation and

has developed interesting and effective economic instruments to manage water pollution. These instruments are closely related to their programmes and plans of decentralization. Therefore, the possibility of analyzing the Colombian case, specifically the case of Cartagena de Indias, may be significant for other areas of Latin America and the Caribbean. These three cities, are not cities as such because the Mexico Valley in fact is a metropolitan area that includes several cities. This is also the case of Santiago. In fact, the three examples have very different regulatory characteristics in relation to the water problem, both in the ownership of the natural resource and in terms of appropriation of the resource. Therefore, this also reflects the variety of systems that we have in Latin America and the Caribbean, especially in the light of the recent policies regarding privatization. I would like to refer to one of the key challenges we have in Latin America and the Caribbean, which is institutional stability related to administrative continuity. We have problems in that respect. Many times the environmental regulations are in place but the institutional changes provide great fragility to public policies. In the cases of Mexico and Colombia, in the new administrations, considerable changes have taken place in the environmental entity. These institutional changes sometimes incite the private sector to adopt a «wait and see» attitude until stability is achieved. This lack of institutional continuity is not good for investments, both private and public. The private sector needs to see the application of stable and clear rules in order to calculate risks, costs and benefits.

Regarding the city, we also have two challenges that I consider very important besides the financial, the institutional, and the regulatory challenges. This is the challenge of urban poverty. In the cities, poverty is inextricably linked to income and unemployment, perhaps the places where unemployment shows with greater force is in the cities - out of 10 jobs in the cities, 7 are informal jobs, they have no social security. So if we are talking of these PPP we also have to consider if they will generate jobs, and to solve an important

social problem, so that sustainability is not only seen from the water quality perspective but also from the point of view of the quality of life of the population that lives there.

I think that the most important challenge is undoubtedly going to be how to make our cities, on one hand, places of economic competitiveness, and on the other, places capable of housing a population that will increasingly have access to a better quality of life. I would like to offer you the documents that ECLAC has prepared over time on the topic of human settlements in general. It is at your disposal if you are interested. We recently completed an assessment of all the cities in Latin

America and the Caribbean and I think it would be very interesting that you saw it to see what the region's main problems are, which are basically the ones I have outlined very briefly here.

With these remarks I would like to end by reiterating our interest of having this seminar here with us. Here we have Ricardo Jordán, who is our expert in human settlements and who is also in charge of a very interesting project on urban services and the recovery of central areas and urban poverty. Perhaps he can tell you a little more about what is being done in the region. Thank you. I hope that the seminar is a complete success. ■





Prof. Francisco Sabatini

Pontificia Universidad Católica de Chile

It is an honor for me, as representative of the Pontificia Universidad Católica de Chile to welcome you to this important seminar. It is also an honor to be one of the seminar's organizers together with the Fundación Chilena del Pacífico and ECLAC (United Nations' Economic Commission for Latin America and the Caribbean), which has so generously received us here.

From a more academic point of view, the work being done by the group headed by Geneviève, the Sustainable Cities Task Force, is really important. It provides us with a comparative framework to understand the urban phenomenon of the present time; a changing and dynamic phenomenon, indeed. We are studying and dealing with a set of cities eager to compete in a globalized world and, at the same time, committed to maintain their traditions, their identities, their environment. This kind of combined and, to a certain degree, tensioned agenda raises a large number of questions from the academic perspective; questions that involve research and that demand from us a better understanding of actual cities, specifically of their sustainability problems. For example, how to explain that cities with such a cultural diversity, such different sizes, and such contrasting social realities, are currently undergoing relatively similar urban trends?

I will mention just one of these trends: The fairly recent fading of what has been an historical endurance, the existence of clear boundaries between cities and their surrounding rural areas. Today this demarcation is getting blur and disappearing, and we are witnessing the appearance of what the specialists call urban regions. You may ask yourselves how this phenomenon has managed to emerge and turn into a dominant trait of nowadays cities across geographic, economic and cultural differences.

There is much to learn and to understand about current cities, especially with respect to sustainability.

The group headed by Geneviève will have the chance to study and address these important issues, not only in terms of research and knowledge, but also in terms of public policy. One of these issues, which is closely connected to the topic of this seminar, is that of public-private partnerships (PPP) between the State and the private sector. On one hand, PPP could be understood as a tool to join efforts between the private sector and public agencies in the context of urban planning efforts. A good example of how the planning goals can be coordinated with the markets is investment in public works. Via concessions the private sector becomes an important actor, but the State never transfers its responsibilities on what public work should be built, on what location and at what time. These are decisions that the State monopolizes even when the private sector is having such a prominent role. Therefore, we are facing issues and situations that represent unique and unacustomed possibilities for public policy that rest on the joining of the private sector's energies to the State action. The State is depository of an important city planning tradition, but of a tradition that needs renovation.

It is our conviction that the topic of the seminar and the work that is being done by the group headed by Geneviève, although it is in its initial stages, is truly important and should be supported. That is why we have so enthusiastically engaged in this event. In the name of the Pontificia Universidad Católica de Chile, specifically of the Institute of Urban and Territorial Studies of the School of Architecture, Design and Urban Studies, I welcome all of you and wish you a fruitful seminar. ■



Mrs. Geneviève Dubois-Taine

PECC Sustainable Cities Task Force Coordinator

Introduction

Ladies and gentlemen, dear friends, I say dear friends because some of you I have known for a long time: we worked together in Bangkok, we worked together in Christchurch, we worked together in Hong Kong; thanks to all of you for coming from Singapore, from Chinese Taipei, from the Philippines, from Pretoria, from Canada... to help us manage this Sustainable Cities Task Force as best as possible.

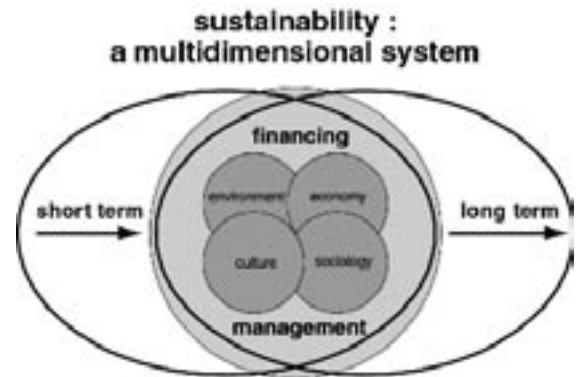
I have been very pleased to organize this Sustainable Cities Task Force's second seminar on sustainable urban services because I was helped a lot by the Chile Pacific Foundation: I want to thank very much Manfred and all his staff. I also wish to thank very much ECLAC for its great help in hosting us and giving us advises to organize this meeting; Many thanks also to the Catholic University of Chile, which helped us in finding some appropriate issues to be discussed. I also wish to thank the French Embassy and of course Aguas Andinas.

May I now propose a short scientific introduction to this meeting, although Alicia Bracena made a very complete and very interesting one.

The four dimensions of sustainability

This Santiago Seminar is the second of a series of four, which are the backbone of the 2001-2003 programme of the PECC Sustainable Cities Task Force. This 2001-2003 programme focuses on Sustainable Urban Services.

The first question is how can sustainability be defined?



Sustainability -my old friends know this diagram because it helped us to start our work- is of course a multidimensional system, and this multidimensional system has four main dimensions.

- Sustainability has to deal with social questions: how to improve quality of life for all? how can social equity be promoted? how can health, education, employment for all be guaranteed? and how can the local population be involved in the decision-making processes?
- Sustainability has to deal with cultural issues: how can cultural diversities be guaranteed? how can ancient and contemporary heritages be highlighted? how can the cities be made attractive for all their inhabitants, tourists and business firms?
- Sustainability has to do with ecology: how to guarantee to the cities their environmental quality? how to set up a good management of natural resources? and how to regulate polluting emissions as best as possible?
- And sustainability has an economic dimension: how to define affordability for the State, as well as for local governments and for the

clients? how to finance step by step the necessary urban improvements? how can the private sector become a partner? and how can all kinds of different risks be shared between all actors?

- But sustainability is not only a question of these four dimensions. Sustainability has to do with time, it has to be integrated in long-term processes implemented thanks to agreements, legal and institutional arrangements, that have to be flexible and realistic and that must be regularly re-discussed.

Sustainable development must find its relevant scales: the Cities' supply comes from the surrounding area, as we will see with the case of Mexico Valley, large cities attract different populations and City-regions are appearing elsewhere in the world. Which processes can be initiated to manage urban development and its urban services at all these different scales?

Finally, sustainable processes are initiated and implemented by actors, the State, local government and administration, elected bodies, enterprises, local associations, users... The more the actors are involved the more sustainable the processes are.

This general background on urban sustainability was presented and discussed during the first meeting organized by the Sustainable Cities Task Force in Bangkok in October 2000. After the Bangkok meeting we decided to stress on one particular point for our 2001-2003 program. And this particular focus is sustainable urban services. To manage this 2001-2003 program, we are organizing 4 seminars. We had the Hong Kong seminar in November 2001, and some of the speakers of this seminar are here to give evidence of what was said in Hong Kong in order to take advantage of all the work done there. We are now starting the second one, here in Santiago de Chile. We will have the third one in Nouméa on November 4th and 5th 2002 and the last one in Shanghai in Spring 2003.

The way we work, is to analyze contrasted cases, which are presented by all the actors involved in the implementation of the urban services we are speaking about. As a matter of fact, I learned during my professional life that bottom up approaches allow us to understand the reality of local situations. These approaches give us the occasion to pinpoint best practices and know-hows and help us to draw some main lines of what has to be done.

Guaranteed access to essential services

The second question then is how can urban services, which some call essential services, be defined. In 2002, many countries prepared the Johannesburg Summit. One of these groups, in Europe, stressed on the implementation of Sustainable Urban Services.

First, what are the nature and the aims of essential services? Water, sanitation, waste removal and energy supply, are considered as vital services, indispensable for a decent and dignified life. It's a right for everyone to have access to them, at an affordable price. It is necessary to provide them respecting the natural resources, the environment and the local cultures.

Second, what are the principles of guaranteed access? Water, energy, sanitation, waste are not commodities, they should not be the subject of total private appropriation. Public authorities are responsible for organizing these essential services; they are responsible for defining and implementing policies, generally at the state level, that guarantee access to essential services. Local authorities are, in most cases, responsible for organizing these services. The citizens, who are the consumers, the employees and all the stakeholders have a role in defining, organizing, assessing and controlling public services. There is a necessity to define the goals to be reached, to set up systematic evaluation, to pro-

pose affordable techniques and realistic timetables.

Third, given the disparities in the distribution of resources, revenues and populations, access for all to essential services presupposes the creation, by public authorities, of mechanisms for social solidarity and financing: at the local level, tariff adjustments, financial compensations among categories of consumers; at the national level, there is a need to set up mechanisms for resource management, for investment subsidies, for demand subsidies; at the international level, there is a need to develop solidarity between developed and developing countries and to support cooperation organizations.

Fourth, it is the role of the public authorities to organize the services. Public authorities fix the goals and targets of the public services; they set up the institutional background, the necessary laws and rules; they identify all the stakeholders and give a clear definition of their respective roles and responsibilities. Public authorities have the freedom to choose between the different management models. The mobilization of all available resources calls often for multiplayer partnerships, especially in the field of know-how, feedback, financing and, in some cases, the guaranteed continuity of actions to be taken. This should be reviewed periodically and be reversible.

The last point deals with governance and ethics. There must be contracting principles, good and reasonable allocation of public resources, business efficiency, social progress, environmental protection, fair and healthy competition in the choice of contractors, and establishment of mechanisms for assessment and control.

The Santiago Seminar

This is the background of what will be discussed today and tomorrow.

During this Santiago seminar, the four dimension of sustainability and all of these topics will be analyzed through three very contrasted cases: the case of Cartagena de Indias will enable us to see how the improvement of the legislative background in Colombia enabled the City of Cartagena de Indias to set up an efficient water service. This afternoon we will speak about Mexico Valley, its institutional reforms, financing plans and partnerships. Finally, tomorrow, we will have a long session on Santiago de Chile, which can be described as a fully privatized system in comparison with the others.

Each of the sessions, the session on Cartagena de Indias, the session on Mexico, the session on Santiago tomorrow morning, will be chaired by a witness of the Hong Kong seminar, who will introduce the session she or he chairs with her or his testimony on one particular point stressed in Hong Kong.

I thank you all very much for being here. I hope we'll have a very interesting seminar. I remind you that our seminars are not symposiums with lecturers speaking and spectators listening. All our seminars welcome and incite discussions, so I hope all of you will take part in the discussions, because it is through these that we can move ahead and reach interesting conclusions. Thank you very much. ■