As the newly elected President of ADP (Association of Urban Development and Cooperation Professionals), it gives me great pleasure to begin this issue of the Bulletin which returns to the topic of our annual study day - the resources for local development - which was held in September 2004 in the premises of ENA. ADP was set up 25 years ago and provides a forum for discussion and thought about urban development and urban management in emerging countries. Its principal activities are:

- Acting as editor in chief of “Villes en Développement” in close collaboration with ISTED;
- Adding to the resources of the “Villes en Développement” Documentation Centre managed by ISTED;
- Organizing dinner debates with the presence of experts.
- Holding the study day that takes place annually in September.

This study day was opened by Pierre Veltz, a former Director of the ENPC, who located the regions involved both historically and spatially: “sustainable development is impossible without global partnership”, “the world has become fluid”, “the end of the world of Russian dolls”, “productivity in economic archipelagos”. This lecture gave a better understanding of the economic aspects of change in local development.

Then Célestin Koussoubé, the Mayor of Bobo-Dioulasso, presented a specific case of local development, essentially from the sociopolitical standpoint; Lise Duval, from FIDES in Montpellier, then spoke about decentralized financial systems which assist the development of an organized private sector that can serve as a basis for improving local organization and management. Ismael Sacko (an agricultural engineer from Mali) and Bernard Porque (an engineer working for SAGEP) then described a successful North-South partnership for village water supply, with design work and funding provided by expats from Mali. This included an account of the installation and (sustainable) management of the equipment.

The afternoon featured additional papers by Jacques Stévenin, Director of Forecasting and Regional Development at EPA SENART, Victor Chomentowski, an economist with a specialization in local finance, and Thierry Paulais, Head of the Urban Development Division at the French Development Agency (AFD). The case of the development of local authorities in Morocco was described by Hassan Nouha, Assistant Director Public Corporations and Delegated Services at the Ministry of the Interior: this was a full and objective account of a pragmatic approach with the delegation of urban market services to the private sector.

The round table discussion which brought the study day to a close gave a picture of the diversity of approaches, particularly, with regard to the financing of local development. The topic was not exhausted, but those taking part gained an awareness of the wide variety of approaches to be explored, which are more complementary than contradictory. In this Bulletin we have decided to publish four articles that relate to the contributions from Célestin Koussoubé, Hassan Nouha, Lise Duval, Ismael Sacko and Bernard Porque.

Enjoy your reading!

Claude Jamati,
President of ADP
In 1997 the Municipal Authorities of Bobo-Dioulasso decided to adopt the revival of local economies programme proposed by the Municipal Development Partnership (MDP, Cotonou), in the framework of the ECOLOC programme that has already been tested in seven West African cities.

Bobo-Dioulasso is Burkina Faso’s oldest municipality. Its population of roughly 400,000 makes it the country’s second largest city after Ouagadougou (whose population is more than one million). In spite of the economic influence it exerts on the entire South-West of the country and its considerable capacity to provide services, Bobo-Dioulasso’s position in the region has deteriorated in the last forty years. Only 20% of the country’s modern sector firms are located in the city. Its gross local product (GLP), which was estimated at 123 billion CFA Francs in 1997, accounts for only 10% of the nation’s urban Gross Domestic Product (GDP).

Local and national initiatives have attempted to reverse this trend, for example operations intended to raise the awareness of local actors, the setting up of an interdepartmental structure (the CPRB) with responsibility for a programme to rehabilitate Bobo-Dioulasso and its region, and municipal development plans. In 1997, the Municipal Authorities of Bobo-Dioulasso decided to adopt the revival of local economies programme proposed by the PDM in the framework of the ECOLOC programme.

Phase I of the economic audit (1997-1999) essentially consisted of a survey of the municipality and its hinterland. This provided the opportunity for an inventory of their potential and limitations with regard to economic development. Phase II was launched on 1 July 2002 in Bobo-Dioulasso, after the signing of an agreement between the municipality, the MDP and the French Development Agency on 6 February 2002. The intention was for this to be a phase in which all the local actors became genuinely involved in developing a vision of society. In reality, it gave the influential figures in the city and its hinterland an opportunity to make plans and projections for a twenty-five year period.

Appropriate bodies have been set up whose modes of operation have been fixed by municipal decree. The support group, made up of a “facilitator”, a sociologist, an economist and a geographer, leads consultation between all the actors with a view to drafting the Reference Framework for Economic Development (CRDE) of the Priority Programme for Local Economic Development (PPDEL) and the Local Development Charter.

The ECOLOC Committee, which brings together municipal councillors and representatives of the economic operators, the hinterland, decentralized government departments and NGOs, constitutes the policy body. Using the ECOLOC study it has identified six “community ambitions” in order to achieve its goal of making the city a sub-regional centre:

- Restore Bobo-Dioulasso’s transit function;
- Make the city into the region’s major market for fruit, vegetables and meat;
- Stimulate the informal sector to give impetus to endogenous development (this accounts for 75% of jobs);
- Make Bobo-Dioulasso and its region a regional tourist centre;
- Promote integrated industrialization based on local potential;
- Promote and building public works sectors.

Dialogue groups, made up of representatives of the influential figures in Bobo-Dioulasso and its region, have been made responsible for dialogue between the public bodies, economic operators and civil society. Popular consultations are organized in the districts of the municipality and its hinterland (Banfora, Orodara, Houndé, Banakélédaga Inter-village Association). This process has led to the drafting of a White Book that states the commitment of the population to the CRDE and defines public and private investment policies.

A seminar bringing together the ECOLOC Committee and the Dialogue Groups, in order to examine the White Book, has resulted in the drafting of the ECOLOC Priority Programme for Local Economic Development (PPDEL). The Local Development Charter was drawn up at the Development Forum for Bobo and its region. This document formalizes the agreement in principle between local actors concerning the vision for long-term development of the city, medium-term programmes of action and reform, and concrete projects that embody the renewal of initiatives from local actors.

The ECOLOC programme has thus not only generated a process of collective thought led by elements of society with support from government departments, but also awareness on the part of the municipal council of its role as manager and instigator of municipal development. The priority given to the economic dimension has not obscured the social aspect: a study of basic urban services – drinking water distribution, waste collection, domestic drainage, urban transport, health education, basic education – in the municipality of Bobo-Dioulasso has been launched.

In order for the fresh dynamic does not lose impetus and to ensure that its commitments are carried through, it has been decided to set up a “structure that will support and/or implement

reforms and projects that are identified in the course of ECOLOC phase II”. This will, in particular, have the task of monitoring and supporting the implementation of the results of the process by lobbying the national and local authorities and development partners. This structure will also act as an interface between the economic operators on the one hand and the financing and supporting bodies and the public authorities on the other.

The process of decentralization in favour of local authorities in Morocco
Hassan Nouha – Assistant Director Public Corporations and Delegated Services at the Ministry of the Interior
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Until now Morocco has had the reputation of being a country that is extremely diverse geographically but administratively very centralized. This situation is gradually becoming less marked.

After the introduction of an initial municipal system (mainly urban), the 1976 Municipal Charter marked the first stage of an increase in municipal autonomy. This process was speeded up by the October 2002 Act which also covered the intermediate levels between Central Government and the Municipalities. Consequently the country’s territory is today covered by three regional authorities which together employ one third of the State’s civil workforce:
- 16 regions;
- 71 prefectures and provinces;
- 1547 municipalities consisting of 249 urban municipalities and 1298 rural municipalities.

The right critical size for Moroccan municipalities. The accumulation of historical entities means that the demographic size of Morocco’s prefectures and provinces is considerably smaller than that of French Départements, and they are therefore economically at a much lower level. The same is no longer, however, true for the municipalities. These are much fewer in number than in France with a much larger average size (in the ratio of 11 to 1): more than 20,000 inhabitants for all municipalities (urban and rural) and almost 70,000 inhabitants on average for urban municipalities on their own. Thus, even when per capita GDP is taken into account (the ratio between the Purchasing Power Parity of the two countries is 1 to 7), with a municipal taxation rate that is only very slightly lower (about 4.5% compared with 5.5% of GDP) individual Moroccan municipalities nowadays often have financial resources that are greater than the French average. This in itself guarantees some autonomy from central government, even if development of the groupings of communities, urban communities and intermunicipal links that are needed to obtain worthwhile economies of scale and reach a certain critical size has been very slow. In view of these various factors, a municipality like Casablanca, which is the largest in the kingdom, now has a budget of about 200 million Euros. This is not negligible, even though it is still much smaller than the largest French cities.

A large range of responsibilities effectively carried out
The range of responsibilities of Moroccan municipali-
ties is today very similar to that of French municipalities which they seem keen to imitate closely. With regard to these responsibilities, those which are carried out the most effectively, and for which Moroccan municipalities have the longest experience, are those that relate to local public services: water and electricity distribution, liquid drainage, urban buses, car-parks, markets, slaughterhouses, etc., for market services; roads, drainage, general hygiene and cleanliness, collection and disposal of solid waste, beaches and bathing, parks and gardens, social, cultural and sports centres for other services. To these should be added in-house expertise in the area of urban planning and the environment, which is to some extent shared with the urban agencies, and newly transferred responsibilities with regard to the building of schools, apprenticeship centres and dispensaries and health centres, reforestation, small-scale local hydraulic engineering, preservation of the cultural heritage. It is with regard to their in-house expertise in the areas of social and economic development that many Moroccan municipalities are at their weakest, these areas requiring executives with specific qualifications and experience. Last, it should be noted that the 2002 Act made provision, bottom-up, for bodies and procedures to permit inter-municipal cooperation and, top-down, in the case of municipalities with populations of more than 500,000 inhabitants, for the setting up of districts with no legal personality but with administrative and financial autonomy and elected councillors.

Long experience and continuous development of delegated management

While the delegated management of local market services dates from the Protectorate, there have been considerable recent developments for water and electricity (in four of the country’s largest conurbations), urban buses, solid waste etc. Such delegated management tend to involve concessions with private sector funding, as the problem of funding is still a greater problem for municipalities than the quality of management and know-how. Increasingly, municipalities are using, not only international operators for the largest and most difficult delegations, but also to Moroccan operators working either in association with international operators or on their own.

Efforts are currently being made to develop a more attractive framework for the delegation and funding of public services, which could go as far as a broader framework of Public-Private Partnerships for structures and services which are outside the market sector as has been introduced in Spain, France, and, very recently, Brazil.

A current issue for local authorities which are in an intermediate position between central government and the municipality

Attempts are in progress to develop larger management frameworks around cities than the municipality or the urban area in order to obtain economies of scale and critical levels that are acceptable and attractive to the private sector. More broadly, the extent and nature of intermediate decentralization between central government and the municipality is very much a current issue.

Can microfinance generate and mobilize resources for local development?

Lise Duval, FIDES (Finances pour le Développement Economique et Social)

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FIDES is an NGO that specializes developing and promoting microfinacial institutions. Its activities demonstrate that it is possible to mobilize the non-bankable savings of the population to partially finance local development.
Adapting financial services to the needs of “poor populations”

“Non-bankable” populations are frequently described as “poor”, but we should not allow the term to hide the fact that they form a diverse group consisting of small entrepreneurs, self-employed households, informal sector workers or journeymen with no job security and highly vulnerable households (who lack regular employment and who are partially supported by gifts).

As a result of this vulnerability and the way family units and production units overlap, the needs of these populations are extremely varied (see Box) and so crucial that they are willing to pay for a financial service that is able to meet them.

There is a danger in ignoring the diversity of needs and considering households uniquely as a family or a production unit, because a comprehensive approach is required in order to break vicious circles of poverty: it is equally important to provide working capital and funds for housing! Providing a wide range of propositions (savings and credit but also insurance) is nowadays central to microfinancing operations.

Financial services generate jobs and income and therefore, potentially, tax revenues

Since the 1980s, many institutions have demonstrated that they are able to work effectively with non-bankable populations, although the still have difficulty aiding “extremely vulnerable households”. When the principles of good management, good governance and demand-responsiveness are applied, microfinance supports income-generating activities, provides security to households and encourages job creation in micro-businesses. Through this indirect effect on the local economy, it helps generate potential tax revenue (as the financed activities belong to the informal sector) which stimulates local development.

These encouraging impacts must nevertheless be placed in context: once the financial constraint has been removed, households must face new ones such as finding product outlets, accessing information, accessing health centres etc. Microfinance is just one element in a whole set of policies which assist local development and on its own would have extremely limited impacts.

The mobilization of savings: resources for local development

Households, even the poorest, have an impressive capacity to save. The more vulnerable they are, the more pressing their need to save in order to acquire security. The problem they face is that they have extremely small incomes which are paid frequently so it is difficult for them to amass to a sum that is large enough to invest. It is therefore necessary to give them the opportunity of making regular deposits and protect these small sums from family consumption. For example, in the Niger delta, FIDES Mali collects savings (sums equivalent to €0.15 per client) each week directly on the market as soon as the clients have sold their products. The activities of many institutions are based on deposits which are used to finance individual credits and also collective investments, but why not, at some time in the future, municipal investments? The question would then be to identify under what terms municipalities could become bankable clients. Microfinance has shown that “non-bankable” populations have saving capacities that are able to partially finance local development and that, furthermore, they are willing to pay for financial services that genuinely meet their needs. The issues of good governance, good institutional management and detailed analysis of the needs of clients are the keystone of success for microfinance. This commercial approach is not able to solve all local development problems – for example one can hardly imagine villagers themselves funding a road that connects their village to the capital city! However, in the context of State disengagement, it provides a means of mobilizing private resources in order to combat poverty and responding to the problem at the level at which it is posed.

The diversity of the needs of a family in Tadzhikistan

Unforeseeable needs
- Illness / Famille accidents
- Disease affecting the livestock
- Climatic risk : drought, flooding, frost...
- Death
- Divorce
- Economic crises

Foreseeable needs
- House-building
- Marriage, Birth
- Children’s education
- Social celebrations
- (leaving for military service, baptism, etc.)
- Preparing funerals

Villes en développement
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How a system of social organization is able to finance drinking water supply projects with the technical support of an NGO?

Difficult living conditions in villages, caused in particular by drought, lead a large number of Malians to leave their country in order to work and provide for their extended family. Abroad, they group together to form associations – of which there are more than 250 in France – on a village by village basis and send part of their earnings back to their country. Malians have retained a powerful tradition of social and family solidarity and continue to finance dispensaries, schools, roads, etc. by means of tontines and funds. Although these projects are financed by expats, most of the relevant decisions are taken on the spot by the village chief who consults with the people who are affected. In Sirmolo, it was the inhabitants of the village (Soninke ethnic group) who had the idea for a water supply project. The total cost of 450,000 Euros was entirely financed by an association of 110 Malian expats living in France (i.e. 1,300 to 1,400 Euros per person over two to three years). Everybody, whether a student or in employment, was obliged to contribute even if he/she had to borrow to do so. This compulsory contribution is similar to a solidarity tax, and nobody can avoid it.

Eau-lambda: the project’s technical partner.

This association helps a large number of associations carry through their water supply projects, in particular in Mali. As a partner from the North, it makes technicians available free of charge for the entire duration of the project. It conducts the feasibility studies, the technical design studies, the financial study, assists the project owner and the construction manager and participates in setting up the management committee. The association only supports the projects, but it nevertheless lays down certain conditions: the financial participation of the expat association in the project and the involvement of villagers in performing the works. The villagers must accept to pay for the water on the basis of its real cost (cost of installations and their renewal). The aim is for the villagers to become completely autonomous. They are not allowed to ask the Malian expat association to finance the equipment every five or ten years. To this end, a management committee is set up.

Working together

A water supply project requires considerable funds and time. It generally lasts two to three years, from when the decision is taken to when water arrives in the villagers’ taps. This is quite rapid in view of the fact that the whole population must be mobilized behind the project. Four stages are involved: feasibility studies must be performed, detailed preliminary design must be carried out, a call for tenders must be issued for purchasing equipment and supplying the worksite and last the water supply works must be performed and the management committee trained.
A call for papers has been issued for the 6th N-AERUS Conference on aspects of social inclusion in the cities of the South, with the aim of providing conceptual and political perspectives on the issues as well as examples of social policies and practices that have been implemented. Papers will address primarily the following issues:

- **Eviction processes: trends and policy responses**
  Papers addressing this topic should focus on both "forced evictions" and "market-driven evictions", to assess the findings of research on evictions and to identify alternative policies.

- **The privatization of services**
  Papers will focus on the inclusionary/exclusionary effects of urban service privatization and the responses that have been implemented in order to improve access by the urban poor. Promoting pro-poor organizational change.

On the basis of case studies, papers will focus on the relationships between the public and private sectors and their implications in the introduction of innovative urban policies.

For further details and in order to send abstracts before 29 May 2005:

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Urban rehabilitation in Algiers

ISTED is organizing the receipt of a delegation from 25 to 29 April 2005 in the framework of the bilateral Franco-Algerian cooperation project concerning the regeneration of existing housing. The delegation will be made up of representatives from the Ministry of Housing and Urban Planning, from the Wilaya, from the Popular Municipal Assembly of Algiers, from the Office for property development and management of the Municipality of Hussein Dey, and the National Centre for Construction Studies and Research at Constantine University.

Meetings with regeneration professionals and field visits are due to take place in Paris and Marseille. The delegation will meet managers and operators who are working in the framework of the Paris Municipal Authority’s housing improvement policy to eradicate housing that is unfit for habitation. This will provide an opportunity to visit examples of ongoing projects managed by the SIEMP and the permanent programme for monitoring lead poisoning, housing that is unfit for habitation and slums which is managed by APUR.

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Call for research proposals

In the context of the programme research on “Regional policies and sustainable development”, the Research and Forecasting Department at the Ministry of the Environment and Sustainable Development and the Urban Planning, Construction and Architecture Programme at the Ministry of Public Works, Transport, Regional Planning, Tourism and the Sea have issued a call for research proposals into the following topics:

1. Appraisal of public policies with regard to Sustainable Development;
2. International relations as a specific aspect of spatial links;
3. Environmental inequalities. It is strongly recommended that for the second topic, which is more targeted towards international relations, research teams should consist of French teams working with foreign teams in the studied countries.

The deadline for the submission of proposals is 18 May 2005. This call for research proposals can be consulted on the Programme’s website.

Contact: www.territoires-rdd.net

Proceedings of the PRUD International Symposium

The publication of the proceedings of the symposium “Governing the Cities of the South – Challenges for Research and Action” (5–7 May 2004, UNESCO, Paris), represents the first stage in the promotion of the research carried out by PRUD – The Urban Development Research Programme.

The programme was set up by the French Ministry of Foreign Affairs priority solidarity fund. This concerted incentive action (2001-2004) was led by GEMDEV (GIS for studying globalization and development) and Isted, The programme’s key objectives were to integrate new issues and work areas, to generate new knowledge on urbanization in countries of the South to guide public action in the area of urban development and international co-operation and to set up North-South scientific partnerships.

Thirty research teams consisting of a North-South mix, brought together 260 researchers in order to study the cities of Africa, Maghreb/Near East, South-East Asia and the Caribbean. These proceedings have been published by the General Directorate for International Cooperation and Development (DgCID) at the Ministry of Foreign Affairs.

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Transport Economics Summer School

As part of the activities of the SITRASS network (International Solidarity for Transport in Sub-Saharan Africa), the Laboratoire d’Économie des Transports (LET) is running a training session for senior executives from Africa from 27 June to 22 July 2005 in Lyon (France). The aim of this summer school is to bring order to and update existing knowledge and experience in the area of Transport Economics. Training will focus on land transport and be based on an understanding of analysis tools, concrete case studies and research results. It will also include lectures and technical visits to public bodies and firms.

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This bulletin is on line on the ISTED website