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The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
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An address by Mr. Joseph Elkouby, Chief, Urbanization and Regional Projects Division, Special Projects Department, delivered on June 11, 1971 at the Annual Meeting of the Institute for Rapid Transit in Mexico City, Mexico

"THE WORLD BANK'S APPROACH TO MASS TRANSIT PROJECTS"



Ladies and Gentlemen,

I feel privileged to have the opportunity of addressing such a large audience of mass transport experts, and more so, to be in Mexico City, a great city which can be proud of its newly completed and very attractive Metro system. A number of metropolitan areas in the Western Hemisphere, as well as outside, are looking towards this example, undoubtedly with envy, but also as a demonstration showing possible solutions to the metropolitan transport problem. Indeed, throughout the world urban transport problems have become an every-day struggle for urban dwellers and a major concern for government officials and professional experts. In developing as well as in developed countries, the increasing size of metropolitan areas, which continue to attract population and activities, results in growing disparities between transport demand and available supply. The developing countries are no exception to the rule; their problems appear even more serious, compounded as they are by a rapid rate of increase of their urban population and a slow progress of their income. Transit services are generally far below the demand of the public and the fare level is often too low to permit adequate maintenance and safe operation. As the Bank is gradually addressing itself to new fields of lending, urban transport, and particularly mass rapid transit, has attracted its attention. The following are but a few remarks stressing some essential aspects and suggesting some general guidelines for the Bank's approach towards mass transit projects.

As a framework for this discussion, it might be helpful to mention the main principles which govern Bank action in the selection and evaluation of projects.

I. GENERAL BANK APPROACH IN PROJECT EVALUATION

The fundamental task of the Bank is to promote economic progress in the less developed countries. Bank action in any given country is based on an analysis of the economic situation of the country as a whole; this generally involves the review of the major sectors of the economy, the definition of goals, and the establishment of national priorities. The analysis of a country's economic situation, which is conducted periodically (annually for the most important countries) is supplemented by specific sector missions, preinvestment studies, and allows for modification of objectives and investment programs in accordance with economic progress.

This preliminary work is carried out in close cooperation with the country concerned and is, in fact, part of the total process of project identification and evaluation. To obtain the Bank's agreement, and in particular its financial participation, a project must conform to the priorities indicated by the "development strategy." Moreover, the project, even though it may have been selected within a priority sector, must, itself, present a sufficiently high priority to justify capital investment. This priority is determined by comparing the anticipated economic benefits with the costs involved.

Hence, the importance of the economic evaluation, which is based on the demand for goods and services which the project is designed to meet. This evaluation endeavors to define the various alternative solutions to meet this demand, and to estimate and compare the benefits and disadvantages of each solution.

Such a comparison will lead to the selection of the best technical alternative and to recommendations on the appropriate timing for its implementation.

Once these characteristics have been determined, the detailed engineering studies can proceed, together with an in-depth investigation of the financial, commercial, and institutional aspects of the project. Consideration of these aspects is necessary to complement the results of the economic evaluation. The financial analysis is particularly important in this regard as it considers a project from the viewpoint of its parent entity, essentially to measure the latter's ability to meet its financial obligations, while the economic evaluation process is meant to judge the effects of the project on the whole economy.

The main question for the Bank is how to apply these general principles to specific projects. As the Bank has recently received some requests for financing rapid transit projects, it is worthwhile exploring how these guidelines can help in examining this type of project and what steps should be taken in their evaluation.

II. THE URBAN DEVELOPMENT CONTEXT

It is well known that in any metropolitan area, transport is only one aspect of urban activity as it is a necessary component of industry, trade and services which are the purpose and "raison d'etre" of the city. Moreover, transport, as it provides mobility, affects the functioning of these industries, commerce, and specialized services, and in this way influences their location and on the whole, the city's shape itself. Certain of these activities

tend to concentrate around the central points of the transport system, while others are scattered along principal streets or access routes starting from the center. Generally speaking, the need for transport in an urban area depends directly on the arrangement and intensity of land uses. A decision concerning any one of the three factors: transport, land uses or land values, automatically influences the two others.

The Bank's interest in urban transport is relatively recent. While the Bank, since its creation, has invested more than \$5 billion in the whole of the transport sector of underdeveloped countries, the portion spent on urban transport projects is about \$60 million, i.e., 1% of the whole of the transport sector. Moreover, this amount relates only to some urban highways or expressways and does not include any project dealing with the improvement of mass transit proper.

This apparent neglect does not stem from an underestimation of the role of urban transport, but rather, I believe, from the priority given so far by the Bank to the development of major infrastructure networks (roads, railways, power, etc.) at the national level. As the economy diversifies, the purely sectoral approach has to be mitigated by other considerations expressing local or regional needs. Accordingly, the Bank is broadening the range of its lending programs and shifting gradually from a strict sectoral approach towards problems of regional development and urbanization. In view of the magnitude of the urbanization wave which is now reaching the less developed countries, the Bank is now making a considerable effort to study the implications of this phenomenon and to provide for an overall method of approach and a contribution to its solution.

The Bank's new interest in urban transport is in line with its recent attention to urban development, considered as an essential phase of a country's economic progression. The main characteristic of urban development is the interrelatedness of all aspects of a city's activity: employment, quality and cost of urban services such as water, electricity, transport, housing, taxes, welfare, etc. Any action on one of the factors must take into account what the impact will be on the others. For example, an increase in taxes, or in the price of certain public utilities, such as power, might result in the moving of some industries and as a further consequence, a reduction in employment and shrinking of the tax base.

The above considerations show that when the Bank considers an urban transport project, it can evaluate it only with regard to the overall problems brought about by the city growth. The questions that the Bank raises are precisely those that the governments or municipalities concerned are asking or should ask:

- What are the needs of urban and rural development in different regions of the country and their relative priorities?
- What are the prospects of economic development of the urban area or the region under study? And how great an investment is required for this development?
- What level of investment and operating cost can the community accept in the area of urban transport and how is it to be met?
- How should resources be distributed among different modes of transport?
- What combination of transport modes must it select?

- What are the specific projects that should be carried out and what are their respective priorities?

The first aspect is of paramount importance, although a clear answer is often difficult to provide. This implies the definition of a national policy for urban development, as it is recommended or adopted by the country. A large metropolitan area requires heavy investment in mass transport (in terms of specialized railway or metro network or rolling stock for surface transport), as well as in other urban services. It is a legitimate question to ask whether the resources used in this type of investment to the benefit of one single metropolitan region, often the capital of the country, are utilized to the best advantage. Perhaps other cities or regions of the country have a greater need for such resources and are capable of using them better, in view of the overall needs of the nation. The answer to these questions requires an analysis, at least of a preliminary form, of the needs of urban and rural development for different regions of the country and their relative priorities. The corresponding choices are usually formulated in what is known as a "national development strategy."

The case of Venezuela seems an excellent illustration of this problem. A recent Bank economic mission which looked into the development of different regions of the country, noticed the high development rate and potential of the "Core Region" of which Caracas is the main growth center. As a result, the mission recommended that, while still helping the economic development of other regions, the Government should not slow down the expansion of the "Core Region"; it should even facilitate its development through suitable infrastructure investments. Once it is agreed that Caracas should be granted priority for

urban development, it logically follows that the bottlenecks that are an obstacle to that expansion should be eliminated and this applies particularly to traffic congestion in the metropolitan area.

Undoubtedly, the development strategy is not always so clearly defined as in the above example. In a large number of cases, due to the lack of analysis of regional development trends, priorities of urban as opposed to rural development, or relative priorities of the various urban centers, are difficult to determine and should be the result of a deliberate decision taken within the framework of the national development program.

However, all the questions are not automatically resolved when regional priorities have been determined. To go back to the example of Caracas, the city is located at one end of a very active growth axis which includes other rapidly growing cities (Maracay and Valencia); therefore, a key issue is how much of the region's growth should take place in Caracas as opposed to the rest of the valley. To answer this requires a closer analysis of employment trends and types. Clearly, if the growth is essentially concerned with the tertiary sector (commerce, banks, administrations), it could take place only in Caracas, while if the growth is mainly in the industrial sector, the manufacturing plants could expand mostly by decentralizing to Maracay and Valencia. Actually, this analysis was made by the Ministry of Public Works when undertaking preliminary studies for the Caracas Metro and it was found that, taking into account decentralization towards Maracay and Valencia and towards other cities outside of the "Core Region," the population of metropolitan Caracas was bound to double between now and 1990, increasing from 2 to 4 million inhabitants; with no allowance for decentralization, the population of Caracas would exceed 5 million inhabitants in 1990.

One of the first conclusions to emerge from this discussion of the choice and priorities of development is that adequate studies of urban needs and urban development priorities at the national level are needed before any detailed evaluation of specific projects is undertaken.

These overall studies, even though they don't result in simple mathematical formulas, are a sound basis for determining urban development policies. Within the framework provided, the next step is concerned with the project proper and, in particular, with its economic justification.

III. THE ECONOMIC EVALUATION PROCESS

The economic evaluation of a project is the end-result of a series of studies dealing with the economic as well as the technical, financial, commercial, and institutional aspects of the project. In this process, the objective is to measure or to evaluate the benefits accruing to the economy as a result of the proposed investment. Concerning an urban project, the process of evaluation is more complex, essentially because of the interdependence among the various aspects of urban development.

Moreover, the project itself is not always clearly defined at the outset, as this often requires, as a preliminary, a comparison of several alternative solutions.

(a) The starting point of the evaluation is usually an analysis of the existing situation, based on a description of the existing land uses, densities and development trends. This land-use map is supplemented by detailed analysis of traffic movements between zones such as is generally obtained from an O-D survey. This analysis should, of course, include transit as well as private automobiles, and should gather other basic data such as the resident and working population in each zone, family incomes, social habits, type and quality of housing and trip duration.

The description of the existing situation must not be limited to transport movements; it must also provide sufficient information on other urban services (water, electricity, sewerage, power, telephone, housing) as well as on their past and foreseeable development. In some cases, such as Istanbul, this is obvious, for the same organization is responsible for power distribution and public transport. In general, this exhaustive review of urban services is aimed at assessing their relative priorities with regard to urban transport needs. For there would be little rationale in committing important funds in the construction of a metro if a good part of the population lacked potable water or even some kind of shelter. Also, this definition of priorities cannot be the outcome of a mathematical formula, as it implies certain political choices concerning the objectives that the community sets for itself.

(b) The second step of the evaluation process is to express these objectives so as to meet the needs arising from metropolitan development. In broad terms, the target will be to improve the living conditions of the urban population within the limitation of available resources while at the same time preserving the environment. The usual method consists of constructing a model of the future urban area, as it will be in 10 or 20 years, by merely projecting recent development trends and maintaining the same investment flow. This is used as a reference to compare other possible patterns of the city's future, taking into account substantial policy changes as to the extension of the urbanized area, population densities, transport modes, etc. The study designed by the Bank in Bogota is an example of this method: besides the picture of "Existing Trends" which represents the continuation of past development trends

and serves as a basis of comparison, the consultants have defined four other urban patterns (extension towards the north, extension towards the west, dispersion and high density). The weighing of the respective advantages and disadvantages will guide the Municipality in selecting the general shape of development and the relative priorities of the different sectors. In other cases, unlike the Bogota example, the range of possible policy changes is rather limited and there is, aside from minor differences, only one possible future pattern to be considered for the city; this future pattern generally takes the form of a "master plan" or "land use plan" based largely on the continuation of existing trends.

(c) This plan, or more specifically this future model of the city, shows the transport network that is considered necessary to serve this new urban form. This network is presented in a preliminary form, not as a detailed project. In this third stage, the objective is to define all possible solutions, including the optimum utilization of existing infrastructure, capable of serving the future master plan. These alternatives, which generally involve a combination of several modes of transport, are then examined in relation to future transport demand (as it results from the master plan) and their comparison is based on a cost-benefit analysis of each alternative. Such a comparative study of the alternatives makes it possible to determine which one produces the highest "economic return" on the investment, but it often results in suggesting modifications of specific densities or land uses in the master plan to bring the "transport demand" in line with the capacity constraints of the future network.

The comparison of the costs and benefits of each alternative presupposes a knowledge of construction and operating costs of the various transport modes considered. At this stage of evaluation, the estimates resulting from the preliminary engineering are a sufficient basis for calculation.

(d) The following stage, which will consist in defining precisely the project (or projects), will necessitate a study both of scheduling and phasing of implementation of the optimum alternative retained; the construction cost figures to be used will be those resulting from the detailed engineering, and it will be possible to determine more accurately the rate of return of each phase of the project. The sources and methods of financing will also be decided at this stage.

The methods of economic analysis, which permit an evaluation of the projects in economic terms, are well known and do not need to be described here; we estimate the internal economic rate of return to investment and the benefit-cost ratio by discounting of costs (investment and operating costs) and benefits over the life of the project. It is important to note that from the standpoint of economic analysis, the sources of funds and financial conditions do not affect the results; these depend neither on the amount of external financing, nor on the proportion between borrowed funds and self-financing. From an economic point of view, the cost of these funds is the "opportunity cost of capital" i.e., the highest economic return that capital can earn in alternative uses in a given country. It is usually represented by the return that could be expected from capital invested in the marginal or last-included project in a country's optimum investment program. Although this level of return is, in practice, difficult to determine accurately, it is important for a given country not to invest its resources, whether they come from their own revenues or from external loans in projects with an economic rate of return lower than the "opportunity cost of capital."

Therefore, the economic efficiency of a project is assessed on the basis of economic benefits rather than financial returns. The investment costs of an urban transport project (be it urban highway or transit) are fairly easy to determine as they result from engineering studies; however, the operating and maintenance costs (composed largely of wages for labor), are difficult to forecast over a long period. The definition and estimation of benefits is even more difficult to predict than costs, and economists are still debating the merit of including certain elements in the analysis.

Among the benefits, those accruing to the users of the various modes of transport are well known and can be easily quantified: they include essentially savings in operating costs (for example, for the users of the metro who travelled previously by bus) and savings in time. Nevertheless, the concept of the value of time is a good illustration of the difficulties encountered in quantifying such benefits. Questions such as the following are currently raised about evaluations of time savings accruing to transport users:

- (a) Should we adopt a single value of time expressed in monetary terms, or several, taking account of the transport mode, social status or income groups?
- (b) Are these values (or is this value) to be based on the wage level, whereas the time used for commuting is not actually working time; or
- (c) May we use instead a subjective value of transport time as it is felt by users of various transport modes?

Although answers are difficult, assumptions will have to be made on the values of time, often by using several values which will provide the basis for a sensitivity analysis.

The definition of the "benefits," other than those accruing to the users, in particular the benefits to the community as a whole, or to certain social categories, poses another difficult problem. Certain specialists consider that any effect of a transport investment, except for the direct benefits to the user, are only transfers from one sector of the economy to another, these transfers expressing the improvement in transport conditions. Adding the benefits to the community to the gains of the users would, according to these experts, result in a "double counting."

Certainly, to be useful, a benefit-cost study must be carefully conducted and must avoid counting the same benefit twice. Nevertheless, a comprehensive economic analysis should study these transfers between various groups of "beneficiaries," users or others, even if these "second generation" effects are not added to the direct benefits of the users. One example of these transfers - which is another illustration of urban interdependencies - is the increase, often very high, in land values around the stations of a new subway line. Some systems have even taken advantage of this phenomenon to obtain basic or complementary financing.

On the other hand, apart from these transfers, there are some general benefits to the community which must be added to the user benefits. For example, the construction of a metro would give the whole community a reduction in atmospheric pollution, which is a supplementary benefit. Other benefits to the

community can be identified, though they may be difficult or impossible to quantify. Among these "social benefits" the following are worth mentioning:

- Improved access to employment opportunities for the disadvantaged, because transit will make employment areas more easily accessible;
- Providing transportation for the youth and aged;
- Improved access to educational and health facilities; and
- Improved access to cultural and recreational facilities.

IV. FINANCIAL ASPECTS

I think I have made it sufficiently clear, regarding the methods of economic evaluation, that the main concern of the Bank in urban transport is to analyze impartially the entire range of possible alternative solutions. The Bank does not exclude a priori any system or any transport mode and is prepared to consider any transport project which would bring sufficient benefits to the economy. Considering the urban explosion in developing countries, it is likely that a major investment effort will be required century in the field of mass transportation. The key issue is how to obtain and gather the resources needed for such mass transit investments. Moreover, it is clear that the methods proposed to finance the construction and operation of these services will determine to a great extent the ridership as well as the level of service; in other words, the type of financing will mean either success or failure of a mass transit project.

In this field, there are two schools of thought illustrating the classic dilemma of public infrastructure financing: user charge or taxation. According to the first, the fare revenues from the users of a surface or rapid transit system should cover the total investment and operating expenditures. According to the other, a public transport network is vital for the proper functioning of the city and the related expenditures should be covered, as in the case of streets, sidewalks and public parks by fiscal resources without specific charges. At the extreme limit of this concept, the use of mass transit would be free as the city might consider that the reduction of "social costs" would more than compensate for the increase of its charges. Undoubtedly, the truth lies between these extremes.

There is a strong parallel between the proposal to finance for instance an urban railway or "metro" system solely by means of fare revenues and the financing methods currently applied to other urban services such as potable water supply, power distribution and telephone. For these sectors, in fact, the efforts of the Bank are directed toward obtaining a profitable operation of each public service considered separately; the Bank has always insisted that the public authorities, by legislative and regulatory means, agree to apply charges covering, not only operation and maintenance expenditures, and amortization of borrowed funds, but also a reasonable proportion of the funds needed for their sustained expansion. The rule has been to have no municipality or government subsidy for these services, which should be managed like commercial enterprises.

The case of mass transit is not, however, entirely similar; for, unlike water or electricity, it does not enjoy a monopoly situation. The problem is evident for the large cities of industrial countries where the private

car (for psychological as well as financial reasons), is an omnipresent and often successful competitor to public transport. Even in the less developed countries, the private car is present in the form of "collective taxi," which provides a slightly more expensive, but faster and more comfortable service than the crowded buses. Bogota and Caracas with their "por puestos" and Istanbul with its "dolmus" are but a few examples.

In Caracas, for instance, the metro project, when implemented, will be in competition with "por puesto" and bus lines; and if the latter's fares are too low in relation to the metro's, the users will prefer the surface transport. Furthermore, for the next few years of construction, potential users of the metro will have to use other means of transportation for part of their route and will continue using buses unless and until the metro offers a definite advantage.

Besides, a large and increasing proportion of families own private cars, and the taxes paid by the owners, particularly on gasoline, are so light that well-to-do people are not interested in using buses, or even the subway when it is completed.

Therefore, the financing of any metro project can only be decided after an exhaustive study of the impact of fares and taxes on (a) travel distribution between private and public transport, and (b) distribution of public transport ridership between metro, buses and taxis. To shed light on these problems, the Bank, using the case of Caracas, has asked that a study of "road user costs" be undertaken for this metropolitan area in order to assess the level of charges borne by automobile owners, and to find out whether the total

charges cover the cost of highway investments imposed on the community. This study, which is in progress, is rather complex and will take some time before yielding results. It is clear, however, that if the taxation that applies to the private automobile is not in line with the cost of the highway infrastructures, it will be difficult to require that the metro, or in general any mass transit network, must balance its costs and revenues without any subsidy from other sources.

Actually, the question is not so much whether a public transport project should, but whether it can be self-supporting solely through fare revenues. In particular, for projects which require large infrastructure investments, the past and more particularly the recent experience of a number of countries among the most industrialized, seems to indicate that a "self-supporting" solution is in the realm of Utopia. The most recent rapid transit projects, apart from levying specific charges on the riders, have had to seek other sources of financing, either in the form of capital grants (nonreimbursable) from the state or municipality, or loans to be serviced by municipal or regional taxes. For instance, in Paris, for the new St. Germain-Boissy St. Leger regional rapid transit line (total investment: about US\$1 billion equivalent), the Central and Regional Governments each agreed to bear half the BART system (US\$1.3 billion) has been almost completely covered by bond issues to be serviced by increases in some local taxes (particularly real estate and sales taxes). Fares to be charged are based solely on operating costs.

In Caracas, an intermediate scheme is being considered by which part of the tunnel construction would be financed by an external loan and the

remainder by a capital grant from the Government. The Bank has been asked to provide this external loan which would be reimbursed by means of a land betterment tax to be levied on areas around the metro stations. The rest of the capital costs (equipment and rolling stock) as well as the operating costs would be covered by the fare revenues.

These examples clearly suggest that there is no uniform solution to the problem of mass transit financing. In each case, the solution is tailored by pragmatic and often political considerations, since a mass transit system does not benefit the transit riders alone.

Therefore, before recommending a practical and equitable solution, one should fully consider all categories of people who will benefit from the mass transit investment: automobile owners, who would be able to drive around more freely; real estate owners; and even the metropolitan community as a whole, which would have an improved tax base. The first step toward such a solution would be to assemble projections of annual costs and earnings over the construction period, and for at least 10 or 15 years thereafter. The analysis should start with the fares as proposed by the transit authority or the government, and then should be expanded to determine, using different levels and structures of fares, what portion of capital costs, in addition to operating costs, could be covered by the revenues from the fare box.

Some people may criticize the above method as it does not provide any precise rule for setting the fare structure. However, at this early stage of the Bank's involvement in mass transit projects, this pragmatic approach appears

to be the only appropriate method for evaluating each project in its specific context. As our knowledge progresses, it will be possible to develop more specific policies.

It is useful to emphasize also that Bank financial assistance for mass transit projects is not conceived as exclusive of other sources of funds. On the contrary, Bank loans may be complementary to credit facilities offered by supplier countries. Metro projects are especially attractive to countries with industries capable of producing mechanical and electronic equipment, as well as rolling stock. These industries can usually offer, with their government assistance or guarantee, attractive credit terms for the purchase of equipment and rolling stock, but are usually unable to provide sufficiently long-term loans for civil engineering works. The Bank, however, can provide funds on the long terms suitable for civil engineering.

V. INSTITUTIONAL ASPECTS

It has often been said that the most important function of the Bank, aside from project financing, was to assist the less developed countries in creating the institutions necessary for making full use of their investment resources, and more generally, for improving their decision-making system. The need for this assistance is clearly felt in the urban transport sector, and especially for mass transit. Whether it is an existing bus system, or a new investment such as a rapid transit line, the quality and efficiency of transit services, together with the fare level, are of grave concern to almost all categories of citizens and easily turn into political issues. There are numerous examples, and not only in developing countries, where an increase in public transport fares has caused strikes, and even serious disorders.

Regarding the institutional framework, the Bank has two major concerns: (a) to ensure that the transit agency to be established for operating the proposed system will be efficiently managed and financially sound, and (b) to obtain proper coordination between various transport agencies so as to make the best use of all transport systems and to avoid irresponsible behavior on the part of certain authorities. There is no ready-made solution, as you might think. Taking again the example of a metro project, it is clear that the entity established to operate the project must be granted some form of financial autonomy and be protected against political interferences. On the other hand, political issues will, no doubt, arise as the new metro line will require redesigning the surface transport network and harmonizing the fares between buses and metro.

It is, essential, therefore, to set up a framework that permits and facilitates this coordination between the two modes of transport. This may take the form of a "public commission" or agency, with special powers, to decide on the route layout and the fare structure. The linking of such a commission with the central government, especially the ministries of transport and finance, raises difficult problems and is a major aspect of this institutional framework.

The key issue for the central government is how to organize and perform its regulatory and control functions in the urban transport sector. The central government will often have to make the final decision on fare increases proposed by the Commission and on ways to make up the deficit, should there be one. For this reason, these problems must be studied in detail, and the Bank will insist that the government abide by an established overall policy in public transport, which will safeguard the financial viability of the transport

enterprises while at the same time maintaining a satisfactory level of service or improving it.

The preceding considerations have only dealt with general principles, as in our present state of knowledge no precise recommendations can be formulated. As in the case of financing, no standard solution exists relating to institutional aspects. The Bank, before advising on the organizational system to be followed, must consider very carefully the governmental structure and respective responsibilities at the municipal, regional and national levels.

VI. CONCLUSIONS

In this brief review of the points that the Bank must consider when examining mass transit projects, I have concentrated more on the general approach the Bank deems appropriate than on the financing recipes, for a financing system is only the expression of general principles governing the allocation of resources among competitive demands. The financing of mass transit is a very complex problem, precisely because mass transit, as one element of the urban transport system, is in competition with other crucial needs of urban areas.

Clearly, any government before embarking on a mass transit project which may require overwhelming capital outlays, would have to look into all possible solutions and to weigh both the advantages and the costs. However, dealing with transport may mean treating only one symptom of the situation. For this reason, the Bank insists that improvement of the urban transport system should be considered as one element of urban development. This requirement expresses a new orientation of the Bank's activity. As Mr. McNamara said recently: "What we seek now is a more comprehensive view of the problems of cities:

a strategy by which the Bank Group can support programs of overall urban development rather than merely isolated and unrelated projects."

Through assisting its member countries in establishing such development programs, the Bank hopes to contribute to the solution of the worldwide urbanization problem. Undoubtedly, mass transit has a considerable role to play, but can only do it as an integrated part of urban development programs which are, themselves, consistent with national development policies.