

CHILE 2002

SANTIAGO DE CHILE: URBAN HIGHWAY CONCESSION

LONG TERM
EXTERNAL
RESOURCES

Chilean State

Private sector

- Autopista Central (ACS, BELFI, SKANSKA, BRODEC), Costanera Norte (autopista do pacifico, Autostrade Sud America, So. Conces. Vespucio Norte Express), concessionary company: Autopista Metropolitana

DESCRIPTION & STAKEHOLDERS

- In the early 1990s, Chile launched a program to develop highways under concessions through a dedicated agency : 4 inter-operable highways were created for a 1,5 billion dollar cost in the area of Santiago, in order to relieve the city from traffic congestion

OBJECTIVE

- Building highways while meeting the deadlines in order for the highways interchange to be fully operational
- Prevent the populations from involving in appeals proceedings, escalating users' dissatisfaction. Indeed; appeals and other delays have a significant impact on the availability and financial cost of highways

INSTITUTIONAL AND REGULATORY FRAMEWORK

- Centralized and bureaucratic power

USES

- Financing 4 inter-connected highways in the Santiago between 2002 and 2006

RESOURCES

- Project's total cost : 1,5 billion Euros
- The public authority guarantees a minimal income to the partner equal to at least 70% of the investment and maintenance costs.

MANAGEMENT

- Chile has only experienced small PPP projects until now. It allows the State to draw lessons in planning, engineering and technology.
- Because it did not address all the relevant issues, the government did not avoid certain operational errors and especially failed in overcoming the reticence of the population

ADVANTAGES

- By evaluating social impacts, one is able to defuse conflicts with local populations before they flare up
- This experience resulted in the creation of a public participation unit in order to defuse potential conflicts
- 4 different concessions companies for the 4 highways

DISADVANTAGES, ISSUES RAISED

- Because all social impacts have not been taken into consideration, the 4 projects were all delayed
- The difficulties led to important several months' delays in delivery.
- The investment costs have thus significantly increased because of the delays