A CORPORATE BODY FOR MULTIPURPOSE WATER MANAGEMENT
Principles and landmarks in the corporate life of BRL

An operator working for regional development
Outline

1. Founding principles and landmarks in the corporate life of BRL
2. BRL - operated water system
3. BRL’s new developments
The Languedoc-Roussillon Region in 1950

- **Context**
  - Agriculture dependent on crisis-hit wine farming
  - Little industrial development and an industrial crisis (mining, textiles)
  - Desertion of rural areas

- **Potential**
  - Natural potential (climate/soil) allowing diversified agriculture (fruit, vegetables)
  - Touristic potential (sun, coast)

- **Keys to development**
  - Creating and delivering water supplies
  - Roads
  - Building "new" towns to anchor mass tourism
1. Founding principles and landmarks in the corporate of BRL

I. Original corporate structure

BRL was founded in 1955

• **Main objectives**
  – To provide essential water resources to meet agricultural and urban needs
  – To help modernise and diversify agriculture thanks to water

• **Public/private owned Regional Development Company**

  **Two basic intentions**
  – to create a new institutional set-up at a regional scale
  – to link the future management of the infrastructure with its initial design and construction

  **Two basic principles**
  – creation of a public and private-owned company, with « private type » management
  – a State concession agreement for managing regional development operations
1. Founding principles and landmarks in the corporate life of BRL

Public and private shareholding

- Total collectivités territoriales: 75.60%
- Total autres actionnaires: 24.40%
- Région Languedoc-Roussillon: 47.08%
- Département du Gard: 13.23%
- Département de l'Hérault: 9.30%
- Département de l'Aude: 4.71%
- Groupe Crédit Agricole: 1.22%
- Caisse d'Epargne Languedoc-Roussillon: 9.20%
- Caisse des Dépôts et Consignations: 13.40%
- Autres personnes de droit privé et de droit public: 0.58%
- Autres collectivités territoriales: 0.13%
- Département des Pyrénées Orientales: 0.89%
- Département de la Lozère: 0.26%
The BRL Group in 2014

• Consolidated turnover €67 million
  - 80% of Group turnover from activities in France, 20% abroad;
  - 54% of Group turnover: water sales,
  - 32% studies, water management services and construction works
  - 14% park/garden maintenance, plant, irrigation equipment and energy sales

• Total regional workforce 580 people
1. Founding principles and landmarks in the corporate life of BRL

II. A clear-cut mandate

• What BRL do
  – full asset management and ownership responsibility
  – complete design and construction engineering management services
  – infrastructure operation and maintenance
  – We fix water prices except for agricultural water
  – We assist and advise farmers concerning irrigation
  – We plan our revenues to maintain a level of 10 to 30% earned capital

• What BRL do not do
  – investment decisions
  – We don't fix agricultural water prices
1. Founding principles and landmarks in the corporate life of BRL

III. A balanced equation


2. Water sales revenues cover:
   • all our operating costs (personnel, power, small-scale equipment, overheads, outsourcing, depreciation and provisions...),
   • heavy maintenance and renewals,
   • asset management expenditure,
   • loan-related expenditure,
   • self-invested capital amortization
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2. BRL - operated water systems

I. Description of the facilities

- A system comprising the whole range of water infrastructure:
  - from controlling water storage and availability
  - to distributing water to the end user.
2. BRL-operated water systems

- 120,000 hectares command area
  - 3 main licensed intakes with guaranteed water availabilities: the Rhone, Orb River and Ganguise Dam,
  - 105 km of canals,
  - Over 5,000 km of pressure pipes,
  - 80 pumping stations,
  - 6 drinking water treatment plants
  - 9 dams.
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I. Institutional changes...

- Central Govt. transferred the water concession to Languedoc-Roussillon Regional Council,
- No more State investment potential,
- BRL will be at the round-table for its financing and will manage the new facilities (concession agreement),
- Concession agreement prolonged for another 20 years
3. BRL’s new development

6 independent pipelines can be built one after another

- Cost of Project €200 million (including the South Link pipeline)
- Cost of distribution networks €140 million
- Financed by:
  - Regional Council + BRL (mainly)
  - Departmental Councils, Local Authorities, Water Agency and beneficiaries

- Total length: approx. 140 km
- Max flow 2.5 m³/s
- Pipe diameter: 600 to 1200 mm
New involvements in developing countries

- The case of Ethiopia: An innovative institutional model for a great development opportunity
Ethiopia: a risky context for PPP

Key figures of the irrigation scheme

- 4000 ha
- 6000 farmers
- Cereals + vegetables
- Small farmers
- No experience in irrigation
- Low presence of commercial farming
- Low capacity to pay for irrigation services
Ethiopian project timeline

3 years for construction

Progressive establishment and capacity building of IWUAs + autonomous entity

Long term scheme management by empowered IWUAs + autonomous entity

8 years management contract