Brazil Water Learning Series

April – June, 2014

Thadeu Abicalil
Sr. Water and Sanitation Specialist
Presentation 1/2

The World Bank
Water
Outline:

- The Brazil Water Learning Series
- Brazil: country context
The Brazil Water Learning Series

☑ Sharing Brazil’s experience in management, treatment, and use of its water resources.
☑ Comprises four seminars that will take place from April to June 2014
☑ Every seminar is tackling a different aspect of water management and use in Brazil
☑ Contextual overview of Brazil’s recent history and challenges in relation to water management and use in different sectors
Seminar 1: Water Resources Management in Brazil: Challenges and New Perspectives

Date: April 24th, 2014, 12:00-2:30 pm EST – 1:00-3:30pm Brasilia BRT

Location: World Bank, Brasilia Country Office

Guest Speaker: Rosa Maria Formiga-Johnson, Director of Water and Land Management, State of Rio de Janeiro Institute for the Environment – INEA

Bank Speaker: Thadeu Abicalil, Senior Water & Sanitation Specialist

Chair: Ede Jorge Ijjasz-Vasquez, Current LAC Water Director
Seminar 2: Cutting-Edge Approaches to Water Supply and Sanitation in Brazil

Date: Tuesday, May 6, 2014, 12:00-2:30 pm EST – 1:00-3:30pm
Brasilia BRT

Location: World Bank, Brasilia Country Office

Guest Speakers: Gesner José de Oliveira Filho (former CEO of SABESP – São Paulo WSS Utility; and current head of the GO Associados Consulting Firm) and Ricardo Augusto Simões Campo (CEO of COPASA – Minas Gerais Water Utility and Counsel for COPANOR – Minas Gerais Rural Water Management Model).

Bank Speaker: Juliana Garrido, Sr. Water & Sanitation Specialist
The Brazil Water Learning Series

Seminar 3: Dams: importance to Brazil, society and the water sector

- Date: Tuesday, May 27th, 2014, 12:00-2:30 pm EST – 1:00-3:30pm Brasilia BRT
- Location: World Bank, Brasilia Country Office
- Guest Speaker: Gilberto Valente Canali, Water Resources Specialist
- Bank Speaker: Paula Freitas, Water Resources Specialist
The Brazil Water Learning Series

✔ Seminar 4: Towards Greater Water Integration in Brazil
✔ Date: Tuesday, June 3rd, 2014, 12:00-2:30 pm EST – 1:00-3:30 pm Brasilia BRT
✔ Location: World Bank, Brasilia Country Office
✔ Speakers: Professor Monica Porto, State University of São Paulo – USP, and Prof. Francisco de Assis de Souza Filho, Federal University of Ceará
✔ Bank Speakers: Erwin De Nys, Sr. Water Resources Specialist, and Thadeu Abicalil, Sr. Water and Sanitation Specialist
Outline:

✓ The Brazil Water Learning Series
✓ Brazil: country context
Brazil's 26 states and the Federal District (Distrito Federal) are divided conventionally into five regions: North (Norte), Northeast (Nordeste), Southeast (Sudeste), South (Sul), and Center-West (Centro-Oeste).
Country Context: Brazil in numbers

- Area: 8,514,876,599 km²
  - 84% urban (169 million inhabitants), and rising
  - Rural population is decreasing, but rural production increasing
- Concentration in few large cities:
  - 39% (79 million) in 20 metropolitan areas
  - 55% in 283 municipalities with more than 100,000 inhabitants (5% of the municipalities)
  - 21% in the 15 biggest municipalities

- Disperse population in small towns/municipalities
  - 65 million in municipalities with less than 50,000
  - 89% of the municipalities have less than 50,000 inhabitants
  - Smaller municipalities are losing relative population
  - Average number of households 3.3 (down from 5.2 in 1960)
Country Context

- The Urban Transition
- Urban and Rural Population 1940-2010
- Size of dwellings and number of residents
Country Context: Brazil in numbers

- Strong and stable economy
  - GDP 2.5 trillion
    - Agriculture – 5.3%
    - Industry – 26.3%
    - Services – 68.5%
  - GDP per capita US$12,800

- Development indicators
  - HDI 0.727 (varying from 0.862-0.418) → 70th HDI
  - Gini of 0.5
  - Poverty 21% → Extreme poverty (US$2 per day) – 5.4%
  - Average life expectancy 74 years
    - Women 77 years, Men 70 years
  - Infant mortality 13/1000 (under 1 year)
  - 12th most unequal

Energy production based on water

Irrigated agriculture in Brazil – 5% of the cropland, 16% of the production, 35% of the output. Great potential for expansion.
Country Context: Different realities

- Widely different realities at the national, regional and local levels
  - Disparities in Development indicators are been reduced, but remains very high
- Disparities also regards water balance
Federative Republic
- Since republican proclamation of 1889 and constitution of 1891
- Many constitutions since 1891 (d), 1934 (d), 1937(a), 1946(d), 1967(a) and
- Constitution of 1988 (d)

Highly decentralized country
- Continued process → Centrifuge federation
  - Unitarian State from Imperial to first Republican periods
  - Devolution of powers from early 20th century, consolidated in the 1988 constitution (democratization)
- 26 states, 1 Federal District and 5,570 municipalities
  - Municipalities and states share the same administrative autonomy, with no subordination
- Complex distribution of jurisdictional responsibility
Fiscal/taxation distribution and transfers shows consolidation of the federation

However, still high level of tax/revenues concentration at central level

Central government responds for 69% of the total taxation, while municipalities for 6%

Central governments responds for 58% of the revenues, while municipalities for 18%

States share 25% and 24% respectively

Since Constitution of 1988:

States are the main loser on taxation

Municipalities are the main winners on revenues, to cope with decentralization of public services
Country Context –
Key federative jurisdiction on water

✓ Water rights
✓ Union – federal (interstate) and trans-boundary rivers
✓ States – inner state rivers, groundwater

✓ Water legislation
✓ Union has exclusive right to legislate on Water → National WRM Policy of 1997
✓ Basic Principles → Integrated WRM at river basin level
  ✓ Decentralized, Participative and Integrated model
✓ States can set laws following federal legislation

Summary of main responsibilities in WRM and WSS in Brazil

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>POLICY</th>
<th>PLANNING</th>
<th>REGULATION</th>
<th>FINANCING</th>
<th>SERVICES PROVISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEDERAL</td>
<td>main</td>
<td></td>
<td></td>
<td>main</td>
<td></td>
</tr>
<tr>
<td>STATES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MUNICIPAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>POLICY</th>
<th>PLANNING</th>
<th>REGULATION</th>
<th>FINANCING</th>
<th>SERVICES PROVISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEDERAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MUNICIPAL</td>
<td>main</td>
<td>main</td>
<td>main</td>
<td>main</td>
<td></td>
</tr>
</tbody>
</table>
Country Context – Jurisdiction on Water Supply and Sanitation

✓ **Union**
  ✓ Set National Guidelines → 2007
  ✓ Set National Health and Environmental Standards
  ✓ Support Services Development → Financing
    ✓ Federal funds are the main source to finance expansion,
      ✓ Mainly through loans from development banks
      ✓ But also subventions from federal budget

✓ **Municipal**
  ✓ Has primary jurisdiction on service provision (granting/conceding power) of local services
  ✓ Issues legislation, detailing national rules at local level
  ✓ Defines service provision model
  ✓ Regulates local service provision → sets tariffs and subsidies
States

- Legislate on metropolitan regions and on common (shared) services
- Have secondary jurisdiction on service provision of regional (common interest services, such as metro regions) → can define service provision model in agreement with municipalities
- Set state legislation, detailing national rules at state level
- Regulate service provision of state’s services and of municipal services by voluntary delegation from municipalities → set tariffs and subsidies
Thank You!