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Creating More Livable Cities: The Case of the Rio de Janeiro Metropolitan Area

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Despite Rio de Janeiro's privileged position as Brazil's historical capital (from the eighteenth century until 1960) and as a major center for tourism, culture, and education, the city and its region (collectively known as the Metropolitan Region of Rio de Janeiro or *Região Metropolitana do Rio de Janeiro*, RMRJ) confronted significant challenges during the final decades of the twentieth century. Since the relocation of the national capital to Brasilia, ongoing industrial restructuring, and social inequality contributed to declines in the region's share of Brazil's population and gross domestic product (GDP). However, since 2001, the region has entered a new period of expansion, based on the surging petrochemical and metallurgical industries, and port and logistics services. Also promising for development over the coming years, the city will host the 2014 World Cup final game and the 2016 Summer Olympics.

At the national level, Brazil escaped nearly unscathed from the worldwide downturn of 2008, fueled by growing economic activity and buoyant domestic demand. Countercyclical fiscal measures implemented in 2010 further encourage this strong economic trajectory. This record of stability and growth in recent years is based on the country's prudent macroeconomic policies. Moreover, Brazil's fiscal responsibility law, inflation targeting regime, and floating exchange rate helped create favorable macroeconomic conditions that resulted in reductions in debt and inflation. This policy framework and recent growth have attracted foreign investment, helping to finance the widening current account deficit. The favorable economic environment and sound policies have resulted in a tangible reduction in poverty in one of the world's most inequitable societies.

With this in mind, the World Bank, with a guarantee from Brazil's federal government, is funding the Rio de Janeiro Metropolitan Urban and Housing Development Policy Loan (DPL). This DPL is part of an ongoing effort to address regional challenges in the RMRJ. Additional advisory activities to the state government of Rio de Janeiro included a three-day policy workshop with international experts on metropolitan governance and international study tours exploring successful metropolitan models and lessons learned from other host cities of such mega events as the Olympic Games.

The DPL-financed project will support the state government's policies in planning and managing territorial growth in the RMRJ and will promote affordable housing and targeted and integrated social development programs for the urban poor. In addition, the city and the metropolitan region will develop a comprehensive and inclusive development strategy.

To that end, the DPL's components and subcomponents include:

1. Strengthen planning and management of urban growth in the metropolitan region.
   a. Integration and coordination in urban development and transport.
   b. Management of the urban environment.
   c. Disaster risk management.

2. Promote the provision of affordable housing with access to infrastructure and service.
   a. Enhanced low-income housing policy and financing mechanisms.
   b. Strengthened land management and titling.

3. Support the implementation of a targeted, comprehensive social development program for the urban poor.
   a. Improved living conditions in most vulnerable social settings.

The *Seminário Rio Metrópole*

At the *Seminário Rio Metrópole*, a three-day workshop in May 2011, urbanists, researchers, public managers, and politicians met to reflect on Rio de Janeiro's metropolitan area and discuss ways to transform the region into one of the "best places to live." The workshop was sponsored by the Rio de Janeiro state government, the World Bank, and the Spanish Fund for Latin America and the Caribbean (SFLAC).

At the workshop, participants recognized that the concept of a metropolitan region goes beyond the arbitrary grouping of neighboring municipalities; it encompasses the way in which these municipalities can cooperate and coordinate economic development, social inclusion, and sustainability of the region as a whole. Individual municipalities benefit from contributing to large projects that cut across and depend on several cities, such as the Petrochemical Complex, the ports of Itaguaí and Maravilha, and the *Arco Metropolitano* highway. These projects, combined with the hotels and sport facilities in preparation for the World Cup and Summer Olympics, represent more than R$4 million of investment per square kilometer in Rio de Janeiro, according to the Rio de Janeiro Federation of Industries (*Federecção das Indústrias do Rio de Janeiro*).

This enormous injection of financial resources provides much needed stimulus to the region, but it also challenges authorities to reflect on how to create a more livable metropolitan region that benefits the residents and ensures sustainability. To that end, the DPL-financed activities will support authorities in their efforts to develop strategies for planning and territorial management that encourage economic development and social inclusion. Lieutenant-governor, Luiz Fernando Pezão, stressed the loan's "flexibility," which will allow local government authorities to find regional solutions. Although he did not expect to solve all the region's problems with this DPL, the loan contributes much value added to the region and authorities will at the very least be able to identify alternatives for future implementation. One major challenge, according to Pezão, is to ensure that the major investments motivated by the World Cup and the Summer Olympics benefit the region's public in the long run, not just the visiting throngs of sports enthusiasts.

Governor Sérgio Cabral pointed to a number of projects already under way that benefit the region's citizens and will leave a "final legacy" for the upcoming generations. For example, sewer treatment in the metropolitan region should double from 30 percent to 60 percent in the next four years. Moreover, municipal dumps will be replaced by sanitary landfills by 2016. In the area of transport, the government has expanded the subway system, Metrô Rio, with new trains and a new line. It has also improved the highway system.

In addition, municipal governments are implementing a green agenda, which includes equipment for the generation of renewable energy, research in low carbon alternatives, the use of rubber asphalt and high efficiency lamps on the roadways, and a "Green Tax" (*ICMS Verde*). Governor Cabral pointed out that renewable energy will also be on the agenda of the Rio+20 United Nations Conference on Sustainable Development to be held in Rio de Janeiro in June, 2012.

Institutions Matter

Many of these reforms must take place in an institutional framework that balances the autonomy of diverse municipalities with their shared practical goals. Urban sprawl has often blurred or made invisible the boundaries between cities. In many cases, a legal or administrative line is all that separates one city from the next. Actions taken and decisions made in one city can and do have important impacts on neighboring cities. As a result, the need for regional cooperation has grown.

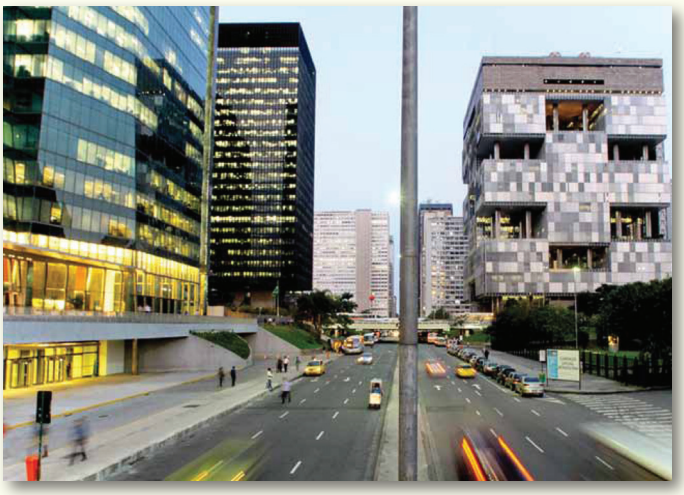
However, there is no single model for a regional or metropolitan coordinating authority and any such organization will have profound impacts on the political and administrative structures of the metropolitan region. New institutions that result from this new level of governance must seek consensus and cooperation among the various entities at the municipal, state, and national levels. "More and more, areas come together with common goals but without any institutional framework," according to Aspásia Camargo, state deputy and professor at the Rio de Janeiro State University. Camargo continues, "We cannot wait to attack the problem of an institutional framework for the metropolitan region."

International Study Tour of North American Metropolitan Regions

In an effort to learn from the experiences of other cities and regions, the SFLAC Trust Fund on Metropolitan Governance, in cooperation with WBI, sponsored a tour of four urban regions that have wrestled with similar problems. Between July 25 and 29, the delegation from Rio de Janeiro visited Vancouver, BC, Portland, OR, Washington, DC, and New York, NY. Each city and greater metropolitan area represented alternative solutions for specific challenges. The cities toured also provided important lessons learned for the Brazilian counterparts.

In Vancouver, for example, the 2010 Winter Olympics provided regional authorities and civil society the chance to engage in an exercise of strategic visioning for the next thirty years, particularly in terms of the use of public transport versus car ownership and walking. However, the Olympic Games were focused on the city of Vancouver and did not mobilize investments in the rest of the region, with the exception of the city of Richmond, where the international airport is located.

Particular conditions in and around Portland led to the development of the "Portland Model," which includes an elected metropolitan council and cooperation with the local university. Originally developed in response



to the threat of damaging urban sprawl, the model was based on growth boundaries, mixed zoning, and controlled growth centers. It has since developed an integrated and participatory approach and employs management communities. In the end, the impressive Portland Model is somewhat of an anomaly in the United States; the model works and finds its strength in the importance placed on notions of leadership (civic and governmental), innovation, and participation or mobilization of communities in the search for solutions.

In Washington, DC, the delegation visited the World Bank offices and participated in a well attended brown bag lunch (BBL). The Washington, DC metropolitan region has a complex and fragmented governance structure, which presents unique challenges to addressing region-wide concerns. One ongoing challenge is the under-funding of the Washington Metropolitan Area Transit Authority ("Metro") system. However, there have been some advances based on smart growth principles and the interaction between economic dynamics, land-use patterns, and transport. In addition, the recently formed Metropolitan Planning Organization has triggered a productive dialogue among regional stakeholders.

In New York, a number of regional organizations (either private or commercial associations) are working in the areas of metropolitan governance, affordable housing, and redevelopment, among other issues. The Regional Plan Association is active in the area of metropolitan governance with its upcoming fourth regional plan presenting three interlinked objectives of competitiveness, social cohesion and poverty alleviation, and climate change. The New York Housing Development Corporation (HDC), a quasi-government organization, finances low and moderate housing projects. Finally, the Economic Development Corporation, a non-profit organization established at the time of the economic crisis, is involved in capital construction, industrial

property management, area-wide redevelopment, real estate operations, the design of tax abatement and tax-efficient financing, and advisory work. Most of its members are appointed by the mayor.

The visits to the four metropolitan regions sparked a lively discussion among Rio de Janeiro's government officials. The delegation was particularly impressed with the presentations on regional planning and operations. Although the guiding principal was the importance of participation of all stakeholders, it became clear that there is no standard model for metropolitan governance. With the exception of Portland, there were no strong and binding institutional arrangements in the regions toured. However, even in metropolitan regions with complex and fragmented institutional arrangements in place, a minimum threshold of coordination among public and private stakeholders makes the system viable.

Next Steps

As authorities and citizens in the Rio de Janeiro Metropolitan Region address the upcoming challenges presented by a growing economy, expanding population, and the impending arrival of millions of sports enthusiasts in the very short term, they will have the opportunity to reflect on the region's past and envision its future. The Rio de Janeiro Metropolitan Urban and Housing DPL will encourage a comprehensive and inclusive vision that addresses social, economic, and environmental issues. The challenges will include building a viable institutional framework that ensures coordination among the various state and local agencies and cooperation between and among the state and local governments. In the end, the most important challenge—and goal—will be to ensure that the investments benefit all who reside in and visit the metropolitan region.

Cities in the Metropolitan Region of Rio de Janeiro (RMRJ)

Population: 11,838,752 (2010 Census)

Area: 5,292.139 km^2

Cities:

- Rio de Janeiro
- Belford Roxo
- Duque de Caxias
- Guapimirim
- Itaborai
- Japeri
- Magé
- Maricá
- Mesquita
- Nilópolis
- Niterói
- Nova Iguaçu
- Paracambi
- Queimados
- São Gonçalo
- São João de Meriti
- Seropédica
- Tanguá
- Itaguaí

Web Sites

Rio de Janeiro State Government
www.rj.gov.br
Observatorio das Metropoles
www.observatoriodasmetropoles.net
World Bank, Brazil
www.bancomundial.org.br

For a more complete list of references, please download a digital copy of this publication from **http://enbreve**.

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