Emerging Good Practice in Urban Water Projects

Brazil: Recife Urban Development and Social Inclusion

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Project Objectives & Challenges

The growth, poverty and equity agenda is largely an urban issue in Brazil. With some 80 percent of the population living in urban areas, Brazil is one of the most urbanized countries in the world.

In the Recife Metropolitan Region, nearly 40 percent of the population lives in informal settlements – one of the highest percentages in any city in Brazil. Only 24 percent of those living in informal settlements receive water on a daily basis. Overall sewerage collection in poor neighborhoods is 7 percent with only 20 percent of collected sewerage receiving treatment.

The project objective is to improve the well being of the low-income population living in the Capibaribe River Basin area of the city. In addition, the project seeks to improve the fiscal, urban and environmental management capacity of the Recife Municipal Government through investments in municipal infrastructure, including water and wastewater and technical assistance to improve municipal fiscal management.

Project investments are expected to increase wastewater connections by 15 percent and formal water connections by 10 percent. The population living in areas for flood risk will be reduced from 30 percent to 20 percent.

The project is grounded in a rich analytical framework and policy dialogue between the World Bank and the Government of Brazil and project engagement over the past two decades in urban development and basic services to the poor.

Client Initiatives for Improved Governance in the Water Sector

National reforms have introduced more stability for sub-national fiscal management. National and regional programs have been put in place to improve fiscal management at the municipal level.

The commitment to urban upgrading in Recife is a long-standing municipal tradition, transcending political ideologies. The policy changes in the 1980s, which first recognized the legitimacy of informal settlements, were a reflection of a strong commitment to improving the lives of the urban poor and led to the highly-regarded Regularization Program of the Special Zones of Social Interest (PREZEIS) program of formalizing squatter settlements and illegal subdivisions.
Governance Measures Supported by the Project

Accountability
As part of institutional development, the project will finance development of fiscal health and adequate fiscal planning and management capacity at municipal level, including:

- Establishment of fiscal studies department within the Finance Secretariat;
- Institute a program to control personnel expenditures;
- Installment of a permanent working group that will analyze costs and propose cost containment measures for the most important municipal activities;
- Strengthened budgetary and financial execution capacity;
- Improved management of contracts and agreements.

The low-income population in target areas will provide the key measure for success. Upon completion, success will be measured through a household survey. The project aims for 10 percent of respondents to report improvements in water services, 15 percent in sanitation and eight percent to report improvement in access to services.

Participation
The project builds on a number of innovative participatory initiatives. The municipality has a strong commitment to stakeholder participation, no matter which party is in power. Citizen participation was therefore an integral part of the initial discussions of project objectives and led to the first monitoring and evaluation proposal.

The project integrates two existing participatory initiatives:

- Participatory budgeting (Orçamento Participativo). The participatory budgeting process fosters transparency in the allocation of municipal budget resources, and responds to the articulated demands of the community. It stimulates citizenship, solidifies the commitment between government and the public and helps ensure the appropriate allocation of public resources.
- Participatory programs under PREZEIS. Civil society participation is institutionalized through the Urbanization and Legalization Commissions, the Permanent Forum which links the commissions to a broader participatory body charged with integrating PREZEIS with the broader policy dialogue as regards urban development of the city as a whole, and the Coordination Forum which aims to integrate social and economic programs into PREZEIS.

Reference Documents and Contacts
For more information on this project, please visit:

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This note is part of a review of infrastructure sector projects to identify emerging good practice within the governance and anti-corruption (GAC) agenda under the GAC in Infrastructure initiative by the Transport, Water and ICT Anchor. The focus is on GAC measures designed to improve accountability, participation and transparency by client sector institutions. The purpose of this series is to provide information that may be of interest to those involved in designing and implementing projects in the water sector.

The series is based on a review of project documents in recently approved projects. Therefore, no attempt has been made to evaluate the effectiveness of the measures introduced. Task Team Leaders for the featured projects have reviewed the notes and, in some cases, provided additional information.

The GAC in Infrastructure website provides links to publications and additional reference materials.

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