CASE STUDY: TERESINA, BRAZIL

GLOBAL VIRTUAL WORKSHOP


August 17, 2020
Hi! I am Gabriela Uchoa, from TERESINA

It is the State Capital of Piauí, in the semi-arid Northeast, with population of about 860,000 inhabitants in the city and about 1.2mi inhabitants in the metropolitan Area.

We live in a relative poor area - 2nd poorest state of Brazil - and our city has a GDP of U$D 5,6 billion

GDP/Capita U$D 6,729

Despite that, we are a regional reference for health and educational services.
The city is an regional hub for health services

+200 CITIES

.. this raised concerns about how the city could contain the spread of the disease and serve patients from other states
THE COVID-19 CRISIS UNFOLD

1st Confirmed Case

17th March

State of Public Emergency

17th March

State of Public Calamity

20th March

COVID Crisis Committee Creation

4th April

4 Phases Reopening Strategy Started

3rd July

Teresina Ativa Programme

4th July

Closure of non-essential activities

14th July

3rd July

8th August

Terena Ativa Programme

August

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**BRASIL**

- 201 deaths
- 5091 deaths
- 29314 deaths
- 59594 deaths
- 92975 deaths

**TERESA**

- 32 cases
- 559 cases
- 2718 cases
- 9899 cases
- 14433 cases

- 2 deaths
- 14 deaths
- 105 deaths
- 424 deaths
- 742 deaths

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**UN-HABITAT FOR A BETTER URBAN FUTURE**

in partnership with UNCDF ECA UNECE IASP ESCAP
The Municipality took the leadership in the Crisis Response

The Local Government defined the regulations for limiting economic activities, flows and normatives for essential operations (avoiding public agglomerations, health and public safety measures in public spaces, etc). All registered vulnerable families received food baskets from Municipality and Emergency Income from National Government;

The municipality also led the construction of 3 field hospitals; the adaptation of the basic health network; and sanitation infrastructure in informal settlements;

Local Government protagonist role in preventive campaigns and intensification of health surveillance policies. The municipality conducts a weekly serological survey by sampling in all neighborhoods to monitor the progress of the disease in non-symptomatic cases.
COVID spread mitigation measures were relatively efficient in comparison with other capitals, but it comes with a price.

From January to May there was a **loss of 7,896 formal workers**, in the same period of the previous year there were **3,224 jobs**.

Municipal Own Revenues fell about 22% in April, and 14% in May;

The main national transfer fund (FPM - Municipality Participation Fund) **decreased by 7.9% in real terms** (discounting for inflation), corresponding to a loss of about BLR 23.1 million.

Even with national emergency funds transfers, total revenues are expected to **decrease by 6% this year**.
Increase in Local Government Expenses after COVID-19 Crisis

Teresina’s LG Expenses
2015-2020
However, Crisis also brings learnings... the 2015-2018 Brazilian crisis pushed about 60% of Brazilian cities to deficit.

But the city of Teresina managed to bounce back better after that crisis, with a comprehensive programme to evaluate the performance of public spending.
Now the programme redirect its efforts towards:

Reprioritization and reprogramming of existing municipal budgets to increase availability of finance in areas critical for COVID-19 response and recovery.

Restructuring of the own source revenue arrangements to mobilize additional resources (through new sources or expanding some of the existing ones);

There are opportunities to reduce costs increasing the efficiency in the consumption of resources.
The crisis also affected hardly the local businesses

The Municipality worked with local business and cooperatives to reconvert activities and supply the city with necessary health and sanitation goods.

The public-owned Teresina’s People Bank offered BRL 1 million in microcredit finance to micro and small businesses, as well as suspended the payment for taxes and fees.

But not without tension, there were many conflicts between formal and informal activities.
But severe economic impacts of the crisis are yet to be seen.

The economy has managed to survive with the injection of income through the national Emergency Aid, which covers 38,8% of the city's population. In total, almost half billion BRL were directed to Teresina’s citizens from Apr-Jul.

With the end of the national emergency aids in September, we may have real figures on the economic impact and business closures.
We need to prepare for mid-long term.

Since August the city, together with organised civil society, started the Teresina Ativa Programme. It aims to provide institutional and technical support so that the various economic sectors of the city, negatively impacted by the pandemic, can find ways to recover through the Teresina Ativa programme.

1. Institutional articulation to support local companies;
2. Support for companies in identifying credit solutions;
3. Support in the development of new products, services and administrative strategies;
4. Development of partnerships to support research and technological innovation.
THANK YOU FOR YOUR ATTENTION

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