Prefeitura de Teresina

# CASE STUDY: TERESINA, BRAZIL

## GLOBAL VIRTUAL WORKSHOP

**Urban Economic Recovery and Resilience Building in the Time of COVID-19**

**August 17, 2020**

UN-HABITAT
FOR A BETTER URBAN FUTURE

in partnership with: UNCDF, ECA, UNECE, UNITED NATIONS ECLAC, UNITED NATIONS ESCWA, Shared Prosperity Dignified Life, UNITED NATIONS ESCAP

# 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*

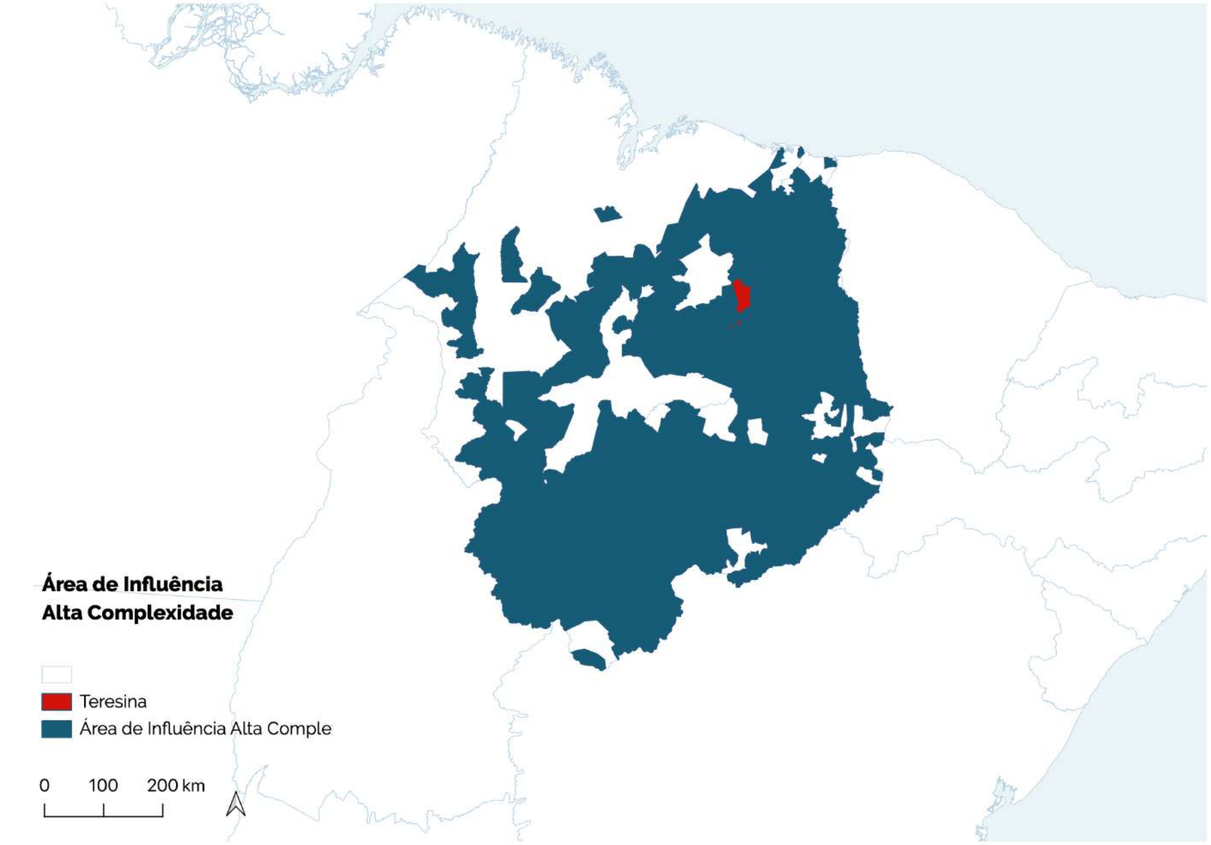
*We live in a relative poor area - 2nd poorest state of Brazil - and our city has a GDP of U$D 5,6 billion*

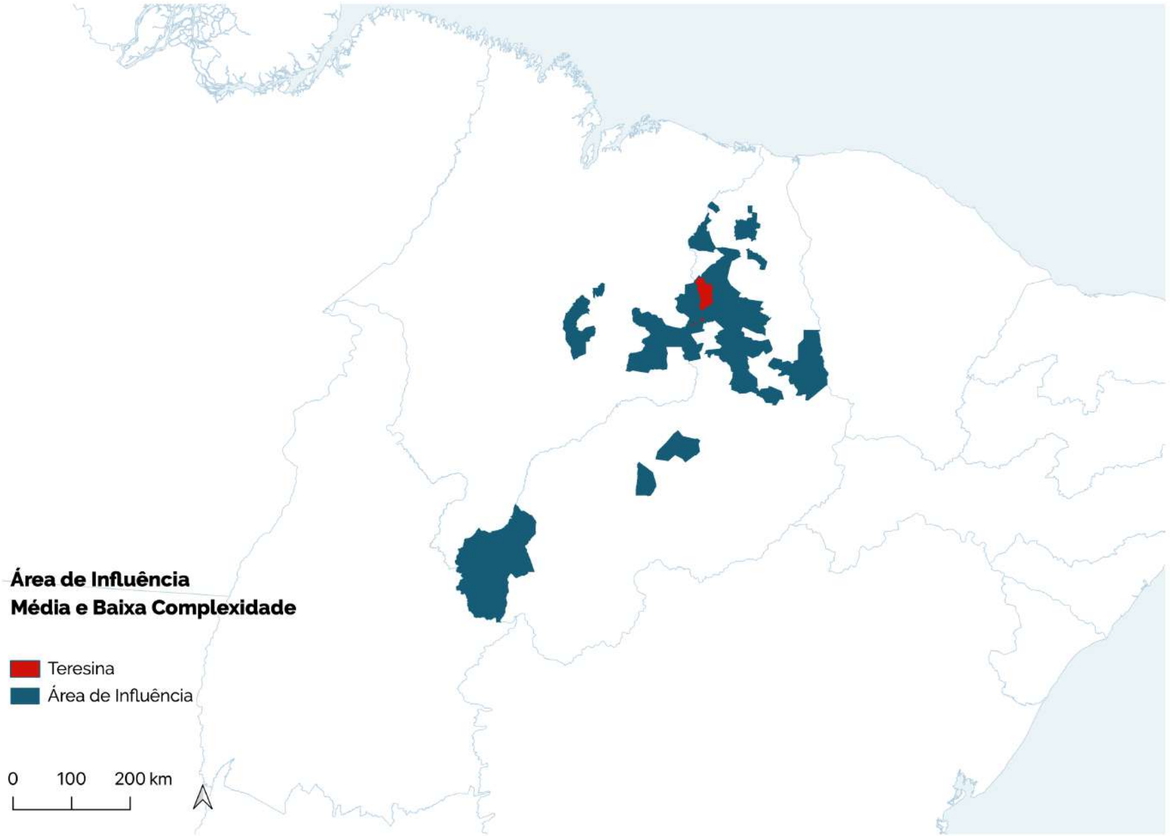
**GDP/Capita U$D 6,729**

*Despite that, we are a* ***regional reference for health and educational services***

# The city is an regional hub for health services

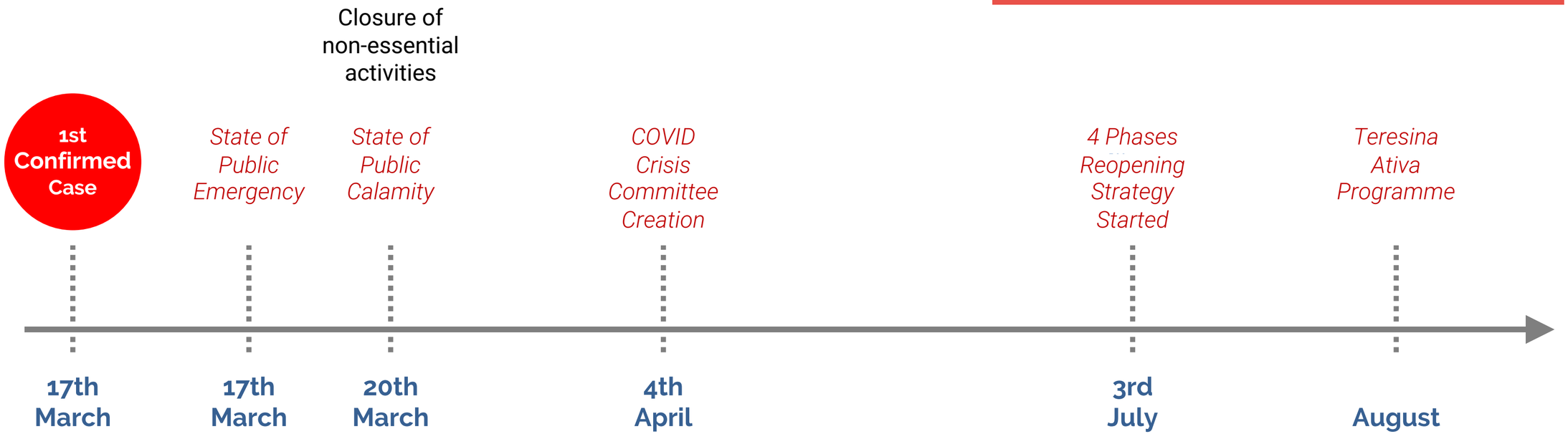
## +200 CITIES



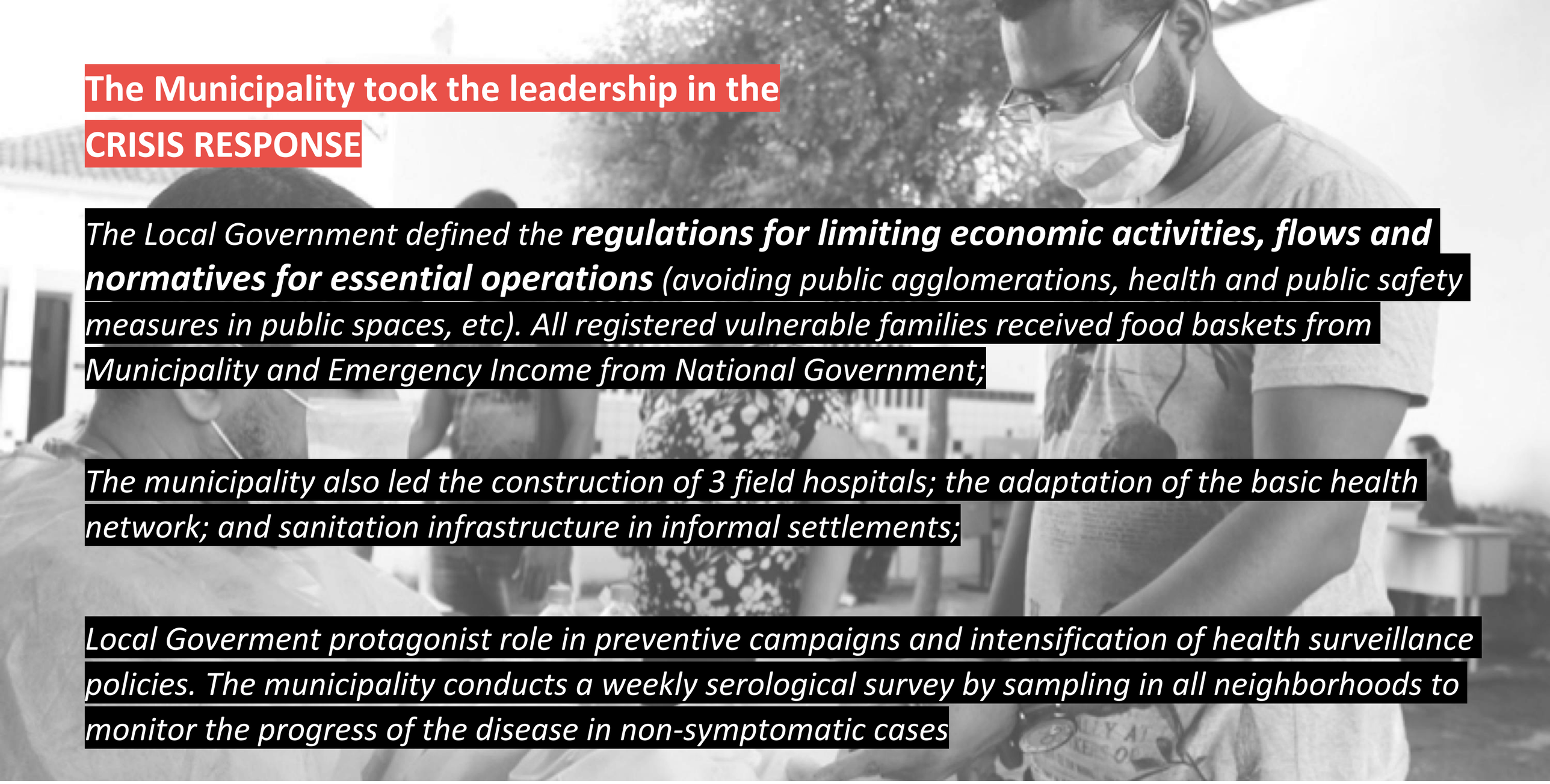




*.. this raised concerns about how the city could contain the spread of the disease and serve patients from other states*

# THE COVID-19 CRISIS UNFOLD




| | | | | | |
|---|---|---|---|---|---|
| TERESINA | 32 cases | 559 cases | 2718 cases | 9899 cases | 14433 cases |
| | 2 deaths | 14 deaths | 105 deaths | 424 deaths | 742 deaths |
| BRAZIL | 201 deaths | 5091 deaths | 29314 deaths | 59594 deaths | 92975 deaths |

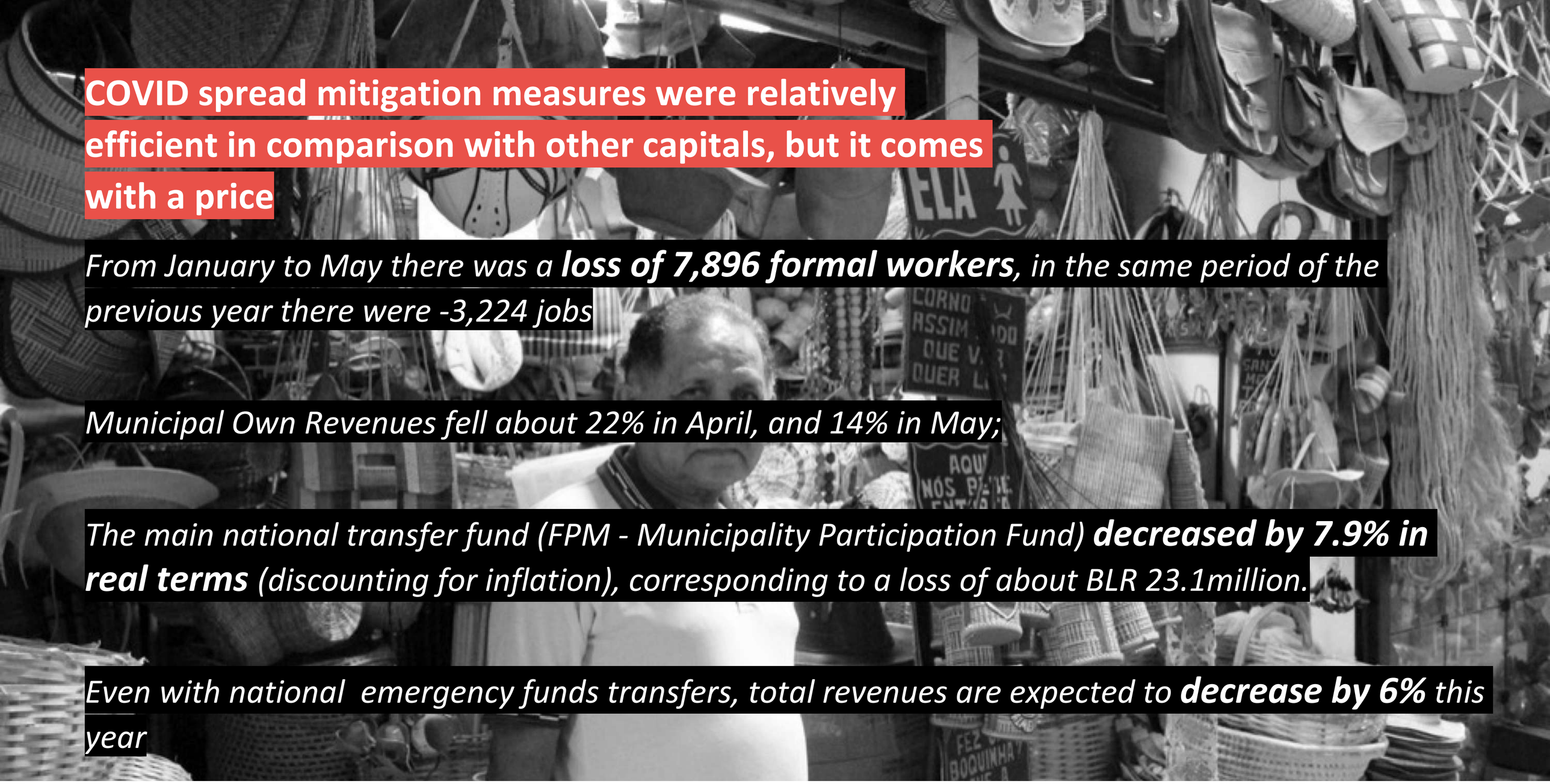


## The Municipality took the leadership in the CRISIS RESPONSE

*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 Goverment 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**

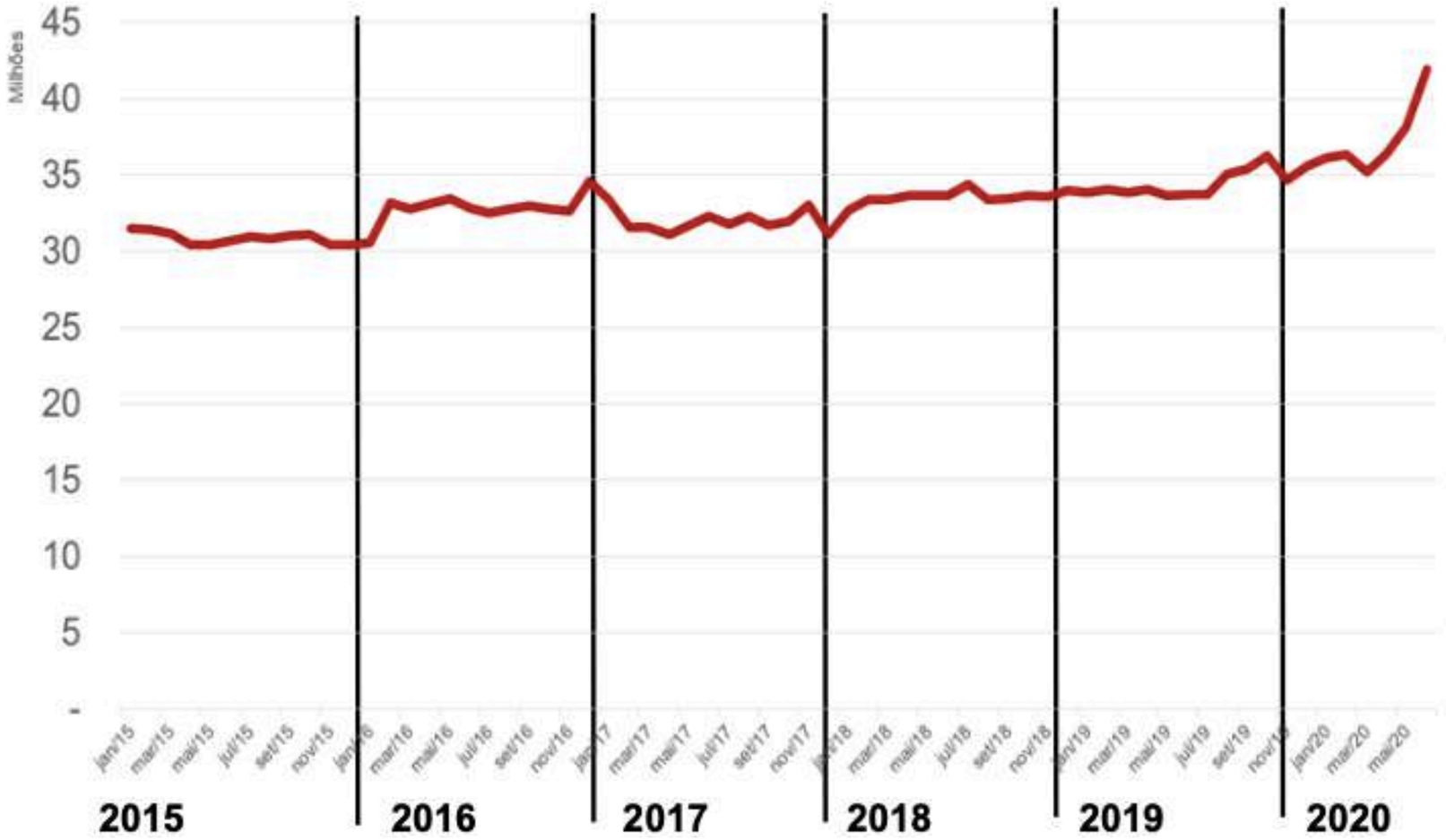
*From January to May there was a* ***loss of 7,896 formal workers****, in the same period of the previous year there were -3,224 jobs*

*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 23.1million.*

*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

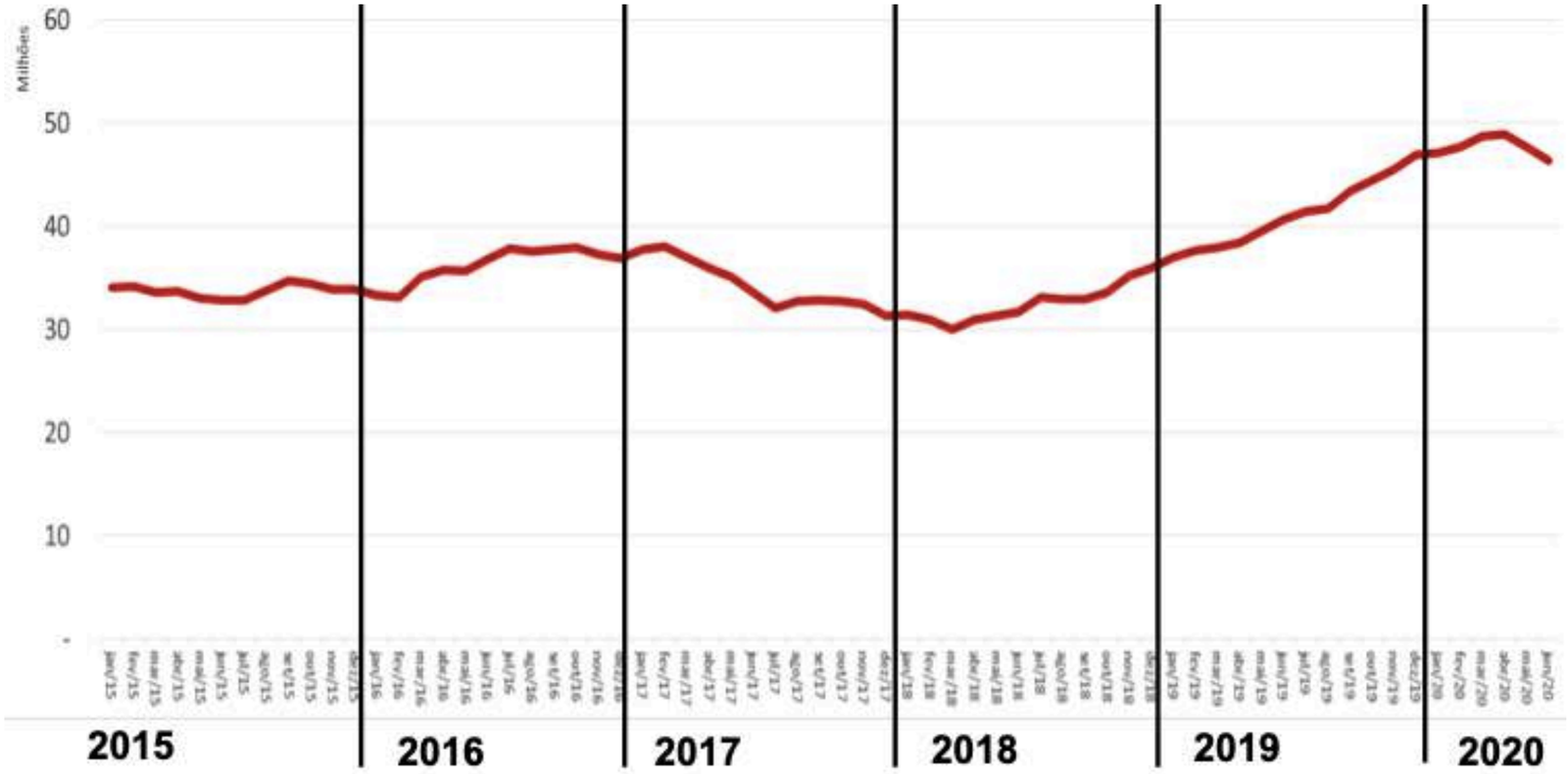



*Teresina's LG Expenses*

*2015-2020*

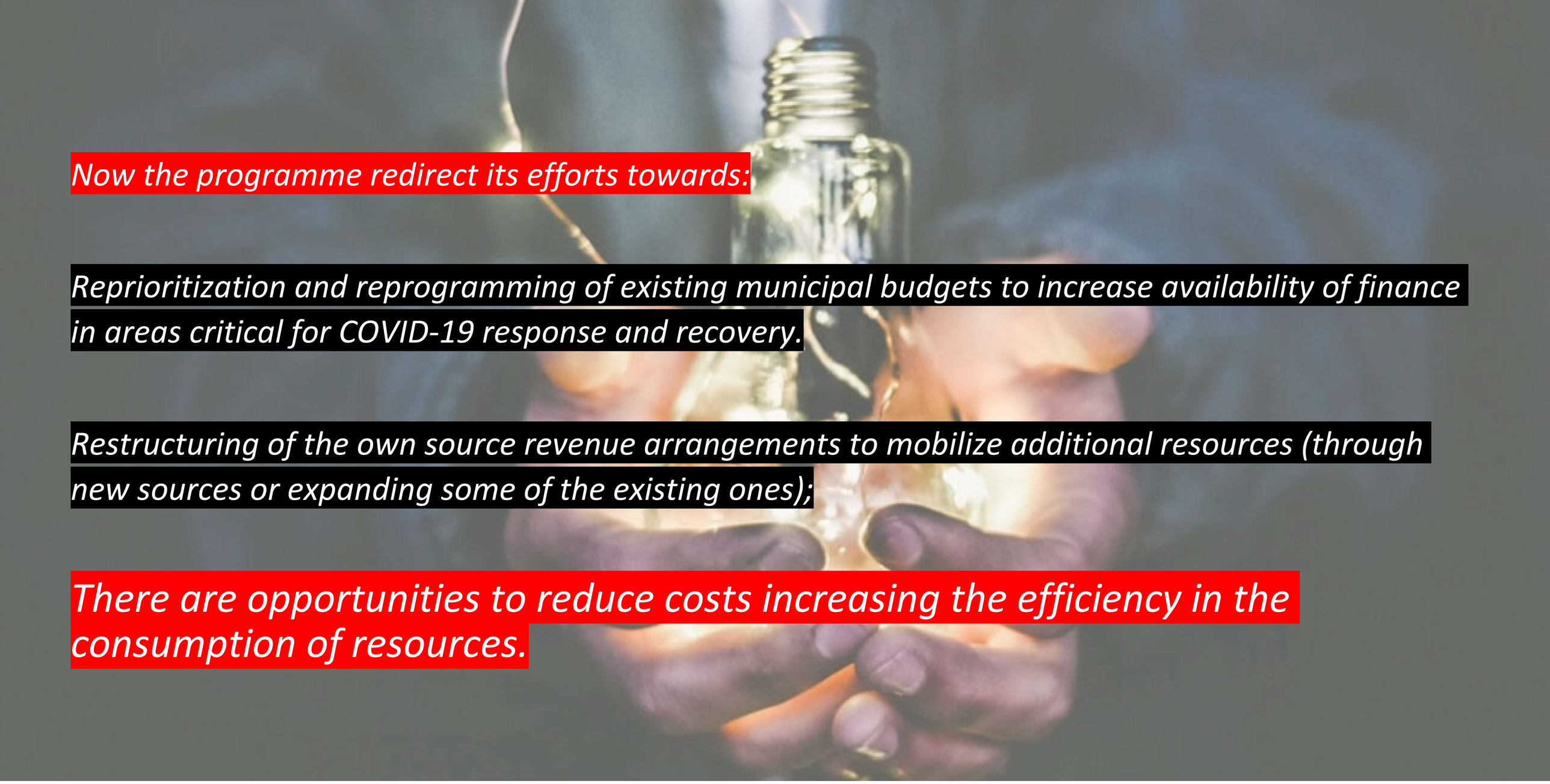
**However, Crisis also brings learnings.. the 2015-2018 brazilian crisis pushed about 60% of brazilian cities to deficit.**

*But the city of Teresina managed to bounce back better after that crisis, with a comprehensive programme to evaluate the performance of public spending.*




*Teresina's Own Revenues*

*2015-2020*

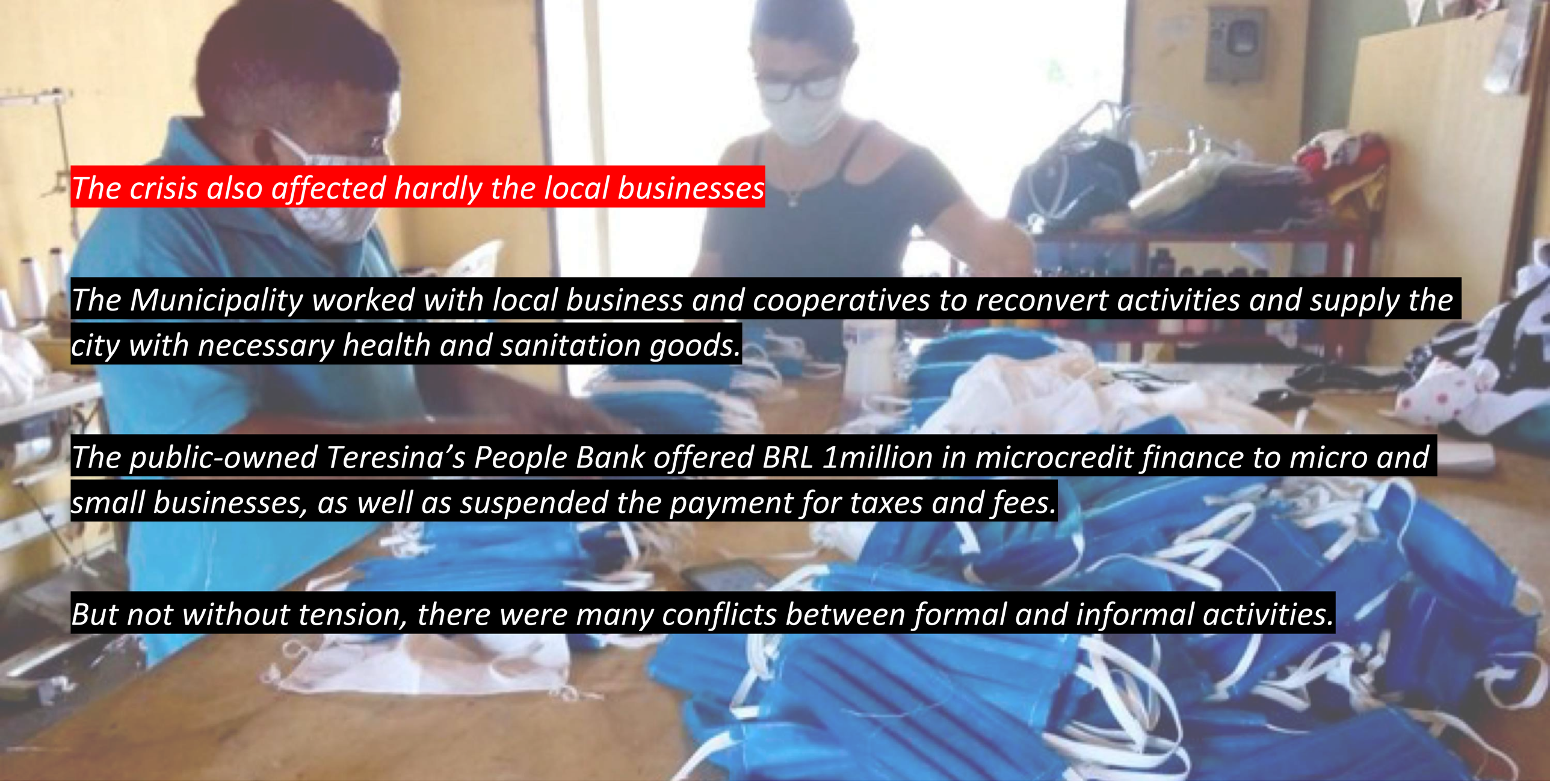


*Now the programme redirect its efforts towards:*

*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.*

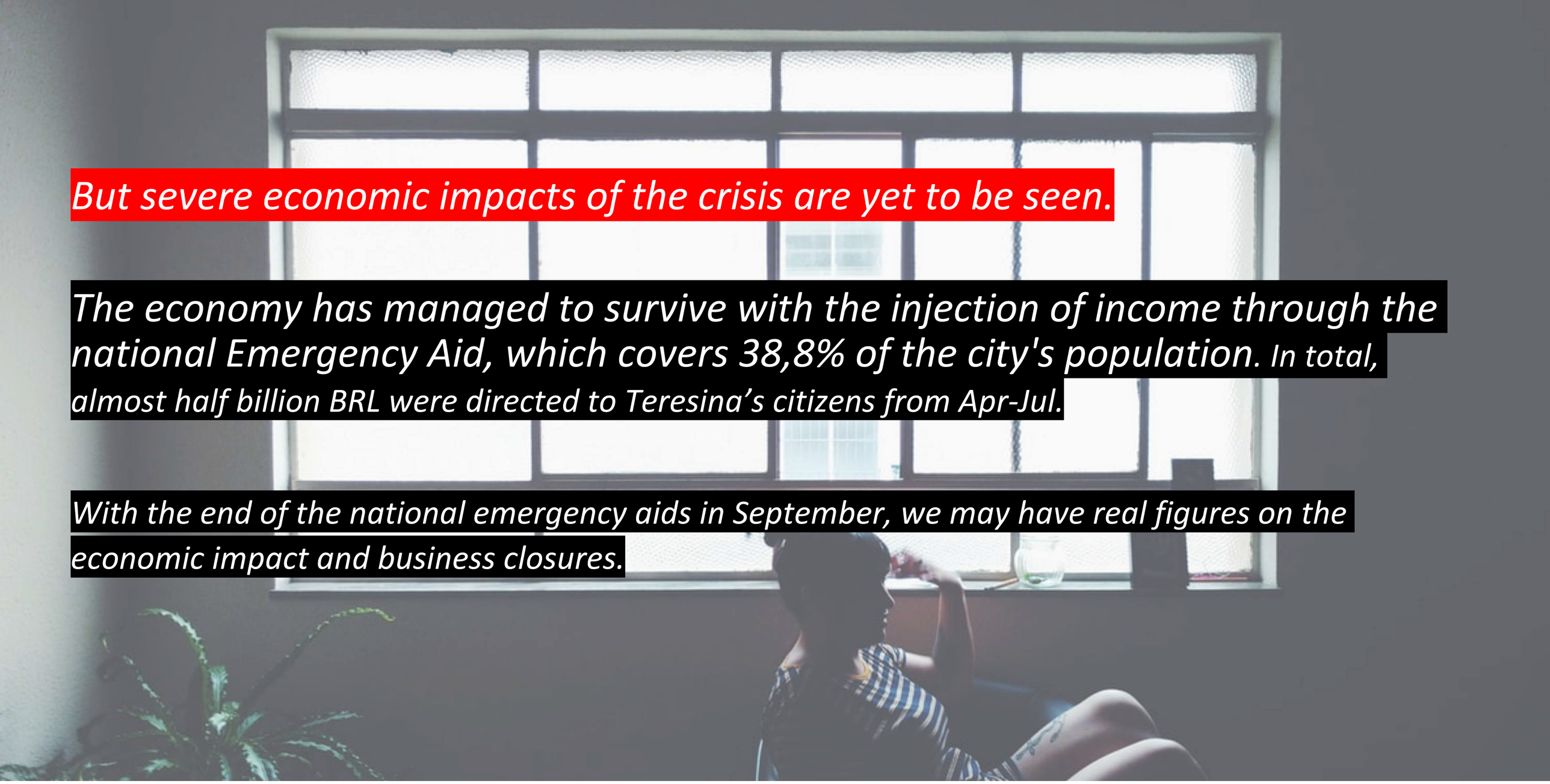


*The crisis also affected hardly the local businesses*

*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 1million 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

**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 program.*

*(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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