

CITY Limits

Inclusion, collaboration and urban governance

BRAZILIAN AND CANADIAN EXPERIENCES

Hugh Kellas
ORGANIZER



THE
UNIVERSITY OF
BRITISH
COLUMBIA



Inclusion, collaboration
and urban governance

BRAZILIAN AND CANADIAN EXPERIENCES

The University of British Columbia, Canada

Centre of Human Settlements

New Public Consortia for Metropolitan Governance in Brazil (2006-2010)

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British Columbia
CANADA

Observatório
das Metrópoles

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Index

7	FOREWORD
BRAZILIAN CASE STUDIES	
SÃO PAULO METROPOLITAN REGION	
13	The Upper Tietê Watershed Management Committee
GREATER ABC REGION INTER-MUNICIPAL CONSORTIUM	
GREATER ABC REGION	
35	Diadema and São Bernardo do Campo - the Naval Project
BELO HORIZONTE METROPOLITAN REGION	
45	A Consortium to Fight Violence Against Women
PIAUÍ	
59	A Consortium for Water and Sewer Sanitation Services
RECIFE METROPOLITAN REGION	
75	Integrated Management of the Beberibe Basin
CANADIAN CASE STUDIES	
METRO VANCOUVER	
89	Collaboration for a Sustainable Metropolitan Region
99	THE VANCOUVER AGREEMENT
111	THE FRASER BASIN COUNCIL
MONTREAL	
121	Amalgamation to Consortiation

FOREWORD

Hugh Kellas

Metropolitan governance in Brazil has not kept pace with the country's urbanization. Today, in Brazil's 26 metropolitan regions more than 20 million people live in informal settlements (favelas) where housing, infrastructure and facilities are severely deficient and violence is a part of daily life. Environmental degradation as a result of inadequate services is wide-spread. Measures to improve living and environmental conditions have been hampered by the inadequacy of mechanisms for coordinating action among the many jurisdictions responsible for urban development, servicing and environmental protection.

In response, various forms of intergovernmental co-operation have been emerging throughout Brazil. As well, regional institution building has become a strong interest at all levels of government. Universities, research centres and academic networks have increasingly directed their energies to regional issues. A significant response by Brazil's federal government to the need for more effective regional governance was its enactment in 2005 of a law authorizing formation of "public consortia".

To assist in exploring the potential for the new "public consortia" law, an international project titled "New Public Consortia for Metropolitan Governance (NPC)" was initiated by Brazil's Ministry of Cities in co-operation with the University of British Columbia in Canada. Governance that supports social inclusion is the particular focus of the project. In 2006, the Canadian International Development Agency (CIDA) agreed to fund the project for four years.

The NPC Project has conducted action-research on collaborative governance with municipalities throughout Brazil, and has developed and delivered innovative extension courses on this theme with universities and

public service training institutes. In conducting its activities, the NPC Project has drawn on concepts and ideas from Brazil's increasingly dynamic discourse on regional governance, and has sought to contribute to the dialogue.

This book of case studies has been prepared to assist the dialogue and support the extension courses. It provides examples of collaborative governance initiatives in Brazil and Canada. Each case examines the particular issue under consideration that requires collaboration among a number of governments and organizations to achieve a solution, such as urban settlement and housing, environmental improvement, or transportation. The case then outlines the collaborative governance structure and process established to enable multiple jurisdictions and interests to work together. Third, each case describes the case outcomes, both the actions taken to address the consortium's particular problem and the benefits or challenges of the structure. Each case concludes with some possible questions for discussion.

As the cases illustrate, the challenges to collaborative governance are significant. Organizations may differ in their understanding of the problem, its priority among many competing demands and political perspectives on solutions. Civil society may feel its views are not being heard. And it is often difficult to move from collaborative discussion to consensus-based decisions and regulatory or financial actions to address problems.

Some cross-cutting themes are apparent in the case studies. These include the following:

- ▶ The importance of political leadership in establishing and maintaining collaborative governance organizations. Strong political leadership is necessary to articulate the benefits that can be realized by collaboration and negotiate solutions to the difficulties presented by the requirement for partner organizations to limit their autonomy.
- ▶ The challenge of establishing formal legal consortium structures. The move from a voluntary collaboration among organizations where there is little consequence to withdrawal or non-compliance to a legal consortium structure with binding obligations and accountability presents many difficulties that must be overcome through an inclusive process and carefully determined governance structure.
- ▶ The competition for land between urban settlement and environmental protection. Many collaborative governance processes engage single-purpose interests in seek integrated solutions to competing land

use claims. They endeavour to balance demands for environmental improvement and hazard reduction with the need for housing and community settlement, or integrate the economic development need for better roads and highways with the resettlement of distressed neighbourhoods.

- ▶ The important role that financial benefits from federal or state governments play in encouraging inter-municipal cooperation. The requirement of federal and state governments for integrated solutions involving a number of municipalities prior to the release of project funds and the need to consolidate resources from all levels of government are important factors driving collaboration.
- ▶ The value of collaborative governance processes in advancing gender equity and social inclusion. This involves many facets, including the engagement of civil society in consortia, the improvement of low income settlements as an outcome of collaboration, and the provision of services for women.

Notwithstanding the difficulties, the cases illustrate that collaborative governance is the only effective way to manage modern metropolitan regions. Ever expanding urban settlement and transportation systems do not recognize municipal boundaries; significant social issues such as violence against women affect many communities; deteriorated watershed basins cover vast areas with multiple jurisdictions; legal authority and financial resources to address problems come from all levels of government; civil society is a critical participant in determining lasting solutions. It is only through collaboration among governments at all levels and the public will metropolitan regions be able to address complex development and social inclusion issues and achieve the objective of social, environmental and economic sustainability.

BRAZILIAN CASE STUDIES

SÃO PAULO METROPOLITAN REGION

The Upper Tietê Watershed Management Committee

The Upper Tietê Watershed Committee (CBH-AT: Comitê da Bacia Hidrográfica do Alto Tietê), comprising representatives of the state government, 36 municipalities and civil society, is a deliberative forum that deals with matters related to water resources management in the Upper Tietê Watershed¹ in the state of São Paulo. This case study examines the structure and operational issues of a long-standing consortium. It illustrates a state initiative to use decentralization, participation and integration as the organizational principles for managing complex water resource issues.

Context

Approximately 20 million Brazilians reside in the São Paulo Metropolitan Region (SPMR), making it the world's fourth most populous urban agglomeration. The SPMR has 39 municipalities and occupies an area of 8,050 km². It is Brazil's and one of Latin American's most important economic and industrial centres, producing about 17 percent of the national GDP.²

Tietê is the state of São Paulo's largest river, running 1,100Km from its eastern tip to the west, where it joins the Paraná River. The Upper Tietê Watershed (Figure 1), which corresponds to the upper part of the river, is one of the most important water bodies in the country and its size almost overlaps with the entire São Paulo Metropolitan Region.

1 This document uses the term "watershed". Others have alternatively used the term "basin".

2 All data are from 2007. Source: World Bank. Brazil: São Paulo: Inputs for a Sustainable Competitive City Strategy, World Bank Report No. 37324, March 10, 2007.

The watershed encompasses 35 of the 39 municipalities in the SPMR, and around 99.5% of its total population³.

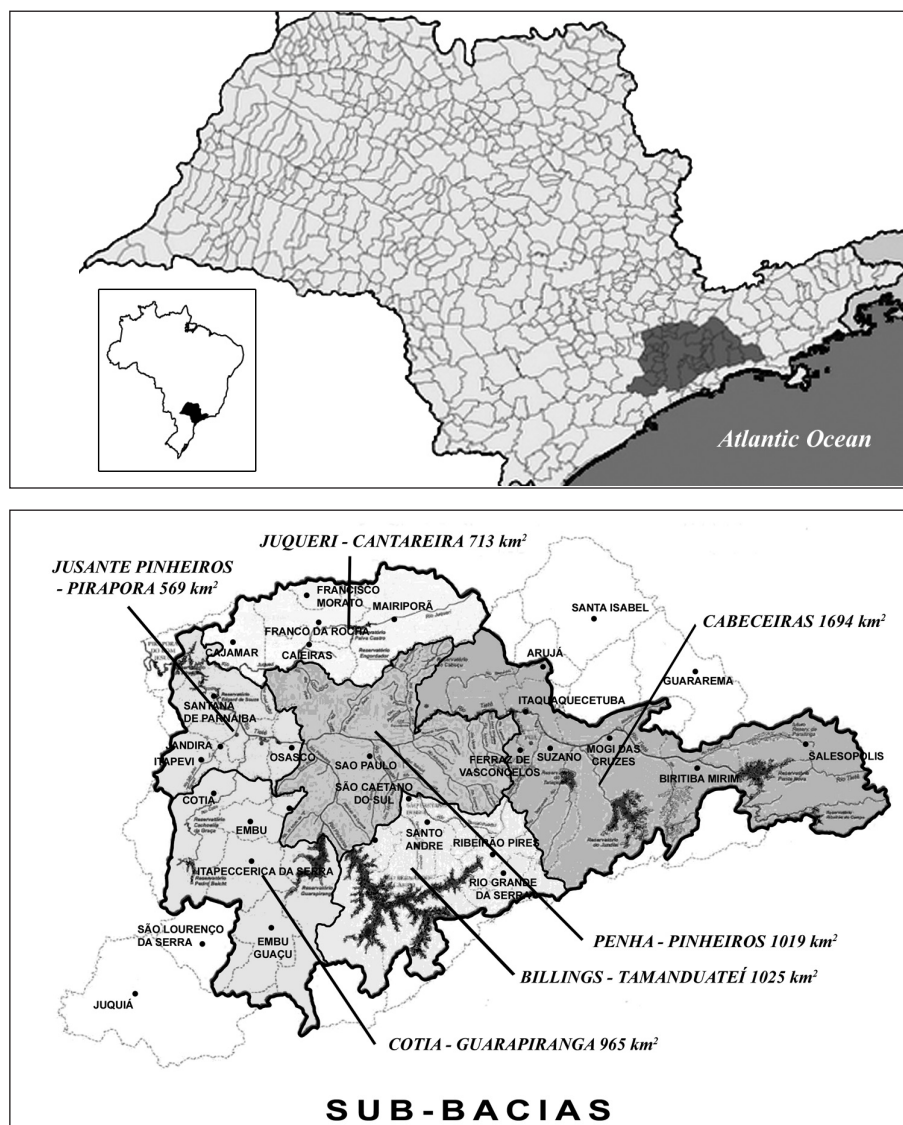


Figure 1. The State of São Paulo, the São Paulo Metropolitan Region (highlighted) and the Upper Tietê Watershed.⁴

3 Johnsson and Kemper, Institutional and Policy Analysis of River Basin Management: The Alto-Tietê River Basin, São Paulo, Brazil, World Bank, 2005, p 8.

4 Source: Adapted from Wikimedia Commons (available at http://en.wikipedia.org/wiki/File:SaoPaulo_RM_SaoPaulo.svg). Image by P. Freitas, 2009; and Rede das Águas (available at http://www.rededasaguas.org.br/nucleo/amplia_alto_tiete.htm).

The tropical climate in the region sets the average temperature in the Upper Tietê Watershed at around 17.8 degrees Celsius. The soil is characterized mainly as sedimentary. Precipitation averages at 1,400 mm per year without much variation throughout the watershed⁵.

The Upper Tietê region is characterized as a highly urbanized environment. Rapid urban sprawl and industrial growth coupled with unregulated land use, including the expansion of informal settlements towards protected areas, have generated intense demands and negative impacts on the watershed. An extensive network of water infrastructure has been implemented over the years, including a complex system of hydropower plants, inter-basin transfers and pumping stations. Water availability remains low, however, and the imbalance between availability and demand for water continues to be one of the main challenges faced by the region.

Establishing collaborative governance

Creating a Consortium

Until the early 1990s, water resources management in Brazil was characterized by highly fragmented, top-down and centralized approaches. The enactment of the 1988 Constitution gave rise to an important period in the history of Brazil's democratization process, where legislative measures around environmental issues were re-designed and new models of planning and policy making were implemented in line with the principles of the Dublin Declaration.⁶ Brazil became a forerunner in adopting integrated policies based on the decentralization of management to the watershed level.⁷

Item XIX, Art. 21 of the 1988 Federal Constitution required the Federal Government to create a national water resource management system. Water bodies that reach more than one state or country are under national jurisdiction. Water bodies contained within a single state,

5 Johnsson and Kemper, 2005 p.8

6 Source: Davis, Matthew D. (2008): "In international circles, advocacy of integrated water resource management is often based on the Dublin Principles of the 1992 International Conference on Water and the Environment. Those principles include (1) the understanding that freshwater is a finite and vulnerable resource, (2) a participatory approach to water management, (3) an emphasis on the role of women in water management, and (4) the recognition of water as an economic good". Available at: <http://www.wmo.ch/web/homs/documents/english/icwedece.html>

7 Johnsson and Kemper, 2005 p.4

and that do not span across more than one state or country, are considered under state jurisdiction. This allows each state to maintain autonomy over its own legislation, given that it is in accordance with federal laws. It also enables states to implement their own management bodies including councils, agencies and committees.⁸

The Upper Tietê Watershed Committee was created by State Law 7.663 in 1991 and was set up three years later, in December of 1994. The Plenary of the Committee has 48 members, all elected biannually. The Committee was extended in 1997, becoming the only state-level committee to be divided into subcommittees. The subdivision was done according to the main sub-watersheds that compose the Upper Tietê region: Cotia/Guarapiranga, Billings-Tamanduateí, Tietê-Cabeceiras, Juqueri-Cantareira, and Pinheiros-Pirapora.

Known as the “water parliament”, the forum is composed of representatives of the state government, 36 municipalities, and civil society organizations. Serving as an arena where negotiations and participatory decision-making take place, its primary duties include (i) promoting debates around matters related to water resources in the watershed; (ii) articulating organizations and stakeholders; (iii) mediating conflict resolution processes around water use; (iv) approving and following up with the execution of the Watershed Water Resources Plan; and (v) establishing user-fee structures and mechanisms, as well as setting the criteria and financing schemes for construction and projects affecting multiple users.⁹

Precedent for Brazilian and State of Sao Paulo Water Management

The Upper Tietê Watershed Committee is the result of a pioneer initiative of the State of São Paulo in implementing an innovative institutional model focusing on integrated and decentralized water resources management under a participatory framework. One of the first of its kind¹⁰, it set the precedents for the implementation of Brazil’s National Policy on Water Resources.

8 Abers, Rebecca and Karina Dino Jorge. “Descentralização da Gestão da Água: por que os comitês de bacia estão sendo criados?”. *Ambiente e Sociedade*. 8(2) Jul/Dec 2005. p 25

9 Source: Ambiente Brasil. Available online: http://ambientes.ambientebrasil.com.br/agua/s.n.g.r.h./sistema_nacional_de_gerenciameto_de_recursos_hidricos.html.

10 Along with the Committee PCJ (Rivers Piracicaba, Capivari and Jundiaí).

The initiative led to a major shift in the way water resources management was perceived, and was followed by several other states in subsequent years. The law established guidelines regulating state policies around water management and set the parameters for the implementation of the State Water Resources Plan, a new integrated water management system centered on three principles: decentralization, participation and integration. An integrated Water Management System (SIGRH: Sistema Integrado de Gerenciamento de Recursos Hídricos) was set up, and the state was divided into 22 Water Resource Management Units (UGRHIs: Unidades de Gerenciamento de Recursos Hídricos). The division was done at the watershed level, taking into account geographic, political and socio-economic aspects. Watershed management committees were implemented as the deliberative and consultative bodies pertaining to each of these units.

São Paulo's water governance system is constituted by deliberative, technical and financial arms. The deliberative arm is composed by the State Council on Water Resources and the Watershed Committees; the technical arm is the State Water Resources Plan Committee; and the financial arm is the Water Resources State Fund (FEHIDRO: Fundo Estadual de Recursos Hídricos).¹¹ Through its initiative, São Paulo's example was one of the driving forces behind the creation of the national water policy guiding the implementation of watershed committees throughout the country in 1997.¹²

Structure of the Upper Tietê Watershed Committee

A total of 36 municipalities¹³ participate in the Upper Tietê Watershed Committee, comprising a Plenary, Technical Chambers, and an Executive Secretariat (*see Figure 2*). An Executive Board was also

11 Jacobi, Pedro R. "A gestão participativa de bacias hidrográficas no Brasil e os desafios do fortalecimento de espaços públicos colegiados". In Coelho, Vera Schattan P. and Marcos Nobre (orgs): Participação e Deliberação: teoria democrática e experiências institucionais no Brasil contemporâneo. Editora 34: São Paulo, 2004. pp. 283-284.

12 Lipscomb, M. and A. M. Mobarak . "Decentralization and Water Pollution Spillovers: Evidence from the Re-drawing of County Boundaries in Brazil," unpublished, University of Colorado, 2009. p. 5

13 Arujá, Barueri, Biritiba-Mirim, Caieiras, Cajamar, Carapicuíba, Cotia, Diadema, Embu, Embu-Guaçu, Ferraz de Vasconcelos, Francisco Morato, Franco da Rocha, Guarulhos, Itapacerica da Serra, Itapevi, Itaquaquecetuba, Jandira, Juquitiba, Mairiporã, Mauá, Mogi das Cruzes, Osasco, Pirapora do Bom Jesus, Poá, Ribeirão Pires, Rio Grande da Serra, Salesópolis, Santana do Parnaíba, Santo André, São Bernardo do Campo, São Caetano do Sul, São Lourenço da Serra, São Paulo,

implemented more recently but has not performed a significant role.¹⁴ State and municipal bodies as well as civil society organizations compose the committee's tripartite structure. The Plenary is composed of 16 state representatives, 16 municipal representatives, and 16 civil society representatives¹⁵, for a total of 48 members. The Plenary meets on average every two and a half months or as required, and is responsible for all decision-making related to the committee, overlooking watershed-wide issues and integrating decisions pertaining to the sub-watersheds. All members have equal voting rights.

The role of the Technical Chambers is to provide support to the Plenary on matters such as water resources planning and management, drainage and flood control, underground water, water use and sanitation.¹⁶ They are composed of members of the Plenary or their appointees. The Executive Secretariat is coordinated by State representatives and is responsible for integrating actions, setting up and facilitating meetings, producing studies and gathering data.¹⁷

The five subcommittees were implemented in 1997, as a response to the Headwaters Protection Law, which called for legislation specific to each sub-basin. It also responded to the need to address local problems that were not being appropriately solved at the metropolitan scale.¹⁸ The subcommittees' structure is the same as the main committee's tripartite structure, yet the number of seats can vary from 21 to 39 members.

Suzano e Taboão da Serra, Juquitiba and São Lourenço opted to participate in the Committee even though they do not belong to the Upper Tietê Watershed. Santa Izabel, Guararema and Vargem Grande Paulista belong to the SPMR but do not participate in the Committee. Source: Fracalanza, A. P. Conference Presentation: "Comitê da Bacia Hidrográfica do Alto Tietê: ações, alcances e limites na gestão das águas da Região Metropolitana de São Paulo". Conference Title: "Água: questões sociais, político-institucionais e territoriais". Unicamp, São Paulo: December 2003. p.14.

14 Johnsson and Kemper, 2005 p. 21

15 Civil society organizations include universities, institutions of higher education, research and development institutes, associations of water resources users, associations specializing in waters resources, community associations and entities, as well as other non-governmental organizations. Source: Fracalanza, 2003 p. 4.

16 Source: Sistema Integrado de Gerenciamento de Recursos Hídricos do Estado de São Paulo. Available at < http://www.sigrh.sp.gov.br/cgi-bin/sigrh_home_colegiado.exe?TEMA=APRES&ENTACAO&COLEGIADO=CRH/CBH-AT&lwgactw=804355 >

17 Fracalanza, 2003 p. 14.

18 Johnsson and Kemper, 2005 p. 18.

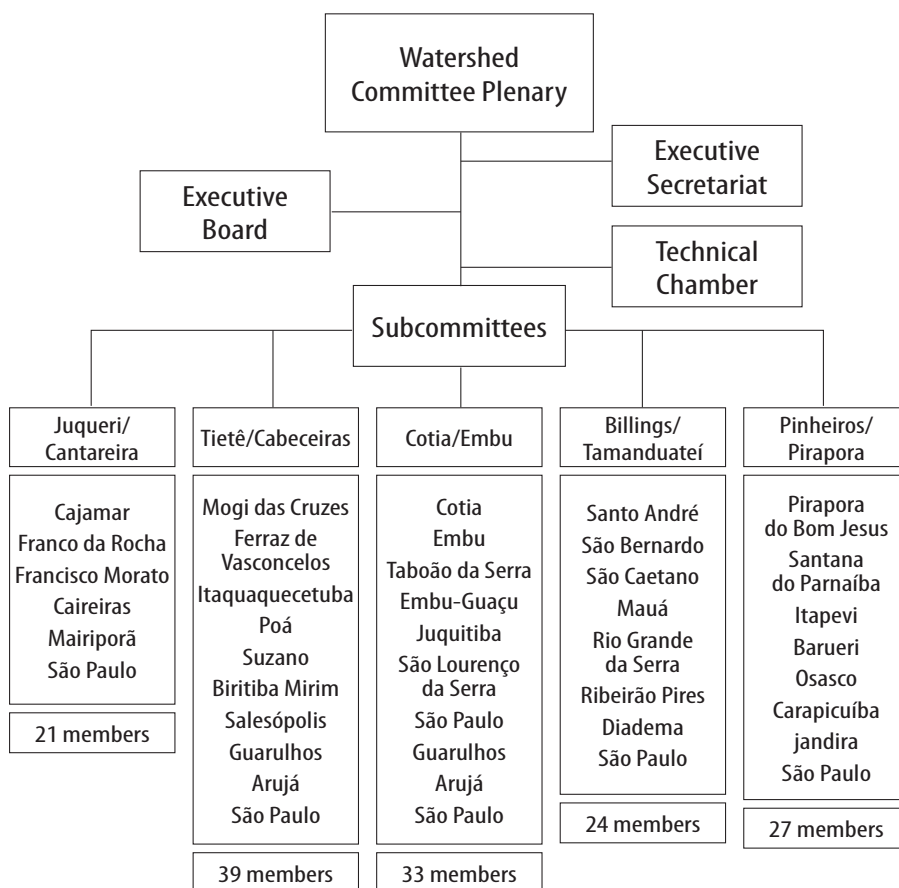


Figure 2. Organizational Structure of The Upper Tietê Watershed Committee¹⁹

Two main planning documents guide the actions of the Committee. Relatório Zero provides a situational overview of the watershed, and the Upper Tietê Watershed Plan (Plano de Bacia do Alto Tietê) is a more comprehensive document providing guidance and recommendations for long-term planning and management goals under the integrated water resources management framework.

The Committee's job is allocated between its internal management duties such as approving statutes and setting up technical chambers; overlooking plans and programs and approving the Upper Tietê Water

¹⁹ Source: Adapted from Governo do Estado de São Paulo (date unknown). Available at <http://www.comiteat.sp.gov.br/index.htm>.

Resources Plan, promoting studies and debates around services, programs and their execution; allocating funds and approving financial plans. The Committee may set guidelines and follow up with the execution of programs financed by external agencies, but it counts on its own funding from the State Water Resources Fund (FEHIDRO).²⁰

Outcomes

Ongoing Development of the Consortium

With respect to the performance of the Upper Tietê Watershed Committee, three main issues can be highlighted:

Civil Society Participation

Whereas the state and the municipalities are working in synchrony, civil society representatives are not fully integrated into decision-making processes within the committee and find barriers in dictating actions to be undertaken. As a consequence, the dynamics of the committee is largely determined by state and municipal initiatives.²¹ Moreover, in spite of the advancements of the water policy framework, it still places significant emphasis on the body of technical-scientific knowledge. This in turn determines much of the power relations within the committee, in favour of those who retain that type of knowledge and ultimately limiting the genuine involvement of the community.²²

“Stakeholders that in the past were entirely excluded from decision-making—particularly municipalities, private water users and civil society—have come onto the political scene and important steps towards further decentralization have been taken. Despite these advances, we cannot, however, say that a change in the power positions of traditional stakeholders has yet occurred in a significant way. These actors continue to dominate decision-making.”

Johnsson and Kemper, 2007 p. 25

²⁰ Fracalanza, 2003 p.10.

²¹ Jacobi, Pedro R. and Fernando Monteiro. “Social capital and institutional performance: methodological and theoretical discussion on the water basin committees in metropolitan São Paulo – Brazil”. *Ambiente e Sociedade*. 9(2), 2006. p.35

²² Jacobi, 2004 p. 280.

Collaboration Among Interest Groups

The creation of subcommittees was motivated by the complexity and magnitude of the Upper Tietê Watershed and the various problems affecting it. The subcommittees were seen as a response to the need to decentralize management and improve the collaboration of different interests. However, the division brought about fragmentation. As a result, municipalities are being driven by the tendency to focus on their individual problems and are diverting away from working on cooperative solutions. This has limited the Committee's capacities especially due to the lack of an overarching metropolitan policy that promotes regional-level solutions.²³ Moreover, the level of collaboration between different interests within the committee has not been satisfactory.²⁴

"In spite of the limits, the committee has turned into one of the few forums of debate in Brazil's metropolitan areas. By including representatives from different institutions and localities around the same group of problems, it extends the possibilities of collaboration."

Jacobi and Monteiro, 2006

Funding

The financial structure that supports the committee directly affects its level of performance and articulation. Financial resources received through the State Water Resources Fund (FEHIDRO) are only barely sufficient to maintain the committee's structure functioning.²⁵ What resulted in the past was that the available funding ended up being "pulverized" between projects in an attempt to equally benefit different parties.²⁶ Promising changes are underway, however. After two years of deliberations, the

²³ Jacobi and Monteiro, 2006 p. 35.

²⁴ According to Alvim and Ronca's evaluation based on the following indicators: inter-sectoral articulation, territorial reach, management, project type and amount of resources invested. Alvim, A. and Ronca, J. "Methodology of qualitative evaluation of actions of the River Basins Committees giving emphasis to the integrated management: The High Tietê River Basin Committee in São Paulo". *Engenharia Sanitária e Ambiental* 12(3), 2007. p. 333

²⁵ "Between 1994 and 2003, the State Water Resources Fund—which is replenished only by royalties from the energy sector—has allocated R\$21 million (US\$8.07 million/2005\$) to the Alto-Tietê Committee. This is only enough to minimally sustain these basin bodies until the management system is fully operational". Source: Johnsson and Kemper, 2005 p. 25.

²⁶ Alvim and Ronca, 2007 p. 333.

committee has recently approved a measure defining parameters for collecting bulk water pricing.²⁷ Resources collected will be invested in a water resources conservation fund. Charging for water use can potentially make the committee financially self-sustainable, which is a key aspect to enable its success.

Watershed Management and Regional Governance

Water use, quality and availability are directly related to and dependent on the larger framework of land use and spatial distribution of human activities.²⁸

The role of watershed committees in managing water resources is of increasing relevance to the Brazilian context. As participatory and deliberative bodies, the committees represent a promising mechanism to ensure the allocation of responsibilities and accountability. These are vital components for coordinating the various interests, mediating conflicts and ensuring sound decision-making around water use. In theory, the committees are able to neutralize practices dominated by economic and political interests, which are often detrimental to any other interests. In spite of almost two decades of advancements, the example of the Upper Tietê Watershed Committee demonstrated that its innovative approach to water management is still incipient²⁹ and cannot flourish in isolation. Further accomplishments and success are still largely dependent on the extent to which the region can strengthen its regional-level institutional framework to support a more democratic and effective system of metropolitan governance.

“It is important to highlight the absence of a metropolitan-wide management institution responsible for public functions of common interest among all municipalities and their existing inter-sectoral conflicts, particularly with respect to state-level institutional bodies. Water resources management alone is not sufficient to effectively promote integrated management of the watershed”.

Alvim and Ronca, 2007 p. 334

27 The decision was made on October 10th, 2009. Changes effective as of January 1st, 2011. Source: Subcommittee Cabeceiras: http://www.tietecabeceiras.com.br/interna.asp?sp=materia_integra.asp&matID=1349.

28 Fracalanza, 2003 p. 3.

29 Jacobi, 2004 p. 278.

Questions for Consideration

1. The focus of the Upper Tietê Watershed Committee is on water resource management. How might related issues such as ecological area protection and urban settlement patterns be brought to the consideration of water issues?
2. The integration of civil society into the Committee has been identified as a concern. What changes in structure or process might be necessary to ensure that civil society representatives are full partners in decision making?
3. A stable funding base is an important factor in the sustainability of a consortium. What conflicts are likely to arise among the Upper Tietê Watershed Committee's state, municipal and civil society members in establishing water pricing?
4. As outlined in the case, fragmentation emerged as a result of the decentralization of management and decision-making within the overall watershed committee. Would this be an inevitable result? What actions might be taken to minimize this tendency?

GREATER ABC REGION INTER-MUNICIPAL CONSORTIUM

The Greater ABC Inter-municipal Consortium (Consórcio Intermunicipal Grande ABC) articulates public policies for the Greater ABC Region, a part of Metropolitan São Paulo. The Greater ABC Consortium consists of seven municipalities: Santo André, São Bernardo do Campo, São Caetano do Sul, Diadema, Mauá, Ribeirão Pires and Rio Grande da Serra. This case study outlines the development and current situation of the Consortium. It illustrates the evolution of a consortium through varying degrees of political support, and examines the opportunities and issues with adapting to the new public consortia law.

Context

Greater ABC Region

The Greater ABC Region has a population of approximately 2 500 000 people and is part of the São Paulo Metropolitan Region. Approximately three million people pass through Santo André each day; São Caetano do Sul is the smallest municipality in size at 15.3km²; Rio Grande da Serra is the smallest municipality in population with 42 405 people; and São Bernardo do Campo is the largest municipality in size at 406km² and in population with 781 390 people¹. While the Greater ABC Consortium has offered significant economic and social development to the Region it does not always function at an optimal level.

¹ Wikipedia. 15 January 2010. Região do Grande ABC. http://pt.wikipedia.org/wiki/Regi%C3%A3o_do_Grande_ABC

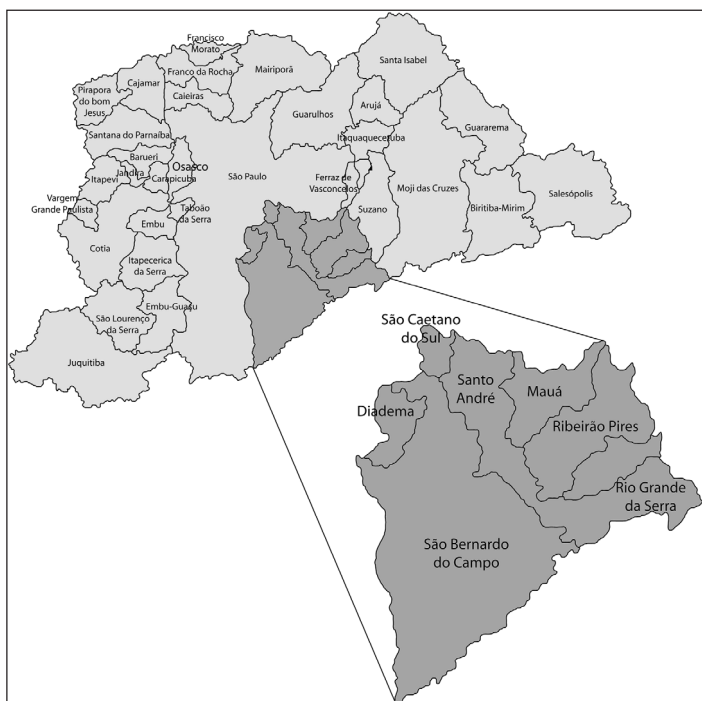


Figure 1. ABC Region Municipalities within Greater São Paulo Region²

History

The Greater ABC Region is traditionally industrial and is historically known as the first industrial automobile centre in Brazil. It is the birthplace of the labour movement that fought against dictatorship in Brazil in the 1970s and 80s, and it is in the Greater ABC Region where the Partido de Trabalhadores (PT), or Workers' Party, was formed.

"Industrial concentration in the ABC Region began at the turn of the last century with the establishment of two textile factories that together created employment for 10% of the region's population of 10, 000"³.

"Subsequent government investment in infrastructure helped accelerate the industrialization of the ABC Region"⁴. In the 1950s, automobile

2 <http://www.agenciagabc.org.br/grandeabc0709br/grande-abc/index.php?id=14>

3 French, 1992 cited in Moore, Jennie. 14 December 2007. *ABC Region: Examining Local Government Responses to De-industrialization and its Related Impacts*. UBC SCARP Plan 573. http://www.chs.ubc.ca/consortia/outputs3/Moore-Government_Responses_Deindustrialization-Dec2007.pdf

4 Klink, 1999 cited in Moore, Jennie. 14 December 2007. *ABC Region: Examining Local Government Responses to De-industrialization and its Related Impacts*. UBC SCARP Plan 573. http://www.chs.ubc.ca/consortia/outputs3/Moore-Government_Responses_Deindustrialization-Dec2007.pdf

manufacturing increased and in the 1960s the ABC Region population grew rapidly to meet labour demands. In the 1970s, there was a scaling-up of industrial manufacturing plants. However, as early as the late 1970s, industrial complexes in the Region began to diminish. In the 1980s and 1990s, the national government opened the country's economy to competition and out-migration of industrial investment accelerated. The results of decentralizing industry include: a decreased formal labour sector; an increased surplus of skilled labour; increased poverty; increased segregation; change in population migration and settlement patterns; and increased informal sector economic activities.

Establishing Collaborative Governance

Local authorities were challenged by the “regional impacts of de-industrialization brought about by global forces”⁵. The Mayor of Santo André, Celso Daniel, had a particular vision for the area and was instrumental in facilitating regional collaboration. Other factors included the political affinity of the existing mayors and the prevailing political, economic and social conditions in Brazil and in the Greater ABC Region. As a result, the Region's seven municipalities formed the Greater ABC Municipal Consortium on December 19, 1990.

Consortium Structure

The structure of the Consortium consists of a Council of Municipalities (as the entity of highest authority), a Fiscal Council, an Advisory Council and an Executive Secretary. The President is elected from one of the associated municipalities for a one year mandate. The Executive Secretary is coordinated by the Executive Director and comprises a Planning and Project Management Coordination Department and a General Coordination Department. Financial resources come from annual contributions from the participating municipalities in a percentage proportional to their revenues. The Consortium's Regional Strategic Planning created thematic groups for each action area comprising technical experts from each of the seven municipalities. The thematic groups are

5 Moore, Jennie. 14 December 2007. *ABC Region: Examining Local Government Responses to De-industrialization and its Related Impacts*. UBC SCARP Plan 573. http://www.chs.ubc.ca/consortia/outputs3/Moore-Government_Responses_Deindustrialization-Dec2007.pdf

responsible for identifying needs, preparing projects, and referring proposals regarding regional public policy⁶.

Outcomes

Development

Phase 1: 1989-1992

The Consortium's first projects were in solid waste disposal for the seven municipalities and approving the Selective Incentives law. Later, the Consortium formed a partnership with the State of São Paulo to realize projects such as the Macrodrainage Plan, construction of Mario Covas Regional Hospital (Santo André) and Serraria Regional Hospital (Diadema), creation of Technology Universities (FATECs) (Santo André, Mauá, São Bernardo do Campo, São Caetano do Sul), Youth and Adult Literacy Campaign, Children as First Priority Campaign (Movimento Criança Prioridade 1) and Alchemy Professional Training Project for Plastics Industry⁷.

Phase 2: 1993-1996

However, 1992/1993's newly elected mayors were not committed to the project of regional integration. Notably, rules prohibited Celso Daniel from running for a second term and internal party issues prevented his successor from advancing the Consortium. By 1994 there had been only two meetings with the attendance of at least three of the seven municipalities.

Phase 3: 1997-2002

The Consortium experienced revitalization in 1997 with the election of mostly PT mayors, including the re-election of Celso Daniel in Santo André. During this period there was support from São Paulo Governor, Mario Covas, who, although not of the PT party, was a strong supporter of regional collaboration. In March of 1997, the Greater ABC Chamber, whose Executive Coordination includes a Consortium representative, was created to integrate public power and civil society. It included representation from

6 Consorcio Intermunicipal Grande ABC. 15 January 2010. Estrutura Organizacional. <http://www.consorcioabc.org.br/consorcio/consorcio/index.php?id=136>

7 Consorcio Intermunicipal Grande ABC. 15 January 2010. *Historico*. <http://www.consorcioabc.org.br/consorcio/consorcio/index.php?id=132>

the State of São Paulo, state and federal deputies in the region, Citizen Forum, presidents of the governors' chamber and representatives from business and workers' syndicates. Its purpose is to search for solutions to social, economic, environmental, physical-territorial, circulation and transportation issues which would contribute to regional development.

In 1998, the Consortium created a partnership with the Economic Development Agency which had been formed by the Greater ABC Chamber. The Agency's purpose was to advance investigations regarding regional economic evolution, to support small business and to create incubators of Local Productive Arrangements (*Arranjos Produtivos Locais*). Celso Daniel was Director of this regional Economic Development Agency between 1998 and 2002 and his ideas dominated the agenda.

While the Consortium had a service delivery focus, regional economic development was focused in the Greater ABC Chamber Economic Development Agency. With 49% of the voting rights, the Consortium could play a strong role in the Agency. In 2000, the Consortium's Regional Strategic Planning group decided that it should create an economic foundation equal to those of environmental sustainability and social inclusion that already existed.

Phase 4: 2003-Today

By 2003, inter-municipal collaboration had largely disintegrated as a result of the deaths of two of the Consortium's strong leaders, Santo André Mayor, Celso Daniel and São Paulo Governor, Mario Covas. Lacking political leadership, the Consortium has been relatively inactive since.

However, the Greater ABC Consortium did sign an agreement regarding social programs with the federal government in 2003, to work on projects such as: Planteq ABC Territorial Professional Training Plan; Literate Brazil; Collective Construction of Spaces and Times of Peace in Schools; strengthening of Gender and Racial Equality Policies; and a Regional Greater ABC Shelter for women who are victims of violence⁸.

During this period, regional actors were aware that the federal government was developing a new law to enable public consortia. The Mayor of Ribeirão Pires, Maria Ines, worked with the federal government

8 Consorcio Intermunicipal Grande ABC. 15 January 2010. *Historico*. <http://www.consorticioabc.org.br/consorcio/consorcio/index.php?id=132>

and a study analysed how the Consortium could adapt to the new public consortium structure. However, with the 2004/2005 elections, Ines was no longer the Mayor of Ribeirão Pires and the study has been largely forgotten⁹.

On April 6, 2005, the Federal government passed Federal Law number 11.107 enabling the creation of public consortia. Although the Consortium did periodically revisit adaptation of its structure to the new law, the Consortium was not interested in working with the New Public Consortia Project to pursue it¹⁰.

Current Situation

With the 2008/2009 election of Luiz Marinho as Mayor of São Bernardo do Campo, many expected the former State Minister to lead the Consortium's adaptation to the new law; however, his ideas are constrained by community issues. Further, Diadema's newly elected mayor, Mario Reali, who has a degree in Planning, is in a similar situation where he is limited by significant municipal budget restraints¹¹.

However, recent support from the federal government has enabled the Consortium to articulate the need to expand the petrochemical industry, create the Federal ABC University and the BNDES (National Development Bank) Regional Post, and receive a positive response to the application to adapt regional collaboration to the new public consortia law. A Protocol of Intentions, which is to be presented to the Municipal Chambers, has been prepared to outline the Consortium aspirations and the reasons why adaptation to the new public consortia law should occur.

On September 14, 2009, the Greater ABC Mayors discussed adaptation of the Consortium to the new public consortia law and decided to sign the Protocol of Intentions at the next meeting on October 5, 2009. On October 26th, the presidents of the Municipal Chambers of the seven municipalities presented the Protocol of Intentions. Consortium President and Mayor of São Caetano do Sul, Jose Auricchio Junior, expressed the consensus of the seven mayors that adaptation to the new consortia law was necessary. The seven mayors have signed the Protocol and will present it to the 108 parliamentarians of the seven Municipal Chambers before voting.

9 Klink, January 28th, 2010

10 Klink, January 28th, 2010; de Castro, January 27th, 2010

11 Klink, January 28th, 2010

During the week of November 2, 2009, the mayors of the seven municipalities sent the proposed law that ratifies the Protocol of Intentions to their respective Chambers for an assessment session. The decision was made in the 183rd meeting of the Council of Municipalities presided by José Auricchio Júnior, after a presentation of the Protocol of Intentions to the governors of the region. During this meeting on November 3, 2009, Auricchio appealed to the Governor and legislative presidents of the Region for the law to be voted on before the parliamentary recess. The seven mayors of the Greater ABC are sure that the region will benefit when the Public Consortium is approved¹².

Adapting to the New Public Consortium Law

The following highlights some discussion by the Consortium itself, by academics and by other stakeholders regarding weaknesses of the current Consortium structure and the opportunities and potential threats, depending on point of view, that arise by adapting to the new public consortium structure.

Weaknesses of the current consortium structure:

- ▶ Lack of autonomy to execute actions and to sign partnerships with the Federal Government.
- ▶ Strong dependence on state and federal levels of government.
- ▶ With the Council of Municipalities as the main organization for deliberation, there is a lack of representation and limited participation of civil society.
- ▶ No benefit from tax immunity.
- ▶ No inclusion of direct administration of municipalities.
- ▶ Lack of mechanisms, such as solid and trustworthy institutions, that ensure continuity of actions agreed upon.
- ▶ Juridical nature limits the operation of the Consortium as a forum of discussion and negotiation for municipalities, preventing promotion and implementation of direct programs and projects of common interest.

12 Acosta, Margarete, Depto de Comunicacao Consorcio Grande ABC. 4 November 2009. *Prefeitos vao encaminhar projeto de lei as Camaras Municipais ainda esta semana*. <http://www.consorcioabc.org.br/grandeabc0709br/noticiasdestaques/noticia.php?id=1011>

- ▶ Juridical rule of municipal autonomy and asymmetry of forces between municipalities are obstacles to establishing financial standards common to the seven municipalities, i.e. agreements signed by Consortium around Services Taxes (ISS) have not been honoured by some municipalities
- ▶ Municipalities exert competitive and uncooperative practices and resulting financial difficulties could be considered as disloyal by other member municipalities while being considered in best interest of a municipality by its constituents
- ▶ Lobbyist profile, as opposed to managerial role.
- ▶ Dependence on good personal relationships between chief politicians to facilitate cooperation.

Opportunities that arise by adapting to new public consortium structure:

- ▶ Increased agility.
- ▶ Increased transparency.
- ▶ New functional character, both operational and as a result of judicial autonomy.
- ▶ Increased municipal power of dialogue, negotiation and pressure with other entities of the federation and other non-governmental organizations.
- ▶ Increased direct contribution to ABC Region's development as a result of increased capacity to carry-out public policies and more efficient use of public resources.
- ▶ A new format that can be self-sustaining over time, which decreases municipalities' contributions.
- ▶ Exemption from bidding for contracts with entities of the federation or entities of indirect administration, and an increase in the percentage required for exemption from bidding to 20%.
- ▶ Ability to overcome certain institutional limitations through increased administrative management capacity as new format facilitates rationalization of the use of public resources; effectiveness of public policy to improve public service and social policies; and overcoming of judicial insecurities about the current cooperation arrangement.

- ▶ Tax immunity benefits.
- ▶ Benefit from the realization of actions unavailable to a single city, such as joint purchasing; regional regulatory agencies; regional school governance; sharing of equipment and technical personnel; intercropping of health facilities (specialty hospitals); coordinated disposal of solid waste; and financial management of Public Consortia¹³.
- ▶ May receive funds from consortium members: via revenues from associated management of public services; via revenues from Contract Assessment; or via revenues from agreements with non-member entities and will receive funds from Union¹⁴.

Potential threats, depending on the point of view, by adapting to new public consortium structure:

- ▶ Execution of consortium's defined objectives would be compulsory and municipal budgets of members would be bound to the objectives; the consortium would be subject to all rules that public administration is subject to including bidding on procurement, public tender procedure for procurement of personnel, and the Law of Fiscal Responsibility¹⁵.
- ▶ Greater burden for municipalities in so far as decisions would no longer be mere agreements but contractual obligations for the Mayor's office.
- ▶ The technical requirements of projects, the constant flow of resources and restrictions on the irresponsible deactivation of association could signify greater autonomy for the consortium and less for municipalities¹⁶.
- ▶ Municipalities face high cost, including fines, upon breaking the contract.

13 Acosta, Margarete, Depto de Comunicacao Consorcio Grande ABC. 29 October 2009. *Prefeitos explicam Protocolo de Intencoes aos vereadores das sete cidades*. <http://www.consorcioabc.org.br/grandeabc0709br/noticias/noticia.php?id=1087>

14 Acosta, Margarete, Depto de Comunicacao Consorcio Grande ABC. 29 October 2009. *Prefeitos explicam Protocolo de Intencoes aos vereadores das sete cidades*. <http://www.consorcioabc.org.br/grandeabc0709br/noticias/noticia.php?id=1087>

15 Machado, Gustavo Gomes. *Custos de Transacao na Governanca Metropolitana na RMBH e no Grande ABC Paulista*.

16 Machado, Gustavo Gomes. *Custos de Transacao na Governanca Metropolitana na RMBH e no Grande ABC Paulista*.

Questions for Consideration

1. The Greater ABC Inter-municipal Consortium flourished when there was political leadership interested in collaborative governance and able to pursue it, and languished when this leadership was absent. What actions might be taken by consortium and municipal staff and civil society to maintain some level of collaborative governance in periods lacking clear political leadership?
2. The move from a relatively informal inter-municipal collaboration to a consortium established under the federal law for public consortia will result in a more formal and accountable legal structure which municipalities may resist. What clear political and service benefits will a new public consortium have to provide to be approved by the municipalities?
3. The ABC region has been collaborating for about 20 years. Should the Consortium develop and adopt some key principles for collaboration to guide its activities? If so, what might these principles be?

GREATER ABC REGION

Diadema and São Bernado do Campo - the Naval Project

The Greater ABC Region, comprising seven municipalities in the Sao Paulo Metropolitan Region, has established a number of innovative collaborative governance organizations. This case study examines urbanization of a favela and development of a highway requiring collaboration between two municipalities in the Greater ABC Region, São Bernardo do Campo and Diadema. It illustrates the challenge of inter-municipal cooperation where there are different municipal objectives.

Context

Regional Collaboration

The cities of São Bernardo do Campo and Diadema are located in the Greater ABC region which is known for its high level of mobilization around socio-economic, urban and environmental development issues.¹ In the 1990s, this mobilization led to the creation of innovative organizations, such as the Inter-municipal Consortium (Consórcio Intermunicipal - a collective arrangement of private rights signed by the seven municipal governments of the region), the Regional Chamber of Greater ABC (Câmara Regional do Grande ABC – an informal collaborative arrangement involving the State Government of São Paulo, the Inter-municipal Consortium and organized civil society),

¹ The seven cities of the ABC Paulista are Santo André, São Bernardo do Campo, São Caetano do Sul, Diadema, Mauá, Ribeirão Pires and Rio Grande da Serra.

and the Agency of the Economic Development of ABC (Agência de Desenvolvimento Econômico do ABC – a sectoral collaborative arrangement for economic development formed between the Consortium, businesses, the universities and workers’ unions).

Favela Naval

This case study examines the urbanization of the Favela Naval located on the border between the municipalities of Diadema and São Bernardo do Campo. The scope of the project involves interventions in the road system and in the systems of water and drainage as well as housing (resettlement, housing production and urbanization).

The Favela Naval (Figure 1) is located in the convergence zone of two bodies of water, one of which – the Ribeirão dos Couros (dos Couros Stream) – is the geographic and legal boundary between the municipalities, a fact that was ignored by the settlement that spread along the stream’s bank. More than 900 families live in the area: 703 in the municipality of Diadema and 207 in São Bernardo do Campo. The settlement is characterized by precarious sanitary, urban and environmental conditions, by the low quality of housing (including shacks and stilt houses) and by the social risk for children and teenagers, particularly crime and the lack of social services, especially in the education sector.



Figure 1: The Favela Naval (borders in black).

Source: Municipal Government of São Bernardo do Campo

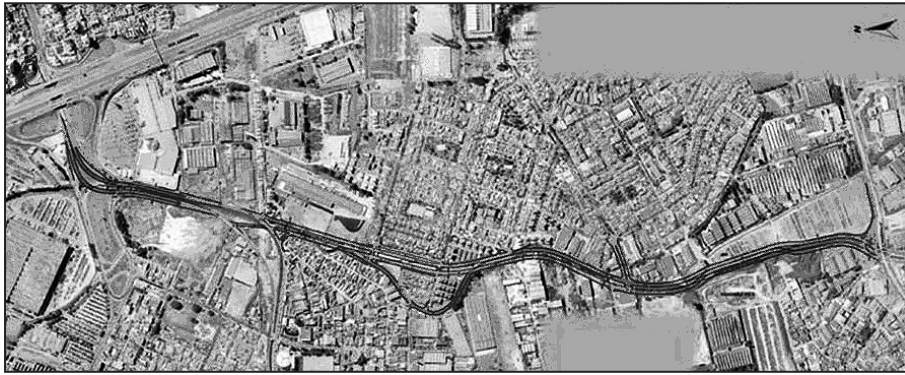


Figure 2: Ring road.

Source: Municipal Government of Diadema

Collaborative Governance

Different but Inter-related Municipal Objectives

Since its creation in 1997, the Regional Chamber of Greater ABC has provided strategic regional planning for a number of urban development aspects. The update of the strategic plan, which occurred in 2000, considered housing in relation to *the sustainability of watershed areas* (including social housing) and an *urban environment of good quality* (under the “urban improvement with social inclusion” program, in the sub-program the “housing and integration of housing interventions for actions of environmental improvement”). This institutional framework of regional governance of ABC, however, was not capable of effectively resolving the dilemma of integrated action in the precarious settlements of the region.

In the case of Favela Naval, although there is a common project, the objectives are not the same for each of the municipalities. For São Bernardo, the main objective, at least until the end of 2008, was implementation of a section of the municipal ring road (Figure 3), the settlement project being a condition to complete the project. For Diadema, a solution to the housing problem was always the main motivation.

The municipality of Diadema initiated the urbanization of Favela Naval in 1991 after a fire destroyed a section. Construction followed in an intermittent manner: from 1991 to 1994 when it was paused, and from 2001 to 2004 in which urbanization services reached 50% of the housing

complex. Until 2004, the resources employed were provided by the municipal government.

Throughout this time, Diadema had been trying to get funding from the federal government to carry out the urbanization of the Favela. In 2001, in developing a proposal for the Habitar Brasil IDB (Inter-American Bank of Development) Program, it reached out to the neighbouring municipality of São Bernardo do Campo seeking its support for a joint proposal for the urbanization of Naval. Diadema, however, was not successful and the project was rejected by the IDB for, among other reasons, not presenting an inter-municipal approach capable of resolving the issue more integrally.

In 2004, it was São Bernardo do Campo's turn to seek the support of the municipality of Diadema. It was motivated by the Urban Transport Program (Programa de Transporte Urbano – PTU), which was in the process of contracting with the Inter-American Bank of Development (IDB), to support intra and inter-municipal integration and regional urban mobility through the construction, among other elements, of a Peripheral Ring Road (Anel Viário Periférico) in the urbanized portion of the municipality. Part of this Ring Road was projected to be on the border with Diadema, going through the neighbouring territory.

Requirement for Collaboration

In order to make the Peripheral Ring Road feasible, authorization laws for consortiation of São Bernardo do Campo and Diadema were approved in each of the municipal chambers, with the objective of joint execution of the construction necessary for the interconnection of their road systems. In 2005, two new laws settled the terms of the agreement between the parties, which considered that the road interventions, *“apart from responding to local needs, when observed collectively, it responds to more global logics, benefitting neighbouring municipalities and region. ... Although the program [the PTU] is municipal and has objectives that prioritize the transport in this space, because of its metropolitan aspect it cannot avoid servicing these broader flows as well, since it uses its routes, this way broadening its benefits at the regional level.”*²

2 Diadema. Municipal Law N° 2.466, of the 21st of December of 2005.

The partnership establishes:

- ▶ the construction of roads in the valley of Ribeirão dos Couros (dos Couros Stream) and the Córrego Taboão (Taboão Stream), bodies of water that establish the border between the two municipalities. This included canalization of these bodies and implementation of riverside road lanes on both banks, in both municipalities. Construction would be the responsibility of São Bernardo do Campo, although part of it would be executed in Diadema;
- ▶ specifically in relation to construction in the Ribeirão dos Couros, Diadema's responsibility in relation to the expropriation of properties in its territory which are affected by the construction;
- ▶ that each municipality should develop a resettlement plan for the portion of the Favela Naval population who reside in the territory that will be affected by the road construction, making viable the production of housing for the residents that will be resettled;
- ▶ that all projects and construction be defined in partnership by the parties.

In 2007, both Diadema and São Bernardo do Campo presented proposals for funding from the Program for the Acceleration of Growth (Programa de Aceleração do Crescimento - PAC) related to the Favela Naval.

The PAC Naval/Diadema is an integrated urbanization project including the production of 336 new units and housing improvements for the already urbanized area (213 units). The project will benefit 1,303 families (600 residents around the area, as well as 703 of the Favela Naval) through actions including:

- ▶ urbanization of the section of the Favela that has not received construction yet. This includes: the demolition of 292 precarious settlements and construction, in the same place, of a new housing complex with 132 units; the implementation of a new housing complex with 204 units in a nearby neighbourhood, to resettle the expropriated families; as well as the care to these families by the Bolsa Aluguel Program (Rent Grant Program) during the construction period as a way to avoid temporary housing;
- ▶ in the already urbanized section of the complex, the execution of housing improvement in 213 houses, including cases of complete reconstruction;

- land regularization and social work actions, as well as the implementation of community facilities including a day care centre, Naval Centre for Social Integration (Centro de Integração Social Naval), Centre for Solidarity Cooperation (Centro de Cooperação Solidária - income generation) and the installation of an “Ecoponto” (centre for the collection of recyclable materials);
- implementation, restoration and complement of the infrastructure network and of the pavement around.

The implementation of PAC Naval/Diadema began in 2008.

The PAC Naval/ São Bernardo do Campo, however, had not begun construction because of a series of incidents. The administration of the municipality of São Bernardo do Campo, after taking office in January 2009, found the project in an unfavourable situation: still not approved by the Caixa Econômica Federal (CEF) and with an imminent risk of losing its funding. It was necessary to review the housing development since the project presented to the CEF had not been approved by the environmental bodies due to the fact that the land was an area of environmental compensation for another project.³

The development of a new project for a new piece of land extended the scope stipulated with the federal government through PAC, since the area that the municipal government made available for the investment had the capacity of accommodating a greater number of housing units. The expansion of the objective was proposed to take maximum advantage of the area and to respond to other needs for the provision of housing. The stipulated work plan consists of actions of different natures: urban housing, land and community participation and social development. This will result in intervention in two precarious settlements, as well as Naval: Favela Colina (consolidation of part of the area and moving part of the families to the housing complex that will be built next to the centre) and Alojamento Leo Comissari (total removal and external resettlement). Specifically in relation to Favela Naval, PAC predicts the resettlement of 207 families in a housing complex that will be implemented in a nearby neighbourhood (540 units) and the later

³ This project was different from the one discussed in 2004 with families to be resettled (in the inauguration of the partnership with Diadema). However, it was not possible to resume the 2004 project because the proposed area of the time had not been expropriated and a venture business had been approved for the land.

demolition of the existing housing, opening the area for the canalization constructions of the Ribeirão dos Couros and for the implementation of the riverside roads.

As for the Urban Transport Program (Programa de Transporte Urbano – PTU), the project has been implemented in stages and the section that is the subject of this case was not included in the initial stages of execution, under the authority of the previous administration. It is expected that the bidding process for this section will be initiated in 2009.

Outcomes

Action on Both Housing and Roads

The road and settlement projects mobilize resources of the order of 113 million reais: 26 million reais invested in Diadema through PAC and around 87 million reais invested in São Bernardo, of which 32 million reais are from PAC and 55 million reais are from the Urban Transport Program (Programa de Transportes Urbanos) financed by the World Bank.

Cooperation between the municipalities began to be designed in a context in which motivations were different: the urbanization of the favela (for Diadema) and road construction (for São Bernardo do Campo). The reason for collaboration was recognition of the interdependence of the interventions.

Between the establishment of the partnership in 2005 and the end of 2008 there was no integration of actions. Since January 2009, the formal instrument gave way to informal communication and decisions began to be made based on dialogue between the chief administrations of both municipalities. The integration of the projects both spatially and temporally and the unified effort of the two municipalities for its achievement revealed itself to be more than a strategy but rather an imperative, realizing the impossibility of integral execution of either the road constructions, or of the urbanization constructions of the housing complex, without there being at least minimal consensus on the actions beyond municipal scope. A general meeting was held between the two parties, with the presence of all the teams from several municipal secretaries involved. The agenda involved the redefinition of responsibilities, the adjustment between the scopes of the projects and an effort to communicate the schedules of the interventions. Periodic meetings for evaluation were defined. Both

municipalities have been carrying out systematic consultations for the involved communities.

The main difficulty of the project at the moment is coordinating the pace and deadlines of the interventions. Diadema has been making advancements in the implementation of the project. 35% of the construction has already been executed for the new housing complex for the resettlement of families that will be removed from Naval, and the construction for housing improvement was initiated. In São Bernardo on the other hand, where the construction has not yet started, it is necessary to integrate the interventions of housing production to those of the drainage and the road system. The construction of the housing complex should begin in October 2009 and will only be completed in 24 months. The Urban Transport Program (Programa de Transporte Urbano – PTU) construction will be initiated in early 2010, with the same time frame of 24 months.

Observations on Collaborative Governance

This case presents three key observations about collaborative governance. First, while inter-municipal collaboration was initiated in 2004, which enabled the formation of a formal partnership between Diadema and São Bernardo do Campo in 2005, there was little integration of the housing and road projects at first. Significant integration only began in January 2009 when new local administrations took charge. This reflects the limits of cooperation when the political orientations are divergent, which was the case of the two municipal administrations until December 2008.

Second, the case illustrates that it is possible to establish alliances that combine significantly different, although inter-related, municipal objectives - the road intervention (objective of São Bernardo) and the housing intervention (objective of Diadema). It is important to note, however, that the prime objective of the partnership is to make the transport program viable and the housing servicing is secondary. The urbanization of Favela Naval is, in some respects, driven by the need to complete the road construction.

Third, the case illustrates one possible role of a regional authority when faced with an issue involving two of its members. While the Intermunicipal Consortium of Greater ABC (Consórcio Intermunicipal do Grande ABC) has a strategic plan providing guidance on housing, the organization was not part of this initiative nor did it intervene as a facilitator

to improve understanding between two municipalities and therefore help to advance its region-wide goals.

Questions for Consideration

1. Diadema and São Bernardo do Campo collaborated on the urban settlement and road projects in order to secure the support of federal agencies and therefore funding for the projects. How important are external requirements in establishing a consortium?
2. While the Inter-municipal Consortium of Greater ABC (Consórcio Intermunicipal do Grande ABC) has a strategic plan providing guidance on housing, it did not play a role in the Favela Naval and road case. What roles might it have played? How might this have changed the progress of the projects?
3. Significant integration of the housing and road projects only began when Diadema and São Bernardo do Campo administrations had similar political orientations. Is this inevitable? What integrations actions are appropriate when political orientations differ?

BELO HORIZONTE METROPOLITAN REGION

A Consortium to Fight Violence Against Women

Belo Horizonte, together with the neighbouring cities of Sabará, Betim and Contagem, formed a consortium to promote **gender equality and combat violence against women**. The Regional Consortium for the Promotion of Citizenry: Mulheres das Gerais supports development of a regional policy on women's shelters, as well as municipal policy-making in the areas of violence against women, non-sexist education, and improvement of working conditions and incomes for women. This case study examines the process of planning and establishing collaborative structures and mechanisms for a regional consortium by a group of municipalities in order to improve their ability to work together and bring an element of social inclusion to a vulnerable but often invisible minority group within Brazilian society. It illustrates a transition from collaboration based upon voluntary cooperation to a consortium based on binding agreements.

Context

Gender discrimination remains pervasive in Brazilian society and is not restricted to a specific class or generation. Women make up the majority of the population of Brazil (2006), but fewer women participate in the labour market (2006: Men - 73%; Women - 53%) and on average earn significantly less (2006: Men - R\$886; Women - R\$577). The differences are narrowing, but women are not yet participating with equal opportunities or income.

Violence against women, a tragic symptom of gender discrimination, is an endemic problem rooted in the socio-cultural and economic aspects of Brazil's male dominated society: one in five women in Brazil has

experienced some form of violence from men. Violence against women is often hidden or not discussed, hence governments do not consider it a priority.

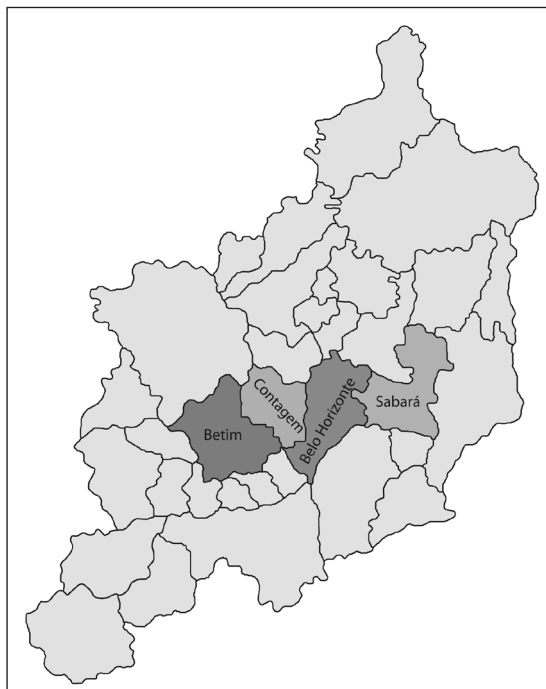


Figure 1: Municipalities pertaining to the Mulheres das Gerais Consortium.

Establishing Collaborative Governance

A Foundation of Intermunicipal Cooperation

In 2006, the cities of Belo Horizonte, Betim, Contagem and Sabará, all part of the Metropolitan Region of Belo Horizonte, decided to form a regional consortium to fight violence against women. Prior to the establishment of the Regional Consortium, all the four cities within the metropolitan region of Belo Horizonte had been, at some point and to different degrees, collaborating in the implementation of services aimed to attend to women in vulnerable situations. All had signed the ‘National Pact for Promotion of Women’s Policies’ and the ‘National Plan for Gender Policies’. They have shared methodologies, resources (human and financial) and services. These actions, however, had limited reach and resources were scattered and used intermittently.

Establishing Collaborative Structures and Strategy

In March 2007, each of the cities created a municipal Local Management Group (LMG) comprising top-level officials and municipal managers, secretaries and technical staff. A month later, at a general

Vision

A society that recognizes gender equity and is free of all forms of violence against women.

Mission

Plan, foster, and implement joint actions and programs for the prevention and elimination of all forms of violence against women through an emancipatory and inclusive framework that respects the diversity of all actors involved in a collaborative and sustainable manner.

Principles

1. Recognize the equality of rights for all;
2. Guarantee transparency, fiscal accountability and recognize co-responsibility;
3. Respect the autonomy of the consortiated public entities;
4. Abide by existing national and international treaties, laws, agreements and conventions that speak to universal rights and gender;
5. Guarantee the sustainability of the Consortium through continuous monitoring and evaluation;
6. Foster coordinated efforts to find regional solutions with respect to the objective of the Consortium;
7. Incorporate well-informed and open decision making processes.

meeting of the four municipalities, representatives from each level of the municipal LMGs were nominated to join the Inter-municipal Management Group (IMG). These 30 individuals were organized into a management team, a multidisciplinary technical team and a legal council. There were over 90 inter-municipal meetings during the next one and a half years.

Creation of the IMG allowed the group of municipal LMGs to improve the flow of information, maintain a regular schedule of meetings and make strategic decisions. Agreements were made through a consensus-based approach. The IMG was not able to secure staffing for the Consortium; initially, employees were seconded from respective municipalities in an effort to reduce staff costs.

Between March and June of 2007, the IMG met on several occasions to define a collective process to address violence against women. Two separate strategies were adopted: preventive actions, which included non-sexist and non-discriminatory education, preventative campaigns,

community legal assistants' programme, and database and monitoring support, and service-related actions for women facing domestic abuse, which included an inter-municipal safe house and a transition house.

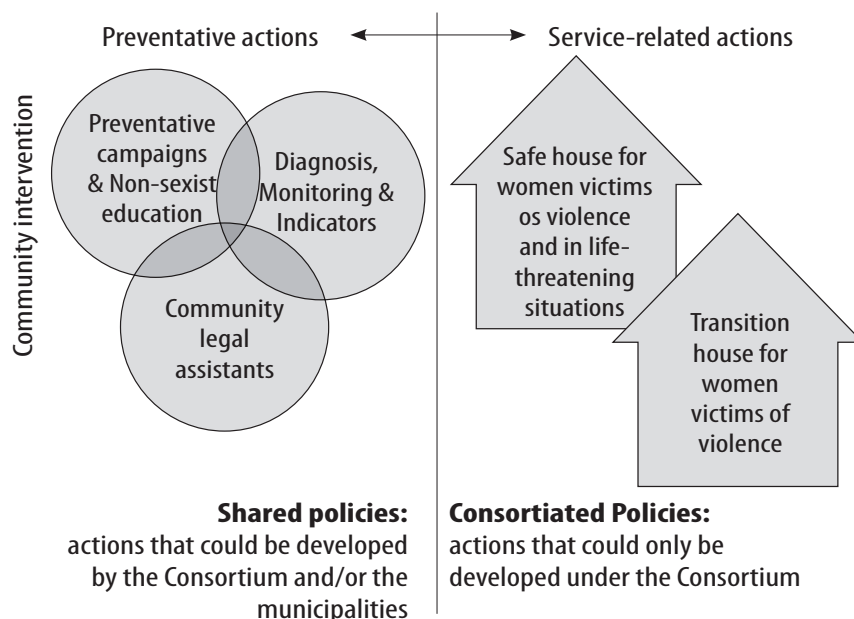


Figure 2: Shared and consortiated policies among the four municipalities of the Mulheres das Gerais Consortium.

A consortiated approach aimed to develop a wider, better informed and more comprehensive range of actions to improve women's socioeconomic conditions and establish a strong basis for a more advanced metropolitan governance framework. This led the IMG to distinguish between policies for actions that could be best developed at either the municipal or regional level or together in order to respect the autonomy of the federative entities. In this way, the actions were categorized between *consortiated policies*—governing actions carried out and managed exclusively by the Regional Consortium—and *shared policies*—governing actions carried out both by the consortium as well as the municipalities.

Regional Consortium Protocol Ratification

By August 2007, through a series of events funded and organized by the New Public Consortia for Metropolitan Governance Project, an initiative of Brazil's Ministry of Cities and the University of British

Columbia in Canada, the IMG was able to create a draft Protocol of Intentions of the Consortium (as defined by the 2005 Federal Public Consortia Law No. 11.107). Two months later, a preliminary budget for the Consortium was prepared stipulating the amount each municipality would have to contribute based on its population. Due to a lack of data about the demand for shelters for women, the initial formula for contributions was determined according to the ratio of population of each of the partner municipalities - Belo Horizonte 69%, Contagem 17%, Betim 10%, and Sabará 4%. The first budget prepared by the technical team totalled R\$640,000.00, but was only designed to cover the operating costs of the shelters (safe house and transition house).

In order for the Consortium to be eligible for external funding (which accounts for a substantial amount of overall budget), it needed a business number. This number could only be obtained after the regulatory statute of the consortia had been created and then approved by the Federal Finance Ministry. As a guide to developing the Protocol, the technical and legal teams of the IMG used the regulatory statute of the Piauí Statutory Law and adapted it as needed.

The Protocol of Intentions was signed by the four mayors on the 10 October 2007, which coincided with National Day for the Prevention of Violence against Women. Over the next four months, the Protocol of Intentions was carefully scrutinized by the local municipal councils as well as residents of the municipalities. In March of 2008, all the municipal councils ratified the Protocol as municipal law and officially established the Consortium as a legal entity. On the 29 March 2008, the Consortium was inaugurated in the city of Contagem at an event attended by the mayors of the four municipalities, representatives of the Ministry of Cities as well as the Federal Minister for Gender Issues.

Implementing the Protocol

After the inauguration, the IMG and other partners identified the importance of holding meetings with civil society to discuss the formation of the consortium and identify the role civil society would take in the new regional institution.

In April 2008, the technical team of the IMG and the Municipal Gender Councils from the cities of Sabará, Contagem and Belo Horizonte held a series of meetings to examine how to involve civil society in the formation of the Regional Consortium. The meetings were also an opportunity to

nominate two or three members of the Municipal Gender Councils to the new Advisory Council of the Regional Consortium.



Figure 3: Signing of the Protocol of Intentions, Belo Horizonte, 10 October 2007.

At the 1st General Assembly of the Consortium on 29 May 2008, the four mayors who made up the Chief Council of the Consortium elected Marília Campos, the Mayor of Contagem and the only woman among them, as the President of the Consortium. Making this decision was considered highly political in nature as the mayor of Belo Horizonte was also interested in the position. At the same time, the Draft of the Statutory Bylaw of the Consortium was presented and discussed by the municipalities' legal councils. Over the next two months the Consortium's Board of Directors (composed of municipal secretaries who were members of the Management Group of the IMG) met on numerous occasions to discuss in detail the Statutory Bylaw, revise the Budgetary Contribution Ratios and financial values, and nominate the technical team to work in the Consortium.

The roles of two other positions were discussed with the technical team and LMG managers from the four municipalities: the Superintendent and the Thematic Coordinator. They determined that the Superintendent should be a planner, administrator and catalyst of consensus whereas the Thematic Coordinator's position required specific technical skills and included responsibilities of fund-raising, running the consortium, building and maintaining strategic partnerships with the State (at all levels), and managing alliances with the organized social movements.

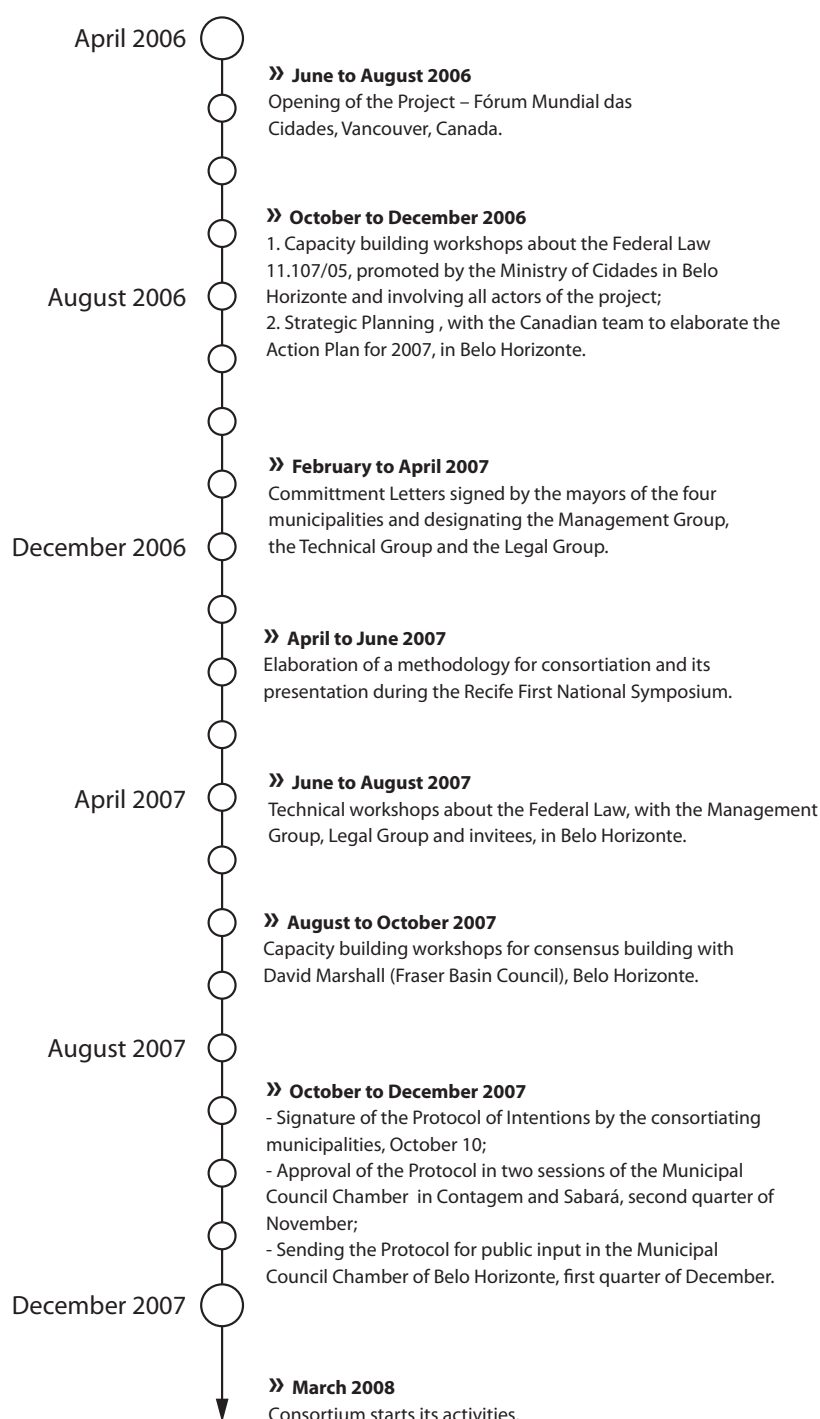


Figure 4: Implementation time-line of the Mulheres das Gerais Consortium.

In August 2008, the Technical Group of the IMG revisited the preliminary budget to plan for 2009, which was required to be submitted to the municipal council the following month. The Statutory Bylaw of the Consortium and a 2009 budget of approximately R\$815,000.00 were approved by the mayors' representatives in September, and in January 2009 both proposals were passed by the four municipal councils.

Between December 2008 and February 2009, the IMG concentrated on two main areas: developing a Programmatic Contract governing the function and service provision criteria for the shelters and the regional assistance network, and building awareness within different levels of government in order to obtain long-term support for the Consortium. The latter was specifically important in the wake of the October elections in order to cultivate the support of the new mayors of Belo Horizonte, Betim and Sabará by presenting the Consortium's successes and discussing support in terms of political backing.

Key Issues

The municipalities faced a number of issues in moving from collaboration to the establishment of a consortium. One was the legal framework which makes municipalities accountable and creates conditions enabling economies of scale in the delivery of services, optimization of public resources, and opportunities for intergovernmental transfers as well as the ability to raise funds from non-governmental agencies. The Legal Group of the IMG played a vital role in guiding the top-level managers and the technical team in the best approaches to meet the Consortium's objectives and avoid legal and administrative bottlenecks.

The legal dimension is important because it transforms the commitment and responsibility of the mayors and their administration from a voluntary to a contractual state. Voluntary participation was not deemed desirable because it could easily fail when there were difficulties, jeopardizing the continuity and sustainability of the Consortium. Also, because of Brazil's strong civil participation mechanisms, the entire process stimulated debates and dialogue within the public administration and the population at large.

A second major challenge was for municipal leaders, managers and technical personnel as well as civil society groups to learn about and identify concrete advantages of the consortium to gender equity without necessarily

having the practical experience in a direct community development gender project. Statistics showed that gender violence is not limited to a specific territory or class or race category. Thus, a complex set of variables that propagate the vicious cycle of gender violence had to be examined by the Consortium's action plan.

A third challenge was timing and the need to consolidate the Regional Consortium's legal, administrative and budgetary mechanisms before the October 2008 municipal elections. Municipal election by-laws impose strict limitations on new municipal expenditures and hiring or designation of new staff and budgets have to be closed by the end of September at which time they are submitted to the municipal councils for approval. To mitigate this risk, an accounting team was set up within the Legal Group to help plan an efficient mechanism for transferring funds from municipalities to the consortium. Further, it organized workshops on the Federal Law and delivered them to key municipal secretariats and civil society representatives.

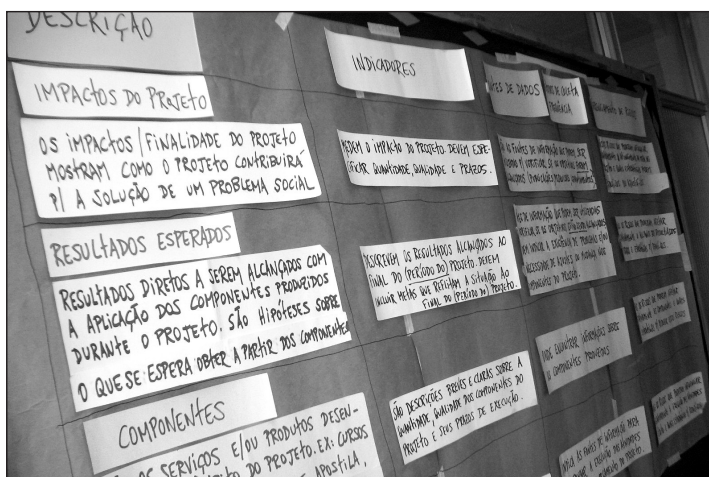


Figure 5: Strategic Planning for the consortiation process (2006).

A fourth challenge was to create equitable working relationships with the IMG. While most members of the LMGs, nominated by their respective municipal councils, had similar working structures and procedures, some were different. Combined into a single IMG, the person responsible for a certain area in one municipality may not have the same level of authority and therefore the ability to make agreements as her or his counterpart in another municipality. An important salve was the clear definition of

responsibilities assigned to each level of the IMG and regular meetings throughout the strategic planning process.

Finally, because elections tend to displace many key actors and supporters of programs and projects, especially at the top-level and those who are politically appointed, the Consortium needed to be structured to withstand the loss of any key personnel.

Other challenges included:

- ▶ Differences in available financial and human resources between Belo Horizonte and the smaller cities of the metropolitan region fostered concern about the ability to form an agreement for equitable sharing of responsibilities and benefits.
- ▶ A lack of experience in regional administration made collaboration and sharing of the responsibilities difficult between cities and between different levels of government.
- ▶ Political change can hinder or disrupt the sustainability of collaborative initiatives. To overcome eventual (or inevitable) political changes in the local government the Consortium needed to foster a strong support by communities and civil society.

Outcomes

in the past, regional consortia have been seen as a mechanism to solve the hard infrastructure challenges in a metropolitan region such as water and sewer services, and not as a tool to promote social equity. The challenge facing the Regional Consortium: Mulheres das Geraís, from the technical officers to the mayors' offices, was to build awareness within the public administration that a regional consortium can promote social equity on issues such as violence against women which was a new process for municipalities.

Services for Women and Preventive Action

Creation of effective public policies to counter all types of violence against women required the design and implementation of actions that are both remedial and preventive in nature. When the first consortium budget was created, only the expenses of the shelters - the safe house and the transition house - were included; both shelters have distinctive purposes

and are vital to the protection of women who find themselves in abusive and violent situations. Funds for violence prevention programmes, however, were to be raised from external resources.

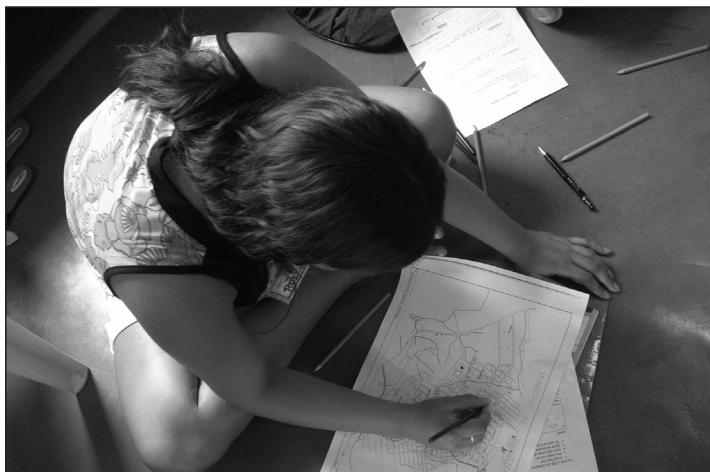


Figure 6: Youth mapping, Contagem, February 2008

The Regional Consortium's prevention programs include establishing a common knowledge base within all municipalities through sharing methodologies, studies, experiences and human resources in a systematic and comprehensive way; strengthening the agencies that provide legal and institutional support for women, from the police to the lawyers' service; promoting the professional training of women including tailored opportunities for income generation and job creation; and paying careful attention to the political calendar and anticipating the impediments that could appear.

One example of prevention and awareness-raising was a youth participation project focusing on youth and gender. Initially, the *Juventude Fazendo Gênero* (JFG) project was an inter-municipal and multidisciplinary community initiative developed by the municipal youth office, municipal gender office and municipal education secretariat in each municipality and coordinated by two interns from a Canadian NGO. Part of a larger project called the *Youth Atlas* that documented youth mapping initiatives in five metropolitan regions, the JFG project worked with more than 80 youth from four under-privileged communities over a period of seven months to raise gender awareness, build youth advocacy and implement local community development initiatives. With the support of 18 inter-municipal

facilitators, workshops, events and activities were documented through participatory photography, a video documentary and an interactive virtual document. To ensure its continuation, it was absorbed by the Regional Consortium: Mulheres das Gerais. By becoming part of a greater regional institution, the youth and gender project gained visibility, legitimacy and opened opportunities to public and private funding.

Institutional Capacity Building

Continuous institutional capacity building and dedicated local management teams showed that regional governance can be a viable means of implementing and strengthening ‘peripheral policies’ such as gender equity, which are generally viewed as unresponsive or too complex to be given any priority with limited municipal resources. This suggests that powerful benefits accrue when a combination of local political will and increased technical capacity of local stakeholders can work together in a partnership with civil society and NGOs. Formal consortiation is necessary to consolidate inter-municipal collaboration and guarantee the sustainability of actions.

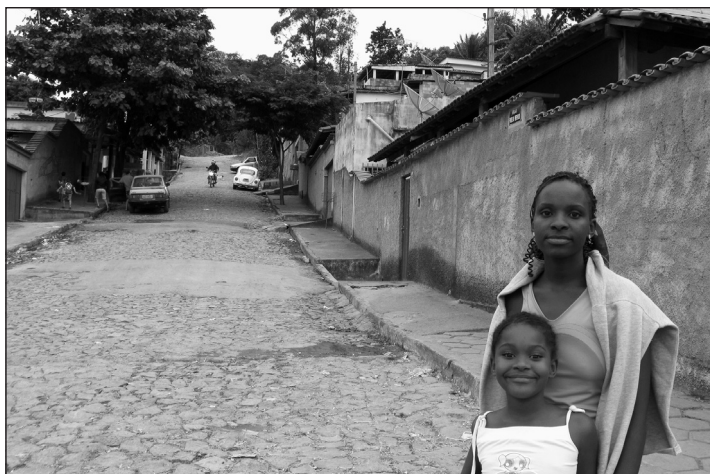


Figure 7: Community tour, Sabará, May 2008

The goal of the consortiation was not simply to make a direct intervention into the lives of a group of women and produce a concrete outcome such as a sewing cooperative or a neighbourhood garden. Instead the Regional Consortium: Mulheres das Gerais was designed to be more holistic in nature and have an impact over a long period of

time by simultaneously providing immediate assistance and specific programs towards those most in need and working to build the capacity of institutional mechanisms so that they could address, over the long term, the inherent systemic problems that perpetuated inequalities. The exercise resulted in a learning process that helped cultivate mature gender equity policies within the public administration.

A consortiated approach by the four municipalities was expected to give them greater accountability to execute joint actions to fight violence against women since it strengthens the inter-municipal cooperation agreements that constitute the Regional Consortium, upholds the defined responsibilities of each municipality and defines annual financial contributions. The regulations of the Regional Consortium were designed to be flexible enough to allow the addition of new partners, as well as 'scaling up', to allow incorporation of new actions that could be carried out in the municipalities where the Regional Consortium operates.

Finally, a positive consequence of closer working arrangements between municipal councils and offices was the sharing of information and learning from each other. This was felt to have built the capacity of municipal officials, especially the women, and strengthened their position and role in the public administration.

Questions for Consideration

1. The Regional Consortium for the Promotion of Citizenry: Mulheres das Gerais arose from previous collaboration among municipalities on programs to address violence against women. In what ways did this voluntary collaboration provide a foundation for establishment of the consortium?
2. The consortium municipalities vary considerably in size, with Belo Horizonte being significantly larger. What measures are necessary to ensure equity among the partners?
3. The consortium process endeavoured to increase services for women affected by violence, build public awareness of violence against women and cause a change in societal behaviour, and increase the capacity of government institutions to address issues of social equity. What balance is necessary among these activities to ensure the sustainability of the consortium?

4. The Mulheres de Gerais consortium did not involve substantial financial resources but the issue of violence against women provided an effective platform to build a consensus among a range of diverse stakeholders. In what sense did the limited financial requirement influence the development of a consortium? How might this apply for consortium building in other sectors such as basic sanitation, solid waste and transportation?

PIAUÍ

A Consortium for Water and Sewer Sanitation Services

The state of Piauí, in conjunction with municipalities and with the support of the federal government, established a regional consortium of municipalities to improve the delivery of clean water and sewer systems. This case examines the process and issues that led to the restructuring of Águas e Esgotos do Piauí S.A (AGESPISA), the state provider of water supply and wastewater management services, and the establishment of Consórcio Regional de Saneamento do Sul do Piauí (CORESA Sul do PI), a consortium to undertake this role in the southern part of the state. It illustrates a collaborative approach to addressing a problem requiring both state action and region-wide municipal cooperation.

Context

Piauí is located in the north-eastern region of Brazil, a state of diverse geographical landscapes. Topography, vegetation and distance from the coast influence the climatic patterns within its distinct regions. The south-eastern region of the state is located in the famous 'Polygon of Droughts', bordering the Pernambuco and Ceará states. Water scarcity is pronounced, with a total rainfall of less than 500mm per year. Drinking water is limited in the region and usually contains a high level of salt, except where geological conditions allow for fresh water storage. The main source of surface water in the state is the Parnaíba River which flows in a roughly north-south direction. The river is also a natural border between Piauí and the Maranhão State to the north, and the whole watershed is known as the Parnaíba Basin.

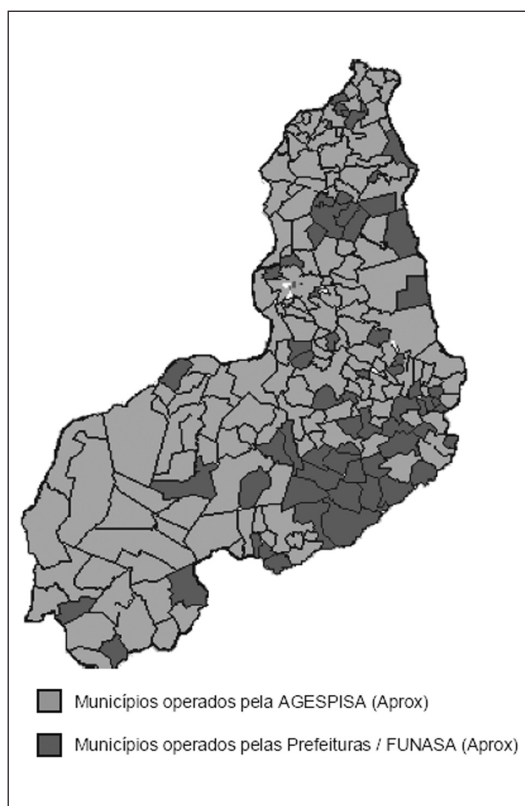


Figure 1: Municipal regions serviced by AGESPISA in the state of Piauí.

Source: <http://www.pmss.gov.br/pmss/PaginaCarrega.php?EWRErterterTERter=90>

Until 2003, of the 222 municipalities in the state (excluding Teresina, the capital), 215 (97%) had some form of water system¹. Águas e Esgotos do Piauí S.A (AGESPISA), a state agency, supplied water services to 161 (75%), with the rest being supplied by autonomous municipal entities (see Figure 1). Of the 215 municipalities that had some form of water system, the majority (83%) were supplied by groundwater which, in Piauí, was not treated by disinfection services as required to comply with Brazilian sanitation regulations. The surface water receives treatment, but only accounts for 17% of the total water operations in the region.²

¹ In terms of water supply and demand (i.e. considering only water provision and not water treatment services), according to the study: 48 have insufficient water provision services, 73 have sufficient services and 94 have more than sufficient services. 7 municipalities (around the south-eastern and eastern regions) have no water systems and are therefore supplied by water trucks. Secretaria Nacional de Saneamento Ambiental, 2006, Volume 2 - First part, 19.

² Secretaria Nacional de Saneamento Ambiental, 2006, Volume 2 - First part, 18.

Even though AGESPISA's operations reached into most of the state, its services were mainly limited to the provision of water. With respect to wastewater management, AGESPISA services only reached about 12% of the population outside the capital Teresina, and only three municipalities possessed sanitary sewage infrastructure.

Establishing Collaborative Governance

State Review of Water and Sewer Services

AGESPISA's limitations had been a concern of the state for awhile. In 2003, the Piauí government requested the services of the Program for the Modernization of the Sanitation Sector (PMSS - Programa de Modernização do Setor Saneamento), a program of the National Secretary of Environmental Sanitation (Secretaria Nacional de Saneamento Ambiental do Ministério das Cidades - SNSA) that helps states, municipalities and service providers to improve the quality of water provision and wastewater management services. The federal Ministry of Cities and the Government of the State of Piauí signed a Technical Cooperation Agreement (ACT) N° 001 / 2003 that contracted the PMSS to write a situational report analyzing AGESPISA and Piauí's water and sanitation services.³

The report was concluded in May 2004.⁴ It described the precarious quality of water provision and sewage services. According to the report:

“[...] AGESPISA was found, by the present Government, in a state of complete technical-operational and financial disequilibrium, with huge debts, negative annual balance, lack of control and fall in the quality standards, lack of technical and operational trust of the systems, and widespread de-motivation of the collaborators.”⁵

The PMSS report recommended that two changes were necessary: first, the restructuring of AGESPISA, and second, the widespread institutional reform of sanitation and water services in Piauí. The Piauí state government extended its initial contract with PMSS to develop a plan

3 <http://www.seplan.pi.gov.br/uapr/projetoCenariosRegionaisPiaui.PDF>

4 National Secretary of Environmental Sanitation. *Consolidated Report of the Situational Diagnosis of AGESPISA*. Teresina: Ministry of Cities, 2004.

5 Ibid, 12.

for restructuring AGESPISA as well as to prepare a new administrative model for providing water and sewage services to the entire state of Piauí.

The PMSS completed further studies in December 2004.⁶ First, it recommended that AGESPISA's services should be limited to Teresina and other large neighbouring municipalities with their respective adjacent regions. This was chosen because Teresina was already AGESPISA's operational base and the area surrounding the capital had established infrastructure in place. (see Figure 2).

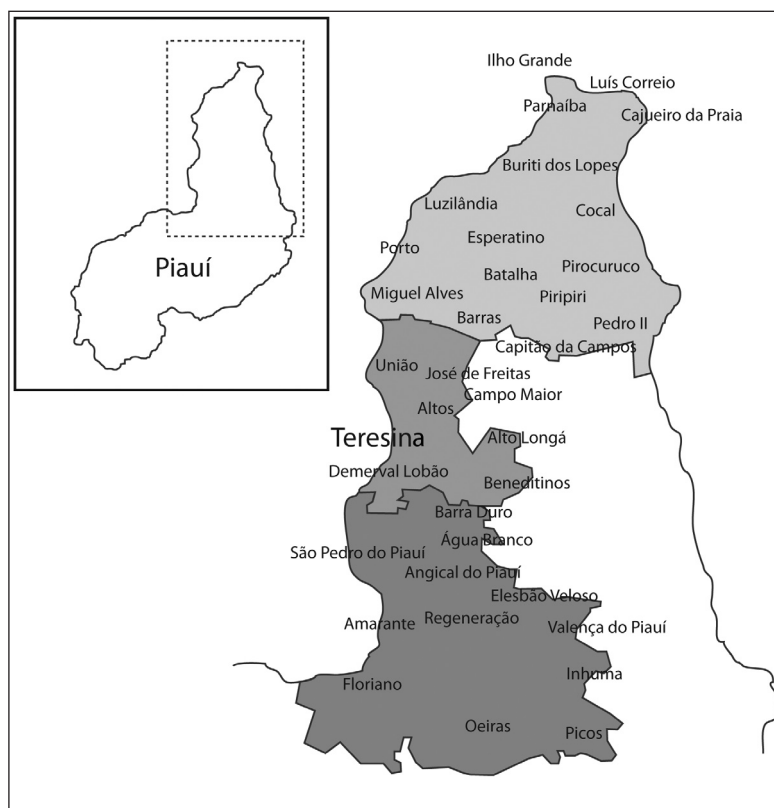


Figure 2: Map showing area for AGESPISA's operations in the state of Piauí, as proposed by the PMSS report.

Source: <http://www.pmss.gov.br/pmss/PaginaCarrega.php?EWRErterterTERTer=90>

Second, the report suggested that the remaining state territory be divided into four macro-regions—Norte, Leste, Sudeste and Sul—using a framework established by the Secretary of Planning of the Piauí State

⁶ Secretaria Nacional de Saneamento Ambiental, 2006, Volume 2 - First part.

(SEPLAN/PI) in an October 2003 proposal to promote regional sustainable development.⁷ The four macro-regions were further sub-divided into 11 territories of development (see Figure 3), and finally, each of these territories was divided into 26 municipal agglomerations to further facilitate planning.

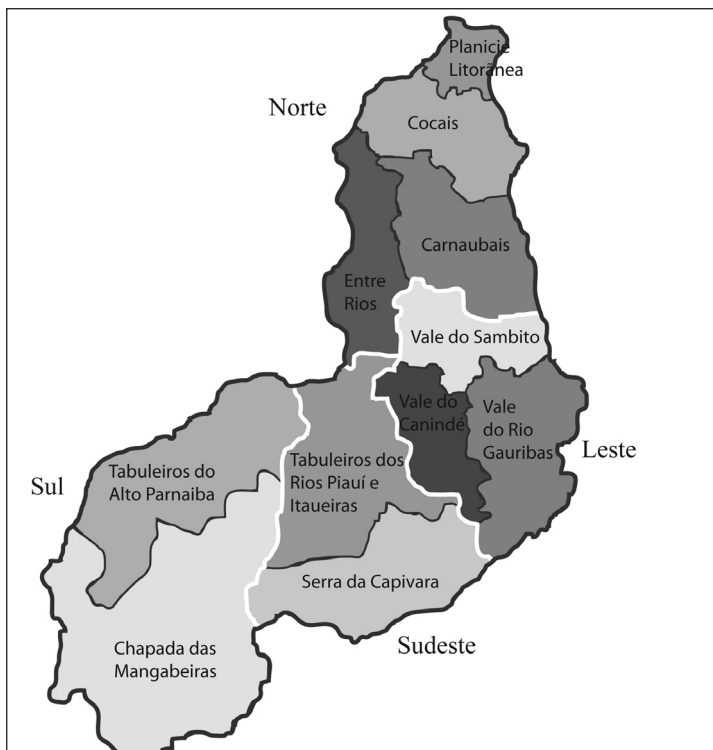


Figure 3: Map showing the division of the macro regions and territories as first established by SEPLAN.

Source: <http://www.pmss.gov.br/pmss/PaginaCarrega.php?EWRerterterTERter=90>

Public Consortium Chosen as the Basis for Restructuring Services

The PMSS report then considered what institutional models could be used within each of the four macro-regions (north, east, south, southeast), for instituting new operations. Among the options considered were: i) public companies; ii) companies with a mixture of private and government

⁷ <http://www.seplan.pi.gov.br/uapr/projetoCenariosRegionaisPiaui.PDF>

ownership or control; iii) state companies; or iv) public consortia with the participation of the state and municipalities. The first three options relied heavily on state authority for their operations; they were not considered attractive alternatives considering the poor historical record of the state company in service provision. There was a concern that any of these options could easily lead to the creation of something similar to the AGESPISA model”⁸ Thus the fourth option, a public consortium, was chosen, because it would decentralize responsibility and decision-making through a framework for municipalities within each region, promote cooperative management and administration between municipalities and the state, and seek economies of scale at the regional level. This way services could be provided at the local level directly through each municipal government.

The consortium would work at the regional scale, facilitating cooperation between municipalities of the region and vertically with the state government. Local Service for Sanitation (Selos) in each municipality would manage services at the local level. The Selos, operated through each municipality’s Municipal Secretaries of Public Works and Public Services, would perform local operations, light maintenance, readings of water meters and delivery of water bills as well as research the resources required for the particular investments necessary for the sustainable provision of water and sanitation services. Decision-making, formerly concentrated at the state level in the capital, would be transferred to the regional and municipal levels allowing for the associative governance of public services as well as efforts to achieve the economies of scale necessary for sustainability.

This option was made possible by the 2005 Federal Law on Public Consortia 11.107/05, which stipulated that consortia have the characteristics of public rights within the law such as the responsibilities of planning, regulating, inspecting and giving support for the provision of municipal

8 “State entities – that is, public and mixed public-private companies, public corporations and authorities- were not involved at first in the case of Piauí, given the risk of contaminating the new processes with the inherited old vices and with the inefficiency of services represented by these institutions, which could have resulted in a replication of the Agespisa model. The basic premise of this new approach was that the management model would be “diluted” between state and municipalities, and would be guided by consensus reached among the mayors and state government. This approach was seen to be most favourable to building a more professional and democratic administration [...] In this case, a public consortium model was chosen with the participation of the state and municipalities to act on a regional scale. National Secretariat for Environmental Sanitation, The Piauí Case Study, Volume 2- First Part, 2006. pg 35.

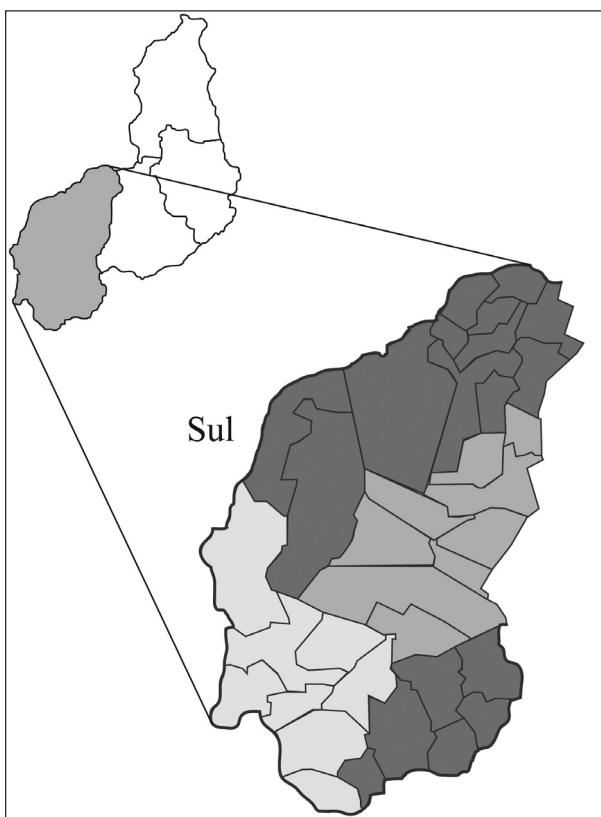


Figure 4: South Region and municipalities as established by SEPLAN.

Source: <http://www.pmss.gov.br/pmss/PaginaCarrega.php?EWRErterterTERter=90>

public services⁹, and also private prerogatives such as administrative and financial freedom. This differs from the inter-municipal consortia created before the 2005 Federal Law, which only conferred associative and civil character, with limited administrative autonomy and private rights.

In December 2004, the proposal for the new institutional administrative model to provide water and sewage services was approved by the state governor. The most southerly of the four macro-regions, Sul, was chosen to implement this model, given the significant urban growth in the region¹⁰ and because the area was most affected by the lack or delay of services and maintenance.¹¹

9 Secretaria Nacional de Saneamento Ambiental, 2006, Volume 2 - Second part, 17.

10 <http://www.piaui.pi.gov.br/materia.php?id=10665&pes=agespisa>

11 <http://www.pi.gov.br/materia.php?id=20331>

Implementation of Consórcio Regional de Saneamento do Sul do Piauí (CORESA Sul do PI)

The first step to implement the CORESA consortium in the Sul region was to persuade the mayors of the municipalities to commit to the project. The Secretary of Planning of the State of Piauí (SEPLAN/PI) took on the implementation process and with the help of the PMSS team, instructed the mayors about consortiation. A Protocol of Intentions was drafted by the juridical consultants of the PMSS according to the Federal Law on Public Consortia 11.107/05. The purpose of the Protocol of Intentions was to establish the legal and institutional aspects of the consortium including its juridical character, objectives, the rights of the consumers, the organizational structure, competencies, attributions, procedures for the functioning of the different bodies of the consortium and the relationships between the consortium and the consortiating municipalities. This would provide the foundation for it to plan, regulate, inspect and give support to municipal public services for the provision of water and wastewater management.¹² Since consortiation as described by the 2005 Law was a recent and unfamiliar process, however, reliance on the PMSS team was high and the input of the mayors was relatively low.

The PMSS team outlined the stages, actions, and legal procedures for the implementation of the consortium to the mayors. CORESA, as defined in the Protocol of Intentions, would operate at two levels: the Participative Decision-making level and the Executive Level. (see Figure 5) The Participative Decision-making level is formed by the General Assembly, the President, the Executive Board, the Fiscal Council and the Regulation Council. The General Assembly (the highest jurisdiction) is composed of the State Governor and the mayors from the consortiated municipalities. The President is elected by the members of the General Assembly and the Executive Board is appointed by the President. The Fiscal Council is comprised of elected state deputies and municipal councilors from within the General Assembly. Lastly, the Regulation Council is formed by members of the Executive Board and representatives of the users of the services.

The Executive level is made up of the Superintendency, comprising a Superintendent, a specialist appointed by the Executive Board, and 31 employees. The Superintendent is in charge of the administration,

12 Secretaria Nacional de Saneamento Ambiental, 2006, Volume 2 - Second part, 16.

the quality analysis laboratory, the maintenance workshop, and other responsibilities in CORESA. The Superintendency is based at the Consortium's headquarters in the municipality of Bom Jesus, the municipality chosen by the consorciated municipalities because of its location in the centre of the southern region and its accessibility for meetings and operational activities. The Protocol of Intentions was officially signed in Bom Jesus on 6 June 2005.

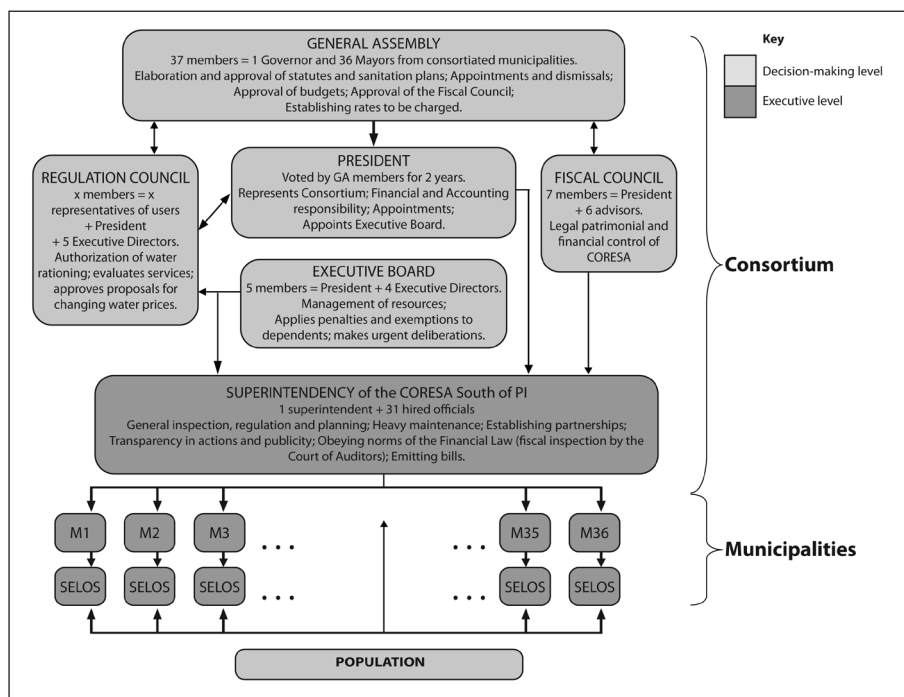


Figure 5: Schematic representation of the organizational structure of the CORESA and the SELOS

Public input was not sought during the planning phase, but the publicity campaign coordinated by the SEPLAN/PI and the PMSS aimed to inform the public about how they could get involved in the consortium once it was established. Public participation would be through representatives of the Regulation Council who would assist with development activities for social mobilization and communication through regional conferences. The PMSS had created a database on methods of communication within the municipalities that could be used for promoting CORESA to the general population. As a result, the coordinator for the

mobilization and social communication team produced a ‘cordel’, a traditional form of narrative poetry of north-eastern Brazil written in simple and popular language, to help explain the process.

At the same time, the Project for the Environmental Education and Social Mobilization for Sanitation (PEAMSS)¹³ was organized to stimulate public participation, promote public health and contribute towards the improvement in the quality of life. To achieve this, the PEAMSS sought to form collaborative partnerships with the Federal Government, educational institutions and other organizations to give institutional support and train popular environmental educators who would act in the communities.

Ratification of the CORESA Protocol

The second step was to have the Consórcio Regional de Saneamento do Sul do Piauí Protocol of Intentions ratified by the municipalities as well as the State Legislative Assembly. The PMSS team held a series of capacity-building seminars to inform the debates in the state and municipal councils. These seminars were important steps to clarify the project to councilors and presidents of the councils: 30 out of the 36 municipalities ratified the Protocol of Intentions, surpassing the minimum of 20 needed for the CORESA Sul do PI consortium to be implemented.

Six municipalities did not ratify the Protocol of Intentions in the first round in order to have more time to analyze the project; three eventually ratified later in the year. The other three municipalities, Bertolina, Jeremenha, and São Gonçalo do Gurguéia, did not ratify. In the case of Bertolina, the municipal council president was also a worker at AGESPISA and presented arguments similar to the ones shared by the Workers’ Union, the Sindicato dos Urbanitários¹⁴, concerning the job security of the employees of the state company who felt threatened by the replacement of the existing water services model. In São Gonçalo do Gurguéia, on the other hand, the water provision services were already municipal, so there was not much interest in the council to ratify.

13 Secretaria Nacional de Saneamento Ambiental, 2006, Volume 2 - Second part, p.27

14 The Workers’ Union in the Urban Industries of the State of Piauí - Sindicato dos Trabalhadores nas Indústrias Urbanas do Estado do Piauí (SINTEPI) is publicly known as the Sindicato dos Urbanitários, and is the workers’ union formed to defend the collective and individual interests, including judicial and administrative issues, of workers in several state companies such as AGESPISA.

After ratification at the municipal level, the PMSS began work to have the Protocol ratified by the Legislative Assembly of Piauí. Two main concerns were dealt with at this level by the Commission of Constitution and Justice (CCJ): the first was the security of jobs of a large number of AGESPISA workers in the consorciated municipalities. This was resolved by proposing that former workers could either stay in the municipality and work for another branch of the state government, or request a transfer to another place where AGESPISA would continue to provide service (i.e. in Teresina or one of the 35 municipalities closest to the capital). The second concern was with allegations that the project was not unconstitutional. This was addressed by the PMSS and state government juridical team who held presentations to clarify the constitutional procedures of the ratification, as well as by having the demonstrative support of the state governor and enabling presentations by the concerned Sindicato dos Urbanitários which encouraged AGESPISA workers to show up to these consultations to express their views. The project entered discussion in August, and was voted and approved by the state on 27 September 2005.

On 17 February 2006, after the Protocol of Intentions had been ratified by the Legislative Assembly of Piauí and the majority of the municipalities, the first Statutory General Assembly was held in Bom Jesus to elect the Consortium's first president, the mayor of Bom Jesus, Alcindo Piauilino, and the other four Executive Board members. The new headquarters of the Consortium was to be built at a cost of R\$800,000 on a piece of land donated by the municipal government of Bom Jesus, with resources secured by the National Health Foundation (FUNASA), and the Ministry of Cities, and the support of the state government.

Key Issues

The state of Piauí had two objectives to improve the provision of water and sewer services. One was the reform of AGESPISA. By reducing its area of service and concentrating on water provision in more urbanized regions, AGESPISA was expected to focus on its core strengths. In May 2008, AGESPISA had reduced its deficit by more than 30% from the 2007 budget. According to the current president of AGESPISA, "At this pace, in two years we will reach a balance between income and spending."¹⁵ He notes that this

15 <http://www.piaui.pi.gov.br/materia.php?id=29794&pes=agespisa>

is a basic condition for repayment of the long-term debts of the company, accumulated in the period between 1995 and 2007.

The second objective was to provide a structure for the provision of improved water and sewer services in the rest of the state. The PMSS sought a model that would decentralize decision-making and delegate functions to other levels of government, in this case municipalities and their collaborative framework.

Several challenges presented themselves as the CORESA Sul do PI, the first consortium, was formed. First, the consortiation model within the framework of the Federal Law for Public Consortia 11.107/05 was a recent development passed through legislation in Brazil in April 2005. CORESA was advertised as the first consortium to be formed after the law. Since the Consortia Law was new, there were no existing models to use as a reference during its development. Although the PMSS research has predicted a reduction of water costs of nearly one-third in the new model, which would largely improve the prospects for AGESPISA's recovery, there was resistance to such an innovative model. The President of the Association of State Sanitation Companies (Associação das Empresas de Saneamento Básico Estaduais) suggested that the focus should be on the financial improvement of established companies rather than the creation of a new model.¹⁶

Second, in its analysis of AGESPISA, PMSS found that the provision of water and sanitation services stemmed from much deeper structural problems within the company than originally believed, and these could not be resolved through a simple restructuring program. Instead, they realized that a more fundamental change in how water and sanitation services were delivered was needed. Excessive centralization in the state capital slowed down the provision of services in other parts of the state and internal mismanagement led to deficit and debt. The consortiation model was expected to devolve responsibility of water provision to the municipalities and away from the state and federal administrations, which would nevertheless maintain control through investments, expertise and influence in the General Assembly. The state is still involved and continues to play a main role in the financial viability of the projects in each municipality: the General Assembly is composed of several state executives (as well as municipal councilors), and funding has to be approved by the Governor.

16 "Piauí contesta contra Consórcio para Saneamento": http://www.fne.org.br/fne/index.php/fne/jornal/edicao_38_jul_05/piaui_protesta_contra_consortio_para_saneamento

The third issue was how to implement the model legally, since the framework of implementation largely depended on the acceptance of the model by the local governments, state councilors and AGEPISA workers. The process of implementation of the consortiation model is outlined by the Law for Public Consortia 11.107/05: signing, ratification by the municipalities and in the State Legislative Assembly, and lastly, the establishment of the Statutes in the first General Assembly. The impetus however was essentially top-down; at the local and state level, the new model was pushed through by the PMSS, who, as consultants for all stages of implementation shepherded the process past local and state government officials. The informative seminars and the aid given in the respective municipal councils of the South of Piauí aimed to inform them about the consortium, and to coordinate adoption of the Protocol of Intentions by the municipalities. This process in effect sought to legitimize and install the model rather than involve the municipalities in the design of the structure of the CORESA. Similarly, although civil society was identified as an important element of the consortium model, they played little part in influencing the actual structure of the model. Instead, the publicity campaign was aimed more at informing them of how to become involved in the new model rather than to participate in how it was developed.

Outcomes

Progress has been slow, and the outcomes of the process initiated by the PMSS have yet to be fully realized. After the CORESA was established, four informative newsletters were published by the Consortium to present up-to-date information about the process and its developments; however, no newsletters have been published since September 2007. By July 2008, projects for the provision of water to the municipalities of the CORESA Sul do PI were approved by the Growth Acceleration Program (PAC) – from the Federal Government, securing R\$32 million in investments towards infrastructure in the municipalities as well as investments coming from the National Health Foundation (FUNASA - Fundação Nacional de Saúde) (around R\$ 4.5 million) and the Ministry of Cities (around R\$1 million). The predicted date for the completion of the headquarters and the quality analysis laboratory was also July 2008. As of January 2009¹⁷:

17 <http://www.ccom.pi.gov.br/materia.php?id=33358&pes=coresa>

- ▶ Developments have been completed in two municipalities using investments of around R\$3 million from FUNASA: water wells and water tanks in Morro Cabeça do Tempo, and a treatment station and reservoir in Júlio Borges.¹⁸
- ▶ Construction projects for water provision, reservoirs, treatment and sewage infrastructure are in their conclusion phase in Alvorada do Gurguéia and Crisalândia.
- ▶ The state governor has authorized initiation of capacity building and infrastructure projects in 12 municipalities¹⁹, as well as the signing of contracts for the initiation of projects in 14 other municipalities²⁰ in the first half of 2009.

Questions for consideration

1. The consortium structure set out in Figure 5 presents a large number of state and municipal participants, both political and administrative. What are the likely sources of conflict between the state and municipal levels and how would this structure help to facilitate a consensus decision?
2. The general public played a very limited role in the development and approval of the Consórcio Regional de Saneamento do Sul do Piauí (CORESA Sul do PI) consortium. The Regulation Council, as set out in Figure 5, has been identified as the main avenue for public involvement in the consortium. Is this amount of public engagement at the consortium level adequate? If not, how should the public have been effectively engaged?
3. The implementation of improved water and sewer services by the consortium will require both federal and state funds. How might the consortium engage the federal government in its projects in order to gain support?

18 CORESA Informativo Edição 2: Junho 2007 <http://www.coresa.pi.gov.br/informativos.htm>

19 Barreiras do Piauí, Colônia do Gurguéia, Corrente, Gilbués, Marcos Parente, Monte Alegre do Piauí, Parnaguá, Riacho Frio, Santa Filomena, Sebastião Leal, Sebastião Barros and Uruçuí

20 Antônio Almeida, Avelino Lopes, Bom Jesus, Canavieira, Cristino Castro, Curimatá, Currais, Guadalupe, Landri Sales, Manoel Emídio, Palmeira do Piauí, Porto Alegre do Piauí, Redenção do Gurguéia e Santa Luz

4. According to the new law on consortia mentioned in the case study, the consortium in Piauí will also have to establish a detailed financial and operational plan that sets the main rules, obligations and procedures for capital budgeting and operations and maintenance expenditures among its members (the “plano de rateio”). How would you go about setting up such a plan?

RECIFE METROPOLITAN REGION

Integrated Management of the Beberibe Basin

The State of Pernambuco, three municipal governments – Camaragibe, Recife and Olinda – and several civil society organizations formed the Management Group of the Beberibe Basin (Grupo Gestor da Bacia do Beberibe – GGBB) to promote environmental improvement and the livability of communities located in the basin. This case study examines the process used to bring together a number of state agencies and municipalities to coordinate their responsibilities and attract additional federal funds. It illustrates the creation of a complex regional management structure endeavouring to coordinate both environmental and social issues.

Context

Critical Social and Environmental Issues

The socio-environmental situation of the Beberibe Basin, located in the Metropolitan Region of Recife, Pernambuco, is critical. Covering 81.37km², and with an approximate population of 590,000 and a high demographic density of about 7,300 inhabitants/km², the basin contains the largest concentration of low income people in the Metropolitan Region. The disorganized urban occupation along the river, which occurs from its source in Camaragibe to uncontrolled growth in the Recife section, and the occupation of the hills in Olinda, has caused the river channel to narrow as a result of silt from the hills and the water to become contaminated through the disposal of domestic sewage. The settlements, predominantly urban,

spread across several areas of risk (hills and flood-prone lands); the level of service in the existing infrastructure is low; the transport accessibility is reduced and urban integration is restricted.

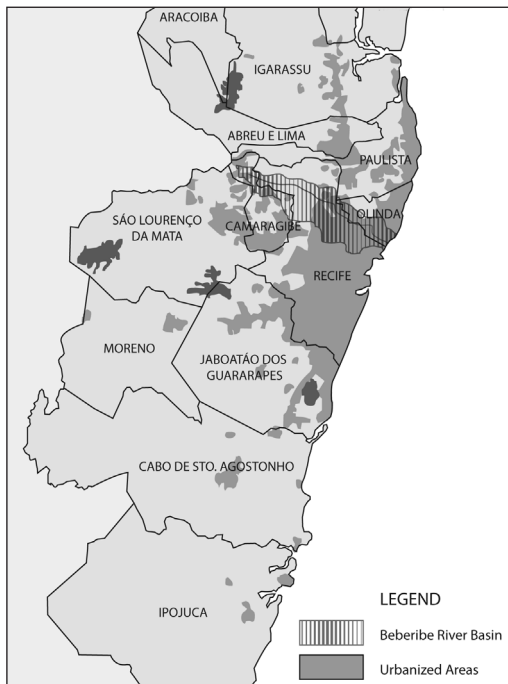


Figure 1: Location of the Beberibe Basin in the Metropolitan Region of Recife



Figure 2: Living quarters on the bank of the Canal da Malária (Malaria Canal) – Varadouro, Olinda.

Photo by Claudia Virginia



Figure 3: Solid waste in the Beberibe River – Peixinhos, on the Recife / Olinda border.

Source: olindahoje.blogspot.com

A Range of Overlapping Actions by Various Government Agencies

Several projects, developed by various governmental bodies with funding from different sources, generated the spatial overlap of similar actions, which, together with the demands of the existing communities, led to the constitution of the Management Group of the Beberibe Basin (Grupo Gestor da Bacia do Beberibe).

Since at least 2000, the State Government of Pernambuco has been studying the Beberibe River Basin and developing plans for its urban and environmental restoration. In 2001, the *Structuring Plan of the Beberibe Basin* (*Plano Estruturador da Bacia do Beberibe*) and, following that, the *Beberibe Basin Plan: Urban and Environmental Rehabilitation* (*Plano Bacia do Beberibe: reabilitação urbana e ambiental*) were completed. The latter, a middle to long-term investment plan, “defined a spatialization strategy for actions to be developed that could reverse the situation of poverty in this region, seeking to supply critical areas with adequate infrastructure, especially in relation to sanitary sewerage and the urbanization of low-income areas”.¹ The plan suggests the

1 According to the document *Bacia do Rio Beberibe: Recife, Olinda e Camaragibe: proposta de intervenção integrada* (2007).

introduction of the Beberibe Basin Committee (Comitê da Bacia do Beberibe - COBH Beberibe), the formation of an inter-municipal consortium and the installation of a local management unit.

Among the initiatives for actual intervention, two programs are of particular importance - *Viva o Morro* and *Pró-Metrópole*. The *Viva o Morro Program* was developed under the Metropolitan Chamber of the Environment and Sanitation (Câmara Metropolitana de Meio Ambiente e Saneamento – CMMAS) of the Council of the Development of the Metropolitan Region of Recife (Conselho de Desenvolvimento da Região Metropolitana do Recife – CONDERM), counting on support from the Ministry of National Integration (Ministério da Integração Nacional) and the Ministry of Cities (Ministério das Cidades) and resources from the General Budget of the Union (Orçamento Geral da União). This program aims to improve the livability and reduce the risk on the hills, considering that 44% of the population of the Metropolitan Region of Recife live in territory of rugged topography (which forms an extensive horseshoe that surrounds the coastal plains) and that a significant part of this population live in areas of extreme risk. Initiated in 1999 when the proposal was presented to CMMAS, the program involved physical interventions and actions towards environmental education and structuring of the Civil Defense (Defesa Civil). The State Agency of Planning and Research of Pernambuco (Agência Estadual de Planejamento e Pesquisas de Pernambuco - CONDEPE/FIDEM) is currently involved in the works of the Management Group of the Beberibe Basin (Grupo Gestor da Bacia do Beberibe – GGBB), due to the *Viva o Morro Program* and its intersections with GGBB's objectives.

On the other hand, the *Infra-Structure in Low-Income Areas in the Metropolitan Region of Recife Program* (*Programa de Infra-Estrutura em Áreas de Baixa Renda da Região Metropolitana do Recife*) was born with the support of the Water Quality Program (Programa de Qualidade das Águas – PQA), a set of coordinated actions by the State Government of Pernambuco, to improve the water quality of several existing basins in the metropolitan region. The PQA, which was initiated in the decade of 1990, began to direct its focus towards the improvement of the water quality of the Beberibe River Basin and, after that, towards the issue of housing in the Basin, leading to the *Pró-Metrópole* program. This started to become effective in 2003 when a loan agreement was signed between the State Government, the municipal governments of Recife and Olinda, and the World Bank, with

the objective of promoting the improved livability of around 35,000 families residing in the area (around 154,000 people), as a way to contribute towards the reduction of poverty and the improvement of the environment in the Metropolitan Region of Recife.

The agreement included a loan of U\$46 million, with a matching fund of U\$19.8 million from the State Government, U\$13.5 million from the Municipality of Recife and U\$6.9 million from the Municipality of Olinda. The investments were divided into metropolitan infrastructure (such as mass transportation and disposal of solid waste), and supra-local infrastructure consisting of the urbanization of precarious settlements located in the 13 sewerage units (unidades de esgotamento – UE), or micro-basins, in which the interventions were distributed.² The selected locations for the pilot stage of the Program were Campo Grande (ZEIS Campo Grande), in the city of Recife, and Passarinho, in the municipality of Olinda,. The following map presents, in grey, the areas that will be benefitted by the investments of the Program.

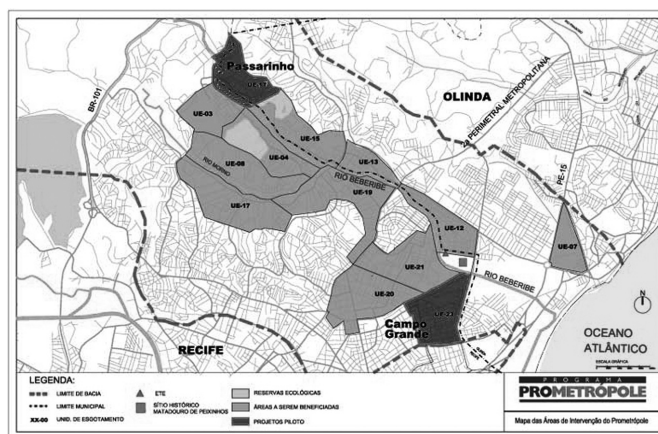


Figure 4: Delimitation of the UE of the Pró-Metrópole Program

Source: Pró-Metrópole

² The unit for basic intervention adopted by the Pró-Metrópole is the UE (Unidade de Esgotamento – Sewerage Unit), using the areas and limits defined by in the “Studies for Sanitary Sewerage - Estudos de Esgotamento Sanitário” of the Qualidade das Águas Project and the Water Pollution Control of the Beberibe, Capibaribe, Jaboatão e Ipojuca Basins - Controle da Poluição Hídrica das Bacias dos Rios Beberibe, Capibaribe, Jaboatão e Ipojuca - PQA/PE (SEPLAN/PE - 1997). The Sewerage Unit - Unidade de Esgotamento is a continuous área forming the only sub-basin for the collection of sewage and drainage, allowing for logical and integrated solutions, in the point of view of urban infrastructure and potential environmental improvement. This way, the benefits of the project may reach not only residents of areas of critical poverty, but the entire population located in the UE.

The participative methodology adopted included the formation of a Local Development Committee (Comitê de Desenvolvimento Local – CDL) in each UE, through which the community would represent itself in each of the three phases of the work: in the diagnosis; in the planning (in meetings and assemblies for the validation of projects); and in the implementation, when the CDL would then do the social monitoring of the construction.

The Pró-Metrópole works were initiated, but, because of the devaluation of the dollar, the resources became insufficient for the execution of all the agreed projects, leading to the World Bank and involved government bodies to decide to adjust the scope of the project, establishing the prioritization of interventions in each UE, as a way to reduce the total volume of public works. This way, as from 2006 when the Agreement was adjusted, the actions that were not yet being developed were technically licensed to receive resources from other sources.

Establishing Collaborative Governance

Bringing the Partners Together

In 2007, the government of Pernambuco developed an integrated intervention proposal in the Beberibe Basin with the support of the municipal governments of Recife, Olinda, and now also from Camaragibe.³ In the same year the PAC (Program for the Acceleration of Growth (Programa de Aceleração do Crescimento) was launched by the federal government, and its resources added to and complemented the resources of the Pró-Metrópole. The inauguration of the PAC in the end of 2007 was a decisive factor requiring consideration of the overlap of public works and services in the Basin. Each of the three municipalities of the Beberibe Basin - Recife, Olinda and Camaragibe - as well as the State Government demanded resources from PAC and so the federal government requested that several actions be made compatible. In addition, the communities that, since 2004, were mobilized for the formation of the CDL, began to complain about the slow pace of the public works.

To respond to the complaints of the residents of the areas, and also intending to make the several ongoing/programmed actions for the Beberibe Basin compatible once the projects became too many and there

³ This is in reference to the document cited in the previous note.

was no dialogue between them, the State Secretary of Water Resources (Secretaria Estadual de Recursos Hídricos) held the *Seminar About the Beberibe River: A New Era – (Seminário sobre a Bacia do Rio Beberibe: um novo tempo)* in May 2008. It had the following objectives:

- ▶ provide information about the environmental dynamics of the Beberibe Basin;
- ▶ make compatible the public agendas of intervention in the area;
- ▶ create mechanisms for participation and social control of the interventions.

The Seminar recommended the creation of a Work Group (Grupo de Trabalho), formed by the municipal governments of Recife, Olinda and Camaragibe, by several state bodies and by civil society institutions, which would direct the participative management of the Beberibe River Basin. The members of civil society present at the event appointed the entities that should form their representation in the Work Group.

Establishing a Consortium

After the *Seminar About the Beberibe River*, four meetings between state and municipal government bodies were held to (1) coordinate the schedule for the execution of public works and activities of the programs and projects developed in the Basin; (2) initiate the formation of a geo-referenced database to allow for the sharing of data in real time of the different partners and, as a result, the social control of management; and (3) discuss the composition and formalization of the group responsible for integrated management. The results from the preliminary discussions about these subjects were presented by the governmental actors to the Ministry of Cities in a meeting that occurred on the 14th of August of 2008. At that time, representatives of the National Secretaries of Sanitation and Settlement (Secretarias Nacionais de Saneamento e Habitação) were met in the capital of Pernambuco, together with the representatives of the Caixa Econômica Federal, for a technical visit of PAC's public works in the Beberibe Basin, an occasion that validated the format designed for collaborative management.

The formalization of the Management Group of the Beberibe River Basin (Grupo Gestor da Bacia do Rio Beberibe – GGBB) occurred on the 26th of August of 2008, when the first meeting of the group was held,

bringing together public entities and social organizations. Considering that a great part of the programmed action is the responsibility of the State Company for Settlement and Construction (Companhia Estadual de Habitação e Obras – CEHAB), a body attached to the State Secretariat of Cities (Secretaria Estadual das Cidades - SECID), it became responsible for coordination of the Management Group (Grupo Gestor).

However, the GGBB was only made official in March 2009, through a Joint Ordinance (Portaria Conjunta) of the State Secretaries of Cities (Secretarias Estaduais das Cidades – SECID), of Water Resources (Recursos Hídricos - SRH), of Planning and Management (Planejamento e Gestão – SEPLAG), of Science, Technology and Environment (Ciência, Tecnologia e Meio Ambiente – SECTMA), and the Municipal Governments of Camaragibe, Olinda and Recife. In the terms of the Ordinance, the GGBB is “responsible for assisting and supporting the establishment of policies and guidelines for the management of programs, projects and interventions to be developed by participating institutions, to communicate institutionally for the integration and to validate interventions”.

In addition to the institutions that signed the Ordinance, the following are part of the GGBB:

- the State Company of Settlement and Public Works (Companhia Estadual de Habitação e Obras - CEHAB), the Pernambuco Company of Sanitation (Companhia Pernambucana de Saneamento - COMPESA), the State Agency of Planning and Research of Pernambuco (Agência Estadual de Planejamento e Pesquisas de Pernambuco - CONDEPE/FIDEM), which are state bodies of indirect administration, associated with the secretaries that signed the Ordinance;
- and, making up the representatives of civil society (elected in the Seminar of May 2008), the Centre for Support Friends of Beberibe (Núcleo de Apoio Amigos do Beberibe), the Socio-Environmental Forum of Aldeia (Fórum Sócio-Ambiental de Aldeia), the Cultural Group Beija-Flor of Beberibe (Grupo Cultural Beija-Flor de Beberibe), the College Maurício de Nassau (Faculdade Maurício de Nassau), the Brazilian Association of Sanitary and Environmental Engineering (Associação Brasileira de Engenharia Sanitária e Ambiental - ABES) and the 15 Committees of Local Area Development (Comitês de Desenvolvimento Local de Área - CDLA) that correspond to the UE

that were used to divide the Beberibe River Basin in the municipalities of Recife, Olinda e Camaragibe.⁴

The collaboration is guided by the formal agreement between the State Government of Pernambuco, the Municipal Governments of Camaragibe, Olinda and Recife and civil society entities, an agreement that was made official through the Joint Ordinance N° 013 (Portaria Conjunta N° 013). It created the Management Group of the Beberibe River Basin (Grupo Gestor da Bacia do Rio Beberibe – GGBB), formed by governmental institutions, and the Social Group of the Beberibe Basin (Grupo Social da Bacia do Beberibe – GSBB). The GGBB, which is coordinated by the Secretary of Cities (Secretaria das Cidades – SECID), can establish specific work groups. In addition, the governmental institutions gather together in the Executive Group of the Beberibe Basin (Grupo Executivo da Bacia do Beberibe - GEBB).

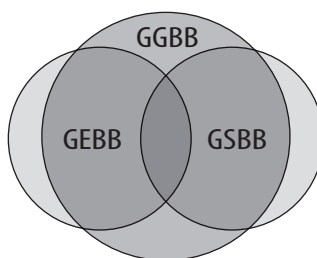


Figure 5: The model adopted in the management of the Beberibe Basin.

Source: SECID

Naturally, there are some decisions that are the sole responsibility of each of the governmental entities involved. What is shared between the GGBB and the GEBB are the decisions related to the communication of actions. Decisions that are technical in nature are made by the GEBB, while the broader decisions related to the integration of several projects are made by the GGBB.

By April 2009, the GGBB has carried out three meetings. In the break between these meetings the Executive Group of the Beberibe Basin (Grupo Executivo da Bacia do Beberibe - GEBB), holds periodic meetings and activities seeking to integrate the actions developed in the Beberibe Basin.

⁴ The 15 CDLAs correspond to the 13 UEs defined under the Pró-Metrópole (Recife e Olinda), adding two new UEs that have constructions from PAC in Camaragibe.

Implementation Issues

One of the difficulties faced by the Integrated Management of Beberibe Basin project is the different focuses and treatment of the settlement issue between several of the projects. For example, in cases where the removal of settlement units is needed for the urbanization of a centre, the Pró-Metrópole works with the resettlement while the Municipal Government of Recife compensates the population for their property but does not take responsibility to offer new housing. The standardization of methods is a challenge that has demanded long discussions.

Another challenge in the development of the project results from intra-governmental disputes, in particular among state government bodies. It was, for example, a dispute over the coordination of the GGBB that delayed the publication of the Ordinance to form the Group. Apart from that, since there is conflict in the directives of these bodies, it is not always clear which of them should be responsible for a given action of the project. Strictly, a project of this size should be under the responsibility of a body of metropolitan governance. However, this field has a lack of definition. The former FIDEM is extinct, as is the CONDEPE, and in their places the CONDEPE/FIDEM Agency was created, attached to the State Secretary of Planning and Management (Secretaria Estadual de Planejamento e Gestão - SEPLAG). Although the new agency has attributes that allow it to be characterized as a metropolitan body, in practice it executes state governmental planning functions. At the same time, the Secretary of Cities was created, with broad responsibilities for territorial planning and for the management of settlement policies and urban mobility. The creation of a Metropolitan Consortium with a broad mandate is being studied.

Still another issue is related to the lack of an administrative and technical structure dedicated exclusively to GGBB's works, such that the adjustments and the integration between projects tend to consume more time and could be made more efficient. Until recently, the project lacked an information system that allowed participants to control actions and interventions. At the moment, the internal management of the GGBB is being discussed and there are expectations that this, once approved, will present the need for a support structure.

Outcomes

Consolidation and Integration of Resources

The Integrated Management of Beberibe Basin project (projeto Gestão Integrada da Bacia do Beberibe) uses resources from various levels of government. Just the investments from PAC add up to 486 million reais; added to other governmental resources and amounts transferred by the World Bank (R\$141 million), it amounts to approximately 640 million reais. These resources are used for urbanization, settlement production, sanitation and other infrastructure, community equipment, and environmental restoration.

The integration of projects of several governmental bodies and the elimination of overlap allowed access to the resources of PAC for actions in the three municipalities involved. This also complemented the resources of the Pró-Metrópole. There are several ongoing constructions.



Figure 6: Housing complex in the UE 23 in Campo Grande, in Recife.

Source: Pró-Metrópole



Figure 7: Regeneration of the Canal da Malária (Malaria Canal) in Olinda.

Source: Pró-Metrópole

Questions for Consideration

1. While the need for improved coordination of government activities in the Beberibe Basin was apparent and under discussion, the requirement of the federal government and other funding agencies for coordination played a large role in the establishment of the Management Group of the Beberibe Basin (Grupo Gestor da Bacia do Beberibe – GGBB). Is an external force essential to get local agencies to work together?
2. Local communities participate in the Management Group of the Beberibe Basin (Grupo Gestor da Bacia do Beberibe – GGBB) largely through representatives of Local Development Committees (Comitê de Desenvolvimento Local – CDL). Are their concerns likely to be heard given the large number of agencies and decision-making groups involved?
3. The Management Group of the Beberibe Basin (Grupo Gestor da Bacia do Beberibe – GGBB) is “responsible for assisting and supporting the establishment of policies and guidelines for the management of programs, projects and interventions to be developed by participating institutions, to communicate institutionally for the integration and to validate interventions” but final decisions and financial accountability rest with the responsible agencies. How might conflicts between the GGBB and an agency be addressed?
4. The Beberibe Basin experience is a typical case of collaborative governance triggered by a specific project or program. What are the strengths and weaknesses of this kind of collaborative governance as compared to more institutionalized forms of collaboration such as formal consortia or agencies?

CANADIAN CASE STUDIES

METRO VANCOUVER

Collaboration for a Sustainable Metropolitan Region

Metro Vancouver, Canada, is a consortium of 22 municipalities. It provides a broad range of region-wide services to 2.3 million people including water, sewer and solid waste utilities, air quality, regional parks, social housing and regional strategic development planning. This case examines Metro Vancouver's collaborative governance model and its application in regional development planning. It illustrates the functions of an inter-municipal consortium in addressing urban development and environmental protection matters that have both regional and local impacts.

Context

Metro Vancouver is consortium of 22 municipalities, one First Nations (aboriginal) government and one unincorporated area located at the mouth of the Fraser River in the Province of British Columbia, Canada (Figure 1). The region's population of 2.3 million is accommodated in municipalities which range in size from the City of Vancouver, the central city of the region with over 600,000 people, to villages of less than 1000 people.

Collaborative governance

Functions

In Canada, the structure and authority of municipal and regional governments are defined by the provincial governments. Regional functions in Metro Vancouver have generally evolved through a process

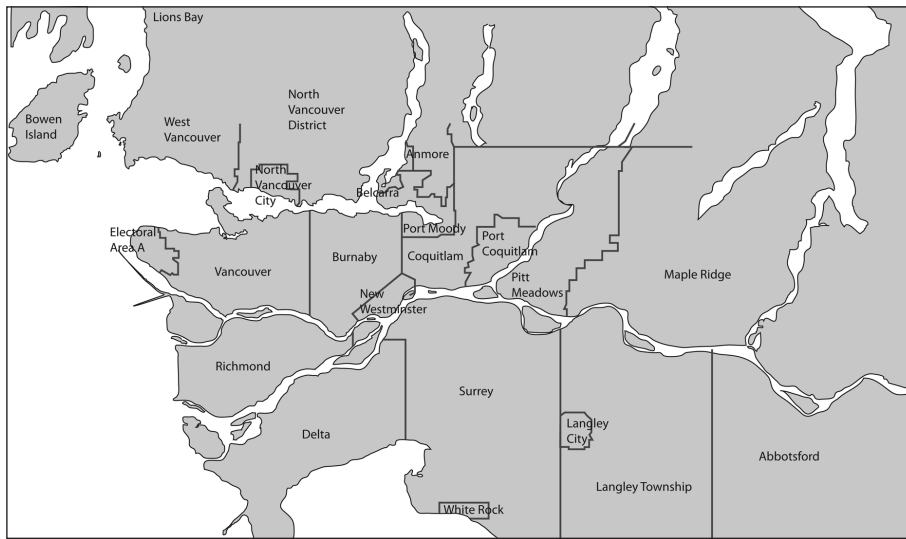


Figure 1. Metro Vancouver Municipalities

of municipalities deciding to collaborate to provide services for reasons of cost or effectiveness, upward delegation of the responsibility to deliver those services to a regional organization, and confirmation of the regional organization's authority to provide the services through provincial legislation. In the early part of the 20th century, municipalities formed two consortia for utility services: the Greater Vancouver Sewerage and Drainage District (GVS&DD) and the Greater Vancouver Water District (GVWD). Inter-municipal cooperation on regional planning dates from the early 1950s with the establishment of the Lower Mainland Regional Planning Board. In 1967, the Province established the Greater Vancouver Regional District (GVRD) to bring together the increasing number of single purpose consortia and ensure equal access to commonly needed services. The number of municipalities in the consortium has gradually grown as the population increased and the urban region expanded. In 2008, the GVRD adopted the name 'Metro Vancouver' in order to communicate more effectively to the region's public, and at national and international levels, the Board's integrated approach to providing regional services. Today, Metro Vancouver incorporates four legal corporations – GVRD, GVS&DD, GVWD and the Metro Vancouver Housing Corporation (MVHC) – with a common political board and unified staff.

Metro Vancouver has essentially three main functions as set out in Figure 2. Set within the context of the Metro Vancouver Board's Sustainability Framework Vision and Principles, the organization:

- ▶ Provides regional services in conjunction with municipalities. These include water, sewerage and solid waste disposal in which Metro Vancouver provides regional services (watersheds, dams, water purification system, major trunk lines, sewer treatment plants, landfills, waste-to-energy incinerator) and municipalities provide local distribution or collection systems. Metro Vancouver's services also include regional parks to complement parks provided by other levels of government, social housing for low income families, seniors and people with disabilities, and labour relations on behalf of municipalities.
- ▶ Develops plans, policies and regulations for the utility services it provides, the provincially-delegated function of air quality management, and regional growth management. These plans are developed with reference to the plans of municipalities, transportation agencies and the federal and provincial governments.
- ▶ Political leadership for the region. Metro Vancouver serves as political forum for discussion of significant community issues at the regional level. This includes not only the issues for which it is responsible, such as solid waste management, but also other issues affecting municipalities such as safety and security.

Metro Vancouver's functions have not been static over the years. Some functions have been considered but not pursued, most notably regional economic development. A role in financing hospitals from the property tax base was returned to the province in exchange for a requirement to partially finance regional transportation development. The province suspended Metro Vancouver's powers for regional planning from 1983 to 1995, although the Board continued to undertake voluntary cooperative inter-municipal planning. The province has moved transportation responsibilities back and forth between the province and Metro Vancouver, most recently with the Metro Board responsible for choosing from among its members the Board of the regional transit and major roads agency, TransLink, from 1999 to 2007.

Political Structure

Metro Vancouver's collaborative federation model is reflected in the governance arrangements set out in the provincial Local Government Act. Politicians are elected to their local municipal council, which in turn annually elects from among the council members the municipality's representative(s) on the Metro Vancouver Board. A municipality receives one vote on the Metro Vancouver Board for every 20,000 residents and no Board Director may hold more than five votes. As a result, a small municipality will have one Director and one vote on the Metro Vancouver Board while a large municipality such as the City of Vancouver will have six Directors and 27 votes. The Metro Vancouver Board has 37 Directors comprising primarily the municipal mayors and senior councillors. The Board elects its Chair and Vice-Chair annually from among its members.

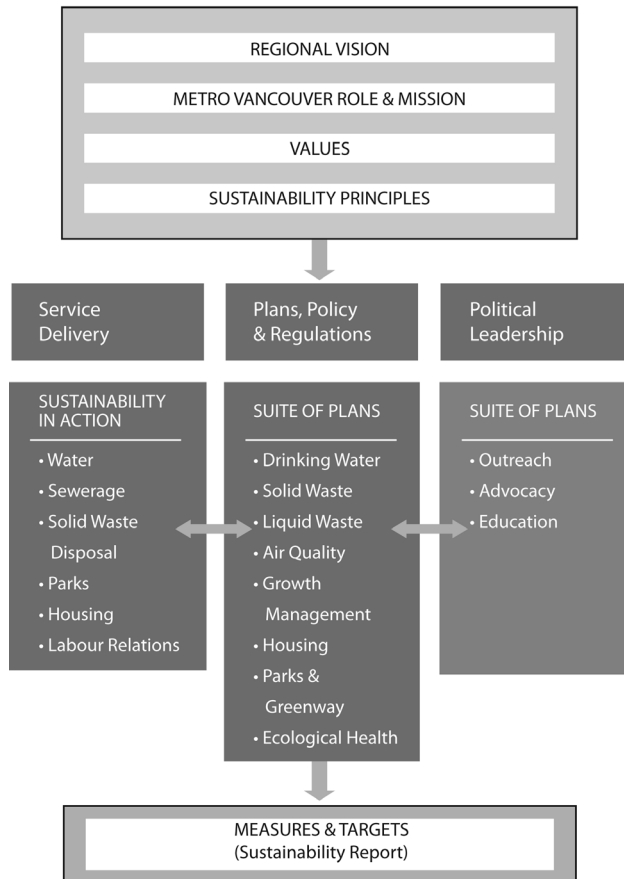


Figure 2. Metro Vancouver Sustainability Framework

The Board Chair establishes functional committees comprising Board Directors and other municipal politicians who do not serve on the Board to undertake the Board's business. These include committees on finance, water, waste management, parks, housing, regional development, the environment and agriculture. The committees make recommendations to the Metro Vancouver Board which takes decisions.

Communications and Public Engagement

Metro Vancouver's collaborative governance model relies on extensive communication and dialogue among the municipal partners, with other governments and their agencies, and with the public and economic sector. Key features of this process are:

- ▶ The large Board of Directors and committee structure which engages many municipal politicians in Metro Vancouver matters. This is supplemented by periodic Council of Council meetings which bring together the region's 155 municipal elected officials to discuss critical issues. This ensures a flow of information among the consortium's political leaders and provides opportunities to influence regional policy.
- ▶ Inter-municipal staff committees that bring together representatives of each participating municipality. These include administrative and technical committees on local government management, finance, engineering, planning and other matters. They ensure that municipal staff are informed and provide an opportunity for them to advise the Metro Vancouver staff and Board.
- ▶ An extensive public outreach program which includes television programs, community dialogues and conferences, web-based interaction and public meetings.

Funding

Metro Vancouver has 1400 employees, an annual budget of \$CDN530 million and an annual construction expenditure of \$CDN75-100 million depending upon the capital program. Revenue is primarily from utility fees and property tax, with senior government funding largely restricted to periodic contributions to major construction projects. Metro Vancouver's

operating budget come from six main sources tied to the services provided by the legal corporations:

- ▶ Property tax requisitions for parks, air quality, regional growth planning (GVRD)
- ▶ Sewer levy (GVS&DD)
- ▶ Solid waste tipping fee (GVS&DD)
- ▶ Water sales (GVWD)
- ▶ Housing rents (MVHC)
- ▶ External revenues, reserves and other sources

Development of a Regional Growth Strategy

The development and management of Metro Vancouver's Regional Growth Strategy is an example of the collaborative governance model. The Regional Growth Strategy is a long term framework for the region's future land use that guides decisions on environmental protection and growth. It is a shared commitment by Metro Vancouver and member municipalities to work together to achieve sustainable regional goals. The integration of land use and transportation strategies is a central component of the strategy and key to how the region grows and changes in the future.

The Board's approach and provincial legislation governing Regional Growth Strategies set out in the Local Government Act is based upon a non-hierarchical approach to developing policy that seeks a balance between regional and municipal objectives. The province does not approve Metro Vancouver's Regional Growth Strategy but the legislation does require that municipal councils and the Metro Vancouver Board come to agreement on a plan.

The provincial Local Government Act provisions for Regional Growth Strategies contain a number of features supporting collaboration. These include:

- ▶ The development of a regional growth strategy that has the formal acceptance of each municipality prior to final approval by the Metro Vancouver Board. It also requires acceptance by the adjoining regional governments and by TransLink, the regional public transit agency. These organizations have 120 days to either accept or not accept the proposed Regional Growth Strategy.

- ▶ The requirement for Regional Context Statements as part of each municipal official plan which shows how they are consistent with the approved Regional Growth Strategy, or will be brought into consistency over time. This statement requires the approval of the Metro Vancouver Board.
- ▶ The provision of a dispute resolution process to be used in establishing a Regional Growth Strategy or a Regional Context Statement where the Metro Vancouver Board and a municipality or other organization disagree. If a non-binding resolution process is not successful, the legislation offers a number of options to ensure that the dispute is resolved:
 - settlement by peer panel composed of three persons selected with agreement of the Board and the local government;
 - proposal arbitration by a single arbitrator selected with agreement of the Board and the local government and no written decision;
 - full arbitration by a single arbitrator selected with agreement of the Board and the local government with a written decision.

While Metro Vancouver and its member municipalities are required to come to agreement on land use plans, there is a very weak legislative relationship with the provincial transportation component that is required for effective regional growth management. At present, TransLink is legislatively required to provide an opportunity for Metro Vancouver to comment on its strategic plans, Metro Vancouver is required to obtain TransLink's acceptance of its Regional Growth Strategy, and TransLink's Mayors' Council comprising largely Metro Vancouver Board members plays a limited role in establishing TransLink's strategic plans. There is no local involvement in provincial highway development.

In addition to legislated requirements, the Board can establish Implementation Agreements with other organizations to achieve specific objectives. While provided for in provincial legislation, these agreements are essentially statements of voluntary cooperation. For example, the Board has an Implementation Agreement with the provincial Agricultural Land Commission which is responsible for designation of agricultural land use areas.

Development of a Regional Growth Strategy requires opportunities for input by citizens, First Nations, school boards and other district boards, and with provincial and federal governments and their agencies. In part,

this is done through an Intergovernmental Advisory Committee involving provincial, municipal and regional officials. There is no prescribed process for public consultation but it can include meetings with municipal councils, public meetings and regional dialogues as well as other methods to collect and assess feedback.

Livable Region Strategic Plan and Metro Vancouver 2040

Metro Vancouver's current Regional Growth Strategy, the Livable Region Strategic Plan (LRSP), was adopted in 1996. It built upon previous collaborative inter-municipal plans adopted in 1966 (Official Regional Plan), 1975 (Livable Region Strategy) and 1980 (Updated Official Regional Plan). The LRSP is used by the Board, municipalities and other organizations as the framework for making regional land use and transportation decisions.

The Livable Region Strategic Plan is being updated through an extensive consultation process involving municipalities, the general public and a wide range of community interest groups. Based upon the concept of sustainability, the proposed Regional Growth Strategy entitled "Metro Vancouver 2040: Shaping Our Future" has five key goals:

- ▶ Create a Compact Urban Area
- ▶ Support a Sustainable Economy
- ▶ Protect the Region's Environment and Respond to Climate Change
- ▶ Develop Complete Communities
- ▶ Support Sustainable Transportation Choices.

Implementation Through Agreements

Implementation of the Regional Growth Strategy is in part through Metro Vancouver's services and its ability to influence the plans of other governments but primarily it is through Regional Context Statements which are part of municipal Official Community Plans. Once Metro Vancouver has adopted a Regional Growth Strategy, each municipality must prepare within two years an updated Regional Context Statement showing how local plans will help to achieve regional objectives or, where necessary, how they will evolve over time to become more consistent. These are submitted to the Metro Vancouver Board for acceptance. The Regional Context Statement is a means of protecting a municipal council's authority

to make local planning decisions while ensuring that the council and the regional board agree upon matters of legitimate regional interest. If Metro Vancouver does not accept a Regional Context Statement, it must notify the local government and indicate the provisions to which it objects and the reasons for its objections within a specified period of time. Resolution of conflicts regarding Regional Context Statements is governed by the same legislation as for Regional Growth Strategy.

Outcomes

Metro Vancouver is widely known as one of the world's most livable regions because of its spectacular natural setting, high standard of living and environmental quality. The practice of collaborative governance among municipalities over many years through Metro Vancouver and its predecessor organizations has helped to guide development and provide cost-effective urban services. The Metro Vancouver model, however, is challenged in a number of significant ways.

The governance model provides few institutional arrangements for collaboration between Metro Vancouver and the provincial government. This is an important relationship because the Province sets Metro Vancouver's governance arrangements, approves regional plans for liquid and solid waste, determines environmental standards, and provides important regional services such as highways, public transit and agricultural land protection. While there is dialogue between Metro Vancouver and the province at both political and staff levels, the absence of a well-developed collaborative process can result in a misalignment of objectives. This is particularly critical for the Regional Growth Strategy's ability to coordinate land use, which is governed by municipalities, and major transportation facilities, which are governed by the province.

A second major challenge is the requirement for a very high level of agreement among the consortium municipalities on policy and actions. As a consensus-based, collaborative federation, Metro Vancouver invests considerable time in seeking solutions that meet the needs of all its members. In the case of the Regional Growth Strategy, provincial legislation requires that all municipalities agree with the Strategy prior to Board approval. As a result, the significant compromises required to establish plans or actions may not serve the region in the longer term.

A third issue is whether Metro Vancouver's extensive collaborative governance model is the most appropriate to manage the issues of urban development of the 21st century. In recent years, Canada's two other major metropolitan regions experienced governance change as the Province of Ontario amalgamated the municipalities of Metro Toronto into a single City of Toronto and the Province of Quebec undertook significant amalgamation of local government functions in the Montreal region. In Metro Vancouver, the number of consortium members is increasing and there is a growth in special purpose collaborative structures to address increasingly complex region-wide issues such as safety and security. The future may require stronger Metro Vancouver political leadership through a part of the Board being directly elected rather than appointed by municipalities and a consolidation of some organizations to provide equitable and efficient decision making and services.

Questions for Consideration

1. The Metro Vancouver Board of Directors comprises municipal councillors appointed by each member of the consortium. The Directors must both consider what is best for the region as a whole and what is best for their municipality. What dilemmas might this present? How might they resolve them?
2. Metro Vancouver's strategic plans often address longer term matters such as the growth of the region and investment in utility services over the coming decades which may not be of immediate interest to the public. What approaches might be used to engage people and organizations in regional issues to ensure they reflect public values?
3. Metro Vancouver's Regional Growth Strategy presents objectives for the region's future land use and transportation development. The transportation system, however, is the responsibility of the province which is not closely engaged in development of the Strategy. How might Metro Vancouver most effectively engage the Province on land use and transportation coordination?

THE VANCOUVER AGREEMENT

The governments of Canada, Province of British Columbia and City of Vancouver established the Vancouver Agreement in 2000 as a basis for working together to improve conditions for low income people in Vancouver. The focus was on the inner city Downtown Eastside neighbourhood, an area facing decline due to structural changes in the economy, a significant increase in the community of people with mental illness and addiction to drugs, and market pressure for redevelopment. This case study examines the structure of the Agreement and what it accomplished. It illustrates a consortium among three levels of government, each with some jurisdictional responsibility to address the problems of a distressed neighbourhood.

Context

The City of Vancouver, located in British Columbia, Canada, is consistently ranked among the best cities in the world in which to live. It has a population of almost 600,000, within the Metropolitan Vancouver region of 2.3 million people.

An exception to Vancouver's urban development success has been a traditionally low income and immigrant area known as the Downtown Eastside. Three-quarters of its 16,000 residents live below Canada's poverty line. In recent years they have been joined by about 1000 homeless people. Over the last thirty years part of the area has experienced considerable decline due to structural changes in the economy which resulted in the loss of businesses and jobs, the concentration of the illegal drug trade and prostitution as other downtown neighbourhoods revitalized, and the

growth of related health issues such as HIV/AIDS. At the same time, some parts of the area experienced considerable investment through heritage conservation and new residential towers which put pressure on the housing and other supports that have traditionally served low income residents.

By the end of the 1990's, the Vancouver Health Board declared the HIV/AIDS epidemic a public health crisis. This, in combination with the increased crime, street disorder and economic decline, was a focal point of considerable media attention. It was clear that the solutions to these profound issues were beyond the resources and authority of the City to resolve on its own. As a result, Vancouver City Council formally requested the development of a Vancouver Agreement (VA) amongst the three levels of governments to address these issues.

There was, however, considerable disagreement about the goals of coordinated action, let alone about which initiatives should be given priority, who should lead them and how these issues should be decided. Ultimately this reflected fundamental disagreements – some of which remain - about what was causing the problems and the nature of the solutions. Some of these were amongst government partners; others reflected the views of the people who live or work in the community and the organizations that represent them.

Establishing Collaborative Governance

Shared Responsibility for Solutions

Each level of government had some jurisdiction over the issues facing the low income population, businesses and market housing interests of the Downtown Eastside and they often provided different services targeted at the same people. These services were provided with little collaboration and coordination. When collaboration did occur, it depended on the initiative of individuals within the governance structure who understood how to engage their own system with those of other governing bodies. As a result, a significant amount of money was spent to address issues such as social housing, drug addiction, poverty and economic development, but not in strategic and often in a contradictory way.¹

¹ Mann, Ardath Paxton. "The Vancouver Agreement: building multi-sectoral partnerships," from Panel on "Community development in Canada and Chile: an inclusive approach to alleviate poverty" at XI Congreso Internacional del CLAD sobre la Reforma del Estado y de la

According to government officials: “The Vancouver Agreement was formed because the governments of Canada, British Columbia and Vancouver recognized that by coordinating efforts and working more closely together, and with community and business groups, they could achieve long-term, sustainable solutions to Vancouver’s inner-city problems”. It attempted to create a collaborative or horizontal model to ensure continual dialogue between the three levels of government in order to better serve all regions of Vancouver, with its first focus being the challenges facing the Downtown Eastside.

Overview of the Vancouver Agreement

The Vancouver Agreement was established in March 2000 for an initial 5-year term between three levels of government: the Canadian federal government, the provincial government of British Columbia and the City of Vancouver municipal government. Given the significance of the health and safety issues facing the inner city, the Vancouver Health Board and the Vancouver Police Department were also signatories to the agreement. All three levels of government committed “to work together, and with communities and business in Vancouver, on a coordinated strategy to promote and support sustainable economic, social and community development.”²

The VA was initially unfunded; it was intended to carry out its work through what has been described as horizontal coordination between the three levels of government in cooperation with the private, community and non-profit sectors. Rather than the Vancouver Agreement overseeing the mandates, responsibilities or work of the public bodies or community agencies involved or becoming a funding agency with its own priorities, the governments hypothesized that long-term, sustainable solutions could be more readily achieved by coordinating the efforts of willing public sector and community partners. In this way the VA aimed “to add value to the individual and collaborative activities of the three governments through planning, implementation, investment, monitoring and evaluation.

Administracion Publica. Guatemala. 7-10 Nov 2006. P 2-3. Available at: www.iiij.derecho.ucr.ac.cr/archivos/documentacion/inv%20otras%20entidades/CLAD/CLAD%20XI/documentos/paxtoman.pdf.

2 Vancouver Agreement, “The Agreement,” available at: <http://www.vancouveragreement.ca/TheAgreement.htm>.

The VA also placed a priority on identifying gaps in as well as unnecessary duplication of government services.³

The theme developed for the Vancouver Agreement was “Revitalization without Displacement”. The goal was to help improve the quality of life for the disadvantaged – especially those suffering from mental illness, addictions, unemployment and inadequate housing – while at the same time improving the climate for investment in business and market housing. Task teams were established to address the separate issues. Each team either adapted existing policy plans or developed new ones; but each plan contributed to and was dependent on the others. The key to meeting the goal was balancing the pace of change and making sure that affordable housing, much of it with health supports, was developed at a pace in keeping with market housing development.

The Agreement was renewed for another 5-year period in 2006, because it had achieved some successes and also to help stabilize conditions and meet the Inner City Inclusive Commitments made to the International Olympic Committee as part of Vancouver’s successful bid for the 2010 Winter Games. However, since its renewal, the VA experienced a significant loss of government support in terms of funding and the number of staff committed to the project.

Structure of the Vancouver Agreement

The Vancouver Agreement had political and bureaucratic decision making structures which were modified over time based on experience, emerging priorities and opportunities as well as changes in personnel. The signed Agreement identifies three formal Committees and a small staff team:⁴

- *Policy Committee*: The federal and provincial governments each appoint a Minister responsible for the VA and the Mayor of Vancouver represents the municipal government. This committee has ultimate responsibility for the VA, including decision-making and accountability.
- *Management Committee*: Each government partner is represented by an executive-level staff member from the lead agency for the VA;

3 Vancouver Agreement, “Who’s Involved,” available at: http://www.vancouveragreement.ca/Whos_Involved.htm.

4 Vancouver Agreement, “Who’s Involved,” available at: http://www.vancouveragreement.ca/Whos_Involved.htm.

the federal lead is Western Economic Diversification Canada, the provincial lead is the Ministry of Community Services, and the City lead is the City Manager's Office. The committee is responsible for inter-governmental relationships, external communication, monitoring and evaluation, investment decisions, and oversight of operational activities. It can also set up other committees and task forces and delegate authority as needed, within the parameters established by the Policy Committee.

- *Coordination Team:* This committee is comprised of representatives of each level of government and appropriate staff and professional resources to assist with the day to day management and coordination of initiatives approved under the Agreement.
- *Coordination Unit:* A small secretariat comprised of an Executive Coordinator and staff to provide coordination, communications and administrative supports for VA initiatives.

Over time the Management Committee established an Operating Managers Committee so that senior managers in relevant ministries and departments could negotiate and coordinate major policy changes, funding and other supports for priority initiatives. A number of intergovernmental Task Teams were also appointed to consult with the community and to carry out initiatives in specific areas.

Community Engagement

One of the first challenges faced by staff working on the Vancouver Agreement was how to engage the people who live or work in the Downtown Eastside, the service agencies and the many organizations that represent these diverse interests. This was in part to ascertain their opinions about what should be done and in part how the Agreement should be structured to ensure the community's views were part of its ongoing decision making.

After initial consultations with the general public, community representatives, business owners, First Nations and others, a Community Consultation Working Group was created for consultation regarding specific initiatives. A variety of engagement techniques were used including public meetings, open houses, facilitated discussions, focus groups and surveys of residents on specific initiatives. However, it proved to be

challenging to carry out consistent ongoing meetings with the diverse interests or to engage them in a formal way with the VA decision making structure. As a result, dissatisfaction was expressed by organizations in the community about their level of involvement. Given the complexity and controversial nature of many of the issues, it was difficult enough for all three levels of government themselves to agree to an initiative without the added element of community stakeholders.

Funding

The Vancouver Agreement was initiated with no dedicated funding. This was both a benefit and a disadvantage. It was easier for the different levels of government to approve the Agreement because it did not have to compete with other projects for funding⁵ and each partner could voluntarily contribute based on the pre-existing structures and resources available to them.⁶ However, once the VA was in place, a lack of long-term funding hampered its ability to make long-term plans or to leverage other resources.

This problem was partially ameliorated when the senior governments provided \$20 million in reasonably flexible funds that could be used to fund a wide range of projects in the neighbourhood as well as administration and evaluation. Vancouver's bid for the 2010 Winter Olympics in 2003 also provided some direct and indirect resources, since some facilities would be located close to the area. This increased funding altered the dynamics of the agreement by raising its public profile and by placing greater pressure on the different branches of government to deliver some of the agreement's objectives.

However, the relatively small amount of funding – in relation to the needs of the neighbourhood – also contributed to shifting the fundamental work of the agreement from focusing policy changes and major investments from the three levels of government toward an increasing focus on spending the limited funds the VA had at its disposal. Over the next few years preparing for the Olympics and its companion infrastructure in the Olympic Village, Convention Centre and major recreation and

5 Mason, 18. Mason, Michael. "Collaborative Partnerships for Urban Development: a Study of the Vancouver Agreement." Research Papers in Environmental & Spatial Analysis, No. 108 (March 2006). Available at <http://www.lse.ac.uk/collections/geographyAndEnvironment/research/Researchpapers/108%20Mason.pdf>.

6 Interview with Nathan Edelson, former Senior Planner, City of Vancouver.

transportation facilities, also replaced the Downtown Eastside as the top priority for governments and the attention of their senior managers.

Political Leadership

The Vancouver Agreement was initially championed by high-level elected officials at all three levels of government. This leadership served to encourage employees to consider cooperation with other departments of the governments in situations where they normally might not. An analysis of the Agreement notes that: “It was mentioned by federal and political participants that horizontal management is nowhere mandated in the responsibilities, performance pay, and professional standards of public sector officials: the VA sanctioned what one provincial government respondent described as ‘the permission to take risks when most of us are risk-averse.’”⁷

All three levels of government experienced significant changes as a result of elections during the course of the VA. This led to new political leaders with different sets of priorities than the initial signatories of the Vancouver Agreement. As the Agreement had not been passed through the legislatures, the new elected leaders were not legally obligated to follow through on the agreements of the previous signatories and could adjust how funding was allocated based on their priorities.⁸ But even if there had been legislative authority, the shifting approaches and priorities of the elected political leadership can have a significant impact on the levels of funding available and the types of initiatives that are supported. This was true of both the staff working directly on the VA and its committee structure and even more true of staff from other departments and ministries whose funding or policy support were needed to implement VA approved initiatives.

High-level leadership within each tier of government was crucial for the creation of the VA and for the success that it did produce. This was because the Agreement asked government employees to coordinate their work with their counterparts in other government agencies – in other words, to change their way of doing business – without the provision of significant additional financial or human resources. In practice, this meant

⁷ Mason, 21.

⁸ Mason, 19-20; interview with Nathan Edelson.

that employees had to add the VA, which required additional work, to their already long list of activities.

Some of the early success of the VA occurred in part because high-level officials at each level of government acted as “political champions” for the agreement, pushing to make it a priority in its initial years of implementation.⁹ However, these same people who had championed the agreement either lost power as a result of subsequent elections or were transferred to other responsibilities.

Another related problem was that the VA was voluntary. With the exception of a small number of top priority items, there were no deadlines set within each ministry for the achievement of certain outcomes that employees were obligated to meet. If there was a disagreement between different government agencies or personnel within those agencies, there were limited mechanisms for dispute resolution.¹⁰

Multilayered Decision Making

The organizational apparatus of the VA was established in an effort to streamline decision making on strategic issues among the three levels of government as well as the Vancouver Police and Health Board. The key was the opportunity it afforded senior managers to meet on a regular basis and to form relationships of trust over a sustained period of time. This was paralleled to varying degrees at the Coordinating Committee and Task Team levels and allowed for a number of innovative solutions to issues no one organization could do on its own. When there was an alignment of political and senior management support for objectives, readily available resources and a common vision of how to proceed, the VA apparatus was able to develop and begin the implementation innovative initiatives in a reasonable period of time.

Most projects were initiated by Task Teams, as a result of consultations with local residents, business people, community organizations and/or non-profit agencies. Once a Task Team came to an agreement, the Coordinating Committee reviewed its recommendations. Sometimes the Committee asked whether the proposed project could be coordinated with initiatives from other Task Team or other government or community programs with

⁹ Mason, 19-23; interview with Nathan Edelson; Robert Matas, “Politicians failed to keep poverty a priority, architects of 2000 deal say,” *The Globe and Mail*, 16 Feb 2009, A5.

¹⁰ Interview with Nathan Edelson.

which they were familiar. This meant further discussions and agreements. All requests then had to be approved by the Management Committee. Often this was a routine approval, but it took additional time to secure a quorum of senior managers who had other major responsibilities within their own organizations. Further, these senior managers and Coordinating Committee members were more closely linked to the elected officials. In some instances this helped avoid unnecessary controversy. In other circumstances it served to unnecessarily slow the approval processes and make decisions more subject to the headlines of the day.

All funding decisions were then reviewed by the VA's communications team. If a project was seen as significant, it had to be communicated in an agreed up manner since the political announcement and the associated press release were seen as important means of ensuring that all three levels of government received credit for the initiative. However, the process of composing the press releases added to the inefficiency of decision making, as press releases were written by a communications official from the VA in partnership with communications officials from the different levels of government. A press release might be composed by a group of up to eight people. Moreover, the timing of the announcement was organized to fall on a date where representatives from all three levels of government could be present. In the case of some projects, months passed before such a date was available.

Finally, after the VA structure approved a project, at least some of the funding had to go through the administrative procedures of the ministries or departments that were actually providing the funds. Even in ministries directly involved in the VA, this could take significant additional time, since the funding and regulatory requirements and approval procedures within those ministries were often standardized. With a few exceptions for initiatives that were given top priority by the Policy Committee, the VA did not have the level of political support or administrative mandate to eliminate or significantly speed up these approval processes.

The amount of time it took to secure funding was often both considerable and unpredictable. This served to frustrate the community partners – both the non-profits and the business people – who wanted to initiate projects to address serious issues in a timely way. This in turn undermined public support for the Vancouver Agreement and ultimately it support amongst political leaders.

Outcomes

There is no question that the VA achieved broad support amongst the government and within the community for the concept of “Revitalization without Displacement” as an overriding theme for the efforts of all the governments in the Downtown Eastside. It was successful in supporting innovative approaches to health care, supportive housing and other services for people with addictions or mental illness and for sex workers; resulted in unprecedented cooperation between the police and other organizations; as well as generated considerable support for economic revitalization that targeted jobs for local residents, procurement for local businesses and new resources for public realm improvements, community arts and heritage conservation. It was also instrumental in securing inclusive inner city commitments as part of Vancouver’s bid for the 2010 Winter Olympics and redevelopment of a former department store as a centerpiece of the neighbourhood’s revitalization.

A few of the examples of ongoing innovative initiatives supported by the Agreement include:

- ▶ Supervised Injection Site – where addicts could inject illegal drugs under the supervision of medical professionals;
- ▶ Living In Community – a coalition of organizations servicing sex trade workers, business organizations and other community groups to improve to safety of sex workers and reduce impacts of the sex trade on neighbourhoods;
- ▶ Assessment of the public costs of homelessness and of poorly managed housing; training programs to improve the management of privately owned low income housing;
- ▶ Economic Revitalization Plan and development of Building Opportunities with Business, a socially responsible business led organization designed to support business development and job creation for residents facing challenges to employment;
- ▶ Many community arts initiatives including the “Heart of the City Festival”, the Gastown Bike Race and Chinese New Year’s Celebrations that engage hundreds of local residents and attract thousands of people from throughout the city to the area; and

- Many public realm improvements including improved lighting, upgraded parks and an urban bike path and “Greenway” linking several key tourist destinations and creating opportunities for social enterprises that hire local residents.

In spite of its successes, the VA’s impetus was significantly weakened during the course of its second five-year term. This can be attributed to inefficiencies of the VA structure and multi-layered decision-making process, insufficient cooperation between key agencies, poor communication with the community and especially to political changes in all three governments. A new provincial government in 2001 resulted in significantly reduced support for the development of new social housing in the Downtown Eastside, a critical element in addressing the community’s issues. A new federal government in 2006 believed in making clearer distinctions between the responsibilities within each ministry of the federal government as well as the responsibilities of each of the levels of government. This posed philosophical challenges to the VA which was promoting more integration and coordination amongst ministries and departments of all levels of government.

In addition to the implications of changes in political priorities for the success of any consortium, there are important lessons to be learned from the Vancouver Agreement’s structure. On the one hand, the significant political and senior management engagement allowed it to try a number of major innovations and to create within several ministries and departments an atmosphere of creativity and cooperation. On the other hand, it failed to streamline and delegate decision making for smaller initiatives that needed to be implemented in a timely manner. It also was unable to fundamentally change many of the existing government funding structures to make them more sensitive to urgent community needs.

Despite its limitations and frustrations, the Vancouver Agreement did directly and indirectly support a large number of innovations and demonstrated that three levels of government could work effectively together in several priority areas. The challenge is to streamline its efficiency while increasing its transparency.

Questions for Consideration

1. In addition to the need to establish consensus among three levels of government, the Vancouver Agreement process encountered many

- community organizations and diverse opinion on the key issues and how they should be addressed. What structures or processes might be used to engage the community in the collaboration?
2. The Vancouver Agreement's initial strong political support and leadership faded with elections and new politicians and senior staff at federal, provincial and municipal levels who had different values and priorities. What may have been the options available to those most closely connected with the Vancouver Agreement to respond to a change in political leadership?
 3. The Vancouver Agreement was faced with a decision-making process involving the development of projects with the support of government partners and the community, approval through the Vancouver Agreement hierarchy and then approval within the government organization or organizations which had the specific jurisdiction and funding for the project. This slow, complex and often opaque process presented difficulties in producing outcomes and therefore support for the Vancouver Agreement. What other ways might the Agreement have been structured? What would have been the implications for participating governments?

THE FRASER BASIN COUNCIL

The Fraser Basin Council (FBC) is a non-governmental, not-for-profit organization created in 1997 to advance the social, economic and environmental dimensions of sustainability in the Fraser River Basin, a large watershed in the province of British Columbia, Canada. The FBC facilitates collaborative, consensus-based decision-making among multiple interests: the federal, provincial and municipal governments, First Nations (aboriginal peoples of Canada), business and industry, and non-governmental organizations. This case study outlines the FBC's development and its collaborative governance model that brings together government, private sector and civil society to seek practical solutions to inter jurisdictional sustainability issues.

Context

The Fraser Basin (Figure 1), located in the province of British Columbia (BC), Canada, drains 240,000 square kilometers, about 25% of the province's land base, supports more than two-thirds of the province's population, and contributes significantly to the provincial and national economy. The Fraser River and its tributaries are an important freshwater resource and also provide important transportation corridors, positioning the Basin as a gateway to the Asia Pacific region.

The Basin contains the world's most productive salmon river system, supporting five salmon species and other species of fish including steelhead and white sturgeon. It is BC's most productive waterfowl breeding area.

Hundreds of species of birds and mammals inhabit the area. The Basin contains 21 million hectares of forest land, half of BC's agricultural land and many producing mines.

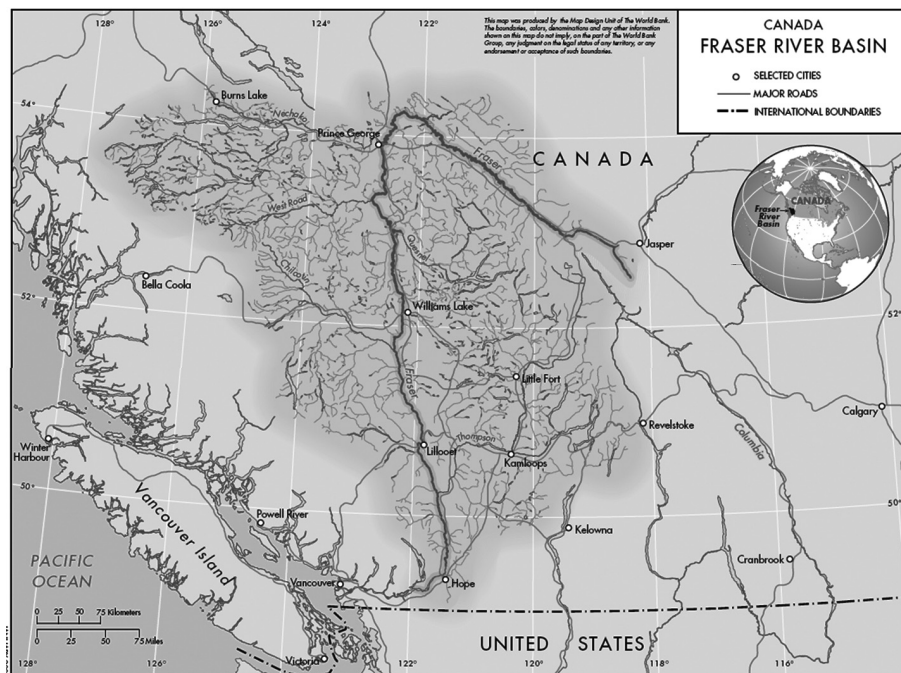


Figure 1: Fraser River Basin

For thousands of years, the Basin has been home to First Nations people of eight different language groups. Today, 2.7 million residents from a variety of backgrounds call the Basin home.¹

Over the past century, various pollutants have degraded the Fraser River, including industrial and agricultural wastes, municipal sewage and urban run-off. In the 1970s, the health of the river was rapidly declining due to increasing industrial activities, urbanization, and over-fishing.² Some of the impacts observed during this period were:

- 1 Blomquist, William, K.S. Calbick and A. Dinar. "Canada: Fraser Basin", in *Integrated River Basin Management Through Decentralization*, edited by Karin E. Kemper (World Bank), William Blomquist (Indiana University) and Ariel Dinar (World Bank), 130-147. New York: Springer Berlin Heidelberg
- 2 Calbick, K.S., Raymond McAllister, David Marshall and Steve Litke. The Fraser River Basin, British Columbia, Canada. Case study background paper, 2004. [http://siteresources.worldbank.org/INTSAREGTOPWATRES/Resources/Canada_Fraser_BasinFINAL.pdf].

- ▶ Significant loss of salmon stocks; roughly half of the streams in the basin had decreased stock numbers;
- ▶ Toxic discharges affecting fish and aquatic health;
- ▶ Loss of estuarine wetlands due to dyking and development;
- ▶ Groundwater contamination from intensive agricultural runoff: fertilizers and pesticides; and,
- ▶ Water shortages in interior areas due to high water demand and use.

Collaborative Governance

A Foundation of Collaboration

Concern about environmental quality prompted the launch of a number of collaborative provincial-federal studies in the late 1970s and early 1980s to evaluate the health of the Fraser at its mouth. In 1985, the Fraser River Estuary Management Program (FREMP) was established to work toward sustainability in the Fraser Estuary region. While the program advanced the progress of interagency decision-making, especially in the opportunity it provided for First Nations representation, it experienced difficulties in coordinating the mandates and resources of the various government agencies involved.

In 1990, in response to the deteriorating condition of the Fraser River, depleting salmon stocks and growing public concern, the mayors of Vancouver and Prince George challenged each other to clean up the Fraser River. As a result, approximately 35 cities and communities in the Fraser Basin formed the Fraser River Cities Coalition. The Coalition then participated in the Fraser River Basin Start-up Committee, which was funded by the federal and local governments and charged with creating a sustainable basin management plan.

In 1990, the Government of Canada identified the Fraser River Basin as a major freshwater system requiring priority action. As part of Canada's *Green Plan*, the Fraser River Action Plan (FRAP) was established in 1991. Jointly sponsored by the Departments of the Environment and Fisheries and Oceans, FRAP focused on ecosystems within the entire watershed, encouraged collective stewardship and cooperative partnerships, set targets for restoration of the environmental health of the watershed and involved

the public so that British Columbians could better understand how their actions could harm or improve watershed health.

In 1992, funding from the federal government's *Green Plan* was combined with funds provided by the provincial and local governments to create a five-year Fraser Basin Management Program (FBMP).³ The FBMP built on the work of FRAP by bringing together all four orders of Canadian government (federal, provincial, local and First Nations) with the private sector and civil society to address some of the key river management issues identified by FRAP. The FBMP was inaugurated with a formal agreement, where the signatory parties agreed to work together on developing a program to ensure sustainability of the Fraser Basin, while involving all stakeholders in the process.⁴ The FBMP was led by the Fraser Basin Management Board (FBMB), which consisted of 19 directors representing the four orders of government (12) and seven directors at large from various parts of the Basin including an impartial chair (Figure 2).

The FBMB was required to make decisions by consensus, to encourage consensus-based decision-making in all Basin activities, and to facilitate the development of local decision-making.⁵ The key deliverables of the FBMB were: an inaugural *Strategic Plan* (1993), which included the vision, mandate and goals of the FBMP; the first *State of the Fraser Basin Report* (1995), which addressed key sustainability issues in the Basin; and a longer term strategic plan for the sustainability of the Basin, which became the *Charter for Sustainability* (1997).^{6,7}

Establishing the Fraser Basin Council

When the five-year FBMP was completed, the Management Board recommended the creation of an organization to oversee the implementation of the *Charter for Sustainability*. The Board acknowledged that the organization needed to be independent of government but that government needed to be part of the governance structure of the

3 Calbick et al.

4 Marshall, David. "Watershed management in British Columbia: the Fraser River Basin experience." *Environments: a journal of interdisciplinary studies* (1998) 25(2/3) 64-79.

5 Calbick et al.

6 Calbick et al.

7 Marshall

organization. After examining a number of governance models, the FBMB recommended the establishment of a not-for-profit organization, the Fraser Basin Council Society, that would have a board of directors similar in composition to the FBMB and be funded by federal, provincial and local governments, as well as by other sources of funding.

In 1997, the Fraser Basin Council Society was registered as a not-for-profit society under the British Columbia *Societies Act*. The Society is composed of seven members representing the four orders of government and non-governmental interests from the economic, social, and environmental sectors (Figure 2). The Society is the legal custodian of the Society's constitution and bylaws. The Society put in place a 36-member Board of Directors that acts as the operational arm of the society^{8,9}. The directors represent the four orders of government and diverse geographical and sectoral communities within the Basin (Figure 2)¹⁰. The Society elects the officers of the Society (the chair, secretary and treasurer) and appoints directors to serve on the Board of Directors for specified renewable terms.

FBC brings people together to solve complex, multi-jurisdictional issues in the Fraser Basin, to take advantage of opportunities, and to strengthen the capacity of institutions and individuals to deal with emerging issues that threaten the overall sustainability of the Basin. FBC is the custodian of the *Charter for Sustainability*, and the Council carries out its mandate by working with the vision, principles, and goals outlined in the *Charter*¹¹. The Society and the Council are required to make all decisions by consensus, which allows the government, the private sector and civil society to participate as members of the Society and on the Board of Directors without having the concern of being on the "short end" of a voting process. This ensures a continuing balance of representation on the Council, and prevents any particular interest from overtaking the Society.^{12,13}

8 Calbick et al.

9 Marshall

10 Blomquist et al.

11 Fraser Basin Council. *Charter for Sustainability*. Vancouver: Fraser Basin Council, 1997.

12 Calbick et al

13 Marshall

Year	1992 – 1997	1997 – Present	
Organization	The Fraser Basin Management Program	The Fraser Basin Council Society	
Governance Body	The Fraser Basin Management Board	The Fraser Basin Council Society	The Fraser Basin Council
Membership of Governance Body	<p>19 Directors</p> <ul style="list-style-type: none"> • Government of Canada (3) • Government of British Columbia (3) • Local Government (3) • First Nations (3) • Non-Governmental and Private Sectors (representing economic, environmental, and social interests) (7) 	<p>7 Members</p> <ul style="list-style-type: none"> • Government of Canada (1) • Government of British Columbia (1) • Local Government (1) • First Nations (1) • Economic Sector (1) • Social Sector (1) • Environmental Sector (1) 	<p>36 Directors</p> <p><u>Government (14)</u></p> <ul style="list-style-type: none"> • Government of Canada (3) • Government of British Columbia (3) • Local Government (regional districts) (8) <p><u>First Nations (8)</u></p> <ul style="list-style-type: none"> • First Nations (representing linguistic, geographic, and cultural interests) (8) <p><u>Non-Governmental and Private Sectors (14)</u></p> <ul style="list-style-type: none"> • Impartial Chair • Basin wide (3) • Regional (representing geographic and sectoral interests) (10) <ul style="list-style-type: none"> • Upper Fraser (2) • Cariboo-Chilcotin (2) • Thompson (2) • Fraser Valley (2) • Greater Vancouver (2)

Figure 2. The governance structures of the Fraser Basin Management Program and the Fraser Basin Council Society.

FBC is a partnership of public and private interests, allowing for broad representation from all sectors of society and emphasizing an integrated approach to social, economic, and environmental goals. The strong role of government in the Council's governance structure allows for greater feedback on government policy and programs than that generated through typical non-government organizations. The Council strives to achieve its goals by facilitating cooperative and collective action throughout the Basin.

It acts as a catalyst to minimize duplication and facilitate harmonization and collaboration amongst diverse interests.¹⁴ FBC governs itself according to the 12 principles outlined in the Charter for Sustainability (i.e., mutual dependence, accountability, equity, integration, adaptive approaches, coordinated and cooperative efforts, open and informed decision-making, exercising caution, managing uncertainty, recognition of existing rights, agreements and obligations, recognition of the existence of aboriginal rights and title now being defined, and a recognition that transition towards sustainability takes time)¹⁵.

FBC is funded by contributions from the federal, provincial and local governments in the Fraser Basin, contributions from corporations, contributions from individual and foundation donors, and contracts for the delivery of short-term projects and multi-year programs. In all its activities, FBC remains impartial, transpartisan, independent, and non-political in its primary role as an advocate for sustainability¹⁶.

Outcomes

A Broad Range of Actions

Each year the Fraser Basin Council delivers programs on diverse sustainability topics in partnership with the public, private and not-for-profit sectors. Major initiatives include those on flood hazard management, climate change mitigation and adaptation, clean energy, air quality, fish and fisheries and smart planning for communities. Some examples, illustrating the FBC approach, are:

- *Acid Mine Drainage*. In the late 1990's, the Fraser Basin Council was approached to build a consortium consisting of federal, provincial and local governments, the private sector and community residents to solve North America's long standing and worst acid mine drainage problem just north of Vancouver. Key rules for effective collaboration were developed and consensus based decision-making was adapted by the consortium members. Trust, cooperation and inclusiveness were key factors in developing a multi faceted solution that was beneficial to

¹⁴ Marshall

¹⁵ FBC, 1997.

¹⁶ Fraser Basin Council. *Annual Report (2006-2007)*. Vancouver: Fraser Basin Council, 2007.

all interests –economic, environmental and community – and would be sustainable.

- ▶ *Gravel Extraction.* A major conflict arose in the Fraser Valley, just east of Vancouver, associated with the extraction of aggregate or gravel mining in the Fraser River. For many years, a clean source of gravel was being extracted from the river for road construction and as a method of flood protection. Unfortunately, the excavation process resulted in degradation of extremely valuable salmon habitat resulting in a moratorium being placed on gravel mining by the provincial government. A consortium was formed of federal, provincial and local governments, the First Nation communities located within the floodplain and the mining sector to develop an equitable solution to the satisfaction of all interests. Operating principles were developed, a consortium established and scientific studies were commissioned. As a result, a five year gravel management plan was drafted that defined locations, quantities that could be extracted and timing for the extractions.
- ▶ *Invasive Plants.* Invasive plants crowd out native plants and decrease biodiversity, and have a significant impact on a region's environment and economy. In 2001, the Fraser Basin Council Directors decided to address the issue by establishing the Invasive Plant Council of BC (IPC), a registered non-profit society, which works to minimize the negative ecological, social and economic impacts caused by the introduction, establishment and spread of invasive plants. In 2002, FBC hosted a meeting of federal, provincial, local and First Nations government representatives, along with those from NGOs and industry. Their collective efforts led to an "Invasive Plant Strategy for BC," a groundbreaking document that features an action plan to address invasive plant populations throughout the province. The Strategy includes a memorandum of support designed to encourage people in different regions and sectors to become active in their own fields and to work with each other collaboratively. Over 1000 individuals and 300 organizations have signed the IPC memorandum of support and joined in the effort.
- ▶ The IPC is an independent body with a consensus-based board representing various sectors and regions, and modelled closely

on FBC's own Board. On the IPC Board, and within the IPC's membership, there are representatives from all orders of government, from non-governmental organizations, and from land and water-based user groups, resource-based businesses, industries and utilities. The IPC works to:

- increase public awareness of invasive plants;
- secure long-term, stable funding for invasive plant management and the work of regional weed committees;
- review current legislation on invasive species to find areas needing attention;
- build linkages among current invasive plant inventories and databases; and
- identify and promote coordinated research on invasive plant management.

Facilitating Collaboration

Since its incorporation in 1997, the Fraser Basin Council has achieved a great deal of success through the application of its collaborative governance model to sustainability issues. To find integrated solutions that last, the Fraser Basin Council works on overcoming jurisdictional hurdles and other challenges through collaboration across sectors. FBC serves as a catalyst and impartial facilitator, bringing people together to discuss and resolve sustainability issues by defining the common ground and developing practical and cost effective solutions with reasonable time frames. The Council also raises awareness of sustainability and its importance; monitors progress towards sustainability by reporting on key indicators; and delivers a variety of partnership programs for sustainability action in the Fraser Basin, in BC and beyond.

The Fraser Basin Council has found that broad-based collaboration among people fosters long-term thinking, shared action and sustainability solutions. Inside the FBC boardroom, directors make decisions through dialogue, collaboration and consensus. FBC works with other agencies, boards, committees and task forces in the Basin and beyond, by sharing this model and assisting them in the design of collaborative processes. When invited, the Fraser Basin Council serves as an impartial convener to conduct meetings, consultations or dialogues on issues of concern and to help multiple interests towards consensus. While the Fraser Basin

Council does not have regulatory authority itself or significant financial sources and thus relies on its partners for implementation, it does provide a valuable process for developing broadly shared solutions to shared sustainability issues.

Questions for Consideration

1. The Fraser Basin Council gathers interested organizations together to address issues affecting the sustainability of the basin. While it makes decisions and recommendations, as a non-governmental organization it does not have the regulatory or financial ability to undertake implementation. What is essential to ensure that decisions produce actions? How does the Fraser Basin Council process support this?
2. The Fraser Basin Council advances its objectives in part through creating new organizations for particular issues, such as the Invasive Plant Council, based upon its collaborative, consensus-based governance model. How does this benefit collaborative governance? What issues might this produce?
3. The Fraser Basin Council prepares periodic Sustainability Indicators reports and holds State of the Basin conferences. What role do these activities have in supporting collaborative governance?
4. The Fraser Basin Council has a relatively large number of Board Directors, each representing different interests with varying degrees of political and economic importance. What are the implications for collective decision-making based upon a consensus among all Fraser Basin Council members?

MONTREAL

Amalgamation to Consortiation

The Province of Quebec, Canada, amalgamated the 28 municipalities on the island of Montreal into a unified City of Montreal and subsequently, as a result of public concern, partially dismantled the amalgamation to create the City of Montreal incorporating 19 boroughs and 15 reconstituted municipalities. This case study examines the process and the collaborative governance structures established. It illustrates an initiative to create a balance between consortiation and municipal autonomy to achieve greater fiscal and social equity.

Context

Metropolitan Montreal, located in the Province of Quebec, Canada, is a 4360 square kilometre region of 3.6 million people and 82 municipalities. The City of Montreal, located on the island of Montreal in the St. Lawrence River, is the largest municipality in the region with a population of 1.6 million. The other municipalities are significantly smaller than Montreal, with the next largest being Laval located on an adjacent island with a population of 370,000. While the Province of Quebec is predominantly French-speaking, some municipalities in the Montreal region are predominantly English-speaking.

COLLABORATIVE GOVERNANCE

Municipal Amalgamation and De-amalgamation

Prior to January 2002, the Island of Montreal had a two-tiered governance structure comprising 28 municipalities, including the City of Montreal, and an island-wide regional governance body for matters such as transportation and economic development called the Montreal Urban Community (MUC). In 2002, the 28 independent municipalities and the MUC were amalgamated by the Province of Quebec government to form the new City of Montreal. 27 boroughs were established within the City for local matters. Regional functions once administered by the MUC were handled by either the new City of Montreal or the new and vastly expanded Montreal Metropolitan Community (CMM), which serves 82 municipalities in the greater Montreal metropolitan area.

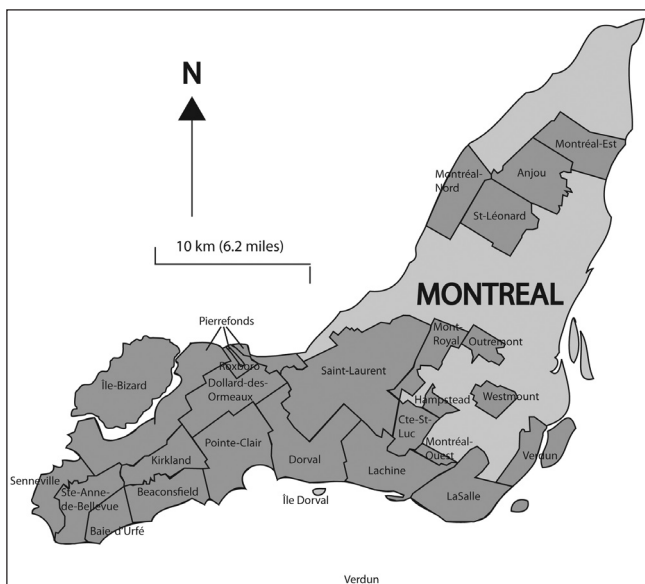


Figure 1- Island of Montreal Prior to Amalgamation

There were a number of objectives for the amalgamation:

- Improve fiscal equity. The government sought to reallocate public service costs so those who benefitted from the services of the City of Montreal contributed to the cost more equitably.
- Increased efficiency by providing area wide services and eliminating fragmentation.

- Improvement to the quality and consistency of services throughout the metropolitan region.
- Respond to pressures of increasing globalization by granting the City of Montreal more centralized decision-making power. The amalgamated city was considered a solution to inter-municipal competition for economic investment, which benefited none of the municipalities.
- Increased governance clarity through having a single local authority on the island which would make it easier for citizens to understand what was going on and to hold their elected officials accountable.

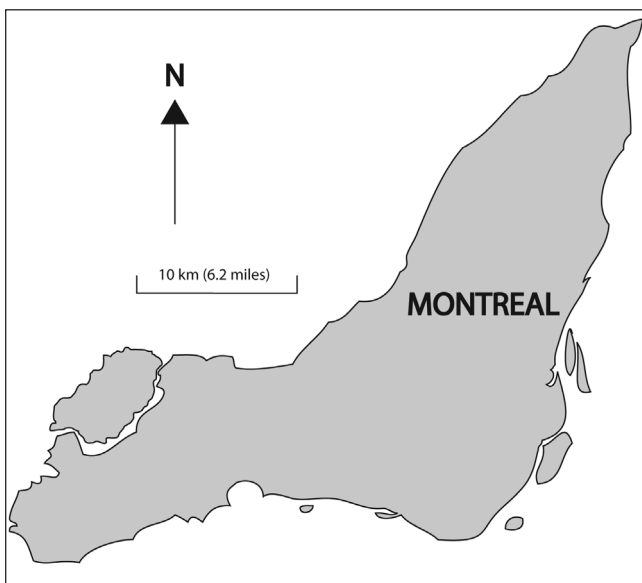


Figure 2- Amalgamated City of Montreal

The forced municipal merger was quite unpopular. Many residents considered it a significant loss of local autonomy, identity and democracy. Citizens were worried that the identities of the numerous municipalities on the Island of Montréal would lose their local, small-town feel and that community participation in decision-making processes would be threatened. The predominantly English-speaking communities were concerned with being swallowed up by French-speaking Montreal.

In April 2003, the provincial government was defeated in an election and a different political party formed the government. A key campaign promise of the new government was to allow merged municipalities to

hold referenda on opting out, or “de-merging”, from the amalgamation. The government followed up on this promise, and in June 2004 referenda were held in 22 previously independent municipalities on the island of Montreal. Fifteen of the previously independent municipalities on the island of Montreal voted to de-merg from the megacity to become reconstituted municipalities.

Island of Montreal Governance Structure

In January 2006, as a result of the referenda results, the Province of Quebec again restructured governance of the island of Montreal. This included collaborative governance elements both within the new City of Montreal and across all municipalities on the island.

The City of Montreal accommodates over 85% of the population on the island of Montreal. Its governance structure includes a city council, 19 boroughs, each with their own council, and an Agglomeration Council. Montreal City council, which has jurisdiction over all boroughs in the City of Montréal, comprises 73 councillors, with at least one council member representing each of the boroughs. City council has the authority to supervise, standardize and approve decisions made by borough councils. City council has jurisdiction over public security, intra-governmental agreements, subsidy programs, environmental concerns, urban planning, and capital expenditure programs.

The borough councils represent only their respective territory and manage services only for that locale, including local roads, garbage collection, recreation, parks, culture, community development, public consultation and some planning aspects. Borough council members sit only on borough councils whereas city council members sit on both borough councils and city council. The number of borough council members will vary depending upon the size of the borough, with a minimum of five. While citizens may take their concerns to their borough council, these bodies do not have the decision-making authority or other powers that the former municipalities once had.

In addition to the City of Montreal, the island has 15 reconstituted municipalities. These municipalities have their own councils and while they regained some of their previous independence they have not been allocated many of the powers such as police and fire service they had prior to amalgamation.

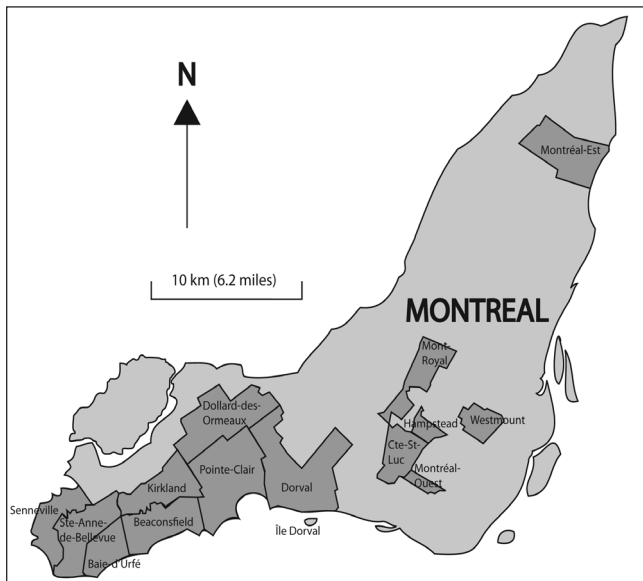


Figure 3 – Island of Montreal Post Referendum

Agglomeration Council

The Agglomeration Council was established as part of the City of Montreal governance structure to accommodate the need for continued collaboration among the City of Montreal and the 15 reconstituted municipalities. The Agglomeration Council has a 31 member board, consisting of the Mayor of Montreal who heads the Council, 15 members of the Montreal City Council appointed by the Mayor, 14 mayors from the de-merged municipalities and one extra representative of a larger suburb (Dollard-Des Ormeaux) appointed by the mayor of that municipality. The jurisdiction of the Council includes property assessments, public safety including police and fire, municipal court, social housing and help for the homeless, solid waste management, water supply, sewage treatment, public transit, streets and major roads, economic promotion and nature parks.

While the agglomeration council, like the city council and the borough councils, is one of the city's political entities, it is important to emphasize that it is not a supra-municipal body like the dissolved Montreal Urban Community (MUC). Taxpayers in the reconstituted municipalities receive a tax bill from the City to pay for their portion of shared services on the island of Montreal overseen by the Agglomeration Council.

Montreal Metropolitan Community

The City of Montreal and the reconstituted municipalities are also required to be members of the Montréal Metropolitan Community (Communauté métropolitaine de Montréal - CMM). It was established in 2001 to take over some functions from the dissolved Montréal Urban Community. It serves 82 municipalities in the greater Montréal metropolitan area, an area of 4360 square kilometres accommodating 3.6 million people. The CMM is administered by a 28-member council comprising mayors and councillors from throughout the region. The mayor of the City of Montreal serves as the chair. The CMM is funded through contributions collected from member municipalities. The CMM's jurisdiction, which focuses largely on planning, coordination and funding, includes regional planning, economic development, arts and culture promotion, social and affordable housing, public facilities such as the botanical garden, solid waste, wastewater, transportation and air quality.

The largest item in its annual budget is the social and affordable housing program. \$50 million was spent in this area in 2006, representing just over half of the organization's total budget. CMM's social and affordable housing function is significant in that it has helped to establish the right to housing and housing assistance as a region-wide responsibility, unlike the previous system where housing issues were dealt with by individual municipalities (or not dealt with in many cases). Some of the small but relatively wealthy suburban municipalities contributed little towards housing prior to amalgamation and the creation of the CMM, and the burden for housing inevitably fell heaviest on the city of Montreal. Now all municipalities in the region jointly share these costs and responsibilities.

Outcomes

The island of Montreal has experience nearly a decade of governance change through first amalgamation of municipalities into a single city and then de-amalgamation into the City of Montreal and 15 reconstituted municipalities with a new City of Montreal Agglomeration Council guiding services to the whole island. Since the arrangements are relatively new, it is difficult to assess their effectiveness in achieving greater fiscal and social equity.

The creation of the Metropolitan Montreal Community as a broader region-wide governance structure, replacing the geographically smaller Montreal Urban Community, seems to have created tangible societal benefits for the region in commitments to social and affordable housing and broader regional planning. Since about half of the population of metropolitan Montreal lived outside of the jurisdictional boundaries of the MUC (which basically consisted of the islands of Montreal and Laval), having a single regional coordinating body is an obvious benefit.

However, on the island of Montreal there remains a significant amount of discontent within the reconstituted municipalities about the new governance and taxation structures. Much of this discontent is displayed at Agglomeration Council meetings, where reconstituted municipal mayors express frustration about their limited influence since they represent only 13% of the Council votes and the feeling that taxes levied on them by the City of Montreal are out of proportion with their population sizes or relative wealth.

The Province of Quebec has responded to community concerns about local identity and fiscal equity, and continues to consider the new governance arrangements. Further amendments may be necessary to find an acceptable balance between role of collaborative governance structures such as the Agglomeration Council and the roles of the individual municipalities.

Questions for Consideration

1. The amalgamation of municipalities is often based upon achieving cost savings through more cost-effective services. Is this likely? What might increase efficiencies and cost savings? What might cause higher costs?
2. The island of Montreal has the City of Montreal with 19 boroughs and 15 reconstituted municipalities, the Agglomeration Council providing island-wide services, and the Metropolitan Montreal Community. What is necessary to ensure that the general public understands this complex structure and is able to engage in the decision-making process?
3. The Agglomeration Council is a collaborative governance structure in which one participant, the City of Montreal, holds most of the power since it represents over 85% of the population. What is necessary in a collaboration of one large and many small participants to ensure that all members are engaged?

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The case studies presented in this volume illustrate the rich variety of approaches to collaborative urban governance that can be found in Brazil and Canada. It is hoped that the volume will contribute to reflection and discussion, thus aiding in long-term capacity building.

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