

BRAZIL

Promoting sustainable development and citizen-based management



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AFD has supported the State of Minas Gerais for its ambitious program to reduce regional and social inequalities. It is accompanied by a partnership already established with the Hauts-de-France Region, which focuses specially on climate-related challenges.

CONTEXT

The State of Minas Gerais is a condensed version of Brazil: it is marked by strong inequalities between the south of its territory, which is industrial and well integrated, and the north, which is poorer and rural, with a situation quite comparable to Northeast region of Brazil. With the aim of eradicating extreme poverty and reducing inequalities in five years. It focuses on providing universal access to essential public services: electricity, drinking water, mains drainage, household waste collection and treatment, housing, and education and health for the poorest.

AFD has supported this initiative by allocating budget financing to support the State's "citizen-based management" multi-year action plan, combined with a technical cooperation program with the Hauts-de-France Region, which focus on the topics of territorial development, urban mobility and climate.

DESCRIPTION

The program comprised 11 projects, during the period 2012-2015, in several key sectors: connection of people to the water and sewer networks, development of household waste sorting, recycling and re-use, access to social housing, electrification in remote rural areas. An innovative initiative called "Travessia" focused on a quick and crosscutting intervention when areas of extreme hardship are identified (construction of public facilities, health, incentives for sending children to school and vocational training).

The AFD loan also allowed the State of Minas Gerais to pay off a longstanding debt to the main electricity company (CEMIG), which was a burden on local finances. The operation has freed up scope for action for the implementation of these public policies. In addition, a technical cooperation program promoting French know-how targets the reconversion of industrial and mining sites, urban mobility and the climate-energy strategy. It associates the Hauts-de-France Region.

IMPACTS

03/12/2012 Project start date
31/12/2015 Project end date

Minas Gerais
Location

Fighting Inequalities , Sustainable Cities , Climate , Governance
sector(s)

Sovereign Non Concessional Loan
financing tool(s)

300 000 000 EUR
Financing amount

20 years
Duration of funding

ACHEVÉ
Status

State of Minas Gerais
Beneficiaries

- More than 1 million additional households benefited from drinking water distribution and wastewater collection and treatment systems;
- 59 municipalities have implemented a selective waste collection system; Over 300 municipalities benefited from the “Travessia” poverty reduction program;
- More than 8,000 social housing units built; Over 10,000 rural households connected to the power grid;
- The retention basins built in the parks also play a strategic role in limiting the flooding risks.