

Ecological fiscal transfers: contributing to a viable economy in a region of environmental protection

Lessons from the Brazilian ICMS-E

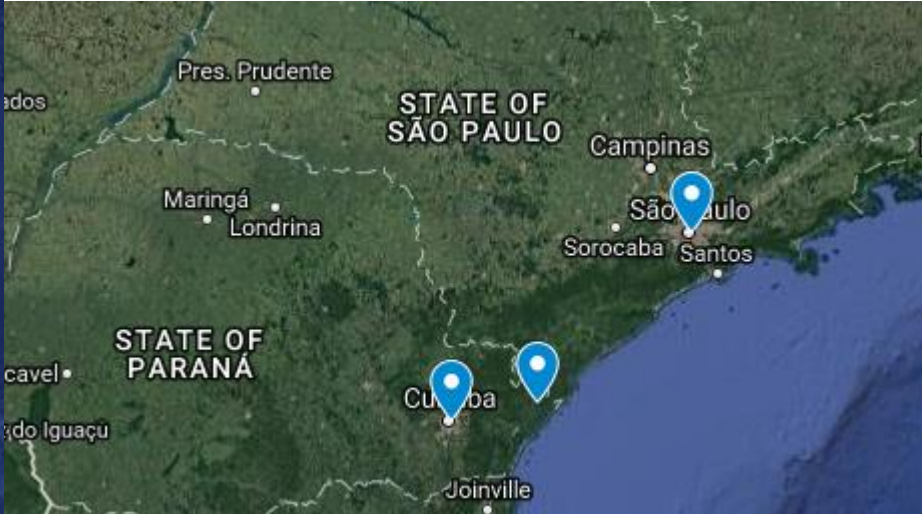
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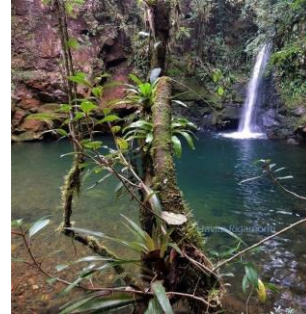


Localising Guaraqueçaba



Guaraqueçaba's Environment

- Situated in largest continuous remnant of Atlantic Forest
- Atlantic forest is as biodiverse as the Amazon but only 8% remains
- Contains extremely important lagoon-estuarine complex
- 98.72% of the municipal territory is protected area
- Activities are restricted
- Region extremely rich in biodiversity, traditional cultures and practices



Photos by Havita Rigamonti

Socio-economic indicators of Guaraqueçaba

Population	7944	
Incidence of Poverty	46%	
Economy	28% Agriculture 8% Industry 21% Services 41% Administration and public services 2% Taxes	
Mean income (per capita per month)	120 euros - urban inhabitants (34%) 60 euros - rural inhabitants (66%)	
Municipal GDP per capita	2500 euros	State average 9000 euros
Human development index 2010	0.587	State average 0.749
Illiterate over 15 years of age	15.6%	State average 6.28%
Municipal performance index (based on indicators of health, education and jobs)	396 th of 399 municipalities of Paraná	

1 Euro= 3.5 Reais

Sources: IBGE, IPARDES

Barriers to economic and social development

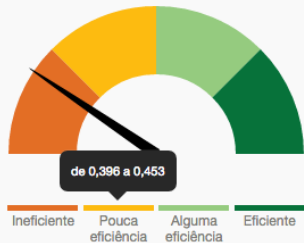
- Limited institutional capacity
- Lack of resources
- High inefficiency
- Lack of investment by state and federal government
- Lack of political influence - invisibility of region



Guaraqueçaba (PR)

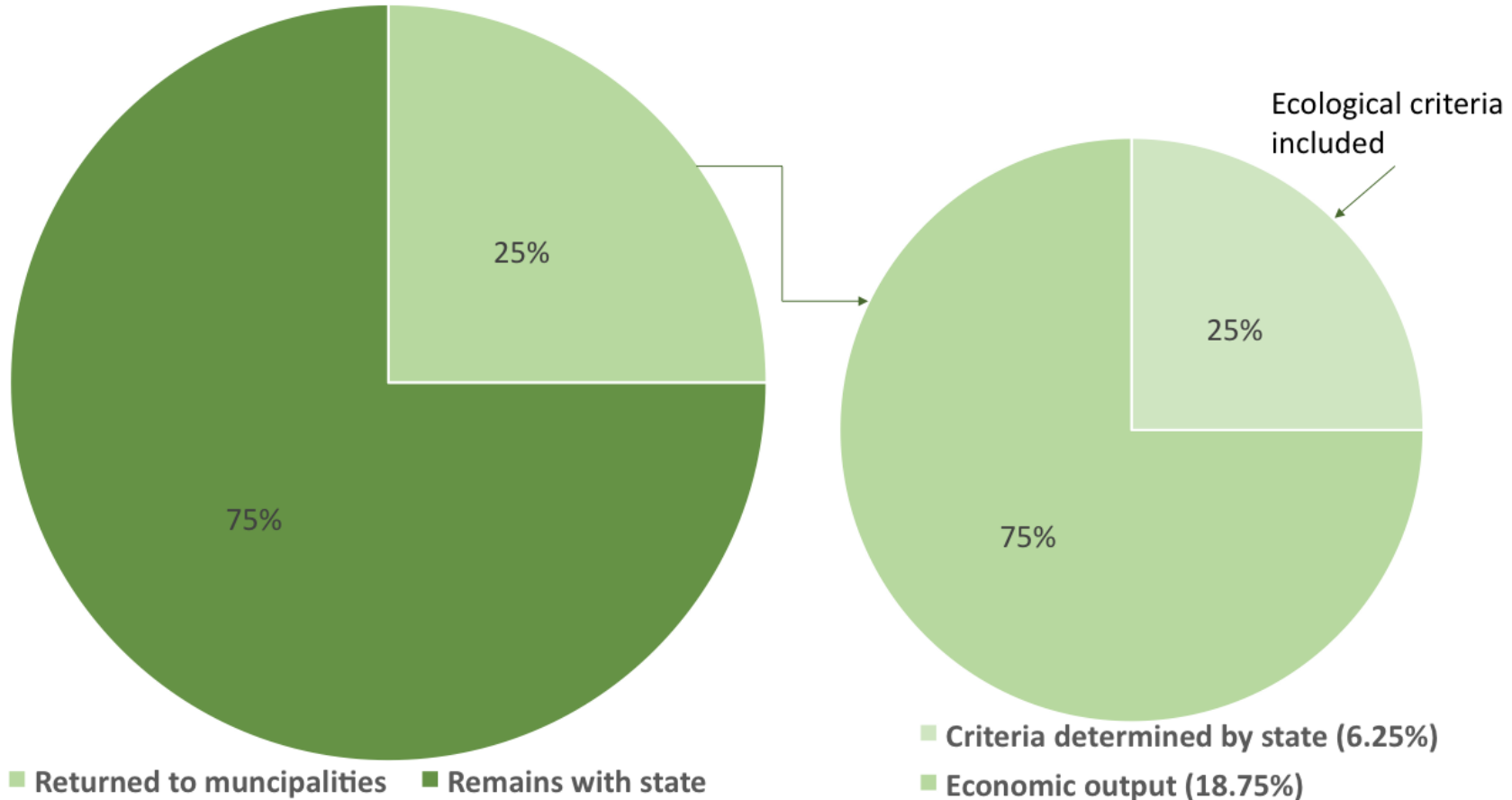
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Ineficiente



How do you create a viable economic perspective for Guaraqueçaba?

The Brazilian Ecological ICMS



What does the ICMS-E do in Guaraqueçaba?

- Received since 1991 - still entrenched in poverty
- Ecological criteria accounts for 70% of ICMS revenue
- Represents 20% of their annual budget – around 1.15 million euros
- Not earmarked - ICMS-E pays salaries of public servants
- Props up basic service provision
- Lost opportunity - not helping to create the progress needed

How could you use the money derived from the ICMS-E to foster development appropriate to the region, rather than pay bills?

“We don’t want money; we want means to create an income. We want to live in our own corner, by our own sweat. We don’t want help, we want support.”

Professor Ilton
Quilombo of Batuva
Guaraqueçaba



Fieldwork

Interviews conducted with traditional community leaders, non-government organisation, business owners, tourism operators, local and state government, environmental agencies.

- Little to no knowledge that protected areas were generating municipal income.
- No cohesive vision for development: natural environment as biggest asset and basis of viable economic development VS protected areas an impediment to development.
- Rural communities alienated from political processes – invisible.

Using the ICMS-E to foster economic development

- ICMS-E as economic lobby of the underrepresented
- Information - dissemination of the ICMS-E
- Participation - increase political representation of marginalised communities
- Development of common vision for development
- Local environmental councils



Thank you

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