

Proposals before Brazil's Congress may affect the basic sanitation agenda

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Authors

Giovani Menicucci

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Menicucci

Approval of the Bill introducing the Basic Sanitation New Legal Framework (Bill 4162/2019) and the entry into force of the legislation (Law 14.026/2020) gives the impression that debate over the matter in the federal legislature has now come to an end. In reality, there are a number of proposals, some before the Chamber of Deputies and others before the Senate, that may affect the country's basic sanitation agenda after the end of the Covid-19 pandemic.

Because of the state of public emergency, the legislative commissions in both houses have been suspended, bringing to a temporary standstill review and voting on proposals related directly or indirectly to basic sanitation.

One example, among dozens of others, is Bill 7063/2017, which deals with the new regulatory framework for concessions (the "General Concessions Law"). The Bill, in fact, is included as one of the government's priorities in an official communication sent by the Ministry of the Economy to the President of the Senate – the possibilities for Brazil's return to economic growth aided by international investment in infrastructure projects is directly related to the basic sanitation sector. In addition, a key element to generating incentives for infrastructure projects is improved, up-to-date legislation that reflects current realities and provides legal certainty.

In the Senate, there are proposals that seek to facilitate investment in basic sanitation, such as Senate Bill no. 1/2018, which would create "Sanitation Receivables Certificates", similar to the receivables certificates created for the real estate (CRIs) and agricultural (CRAs) sectors.

Yet another of the measures intended to fight the effects of the economic retraction imposed by the pandemic is Bill 2646/2020, presented by a group of 12 deputies who hope to

leverage investment in infrastructure by creating a new type of debenture that would serve as an alternative mechanism for long-term financing.

The entry into force of the New Basic Sanitation Legal Framework, along with the prospect of generating jobs and income in a sector that has suffered from lack of investment, will tend to intensify debate on these issues in the National Congress. In our experience, effective and efficient identification and review of legislative proposals by Congress allows investors to anticipate risks and prospect opportunities, even in a political and economic environment that is in constant transformation.

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Giovanni Menicucci