THE CHALLENGE

With a geography of flat areas with steep surrounding slopes and unplanned urbanisation, Salvador is vulnerable to extreme weather events, particularly flooding. The city needed ways to promote a more sustainable construction industry.

HOW IT WORKS

The city awards points for sustainable solutions included in a development, for example, water-saving equipment, solar panels, or bicycle racks. Projects are then certified as bronze, silver, or gold - each offering tax discounts of 5, 7, or 10%.

The city also offers a 'Green Grant' - up to a 40% discount on the fees ordinarily payable as developments increase in height. This is a significant saving for companies.

The city government held meetings with groups such as the Union of the Construction Industry of the State of Bahia (SINDUSCON-BA) and the Association of Real Estate Market Executives of Bahia (ADEMI-BA) to jointly establish industry-informed criteria for IPTU.

The primary city contribution is staff time. The exempted amounts do not impact the overall city budget in terms of its revenue, while Salvador’s municipal law allows for the granting of discounts.

Eighty-five developments benefited by mid-2023 and it remains high on the agenda for business groups.

LESSONS

The programme developed legitimacy and acceptance by involving the private sector early on and taking their inputs seriously.

Industry expertise was central to formulating realistic and effective criteria. When undertaking such a certification, well-defined criteria, where businesses understand the requirements, help to facilitate their investment in sustainable practices.