PARTICIPATORY BUDGETING

and instruments of civil society participation in urban management in the Municipality of Santo André

Great ABC Region

Metropolitan Region of São Paulo, Brazil

<www.santoandre.sp.gov.br>

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1. Municipal Autonomy in Brazil
Local Governments in Brazil

- Complete political autonomy
- Mayors and municipal councils chosen in local election
- Unrestricted, constitutionally-mandated shares of principal taxes levied by Federal and State Governments
- Power to impose variety of local taxes, with unrestricted rates (5 major taxes)
- Control of their own civil service
- Power to set salaries and administrative structure
2.

Public Budgeting in Brazil
BRAZIL

Municipal governments have relative autonomy as central collector and distributor of the resources produced by society.

MUNICIPAL RECEIPTS
- Own Revenues
- Transfers from the levels of the state (state, federal)

MUNICIPAL EXPENDITURES
- Personnel
- Public services; including contracting services to third parties
- Investments in public works & equipment, machinery
3.

What is Participatory Budgeting?

Orcamento Participativo OP
One definition:

Process of prioritisation and conjoint decision making through which local civil society representatives and local governments actually decide on the final allocation of public investment in their cities on an yearly basis.

It is a cyclical, intricate but transparent process of organisation, public meetings and debates in support to the preparation of the annual municipal budget.

4.

The local setting
Geographical Location

Região do Grande ABC

SANTO ANDRÉ
SÃO BERNARDO
DIADEMA
SÃO CAETANO
MAUÁ
RIBEIRÃO PIRES
RIO GRANDE DA SERRA
Greater São Paulo Region in 1999

- Area of GSP: 8,100 km²
- 39 municipalities (38 + 1)
- Population: 17 million inhabitants (before census 2000)
- Density: > 2,000 inhab/km²
  - GNP: US$140 billion
- GNP per capita: US$ 8,400
Santo André
Município de Santo André

ÁREA

- ÁREA URBANA: 66,5 Km² (39%)
- ÁREA CENTRAL: 107,9 Km² (61%)
- ÁREA DE MANANCIAIS: 174,38 Km² (total)

POPULAÇÃO

- Total: 648.433
  - Mananciais: 15.913
  - Urbana: 599.742
  - Mulheres: 51,2%
  - Homens: 48,8%

INFRAESTRUTURA

- Rede de água: 98%
- Rede de drenagem: 98%
- Pavimentação: 87%

Fonte: PMSA 1996
Área Urbana de Santo André

AREA URBANA
66,5 Km²  39 %

POPOLAÇÃO URBANA
599.742

HIERARQUIZAÇÃO VIÁRIA
Legenda das vias

Black
Metropolitana

Red
Arterial primária

Orange
Arterial secundária

Fonte: PMSA 1996
650,000 inhabitants (1999)
5. Competent Local Political Leadership and the Labour Party-PT
Re-election for 1997-2000 term:

• Sustainable Economic Development with employment and income generation!

• Quality, efficiency and modernisation of the municipal administration!

• Popular participation!

• Education and professional capacity building!

• A city more pleasant to live!
Prioritisation and monitoring of physical and financial execution

Popular participation
+ Participatory Budgeting and the Public Policy Councils as instruments of citizen participation and control of government actions by the citizenship.

Quality and More productivity in public service delivery.

Democratisation in access to information, civil society control on municipality’s actions.
Locally-based Strategic Planning an instrument to control government actions.

Prioritisation and monitoring of physical and financial implementation

Popular participation

Participatory Budgeting and Public Policy Councils

Citizen participation & control of government actions by the citizenship.

Quality and More productivity in public service delivery.

Democratisation in access to information, society control on municipality’s actions.
6.

Civil Society Participation and Social Control of the State
FOUR PROGRAMMATIC LINES:

1. Improvement in the quality of services
2. Valuing public servants (self esteem)
3. Use of ICT
4. Environmental improvement
Administrative Reform and Modernisation of Public Administration:

*transparent and responsive government*
OPTION: a strong state with the capacity to deliver public services of good quality in an efficient and effective manner.

Ombudsman: ouvidor da cidade

One of the 20 best practices in Brazil:
Prize “Public Management and Citizenship Prize by Ford Foundation and FGV Foundation.
UNCHS best practice award.
QUALITY CONTROL:
evaluation of modernisation of Public Administration

A avaliação do Programa demonstrou o interesse dos servidores pelo processo de Modernização da Administração Pública. Do total de entrevistados, 28% acham o programa ótimo, 47% o consideram bom e 15% acham regular.

O que acham de bom no Programa de Modernização Administrativa:

<table>
<thead>
<tr>
<th>Aspecto</th>
<th>Porcentagem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacitação dos servidores, através de curso de especialização e atualização</td>
<td>22%</td>
</tr>
<tr>
<td>Melhoria dos serviços prestados aos municípios</td>
<td>21%</td>
</tr>
<tr>
<td>Melhoria das condições de trabalho</td>
<td>14%</td>
</tr>
<tr>
<td>Maior entusiasmo dos servidores</td>
<td>12%</td>
</tr>
<tr>
<td>A informatização, que facilitou o trabalho e acabou com a burocracia</td>
<td>10%</td>
</tr>
<tr>
<td>A valorização dos servidores</td>
<td>04%</td>
</tr>
</tbody>
</table>
TRAINING & CAPACITY BUILDING:

improving the quality of Public Administration
Urban Revitalisation
Citizen Participation
OP - Santo André

• The city is divided in 19 regions.

• Each region elects one OP councillor and a deputy councillor

• Quorum: 0.5% of the total population of the region and 100 persons for the Thematic groups.

The city has 8 thematic groups:

• Economic Development
• Social Inclusion
• Housing
• Public Sector Reform
• Education
• Health
• Environmental Quality
• Culture
• Urban Violence/Public Safety (new)
March

Informative Plenary Sessions

Intermediary Meetings

4 priorities per region / thematic group

Election of OP councillors

2 city-wide priorities

June - July

Decisive Plenary Sessions

Information & on-the-job training

Priority Caravan / Field Visits

Working Groups

30th Sept

OP Council Meetings

Interaction OP councillors - Government

Budget Presented to Legislative Chamber
Diagrammatic View of the Institutional Framework of the OP Santo André

- Legislative Chamber
- Mayor
- Annual Budget
- OP COUNCIL SESSIONS
- OP-PAIR Co-ordination Committee

1. Municipal Government
2. Intermediate Meetings Plenary Sessions Neighbourhood/Barrios
3. 9 Thematic Groups Plenary Sessions
4. Plenary Sessions Deliberations & Decision Making
5. OP COUNCIL SESSIONS

- Delegates of Regions
- Problems Identified List of Priorities
- Meetings of Councillors and CF Delegates Consensus building
- Negotiated Priority List for Budget Proposal Consensus

- Population Lay citizens Local leadership CBO’s
- Executive Secretariat
- Operational Groups

- Process of Debate and Negotiations in Regions, Thematic Groups and Neighbourhoods / Barrios
- List of Priorities Proposal by OP-PAIR Co-ordination Committee
- Proposal by CF Delegates and OP Councilors
- List of fine-tuned priorities

Claudio Acioly / IHS

20/06/2004
8.

The Budget and Available Financial Resources for Public Investment
Table 2.1: Summary of Revenues of the Municipality of Santo André in 1999

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Values in US$ Dollars</th>
<th>Values in R$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Own Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPTU – Urban Real Estate Property Tax – Land and Building</td>
<td>14,450,000</td>
<td>28,910,000</td>
<td>8.85%</td>
</tr>
<tr>
<td>ISS – Tax on Services of any kind</td>
<td>19,760,000</td>
<td>39,530,000</td>
<td>12.09%</td>
</tr>
<tr>
<td>ITBI – Tax on Transfer of Real Estate Property – inter vivo</td>
<td>4,140,000</td>
<td>8,180,000</td>
<td>2.50%</td>
</tr>
<tr>
<td>Cleansing Tax</td>
<td>4,230,000</td>
<td>8,460,000</td>
<td>2.59%</td>
</tr>
<tr>
<td>Others</td>
<td>940,000</td>
<td>1,880,000</td>
<td>0.57%</td>
</tr>
<tr>
<td><strong>2. Revenue Sharing - Transfers from State &amp; Federal Governments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICMS – Value-added Tax</td>
<td>50,715,000</td>
<td>101,430,000</td>
<td>31.03%</td>
</tr>
<tr>
<td>IPVA -</td>
<td>12,240,000</td>
<td>24,480,000</td>
<td>7.49%</td>
</tr>
<tr>
<td>FPM – Municipal Development Fund</td>
<td>5,855,000</td>
<td>11,710,000</td>
<td>3.58%</td>
</tr>
<tr>
<td>IRRF – Income Tax</td>
<td>6,230,000</td>
<td>12,260,000</td>
<td>1.75%</td>
</tr>
<tr>
<td>Unified Health Service System</td>
<td>13,455,000</td>
<td>26,910,000</td>
<td>1.23%</td>
</tr>
<tr>
<td>Other Transfers’</td>
<td>12,380,000</td>
<td>24,760,000</td>
<td>7.57%</td>
</tr>
<tr>
<td><strong>3. Other Revenues</strong></td>
<td>19,175,000</td>
<td>38,350,000</td>
<td>11.73%</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>163,425,000</td>
<td>326,850,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Exchange rate used for the figures in this table: US$ 1.00 = R$ 2.00. From 1998 onwards the parity between the Dollar and the Real was abolished and the currency was allowed to float within bands. At the time of the SINPA research in 2001, the rate was around US$ 1.00 = R$ 2.50.

## 2002 Budget Estimates

<table>
<thead>
<tr>
<th>ITEM</th>
<th>VALUES in R$</th>
<th>VALUES in US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>328,255,000</td>
<td>131,302,000</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>229,100,000</td>
<td>91,640,000</td>
</tr>
<tr>
<td>Personnel and Overhead</td>
<td>153,000,000</td>
<td>61,200,000</td>
</tr>
<tr>
<td>25% Education</td>
<td>74,400,000</td>
<td>29,760,000</td>
</tr>
<tr>
<td>Legislative Chamber</td>
<td>1,700,000</td>
<td>680,000</td>
</tr>
<tr>
<td><strong>Other Expenditures</strong></td>
<td>99,155,000</td>
<td>39,662,000</td>
</tr>
<tr>
<td>Operational costs</td>
<td>80,669,000</td>
<td>32,267,600</td>
</tr>
<tr>
<td>Investments</td>
<td>15,203,000</td>
<td>6,081,200</td>
</tr>
<tr>
<td>Reserve for contingencies</td>
<td>3,283,000</td>
<td>1,313,200</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td>328,255,000</td>
<td>131,302,000</td>
</tr>
</tbody>
</table>

Values are estimated in US$ with exchange rate set as US$1.00 = R$2.50.
ária do Parque Erasmo Assunção reuniu cerca de 1.200 pessoas cadastradas
Con
priori

O Conselho Municipal de Obras (CMO) ent

Nas plenárias a população indica as prioridades

Eleição de conselheiros, em votação secreta
Foram 2 Caravanas que percorreram as reivindicações apontadas durante as plenárias.
“This year I did not manage to approve anything to my area but I am equally happy because others managed to get their priorities satisfied. We had a caravan of 4 buses in two Saturdays and also some mini-caravans. We ended up seeing that in comparison to what somebody else’s situation we live in heaven. It is shocking to see the problems and conditions of some people and touches one hearts which is very human. We made a voting and agreed then that that particular zone should be awarded by the budget. This is a negotiation. During the first year there were people not willing to give up not even 1 Real in the negotiation. Then we go for a consensus with one another. I am very satisfied with what I have gained with the OP. The time invested was worthwhile. Whoever is in the OP must have free time and strong will. My daughters criticise me but I feel fine about it. My sisters complain because I cannot travel to visit the family. I am hindered to earn my money because at times there are meetings in the mornings and afternoons. The municipality could help giving us a transport vouchers…” (M.J.C.S., small scale informal entrepreneur, single mother, born in 1956)
Apresentamos as 51 prioridades incorporadas ao Orçamento Municipal de Santo André para 1999; elas surgiram de sugestões da população nas reuniões do Orçamento Participativo. Página 8
Uma das prioridades para este ano é a ampliação dos cursos profissionalizante
CITY STRATEGY

- Participatory Budgeting

Action Plan

Citizen Participation

City Vision

Action Plan

Citizen Participation

Action Plan

Participatory Budgeting

Participatory Budgeting