
Instruments and Mechanisms Linking Physical Planning and Participatory Budgeting

A synthesis based on the experiences of Ariccia (Italia), Belo Horizonte and Guarulhos (Brazil), Bella Vista (Argentina) and Cordoba (Spain).

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Comune di Ariccia

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INTRODUCTION

What are the mechanisms and instruments that link up Participatory Budgeting with physical planning? The municipalities of Belo Horizonte and Guarulhos in Brazil, Bella Vista in Argentina, Ariccia in Italy, and Cordoba in Spain, together with the International Centre for Urban Management, CIGU, in Ecuador, contribute elements to answer this question based on their own local experience.

This text summarizes their answers; accordingly, it is not intended as the ultimate or most comprehensive contribution to the subject, but rather as the most accurate reflection possible of the innovations that each of the five cities is experiencing within the boundaries and the complexity of their local contexts. This work is framed within the project “*Articulation Instruments between Territorial Planning and Participatory Budgeting*”, of the URB-AL Program, funded by the European Union, coordinated since 2003 by the Municipality of Belo Horizonte, with a design life that has been extended to March 2007.

The second question raised by the group is: How to measure the *inversion of priorities* as implied by the Participatory Budgeting process? The notion of *inversion of priorities*, broadly disseminated in Brazil, means “a shift in the order of priorities, in **political** terms (i.e., those who previously did not have power can now make decisions concerning the budget and become empowered), **policy** terms (i.e., social policies are given greater priority), and in **territorial** terms (i.e., traditionally, investments did not reach poor neighborhoods or rural areas, and now they do). This document focuses on the inversion of priorities, especially in *territorial* terms, resulting from an adequate connection between Participatory Budgeting and Territorial Planning, which at the same time is aimed at reducing the social and political inequalities existing in the municipality¹.

The weak relation between Participatory Budgeting and Planning is one of the criticisms most commonly raised in numerous debates. By limiting the work exclusively to physical planning, the five cities were aware that they were leaving out other equally or even more important tensions that usually exist between the Participatory Budget and (a) Sectoral Planning, (b) Strategic Planning, and (c) long-term Local Development Plans. Exploring how to overcome

¹ Guide for documentation of project experiences.

these tensions in a practical and theoretical way would imply new and specific projects outside the scope of this note.

According to the base document of the URB-AL 9 Network, *Municipal Finance and Participatory Budgetings*, which is the framework for this project, “one of the greatest challenges faced by the Participatory Budgeting process is precisely its relationship with Territorial Planning and Development Plans, because Participatory Budgeting processes are generally short-term exercises that respond to the most urgent demands of the neediest population, and generally also to demands to improve neighborhoods or districts, and much less so to demands to restructure the city as a whole”².

This raises a series of questions that formed the background to this project: *demands prioritized through the Participatory Budgeting process tend to target improvements in a neighborhood or district. Very rarely do these demands target the city as a whole. Therefore, the link between Participatory Budgeting and physical planning with the demands of the city as a whole is an even greater challenge and another necessary point for debate. Several questions are raised at this point:*

- *In what concrete way can we bridge the gap between the Participatory Budgeting process and Planning?*
- *How to reconcile the short-term demands of the population with the long-term demands of the city as a social good?*
- *What instance(s) and mechanisms regulate the neighborhood-city and the short-term–long-term tensions?*
- *Discussing 100% of the investment budget risks limiting the city’s ability to invest in primary infrastructure, sometimes extremely necessary (i.e. roads, airport, treatment plant, etc.)?”³*

² Adaptation of project document “Medición de la Inversión de Prioridades”

³ Cabannes, Y. Base Document URBAL 9 Network, updated and extended version, 2004. Municipal Prefecture of Porto Alegre, p 109.

PRESENTATION OF REPORT

This work is organized in four chapters. The first makes a brief presentation of each of the municipalities in their extreme diversity. The second explores the various mechanisms and instruments to link Participatory Budgeting with Physical Planning used by the cities, while the third discusses the methods used to monitor the inversion of priorities within the Participatory Budgeting process. The final chapter of conclusions summarizes the major contributions to the issue made by the cities, and identifies several working clues for future researches and projects.

This synthesis draws on the documentation of the experiences of the cities, with the advice of the CIGU, and is based on a common guide. This valuable information was complemented by documents and reports furnished by each municipality. The presentation of the experiences during the launching seminar held in October 2005, and visits to each city provided unique inputs and gave us the opportunity to talk directly with the stakeholders. In addition, this synthesis was sent to each city and discussed during the final seminar held in March 2007 in Belo Horizonte.

CHAPTER 1. SHORT PRESENTATION OF THE MUNICIPALITIES AND THEIR PARTICIPATORY BUDGETS

The central idea of this chapter is that the cities that participate in the project, as well as their Participatory Budgeting processes, differ broadly from one another. Each experience is adapted to the particular local context, and this is precisely what explains their strength. At the same time, any effort at generalizing these experiences is risky. This is the basic limitation of the exercise.

1.1. Basic data the cities

Population

The comparative table below shows that the range of situations is quite broad, starting with Ariccia, with little over 18,000 residents, and ending with Belo Horizonte, with a population that exceeds 2.2 million and is the largest city in a metropolitan region with 4.5 million inhabitants. In all the cities, except Bella Vista, the number of women exceeds the number of men.

TABLE 1. Comparison of populations in each city

City	Women	Men	Total	Year
Ariccia, Italy	9,178	8,845	18,023	2005
Bella Vista, Argentina	17,513	17,828	35,341	2001
Belo Horizonte, Brazil	1,181,263	1,057,263	2,238,526	2000
Cordoba, Spain	165,160	153,468	318,628	2003
Guarulhos, Brazil	545,230	527,487	1,072,717	2000

Source: Municipalities. Prepared by Y. Cabannes, 2007.

Urban- rural relations and type of city

Bella Vista, located on the banks of the Parana River in the Province of Corrientes, Argentina, is an “eminently agricultural municipality with 27% of rural land, and is the largest producer of citrus fruits in the northeastern region”⁴. In the other end of the spectrum, Belo Horizonte, the capital of the State of Minas Gerais, is 100% urban, according to official sources. Guarulhos, a municipality located in the Metropolitan

⁴ Case study of Bella Vista.

Region of São Paulo, which boasts South America's largest passenger and cargo airport, is also 100% urban.

Ariccia, located 27 kilometers from Rome, Italy, is characterized by a thriving historical center and by farmland especially dedicated to growing wine grapes. Its other main productive activity, currently in great expansion, is "*porchetta*", a culinary roast pork delicacy, exported all over the world. It also has handicrafts and industries. On the other hand, Cordoba, in Andalusia, Spain, is a historical city and a world-renowned heritage site that also boasts extensive farmland organized around peripheral populated areas (slums) lacking urban services.

Political system and democratic representation

The five municipalities have elected authorities: on the one hand, an executive branch, the *Sindaco, Prefeito, Alcaldesa or Intendente* according to the case, and on the other hand, a legislative branch made up of municipal councilors. However, the level of democratic representation, measured by the number of inhabitants per councilor, differs greatly among cities (see Table 2, number of inhabitants per councilor). In Belo Horizonte, each elected councilor "*represents*" 54,600 inhabitants on average, in Guarulhos, the ratio is 1/31,550, while in Ariccia there is one councilor per 900 inhabitants on average.

It is worth noting that the Participatory Budget and other participation processes tend to have greater presence and decision-making powers in cities where councilors represent, in theory and with all the limitations of the case, dozens of thousands of citizens; that is, in systems where the distance separating the citizens from their representatives is greater.⁵

⁵ The Base Document of Network 9 proposes the hypothesis that "a debate on the *political role of Participatory Budgeting* in cities with a tradition of presidential systems (where the relationship between mayor and population may be direct and clientelist) and with a truncated representative democracy (that is to say, a low level of representation on the part of the legislative branch) could be extremely fruitful. Two questions arise: (a) Does PB occupy an empty space left by the absence of representative democracy, and/or is it a central element of a participatory democracy? And (b) Does PB tend to strengthen the role of the mayor (and the Executive branch) in relation to municipal councilors and the legislative branch? How can such tensions be resolved?

TABLE 2. Number of inhabitants per councilor

City	Number of councilors	Inhabitants per councilor
Ariccia, Italy	20	901
Bella Vista, Argentina	13	2,718
Belo Horizonte, Brazil	41	54,600
Cordoba, Spain	29	10,987
Guarulhos, Brazil	34	31,550

Source: Municipalities. Prepared by Y. Cabannes, 2007.

1.2. Elements for comparison between the Participatory Budgets of each city

- *Where and since when they exist*

In Belo Horizonte, the Participatory Budget was implemented in 1993 and continues without interruption to this day. It is one of the world's most consolidated processes and is characterized by its multiple orientations, covering territorial and housing issues from the beginning; now it also includes a Digital component. The processes in Guarulhos and Cordoba, launched in 2001, evolved differently: Cordoba suspended it in 2004, at the request of several social organizations, reinstating it again in 2005. Guarulhos, on the other hand, decided to shift to a biennial process in 2005. The Participatory Budget is implemented in odd years, while public policies are discussed in even years. A two-year cycle also characterizes the Territorial Participatory Budget of Belo Horizonte since the year 2000.

The Participatory Budget of Bella Vista was implemented for the first time as an experiment in 2006, after the first seminar held to share information organized by the URB-AL project. Ariccia has decided not to apply the Participatory Budgeting process and it has no plans to do so in the future. However, the Local Government is willing to expand its citizen participation and information channels.

To summarize, the cases are paradigmatic of each of the major stages of the Participatory Budgeting process: a) first pioneering experiences (1989-1997), b) the Brazilian spread (1997-2001) and c) expansion and diversification outside Brazil (2000 - present).

- *Amounts put under discussion in Participatory Budgeting processes*

The information provided by the cities allows the establishment of magnitude ranges. Absolute values put under discussion and calculated by year (divided by 2 for biennial cycles) have been:

- Belo Horizonte: 116.5 million reales (biennium 2007/08), including the three Participatory Budgets, i.e. Territorial, Digital and Housing. These values exclude huge amounts discussed in Municipal Councils, particularly for Education and Health. The Municipality allocates approximately 26 million dollars for each two-year cycle. In 2005, Guarulhos put under discussion the allocation of 75.4 million reales (approximately 34 million dollars) while 9 million euros (some 11 million dollars) were put under discussion in Cordoba in 2003. For the first year of the PB process, in 2006, the Municipality of Bella Vista put 300,000 pesos (100,000 dollars) under discussion.

The amounts put under discussion account for *approximately* 10% of the investment funds in Bella Vista, 22% in Belo Horizonte and 100% in Guarulhos. Municipal budgets vary widely from one city to the next and the data available do not allow the establishment of accurate and significant comparisons. We were also unable to consolidate comparative data for municipal budget/inhabitant/year. Again to establish magnitude orders, Bella Vista put under discussion \$3 per inhabitant per year, while Belo Horizonte put under discussion between \$10 and \$15, and Guarulhos and Cordoba between \$30 and \$35.

Case studies reveal the great heterogeneity of each local process, in its financial but also its participatory, institutional and territorial dimensions, as shown below.

CHAPTER 2. MECHANISMS AND INSTRUMENTS LINKING PARTICIPATORY BUDGETING WITH TERRITORIAL PLANNING

2.1. Projects with high incidence on the urban land: Participatory Budgeting processes as a contribution to the *replanning* of the city

A first link between the Participatory Budgeting process and Territorial Planning is given by the projects prioritized during territorial plenary meetings that generally have greater influence on the neighborhood, and during thematic plenary meetings, which usually have a greater effect at the city level.

An analysis of the projects in each city clearly illustrates the wealth of these relations and how the Participatory Budget affects Territorial Planning, often in a structuring way:

In Bella Vista, one of the projects prioritized in 2006 was the reform and the legalization of houses and the plots of land where they are built. This is a relatively unique case of how the Participatory Budget affects an “informal” neighborhood, including it in the formal city and legalizing its status. It is a precedent of production of urban space. We find another example of indirect influence on urban land and city planning in the second project, which supported the processing and sale of agricultural produce. In this case, the project contributes to bolster agricultural production and hence to reinforce the rural space as an economic space (and not as a residential or vacant space). Both are cases of direct or indirect influence on city planning; but in both cases, and this is the other advantage of the Participatory Budget, from a perspective of inversion of priorities, in the first case in favor of the informal city, and in the second case in favor of the farming sector of the municipality, generally forgotten in many local development plans.

In several neighborhoods in Córdoba, the reform and the creation of public spaces and parks have been prioritized by the participants. Again, these projects have high incidence on city planning, but especially on a different kind of planning, which we will call *replanning*. Against the progressive privatization of public spaces, the space for the public is reaffirmed in a *plebeian*⁶ perspective of a generation of “*agoras*”. These public spaces or *agoras* are essential as a space for coexistence, for encounters, for

⁶ Regarding the *plebeian* perspective of the Participatory Budgets, see the works of Segio Baierle, Cidade, Porto Alegre (Communication in Córdoba, URBAL meeting, 2003)

the construction of a multicultural and pluri-ethnic city: in essence, for a more democratic city. In addition, in the case of Cordoba the prioritization of such a large number of parks is not a mere coincidence, because in this context it helps to keep alive the age-old tradition of the late-afternoon promenade to enjoy the cool dusk after a hot Andalusian summer day. This is land replanning with inversion of priorities, in favor of the public and not the private space, in favor of a city for all and not only for those who have the money to enjoy it.

The projects prioritized in Belo Horizonte in the last 14 years provide additional insight into the influence of Participatory Budgets on territorial replanning. The list of projects, among the more than one thousand financed to date, that have direct influences on the replanning of the city is quite extensive and varied. Some are particularly significant. Specific Global Plans, financed at the request of the population in the context of the *Participatory Budget for Housing*, are micro-local plans that seek the integral development of the neediest neighborhoods, particularly the regularization of urban land and their integration into the formal city. To this date, Specific Global Plans have benefited more than 200,000 inhabitants, generally belonging to lower-income social groups with lower Urban Life Quality levels. Another example is the soundly built housing developments for homeless families that take part in the Participatory Budgeting process. To this date, approximately 1700 families have had access to new homes. The example of the macro drainage plan, which is today an integral part of the Municipal Planning System -with significant funds of its own, even more than the Participatory Budget itself-, emerged from the pressure exerted by the neighborhoods located in risk areas that were directly affected by the lack of a good drainage system. It made no sense to execute only micro drainage projects, that is, at neighborhood level, without providing an outlet for the rainwater collected there. The Macro Drainage Plan, a citywide structuring project, emerged from the need raised by the population settled in risk areas.

In Guarulhos, several financed projects go the same way. A good example is the Adamastor Educational and Cultural Centre, built in an old textile factory that was entirely renovated. The investment, which exceeds 7 million dollars, has allowed the remodeling of 8000 square meters. This space now boasts an amphitheater that seats 800 persons, cinemas, a library, classrooms, areas for exhibits, and a convention area capable of holding 2000 persons. It is worth noting that this cultural and learning

space was built in one of the most violent peripheral areas of the city (District A, Agua Chata, in the Map of Guarulhos). This fully illustrates the will of the city to generate new centralities, thanks to the Participatory Budget.

To summarize, through structural projects of local impact the Participatory Budgeting process contributes directly and indirectly to the *replanning* of space in the city. In this sense, it can become a significant contribution to the construction of a city for all in order to make the right to the city a reality, favoring the use of open or closed public spaces and not only the ownership of real property.

2.2. The Participatory Budget as vector of land decentralization

The Municipality of Belo Horizonte *“is subdivided in 9 Administrative Regions, 41 sub-regions, 81 Planning Units (PUs), and 465 neighborhoods and villas. The sub-regions and Planning Units were created as a result of the Participatory Budget of 1993 and 1996, respectively”*. These Planning Units (see map) house today an average of 27,000 inhabitants, with significant variations among them. They are a clear expression of the municipal efforts at decentralization towards territories traditionally invisible in the nine Administrative Regions of the city. This division in PUs was a decisive step towards a different way to plan land use.

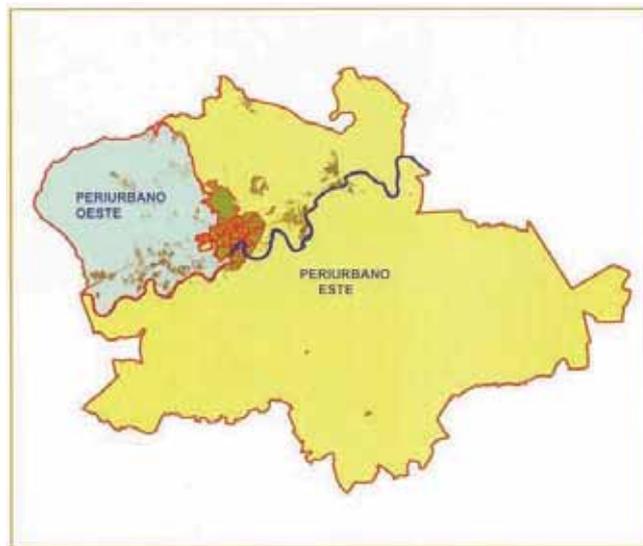
Map 1. Belo Horizonte



Cordoba has also fostered the decentralization of popular participation, particularly in the Participatory Budgeting process, dividing the municipality in 15 districts. It is worth noting that the decentralization process was enhanced in 2004. Neighborhood maps were drawn for the 86 neighborhoods and slums of the municipality, and these were consolidated in 43 sectoral plans.

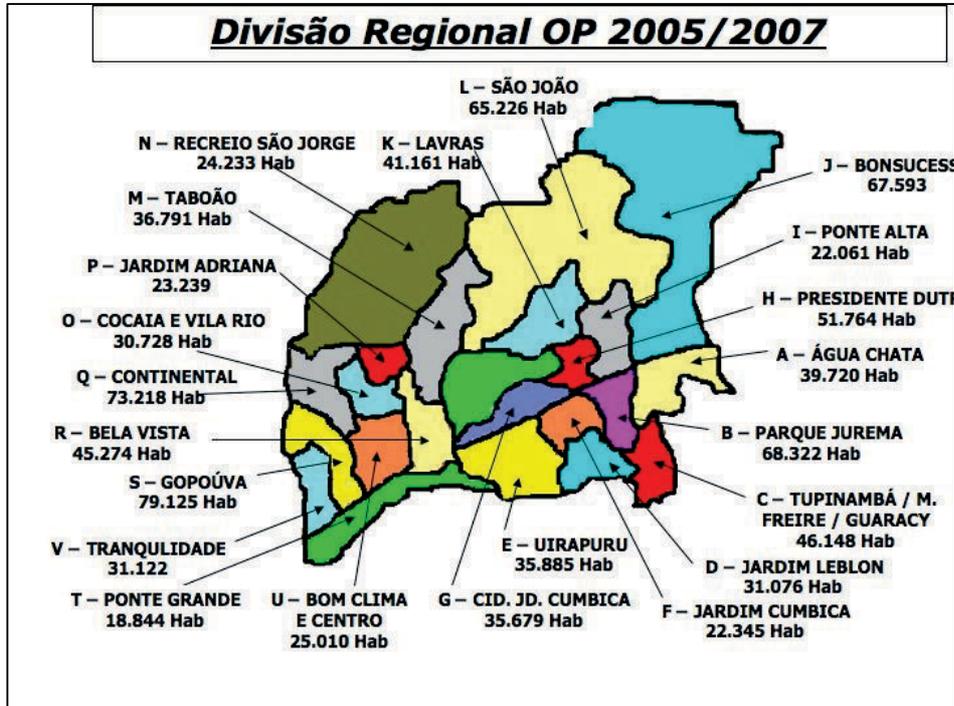
These plans currently serve as a reference for the Participatory Budget. The consolidation of the intermediate level between the neighborhoods and the preexisting administrative divisions is worth stressing. It led to the creation, just like in Belo Horizonte, of true *Territorial Planning units*, whose function –and we must insist on this– is precisely to serve as reference for the prioritization of projects and services in the Participatory Budgets of coming years.

Map 2. Cordoba. Urban and Peri Urban Areas in the Municipality



In parallel, Guarulhos is following a similar path. Although for the purposes of the Master Plan for Urban, Economic and Social Development (Law 6055 of 30/12/2004), the territory is divided in five macro planning zones and in special zones, which will be discussed later. The Participatory Budget was organized during the first years on the basis of 16 regions, where land budget prioritization plenary meetings were held. In 2002, the 16 regions were increased to 22 (with an average of 45,000 inhabitants per region).

Map 3. Regional Divisions of the Participatory Budget in Guarulhos



Source: Municipal Prefecture of Guarulhos, 2007.

At this point, the administrative deconcentration effort undertaken by the municipality to hold public plenary meetings in 20, 40 or 80 areas within the same city is worth stressing. It is equally important to understand that this administrative deconcentration is accompanied by a decentralization of power to areas increasingly more distant from the traditional bodies of power.

To this date, the debate over the budget of Bella Vista has been held in 3 public forums, not quite decentralized. The small size of the city partially explains this phenomenon. However, it deserves more attention and follow-up in the future.

In light of the experiences of these municipalities, we can conclude that a second linking mechanism occurs when the Participatory Budget goes beyond the administrative divisions of the municipality and takes the budget debate to neighborhoods traditionally excluded from political life and from the redistribution of public funds.

Although it is an interesting mechanism, it leaves open what the ideal size of the land divisions should be to allow an adequate linkage between Participatory Budgeting and Planning. Decision makers and local stakeholders generally insist on the municipal boundaries, in order to be able to multiply *ad infinitum* the land plenary meetings. The lack of transportation services, human resources, or time are elements that can force a city to limit the number of territorial units in the context of the Participatory Budget.

It is worth noting that the cities involved in the project have made first attempts at answering the question raised in the base document: How far to decentralize?⁷

2.3. Thematic assemblies and meetings with the city as a whole

A budget debate in limited areas, besides its evident advantages, runs however the risk of privileging demands limited in scale, corresponding exclusively to the neighborhood or the district (improvement of streets, community centers, community parks) in detriment of demands that interest the city as a whole and that have a structuring value. Thematic Assemblies are especially important in order to mitigate this risk, because they allow addressing issues (e.g. transportation, health, local economic development, youth, gender) that interest the city as a whole. How is this issue addressed in cities that have decentralized the discussion at a territorial level?

Belo Horizonte for instance, in addition to its *Territorial Participatory Budget*, built around PUs, implements other modalities, like the *Participatory Budget for Housing* and since 2006 the *Digital Participatory Budget*, using the Internet. Beyond its value in terms of popular participation, and whether or not it has an educational value, the “Digital Participatory Budget” is a mechanism that allows cybernauts to prioritize one structuring project in each of the 9 Administrative Regions. Similarly, the Participatory Budget for Housing has a clear thematic objective, the production of low-income housing, and addresses the housing deficit of the city as a whole (with extremely limited resources relative to its needs).

⁷ *How far to decentralize?* A characteristic of Participatory Budgets is anticipating or enhancing the decentralization processes that take place in the cities. An unanswered question is still how far to decentralize? How many regions or sub-regions should be included in participatory budgets? Is there an ideal size? How should they be linked to territorial planning units (if any)? The answers from cities are varied, and constantly evolving. Base Document of URB-AL Network No. 9, p 108.

Another element of the response should be sought **outside** the scope of the Participatory Budget, in other channels and spaces of participation where public funds are discussed. The case of Guarulhos is emblematic at this point, in the sense that it has 31 Councils and Funds, each one governed by specific regulations. They are part of the Municipal Management and Planning System⁸ and the Municipal Participatory Budgeting Council is only one among the 31, Cordoba also has councils and different spaces of participation with some deliberative powers. The Municipal Participation System of Belo Horizonte is made up of 81 Councils and Forums at municipal, district and local levels.

To conclude, as shown by the previous section, the Participatory Budget takes municipal decentralization to the neighborhoods and districts of the city, beyond their administrative divisions. However, there are other spaces and participation channels that influence the budget *inside* and especially *outside* the sphere of the Participatory Budget and that allow to address the city as a whole. As seen in the previous chapter, the project contributed elements to answer the question raised in the base document: *Participatory Budget for the neighborhood or for the city?*⁹

2.4. Caravans of Priorities, an instrument to rebuild a fragmented space

In Belo Horizonte, Guarulhos and Cordoba, Participatory Budget delegates visit all the projects and services previously selected in thematic or land assemblies. Several case studies report that this mechanism, which seems to be extremely important, allows citizens to recompose (although sometimes in an incipient or partial way) the fragmented city and get out of the disjointed sections where they are currently living. It allows the residents of different neighborhoods to collectively rebuild the city as a whole, starting from traditionally excluded areas. The study of Guarulhos adds: *“Caravans are visits to regions with the goal of presenting the plans of action of the Prefecture and learning about the priorities raised in the plenary meetings (.....) During the caravans, participants broaden their knowledge of the city, of the different regions,*

⁸ Master Plan of Guarulhos, Art. 121, 2004.

⁹ *Participatory budgeting for the neighborhood or for the city?* The demands prioritized by PB in most cases refer to improvements in standards of living at neighborhood or community level. However, it is also necessary to invest, at district, municipal and supra-municipal level. How should the antagonism between neighborhood and city in PB be addressed? The answers from some cities may be partial, but can also be innovative, generating for instance new urban centralities in traditionally forgotten and peripheral districts. Base Document, Participatory Budgeting op. cit. P 108.

as well as the unbalances between regions, starting discussions regarding the Investment Plan."¹⁰

In this sense, the *Caravans of Priorities* are a necessary step to consider Territorial Planning on the basis of the diversity of the areas. As underlined by the Guarulhos study, the caravans allow discussing the Investment Plan with a better understanding of the differences and unbalances. Several testimonies of cities indicate that after the caravans, delegates are willing to defer their demands in order to support those of needier regions or neighborhoods.

2.5. How the Participatory Budget is framed within Local Territorial Planning Strategies

Some cities have planning strategies that clearly facilitate Participatory Budgeting processes. On the one hand, they include the Participatory Budget as an integral part of the Municipality's Planning System. This is the case of Guarulhos, where the planning system includes the Master Plan, the Municipal Water Supply Plan, the Master Macro Drainage Plan, Agenda 21, and the Participatory Budgeting Program. As mentioned earlier, the Municipality explains that the Municipal Participatory Budgeting Council is an integral part of the Planning and Management System (Master Plan, Art. 121). However, the reference to the Participatory Budget disappears in the Law on Land Use and Occupancy (law 113/2006), and the law also does not establish linkages between ZEIS (Special Social Interest Zones) and the Participatory Budget, unlike in other Brazilian cities. We will return to this point later on.

The Municipality of Bella Vista is governed by regulations contained in the Urban Environmental Development Guidelines. The zones identified '*preserve the identity that characterizes Bella Vista, in its relationship with the river, its central zone, the development of residential infrastructure and services, mixed infrastructure and service activities that take place on Provincial Road No. 27, its industrial park and the country house district.* Although to this date the planning and zoning framework cannot be considered as enabling the Participatory Budgeting process, as a result of this URBAL project the Municipality has started ***summoning the public to attend meetings*** with

¹⁰ Case study of Guarulhos, 2007.

the goal of updating the current Territorial Plan. This can be seen as a clear mechanism to link the Participatory Budgeting with Territorial Planning, and a clear and innovative contribution to the issues raised by the URB-AL project. Bella Vista authorities stress that, *“the selection of Bella Vista as headquarters for the program Articulation Instruments between Territorial Planning and Participatory Budget has opened previously unexploited spaces for community participation at different levels, through summons to public meetings of clarification and debate that are being capitalized to advance in the design of decision-making, monitoring and updating systems with respect to urban environmental development regulations.”*¹¹

The institutional and legal framework of Belo Horizonte clearly enables the Participatory Budget for two main reasons. The first is that the Territorial Participatory Budget and the Digital Participatory Budget are executed by the Municipal Secretariat for Planning. In the other cities, the Participatory Budget is a program formally anchored *outside* the Planning Board. On the other hand, as in Guarulhos, the Participatory Budget is an integral and formal part of the Municipal Planning System, together with the Master Plan, the Specific Global Plans (which will be discussed later on), the Municipal Sanitation Plan, the Environmental Recovery and Development Program for the Pampulha Basin (PROPAM) and the Program for the Recovery of Waterways, Improvement of Valley Beds and Drainage of Urban Rainwater (DRENURBS).

In the case of Cordoba, the Participatory Budget is defined as a mechanism to enhance citizen participation, trying to establish linkages and maintaining coherence with the Territorial Planning Strategies and the Strategic Plan. It differs broadly from the three cases previously analyzed, and the existing planning instruments do not facilitate the operation of the Participatory Budget or are not an enabling framework comparable with the other cases mentioned before.

We can conclude that an adequate linkage between Participatory Budgeting and Territorial Planning includes framing the Participatory Budget within the Municipal Planning System (Belo Horizonte, Guarulhos), the Master Plan (Guarulhos) and anchoring it in the Planning Secretariat (Belo Horizonte). If, as proposed by the Coordinator of the Municipal Participatory Budget of Belo Horizonte, we raise the

¹¹ Case study of Bella Vista, question 54.

hypothesis that “*the Participatory Budget is the link between the Planning System and the Participation System*”¹², we would then have to examine the comparative advantages of framing the Participatory Budget in the participation device, as in Cordoba, or in the Planning System, as in Belo Horizonte, or in both. This hypothesis is deemed extremely relevant and will be adequately developed and explored in the future. It is a clear contribution to the questions raised by the URB-AL project.

2.6. Training citizens in physical planning: citizens as bridges between Participatory Budgeting and Territorial Planning

The Municipality of Guarulhos stresses that one of the reasons why the Participatory Budget is linked with the organization and planning of the city is “*because it is a space where questions regarding the organization of the city become issues for debate and education*”. We must stress at this level the key role played by the Paulo Freire Institute, hired by the Municipality to introduce education programs during the Participatory Budgeting process. These programs aim at “*training and qualifying the interventions of Participatory Budgeting councilors and delegates for the production of the Master Plan for the City and for the analysis of the City Statues and the Law on Land Use and Occupancy*”. This training was relatively massive and extensive and 526 delegates and councilors took part in the process in 2005 (27 hours a month) and 325 in 2006 (18 hours a month).

The training activities of delegates, councilors and citizens in general are probably some of the most relevant mechanisms to articulate the Participatory Budget and City Planning. Why? Because, as proposed in the Base Document and during the Launching seminar, citizens that take part in the Participatory Budgeting process and that also participate in the Territorial Planning process are *the safest and most durable bridge* (beyond the administration of the moment) to link the Participatory Budget and the Planning process¹³, and to give overall coherence to the dual planning/ participation system. To reinforce this bridge, citizens need training and also to be fully informed.

One of the explicit objectives of the Territorial Information System, SIT, which is currently being implemented in Ariccia, is to “facilitate access to information by the

¹² María Auxiliadora Gomes, Launching seminar, Belo Horizonte, October 2005.

¹³ Communication, Y. Cabannes, Launching seminar, Belo Horizonte, October 2005

citizenry, particularly through the Municipality's Website. [Ultimately, citizens in Ariccia will be able to interact and talk with the local government via the Internet and the other channels already mentioned. The Territorial Information System will guarantee adequate management of information and will effectively handle all the requests submitted by the associations]. The Territorial Information System clearly states the type of information required by citizens and professionals to be able to influence and interact with Territorial Planning. The Practical Formalities Platform and the *Polis on Line* Service, currently under execution, are broadly described in the case study of the Municipality of Ariccia.

Easy access to territorialized information and citizen training during the Participatory Budgeting process on land planning issues are two mechanisms worthy of closer attention. The goal of the new URB-AL project, *Inter-municipal Training System on Planning and Local Participatory Management*, coordinated by the Municipality of Porto Alegre, is to implement an inter-city learning system based on their practices, and targets municipal officials and civil society representatives. It therefore constitutes a privileged space to address issues such as citizen training and information.

2.7. Affirmative actions for the benefit of the poorest areas

To bring more public funds to the more underprivileged **areas** and to submit them to citizen debate is probably the core of the relation between Participatory Budget and Territorial Planning, in a perspective of inversion of priorities. The cities of Belo Horizonte and Cordoba are building clear paths to reach that end.

The first step is to draw a map of the **entire** municipality to identify the neediest areas. The number of observation zones is a key issue at this point.

As seen before, the Municipality of Belo Horizonte is divided into 81 Planning Units. The pioneering score to evaluate Urban Life Quality was made on the basis of the PUs, using the Urban Life Quality Index (IQVU) made up of 11 variables and 70 indicators¹⁴. The IQVU measures the *spatial possibility of access to an offer* of urban resources. The 11 thematic variables that comprise the index are: Food Supply, Social

¹⁴ See IDHS works regarding development of IQVU.

Welfare, Culture, Education, Sports, Housing, Urban infrastructure, Environment, Health, Urban Services, and Urban Safety. Each one of these variables also has a specific value (adjusted weight). The table below, extracted from a recent study on the IQVU¹⁵, shows the variables and indicators that were consolidated over time and that were used to make comparisons between the measurements of 1994, 1996 and 2000:

Table 3. Composition and weight of “Comparable” IQVU-BELO HORIZONTE (1994,1996, 2000)

Variables/Weights	Components	Indicators
FOOD SUPPLY (0,08)	Infrastructure Supply	M ² of supermarkets and similar/1000 inhabitants
		M ² of stores and similar/1000 inhabitants
		M ² of restaurants and similar/1000 inhabitants
CULTURE (0,03)	Communication Services	Number of local publications printed/1000 inhabitants
	Cultural Heritage	Nº of goods registered
	Cultural Infrastructure	Nº of cultural facilities/1000 inhabitants
		M ² of libraries and office supply stores/1000 inhabitants
Artistic-cultural programs	Nº of cultural activities/1000 inhabitants	
EDUCATION (0,13)	Primary Education	% of students enrolled in elementary education
		Nº of students per shift in elementary education
	High School Education	% students enrolled in high school
		Nº of students per shift in high school
	% of high school graduates	
HOUSING (0,18)	Quality of Housing	M ² of residential area/inhabitant
		Certificate of completion (livability) of houses
URBAN INFRASTRUCTURE (0,16)	Sanitation	% of PU with water network
		% of PU with sewage network
		% of PU with continuous provision of water
	Electricity	% of PU with electric network
		% of PU with public lighting

¹⁵ NAHAS, MIP.; ESTEVES, OA; VIEIRA, CM & BRAGA, FG. Qualidade de Vida Urbana em Belo Horizonte na década de 90: o que dizem indicadores? *Pensar Belo Horizonte/Política Social*, n^o. 17 – March/May 2007. Belo Horizonte. Prefeitura de Belo Horizonte/ Câmara Intersetorial de Políticas Sociais. 2007. Quarterly publication.

Variables/Weights	Components	Indicators
	Telephone	% of PU with telephone network
	Mass Transportation	% of PU with paved roads
		Nº of cars/1000 inhabitants
		Average age of cars
ENVIRONMENT (0,06)	Acoustic Comfort	PMMG registry of noises/1000 inhabitants*
HEALTH (0,14)	Health Care	Nº beds in hospitals/1000 inhabitants
		Nº of health posts/1000 inhabitants
		Nº of other medical care facilities/1000 inhabitants
		M ² of dentistry facilities/1000 inhabitants
URBAN SERVICES (0,11)	Personal Services	Nº of bank agencies/1000 inhabitants
		Nº of taxi stations/1000 inhabitants
	Communication Services	Nº of magazine kiosks/1000 inhabitants
		Nº of public telephones/1000 inhabitants
URBAN SAFETY (0,08)	Law enforcement	Nº of police facilities/1000 inhabitants
		Nº of PMMG human resources/1000 inhabitants
		Nº of police cars/1000 inhabitants
		Average waiting time for attention in PMMG *
	Personal Safety	Nº of murders/1000 inhabitants*
		Nº of attempted murders/1000 inhabitants*
		Nº of breaking and entering/1000 inhabitants*
		Nº of rapes/1000 inhabitants*
		Nº of diverse crimes/1000 inhabitants *
	Property Safety	Nº of muggings/1000 inhabitants*
		Nº of car thefts and robberies/1000 inhabitants*
	Transit Safety	Nº of property thefts and robberies/1000 inhabitants*
		Nº of accidents with or without casualties/1000 inhabitants*

* These indicators are calculated as follows: [(greater nº of cases in city - nº in PU)/ population/1000]

Source: NAHAS, MIP; ESTEVES, OA; VIEIRA, CM & BRAGA, FG. Qualidade da Vida Urbana em Belo Horizonte na década de 90: o que dizem indicadores? *Pensar BELO HORIZONTE/Política Social*, nº 17 – March/May 2007. Belo Horizonte. Prefeitura de Belo Horizonte/ Câmara Intersectorial de Políticas Sociais. 2007. Quarterly

Another aspect of the IQVU is that it is characterized *“by the prevalence of locally available sources, such as “Population Censuses/IBGE, public and private bodies, fiscal cadastres, registries of municipal controls, registries of regional administrations, and the registry of calls of the Military Police “*¹⁶.

In Cordoba, the score given to underprivileged areas is based on an analysis of the *standards of living of the population*¹⁷. Unlike Belo Horizonte, where the boundaries of the Planning Units used to calculate the IQVU have not changed since their creation, in Cordoba the areas *“will be revised and updated each year by the City Council”*¹⁸. The flexible and evolving nature of this zoning is an innovative element that allows the citizenry to influence the organization of the city through the Participatory Budgeting process and to focus attention on the neediest areas. However, these changes complicate the monitoring of the impact by zones, because the areas of observation will not remain stable.

The second step consists in weighing the budget allocation according to the score obtained beforehand: the Planning Unit with the lowest IQVU receives more funds than one with a higher IQVU.

There are several methods to make this weighting: Belo Horizonte and Cordoba point to two types of solutions that will be briefly outlined and developed in the case studies.

In Belo Horizonte, 50% of the funds of the Territorial Participatory Budget are divided in equal parts among the 9 Administrative Regions of the city, regardless of their quality of life index. The other 50% is divided between Planning Units in a weighted form according to their Urban Life Quality Index (IQVU). After calculating the amount that each Planning Unit is going to receive, these sums are grouped for each sub-region and region. For example, if region 6 is made up of 12 Planning Units, the amount put under discussion with the population is the sum of the allocation of each of its 12 Units, plus 1/9 of the 50% divided in equal parts. This figure is public and appears in the Manual for the Participatory Budgeting process of the corresponding year.

¹⁶ Communication, Project launching seminar, Belo Horizonte, October 2004.

¹⁷ The latest study was made in 2004 by IESAC/CSIC and published by the Ayuntamiento of Córdoba

¹⁸ 2006-2007 Participatory Budget Regulations, Ayuntamiento of Córdoba.

Cordoba uses a different method, and its principle is used in several other cities with slight local variations. The IESA map of underprivileged areas is taken into account in the criteria applied to prioritize the projects proposed during the assemblies. Because of their apparent complexity, it deserves a detailed examination. The table of criteria for the selection of projects and their score (or weight) shows the effect of the territorial variable in the prioritization of proposals.

Table 4. Selection Criteria for projects in Cordoba¹⁹

CRITERIA	POSSIBLE SCORE
1. Significance for the city	2,3,4
2. Effects in underprivileged areas	0,1,2,3,4
3. Order of prioritization	1,1.25, 1.50, 1.75, 2
4. % of attendance in assemblies	Used to break ties between proposals with similar score

To summarize, although the two methods have a similar first step (territorializing quality of life and levels of wellbeing); they become clearly divergent later on. In Belo Horizonte the allocation is made by regions *before* the process begins, while in Cordoba it is made *during* the process, at the moment of prioritizing the projects. The analysis of the comparative advantages of each option, which are by the way not excluding, might be interesting in the future.

2.8. Mechanisms to link Participatory Budgeting with the cities' poorest areas: Partial Plans

The major contribution of several cities involved in the process to the questions raised by the project is that they have *identified* spaces between districts and neighborhoods that we call "local" planning spaces. They have also executed comprehensive local development plans, which give spatial and sectoral coherence to the different demands that emerge from the Participatory Budgeting process.

Two major models stand out: the Specific Global Plans of Belo Horizonte and the Neighborhood Plans of Cordoba. In both cases, these plans cover the entire city. Each

¹⁹ The score is different when proposals come from neighborhood/territorial plenary meetings and when they come from thematic assemblies. Here we used the example of neighborhood assemblies.

plan, produced with a strong participatory component, serves explicitly as reference in the cycles of the Participatory Budgeting process.

The Partial Development Plans, that cover limited, generally marginalized areas of the city, are not exclusive of these two cities. They exist for example in Mexico, Colombia (Bogota) and France, and the available literature is quite abundant. The Urbanism Plans of Ariccia (see case study) respond to the same logic. In these cases they are not related with the Participatory Budgeting process and one of its limitations is precisely the difficulties faced to implement them. What is original about the processes in Cordoba and Belo Horizonte is that they emerge as a *response* to the tension that usually exists between the Participatory Budget and Territorial Planning. Another innovative aspect is that they are *proposals* generated by the citizenry.

Neighborhood Plans in Cordoba

In 2004 several associations of residents of Cordoba requested the interruption of the Participatory Budgeting process and proposed the execution of plans in all the neighborhoods and peripheral slums of the city. The task of executing the 46 plans was coordinated by the Federation of Associations of Neighbors, with the support of the Municipality.

The content and structure of these plans vary from one neighborhood to the next, depending on the installed capacities of each. Often they are quite simple, and two examples, annexed in the case study of Cordoba, show their convergences and differences. The first refers to a relatively marginalized neighborhood of the Historical Center (Ajerquia Norte) and the second to a slum located in the periphery of the city (neighborhood in Santa Cruz district). Generally speaking, the demands and the needs expressed in the neighborhood are organized in large headings, including, as in the case of the Santa Cruz neighborhood, Infrastructure, Urbanism, Culture, Youth, Citizen Participation, etc. The main virtue of the plan is that it is a first document of reference, easily accessible and understandable, that can evolve and grow over time. The Neighborhood Plan of Ajerquia Norte (Historical center) is more structured and includes infrastructure provided for in the Special Plan for the Historical Center that has not yet been executed. This integration shows how these partial plans, in their simplicity, are linked with other existing plans (in this case, with the plan for the Historical Center).

What is interesting is that among the multiple proposals usually included in these plans, only those that are relevant from the citizen's point of view have been kept.

Specific Global Plans in Belo Horizonte

The Specific General Plans of Belo Horizonte (PGEs) are much more complex and comprehensive. Because of their interest, they deserve a more in-depth study than this synthesis. The first PGEs were concluded in 1999; until December 2006, 31 had been completed and 23 were underway. They involve 77 poor neighborhoods and *favelas*, more than 310,000 inhabitants and more than 1,000 planned hectares. The summary table below shows the spatial and social coverage of the PGEs.

Table 5. Status of Specific Global Plans in Belo Horizonte at December 2006

PGE	Number	Vilas and housing complexes	Beneficiary Population	Area (Ha)
Completed	31	52	250 000	835
In process	23	25	62 000	212
Programmed	6	8	10 000	29
TOTAL	60	85	321 000	1076

Source : Municipal Prefecture of Belo Horizonte. Rounded numbers (YC, 2007)

*Specific Global Plans*²⁰ target the integration of sectoral actions in view of regularizing the land and urbanizing *favelas* and *vilas*. At local level, a *Reference Group* accompanies the development of the PGE. Its role is to ensure a dialogue with municipal technicians and firms (hired for their execution. On the other hand, it represents the community in the decision-making process and is in charge of keeping the community informed of the advances and outcomes. This Reference Group is made up of formal and informal community leaders, representatives of entities active in the region, as well as of residents interested in participating in the process.

As already said, the ultimate objective of these Plans is the inclusion of marginal neighborhoods (*favelas*) in the city. Generally, they are divided in three stages:

²⁰ Translation (extract) of brochure of presentation of Specific Global Plans, Municipality of Belo Horizonte

- a) Comprehensive data collection (physical, environmental, juridical-legal, socio-economic)
- b) A diagnosis of each dimension, followed by a comprehensive diagnosis
- c) Definition of priorities in the three areas of the PGE: c1) land regularization, c2) urban and environmental improvements and c3) socio-economic development.

It is worth noting that Strategic Global Plans are developed at the request of the communities, which prioritize them during the Participatory Budgeting process and in this sense they resemble the Neighborhood Plans of Cordoba, also requested by the communities. This example shows that the Participatory Budget can become a mechanism to facilitate Territorial Planning in areas that appear among the neediest of a city, and that it is perfectly possible to make large-scale plans, from the neighborhoods, as well as in metropolises the size of Belo Horizonte.

In addition to the Specific Global Plans and the Neighborhood Plans, the ZEIS, or *Special Social Interest Zones*²¹, are also areas that have played a significant role in several cities (Recife, for example) to link the Participatory Budgeting process with the planning and development of the neediest areas of the city. The integral planning of the ZEIS produces *Urbanization Plans* (see Guarulhos); these could be enhanced with the experiences presented here and possibly become more closely related with the Participatory Budgeting process.

²¹ We refer readers to the abundant regulations, categorization of ZEIS and literature regarding the ZEIS issue in Brazil. See for example the Law on land use, occupancy and division in Guarulhos and articles (40 to 46) concerning the ZEIS.

CHAPTER 3. MONITORING INVERSION IN TERRITORIAL PRIORITIES

3.1. The notion of inversion of priorities

As said in the introduction, the concept of inversion of priorities emerges mainly from debates in Brazil and is not necessarily used in other cities outside Brazil. The notion of *inversion of priorities*, broadly disseminated in Brazil, means “a shift in the order of priorities”, in **political** terms (i.e., those who previously did not have power can now make decisions concerning the budget and become empowered), **policy** terms (i.e., social policies are given greater priority), and in **territorial** terms (i.e., traditionally, investments did not reach poor neighborhoods or rural areas, and now they do). This document focuses on the inversion of priorities, especially in *territorial* terms, resulting from an adequate linkage between Participatory Budgeting and Territorial Planning, at the same time aimed at reducing the social and political inequalities existing in the municipality. Indeed, few studies explain the incidence of the Participatory Budget at territorial level, but if participation is opened to the most disadvantaged citizens and their territories, the question raised here is, how to measure this “inversion”? With what criteria?

Each city participating in the Project has a different interpretation of the inversion of priorities. For Belo Horizonte, the priority expressed is reducing inequalities in terms of Urban Life Quality, measured with the IQVU. In turn, Cordoba aims the inversion of budget priorities towards the neediest neighborhoods and peripheral slums with insufficient services. Guarulhos explains its vision of the concept: it consists in “projects in more underprivileged regions, revitalization of centralities, social projects and transfer of income towards the neediest sectors.”²²

3.2. The experience of Belo Horizonte in measuring the inversion of priorities

One of the major contributions to the URB-AL project regarding the *measuring of the inversion of priorities* came from Belo Horizonte, which developed and tested a synthetic indicator of “*access and perception of projects financed by the Participatory Budget by the population*”.

²² Translation of Case Study, Guarulhos, 2007

Below we present an introduction to the method developed by Belo Horizonte. A synthesis of the work²³ and a Sourcebook have been produced in the context of the project and are now available.²⁴

Accessibility/perception Index for Participatory Budget projects

*“Concerning the **accessibility** component, to **reflect** on the aspects of their coverage, based on nearby population contingents and their **social relevance**, considering the socioeconomic profiles of these populations.*

*Concerning the **perception** component, we propose a **reflection** on the effectiveness of the Participatory Budget as an agent for the inversion of priorities in the reduction of inequalities detected through an analysis of the intra-urban differentials connoted by the absence of factors that constrain the quality of life in the city, such as access to income, housing, basic sanitation services and other public services, such as health, education, safety and leisure; with notable reflections on social variables, such as child mortality, poverty, illiteracy, urban violence, endemic diseases, etc.*

The component concerning projects in priority areas for social inclusion is made through georeferencing, which allows measuring the contribution of inversions in these areas, either in updated absolute or relative values. The proposal is to make this measurement in each cycle of the Participatory Budgeting process, that is, every two years. Concerning the accessibility component, measured by the proximity of the projects, surveys were made for the Participatory Budget of 1996, using the 1996 census; for the Participatory Budget of 2004, using the census of the year 2000, and for the Participatory Budget of 2006 also using the 2000 census. The Secretariat for Planning itself, through the Popular Participation Coordination Office, was in charge of these surveys”.

²³ Marcos Ubirajara de Carvalho e Camargo, *Nota de Síntesis sobre los Indicadores de Medición de Inversión de Prioridades*, Prefeitura Municipal de Belo Horizonte, 2007, URBAL project.

²⁴ See Marcos Ubirajara de Carvalho e Camargo, *Manual Metodológico sobre el indicador de medición de inversión de prioridades*, Prefeitura Municipal de Belo Horizonte, 2007, URBAL project.

3.3. Main results and indicators

- i) *Indicator of proximity: territorial coverage of Participatory Budgeting projects (abragência in Portuguese)*

Table 6. Territorial Coverage. Number of residents relative to Participatory Budgeting projects

Distance in meters	Population	% of population of Belo Horizonte
100	352,743	16
200	895,092	40
500	1,888,389	84
1000	2,214,396	99

Source: Marcos Ubijara. Prepared by Y. Cabannes, 2007

One of the most significant results of the method is that it measures the distance separating the residents of Belo Horizonte from the 816 projects financed by the Participatory Budget and completed between 1994 and December 2006. The results, expressed in Table 6, show that 99% of the population lives less than 1 kilometer from a completed project, that 84% live less than 500 meters away, and that 40% live less than 200 meters away. These figures clearly show the *high* access of the population to the benefits of the Participatory Budget, as well as the broad territorial coverage of these projects in the city. They offer a clear answer to the valid question regarding the actual impact of the Participatory Budget in improving the living conditions of the population. However, they have yet to answer which type of population benefits from Participatory Budgeting projects. In other words, to what social category and to what level of income belong for example the 40% of inhabitants living less than 200 meters from a Participatory Budgeting project, or the 84% that lives within a 500 meter radius? That is, what is the social and territorial relevance of these projects and services, and therefore, what is the social and territorial relevance of the Participatory Budgeting process itself? This method also provides answers to these questions.

ii) Social relevance indicator

**Table 7. Monthly income of families living less than 200 meters
From Participatory Budgeting projects
(% relative to number of families in each social category)**

Income levels (1 is lowest)*	Equivalence in minimum monthly salaries*	Total families in Belo Horizonte	Families living less than 200 meters	%
1	0 to 0.5	2,510	1,360	54
2	0.5 to 1	69,195	35,091	51
3	1 to 2	101,936	50,885	50
4	2 to 3	69,194	31,486	46
5	3 to 5	93,598	36,700	39
6	5 to 10	116,266	36,366	31
7	10 to 15	41,176	10,562	26
8	15 to 20	32,012	7,452	23
9	20 +	53,659	10,200	19
10	0	43,402	20,461	47
AVERAGE		622,948	240,563	39 %

Data, Municipal Prefecture of Belo Horizonte 2007, prepared by Cabannes, Y. 2007.

*Categories defined by the IBGE.

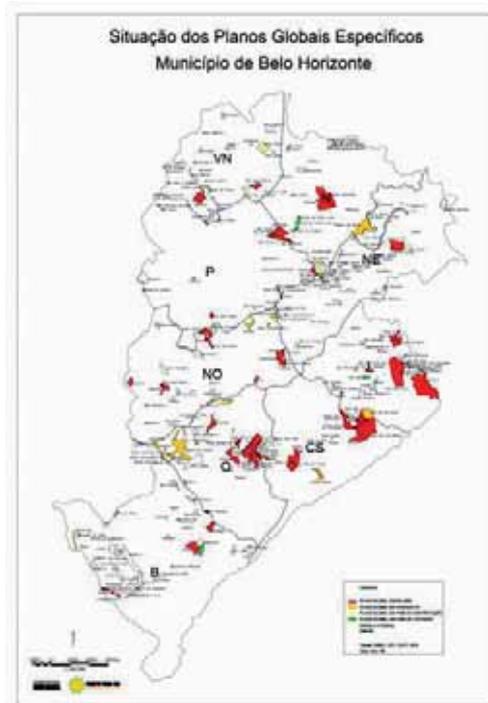
Minimum salary in 2007: 350 Reales (approximately 175 US \$).

This table relates to 40% (39% to be exact) of families of Belo Horizonte living less than 200 meters away from a Participatory Budgeting project; it shows the income of the heads of household living less than 200 meters away from a Participatory Budgeting project and it also shows that the poorest families, that is, those with IBGE levels of 1, 2, 3, 4, 5 and 10 have benefited more than the average population, which is 39%. Thus, 47% of the population with no income (category 10) and 54% of the families with a monthly income earned by the head of household below 87,7 dollars (category 1) live less than 200 meters away from a project. These results show that proximity to a Participatory Budgeting project is in direct correlation with poverty levels: greater access for families with lower income levels. This is clear evidence therefore of the social relevance of these projects.

iii) *Beneficiary population living in areas covered by Specific Global Plans*

Another way of measuring inversion of territorial priorities in the neediest neighborhoods is identifying the sums and the relative percentage of Participatory Budget funds channeled to areas covered by Specific Global Plans, which are the areas with the lowest Urban Life Quality indexes that concentrate the highest poverty levels (see map).

**Map 4. Status of Specific Global Plans.
Municipal Prefecture of Belo Horizonte**



From 1994 until December 2006, 1184 projects were approved in the context of the Regional Participatory Budgeting process, representing investments totaling 470 million reals. The projects that benefited 31 areas of Specific Global Plans totaled 104 million (22% of the total investment) divided in 238 projects (20% of the total number of projects). If we consider that 249,000 people (11% of the population) live in areas covered by PGEs, the conclusion of the analysis of these data is that that 11% of the population received 22% of the funds. *This demonstrates what in Brazil*

is called “inversion of territorial priorities” in favor of the more underprivileged areas of the city²⁵.

3.4. Measuring the impact of Participatory Budgeting on the territory of the other cities

Although there were advances during the project regarding measuring the inversion of priorities in the case of Belo Horizonte, it is worth noting that other cities are not currently measuring these impacts. In the case of Guarulhos, the key step taken has been to design a method to evaluate the scope of the Participatory Budgeting process. However, this proposal does not introduce the territorial variable, and therefore limits the exercise to its social and participatory dimension, leaving aside other possible benefits and minimizing the role currently played by Participatory Budgeting process in the city.

Including the territorial impact in the evaluation work is not only a technical issue or a response to the concerns of the planners, but also a significant political issue. It allows informing the public in general about the contributions of the Participatory Budgeting process. If these contributions cannot be demonstrated, we are playing into the hands of those who, legitimately or not, criticize the Participatory Budget process as a low-impact mechanism on the reduction of social or territorial inequalities.

²⁵ A recent study developed by IDHS draws a similar conclusion. See Nahas et al, 2007, op cit.

CHAPTER 4. CONCLUSIONS AND PROPOSALS

4.1. Conclusions and proposals

Six proposals to measure social and territorial priorities were made during the launching seminar²⁶:

- i) To have a clear vision of the situation that must be “inverted”.
- ii) To develop participatory local, physical and territorial plans.
- iii) To identify weighted criteria for the definition of priority projects.
- iv) To define territorial criteria for the allocation of funds
- v) To measure the inversion on a regular basis.
- vi) To build Local Participatory Observatories, LPOs.

In light of the experiences developed by each city, we can measure the advances made with respect to each one of these proposals. We must differentiate between experiences that are relevant to link the Participatory Budget with physical planning and those more directly focused on measuring the inversion of priorities.

What to do to establish better linkages between Participatory Budget and Territorial Planning:

There are several types of proposals: most are directly linked to the land issue, while others are in the interface between different financial, participatory or institutional dimensions of the Participatory Budgeting process presented in the Base Document. All have a clearly political background. The 11 proposals listed here are essentially based on the contributions of cities participating in the project. Therefore, it is worth clarifying that *this is not a comprehensive answer*.

1. Privileging projects with high incidence on the *replanning* of the city, for example:
 - public parks and places for social interaction
 - Regularization of urban land
 - Low-income housing complexes in privileged or underprivileged areas

²⁶ Cabannes, Y. Communication, October 2004.

- Structuring projects simultaneously at macro and micro level, such as the Macro and Micro Drainage projects
 - Comprehensive local micro development plans
 - Reinforcement of local production chains, such as support to processing and commercialization of local agricultural produce
2. Defining more Planning Units than there are administrative divisions to bring the Participatory Budgeting process closer to the city neighborhoods. In this sense, the Participatory Budget enhances the decentralization process in its full sense of reverting power back to the levels closest to the citizenry.
 3. Building Participatory Budgeting processes from Territorial Plenary Meetings (more focused on the needs of the neighborhoods, favelas and districts) and from Thematic Plenary Meetings or Specific Participatory Budgeting processes (i.e, Housing) which tend to establish a dialog with the whole of the municipal territory.
 4. Formulating in a participatory fashion Local Neighborhood Plans, under the coordination of social organizations, to give coherence to all the demands and establish a productive dialogue with existing plans. Within the range of experiences we can highlight for example the PGEs, the Neighborhood Plans and the ZEIS Urbanization Plans.
 5. Developing a territorialized vision of exclusion, poverty and wellbeing in the municipality as a whole (and if possible of the entire Metropolitan Region), using methods and indexes such as the Urban Life Quality Index, IQVU, the Social Vulnerability Index, IVS; socio-economic surveys; exclusion maps, and other. We recommend establishing this vision at the beginning of the Participatory Budgeting process, so as to be able to periodically measure the changes generated by PB. This territorialization would have to be made on the basis of the Territorial Units of the Participatory Budget (planning units, operative divisions for Participatory Budgeting).
 6. Territorializing the allocation of funds available in the Participatory Budgeting process on the basis of the results obtained from the territorialization of poverty and

exclusion. These sums would have to be indicated at the beginning of the cycle of discussion, and should be approved beforehand by the municipal council.

7. Introducing and privileging territorial criteria within the criteria for the prioritization of projects proposed during Thematic or Territorial Plenary Meetings. These criteria are based on the results of the Partial Plans and of the territorialization of exclusion and lack of wellbeing indexes.
8. Clearly inserting the Participatory Budgeting process in the Municipality's Planning System and building (or defining) clear relations with the different plans of the city: Municipal Development Plans, Macro Drainage Plans, Sanitation Plans, etc. It is important for the Participatory Budget not to be linked only to Municipal Participation Systems.
9. Defining strong relations with Municipal Planning Secretariats. The issue of anchoring the Participatory Budget in the Secretariat for Planning is one of the solutions that allow better linkages between the Participatory Budget and Planning. However, this anchoring depends on the local situation of each city and creates the need to make new comparative surveys.
10. Training citizens in a massive, profound and permanent way, particularly on territorial issues. This training should not be limited to a formal education; it should also include specific methods related to the Participatory Budgeting process, like the Caravans of Priorities.
11. Introducing the possibility of financing training programs with funds from the Participatory Budget in the internal regulations of the PB process.

What to do to measure the inversion of priorities

Answers obtained to this date are limited and therefore we would rather like to propose here a working plan for the future:

- i) Developing a territorialized vision similar to the one previously mentioned in order to link Participatory Budget and Planning.

- ii) Building quantitative and qualitative indicator systems with the delegates of the Participatory Budgeting process. It is important to have indicator systems the delegates can understand²⁷. If they are not intelligible, the delegates may not be able to adequately transmit them to the rest of the population.
- iii) Public powers should regularly monitor the coverage of Participatory Budgeting projects and services, their social relevance, and most of all the use of these services by the population.
- iv) Conducting opinion and perception polls on the Participatory Budget and the projects executed.
- v) Organizing multi-stakeholder observatories (government, universities, civil society, social organizations)
- vi) Disseminating results through the press and other communications media, including the websites of the Municipality and of the partners of the observatories, if any.
- vii) Including the results in citizen training programs.

Another conclusion of this synthesis is that the three variables proposed as instruments of analysis in the Base Document continue having full validity: a) degree of municipal decentralization, b) degree of “*ruralization*” (which takes into account rural spaces, generally neglected), and c) degree of inversion of territorial priorities.

4.2. A few suggestions for the future

Updating the Urban Life Quality Index (IQVU) and the Social Vulnerability Index (IVS).

We share the vision of the *Institute for Sustainable Human Development* of Belo Horizonte when it proposes to update and modernize the two indexes used as a basis for the Participatory Budgeting process and the follow-up of its impact, namely, the IQVU and the IVS. As proposed by the IDHS, the construction of the indexes should be revised in order to “*ensure their contemporariness and representativity with respect to the public administration and society*”²⁸. This revision seeks to reduce the number of indicators without affecting the quality of the index, as well as to include variables and indicators, like those regarding the environmental issue, for which now there are

²⁷ The issue of the intelligibility of evaluation indicators was a central issue in Tarson Nunez’s speech to present the first map of exclusion in Porto Alegre

²⁸ Correspondence, Maria Inês Nahas, PUC Minas, 2006.

available data²⁹. They could also be linked to indicators that allow measuring the Millennium Development Goals. This would be important because it would allow us to identify the contribution of the Participatory Budget towards achieving these goals.

Other proposals validated during the final seminar include:

- The need to evaluate Specific Global Plans and their relevance
- Comparison of specific advantages of Neighborhood Plans and Global Specific Plans
- Evaluation of the advantages and disadvantages of “anchoring” the Participatory Budget in the Secretariat for Planning in order to establish an adequate relationship between Participatory Budgeting and Planning.
- Development of perception polls among delegates and councilors (and citizens in general) regarding projects and services financed by the Participatory Budget.
- Measuring the inflationary impact of Participatory Budgeting projects on the price of urban land and its consequences on the local population³⁰.

4.3. Final Observation

The balance of the Project is positive, because it was able to provide elements to answer two questions: How to link Participatory Budgeting and Territorial Planning? and how to measure inversion in territorial priorities? Major contributions of cities worth mentioning here include the Annual Social Balance (perception poll) and the Territorial Information System of Ariccia; the implementation of the first Participatory Budgeting process after the First Project Seminar in Bella Vista, where another major contribution

²⁹ IDHS, Correspondence, 2006. *“The IQVU and the IVS – established nearly one decade ago– must be updated with the use of more recent data. This is the intention of the Municipal Secretariat for Planning of the Prefecture of Belo Horizonte, which asked the IDHS – the Institute for Sustainable Human Development of the PUC Minas, to update these indexes using 2006 data (...) In the meantime, the variables and indicators of these indexes were defined approximately ten years ago: the IQVU in 1994 and the IVS in 1999. Since then, the changes that have taken place in the production of data by the cities have not been incorporated, nor the technological innovations developed in recent years. As an example, we can quote the environmental issue, which nowadays can be evaluated with information that was not available when the indexes were developed, such as the Environmental Health Index of Belo Horizonte. Another key aspect is that a temporal analysis of the IQVU²⁹, with data for 1994, 1996 and 2000, points to a reduction of the number of indicators, without losing the quality of the information generated by the index. This aspect also needs to be considered in a revision of this index, especially as it is an instrument of reference for the Participatory Budget of the Prefecture of Belo Horizonte.”*

³⁰ See Murta, Ana Maria, *Projeção inversa: da prática do orçamento participativo a produção e apropriação do espaço urbano*, Belo Horizonte. UFMG, 2005. This research work shows that the population that took part in the process tends to claim more ownership over the projects of the Participatory Budget and therefore to remain in the area, in spite of the increased prices of their properties and the temptation to sell.

are the popular consultations organized to influence the Territorial Planning Strategy. Cordoba, in turn, developed 46 Neighborhood Plans covering all the neighborhoods and peripheral slums of the Municipality, thus contributing to solve some of the issues raised with a simple and concrete solution to link the Participatory Budget to the municipal territory. The method tested by Belo Horizonte is a major contribution of that city to the Project, in addition to the series of instruments, such as the Urban Life Quality Index (IQVU), the Social Vulnerability Index (IVS), the Planning Units, (PUs) or the Specific Global Plans (PGE) that are also fundamental contributions to the issue. Citizen training on Territorial Planning issues, the linkage between Participatory Budget and the Master Plan, and the sub-division of the Municipality in 5 macro zones and 22 areas for the Participatory Budget were Guarulhos' major contributions to the question.

Two major models are at stake to link the Participatory Budget to Territorial Planning: the first includes the Specific Global Plans of Belo Horizonte, built upon the IQVU and the Planning Units, and the second are the Neighborhood Plans of Cordoba, formulated by the communities and covering the entire city.

However, and in spite of these answers, new questions and areas of experimentation emerged and they deserve to be considered in the future in order to tackle the social and economic inequalities prevalent in the territories of European and Latin American cities.

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