ABSTRACT

As in many Latin American countries, Brazilian territories face governance structural gaps related to regional and rural development policies, both on the micro and meso levels. Such problems, as lack of coordination among agencies, interventions and scarce promotion of contracts at micro-scale, are critical gaps to achieve the expected results of economic and social improvements on a given region in a given scale. These problems must be addressed within the decentralization process framework, strengthened in Brazil by the 1988 Constitution promulgation that has transferred more responsibilities by public services to municipalities without the necessary capacities, both financial and human. Within these constitutional changes, there has been a strong effort to include society participation through Councils in almost all sectors of public intervention, such as education, healthy care and also rural development.

In that context, this paper analyzes the experiences ongoing in three micro-regions located in three Brazilian states (Ceará, Minas Gerais and São Paulo), within the framework of a FAO Regional Development initiative. This initiative aims to assist sub-national governments in promoting a development strategy in specific territories of their states in three countries: Brazil, Chile and Mexico, reinforcing sustainable regional development by facilitating the links between different social actors, enhancing their capacities and promoting projects with a territorial approach.

The innovative approach in this initiative is based on an institutional arrangement to confront problems of governance and lack of coordination. Alliances for Regional Development, are an in-built learning process gauged to unveil areas for interventions and to channel them into the pipelines of public or private investors.

Key words: regional development, local governance, institutional arrangements, decentralization process.

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1 Gustavo Gordillo de Anda is Assistant Director-General and Regional Representative of FAO for Latin America and the Caribbean (Gustavo.Gordillo@fao.org). Rodolfo Oliveira (Rodolfo.Oliveira@fao.org), Luiz Carlos Beduschi (LuizCarlos.Beduschi@fao.org) and Rodrigo Wagner (Rodrigo.Wagner@fao.org) are Consultants for the same Organization.

The opinions are personal responsibility of the authors and do not necessarily reflect the position of the Food and Agriculture Organization of the United Nations.

Authors’ mail address: FAO Regional Office for Latin America and the Caribbean. Dag Hammarskjold, 3241, Vitacura. Casilla 10095, Santiago, Chile/ www.rlc.fao.org
Territorial development in Brazil: seeking institutional coordination at meso-level

1) Introduction
Like in most Latin America, rural territories in Brazil face governance structural gaps related to regional and rural policies, both on the micro and meso levels. Since the end of eighties, the decentralization process posed an extra burden to the municipal government, transferring responsibilities for public services deliverance without the proper capacities. Thus the problems related to governance structural gaps have to be addressed within the decentralization process framework. The bottom line is that the real intentions of decentralization have dealt more with financial and operationally pressures rather than with real devolution of public services and public entrepreneurship.

This paper analyzes the ongoing experiences in three micro-regions, each one of a Brazilian state (Ceará and Minas Gerais), within the framework of a FAO Regional Development initiative. This initiative has as its main tool the promotion of Alliances for Regional Development, an in-built learning process gauged to unveil areas for interventions and to channel them into the pipelines of public or private investors.

The paper is structured as follows. The second section reviews the state of the art regarding decentralization and contract promotion in Brazil, focusing on the problems of governance at micro-scale (municipalities) and meso-scale (between municipalities and the state level). The third section revises the traits of the Alliances for regional development. We then move in the fourth section to the Brazilian experiences, contrasting them with the Alliance “model” proposed. The analysis takes into account the parameters established to this innovative institutional arrangement, their trajectories, their leading actors and alternative roads to their development. Finally, in the fifth section we present some concluding remarks and policy implications.

2. Regional development pursuit and decentralization
   2.1. The Decentralization trade-off:
Decentralization processes ongoing in Latin America since the eighties and nineties are strongly relevant to both promoting and limiting development policies. In fact there is an unsolved trade-off regarding decentralization in the political economy literature. At the same time that decentralization favors efficiency, it may facilitate the capture of local government, especially when extreme heterogeneity among actors' assets is present (Bardhan, 2005). This is a major issue in the region, well known as the most unequal in the world (World Bank, 2003). Indeed, “caciquismo” or “coronelismo” has long been discussed as evidence of these capture (Freyre, 1968; Bartra,1978; Roniger, 1987a, b). It is recognized that decentralization favors efficiency, but not if one hastily delivers formal command without the resources (including human resources) to local authorities (Faguet, 2004; Vogelgesang, 2000); some of the talents can be imported or developed, but trusts and certainties must be generated locally.
On the other hand, centralization increases economies of scale for technical assistance, capacity-building and decision making. However, excessive centralization also facilitates the government capture (Laffont and Martimont, 1998), a reason why the advantages of multiple agencies are emphasized. Nonetheless, local governments have advantages in knowledge of local variables like: preferences, type and productivity of the local agents.
Although decentralization is per se a very important issue, our focus is promoting development within the actual constitutional framework. We note that execution and quality of interventions may be very low, in part due to lack of local knowledge and coordination deficiencies by the centralized agencies, as well as to the limited economies of scale for technical capacities at local level. Recognizing that decentralization is not a panacea, and understanding the relevance of local political economy, we can conclude that the actual dilemma is not about proceeding with devolution, but about timing and sequencing change to guarantee efficiency and low levels of capture.

In Brazil, two aspects of the decentralization process are important for the development perspective of the FAO project: the main role of local level (municipal government and councils); and the local government capture. These two aspects have a strong influence in the development of the Alliances proposed here.

2.2. The Brazilian scenario: transferring responsibilities, lacking capacities – the Municipal Councils for Rural Development.

In Brazil the decentralization process gains strength with the 1988 Constitution promulgation, when former responsibilities and attributions of federal and state governments were transferred to municipalities. The municipality gains importance in Brazilian institutional framework, thru an expanded sets of attributions in order to guarantee financial, administrative, and political autonomy (Plural, 2000). However, that process has occurred in a disorganized way compromising public service delivery for lack of coordination and of resource allocation (Campanhola and Silva, 2002). Since then, the decentralization process drifts in an incoherent and irregular mode, addressing in an unbalanced way the transfer of responsibilities and resources, and presenting distortions regarding public management (Buarque, 2002).

From the administrative side the municipalities still show technical and administrative fragilities and lack of capacity in formulating public policies. The critical financial situation of most of the small and rural municipalities prevents them in exercising a significant leading role in promoting local and regional development.

From the political side, municipalities tend to reproduce the power structure of traditional oligarchies, aggravated sometimes by social fragmentation and absence of autonomous institutions. Beyond that, the municipalities still maintain a high degree of subordination to the federal and states government decisions. This subordination to higher government levels (including patronage rapports to national deputies) has its roots in the concentration of power in these instances and is a symptom of institutional weakness and lack of proper checks and balances in the design and implementation of national and local policies. Since the mid-eighties, in the wake of the re-democratization process, with movements and debates focusing on stronger social participation in the design and implementation of public policies, decentralization arises like a legitimating tool for the transfer of responsibilities from the federal government, to the states and municipalities. In this sense, the Municipal Councils began conceived as institutional instruments for participation and accountability of public policies.

The Municipal Councils experience is relatively young in Brazil, dating back to the end of the eighties, mainly with experiences connected to health and social aid areas. The creation of those institutional forums, despite of the rhetoric regarding the increase and improvement of popular participation, has strong connections with the need of resource
trespassing. The mandatory constitution of these forums for the resource transfer from central government to municipalities illustrates this assertion. Public resources transfers for health, education and social aid can only be effective thru the constitution of these forums. Despite of this dictum, many councils have presented relatively good outcomes regarding social mobilization and coordination, mainly as a tool for accountability (Carvalho and Teixeira, 2000).

One set of Councils that arose from this period are the Municipal Councils for Rural Development. They were formed as a managing instrument for some public programs, such as the PRONAF. Thus the first question that comes to mind is if the municipal Councils for rural development could develop as an institutional tool for regional development promotion. Would it not be easier to prompt the coordination at municipal level, with the already existing institutions as the basis for initiatives such as the FAO one? Coordination at municipal level could be performed, like in the Municipal Councils for rural development of Brazil and Mexico (Gordillo et al, 2003). Recent evaluation of that councils mention that in some situations they are useful indeed. However, different problems can be identified:

a) Councils do not add value in coordination efforts, because the actual structure of municipalities serves those purposes.
b) Insufficient economy of scale for technical capacity, fragmenting and diluting resources. (Vogelgesang, 2000)
c) Councils without enough local support. That is the case for some of the least successful territorial pacts in Italy (Italian Finances Ministry, 2003).
d) Capture by local authorities ("mayor-isation" of the council).
e) Window-dressing councils for fulfilling requirements in order to capture subsidies.

The last two illustrate some of the recurrent problems in Brazil that limit the reach of the Municipal Councils related to rural development. They are, indeed very strongly interlinked. The formal character of the majority of the Councils, limited to the role of clerkship for public programs, such as the Pronaf (Cardoso and Ortega, 2001) is related to the tight connection between the municipal administration and the Councils, described by some authors as “mayor-isation” of the Councils (Schejtman and Berdegué, 2002; Cardoso and Ortega 2001, Abramovay 2001, Abramovay and Veiga 1999). It configures one of the recurrent problems of decentralization: the control of the bureaucratic processes by local elites generally connected to local government structures. Some of these authors highlight that access of the majority of population to the instances of political decision is essential to development processes and citizenship, mainly of those marginalized groups.

This remits us to another problem: the Councils constitution as a response to legal requirements. Frequently the municipal Council formation is a legal requirement for the municipalities to obtain public resources. This stands to be one of the main elements that facilitates municipal Councils capture by the local government and elites. Thus, the municipal Councils for rural development express more the demands and the needs of local elites.

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2 See Oliveira, 2004 for more detail.
3 For example see the assessment on Municipal Councils for Sustainable Rural Development in Brazil cited by Oliveira 2004.
Another important problem is related to participation at the municipal level. Despite it is the basic instance of political decision, it is not necessarily the better instance for promoting regional development. At the same time that a small population offers the advantage of developing trust bonds between its inhabitants, the chance of building innovative processes, essential to the development (generation of income and creation of new job opportunities) are strongly reduced with the scale (Abramovay, 2001; Beduschi Filho and Abramovay, 2004).

And the last argument that limits municipal Councils as the Alliance core is the sectoral and local biases of their actions and decisions, almost always restricted to agriculture development and limited to municipal territory (Belik, 2000). Rural societies are still viewed in some cases only as an "agrarian world" rather than complex societies.

Consequently, coordination at municipal scale is useful, but has limitations that can be overcome with institutional arrangements at meso-level, which in itself are not free of such limitations, but play an important role in the overall system of checks and balances. Previous experiences and similarities with intermediate institutions can be found in developed countries, like the LEADER programs (European Union, 2004), but with differences on assets endowments, both on the economies of scale for technical capacity and on human capital.

Meso institutions were developed in the nineties in Italy, France, Spain and also in Canada and the US. Some of them were successful and other failed. Those which strong impact in their region are correlated with an effective focus of Collaborative Governance (Culpepper, 2003).

Those meso-catalysts can be found recently in Latin America in a variety of intermediate coordination institutions: (e.g. Agropolos in Ceará, Brasil, la Unidad de Gestión Territorial – UGT in Bio-Bio's region, Chile, Fidecitrus in Monterrey, México). These institutions emerged for filling gaps in coordination at meso and micro scale, but they are mainly structured in practice as "project-making bureaus".

What is then, the value added of the regional development project when certain coordinating institutions already exist? Considering that those are evolving organizations in need to consolidate, this regional project may assist in: (i) defining an integral strategy for regional development, avoiding the usual biases towards infrastructure projects or segmented sectoral activities; (ii) Increasing the efficacy and efficiency of the alliance processes, thru implementing a quality management standard (iii) enabling stronger links between the alliances and the agencies, spreading thus a credible signal of best project coordination practices, and (iv) as a catalyst to promote contract instead of clientelistic relations amongst citizens.

3. Facilitating catalysts implementation: the Regional Development Project and the Alliance traits

3.1. Regional Development Project:
Considering the above arguments, FAO is galvanizing the recent trend in many countries to focus on regional development by promoting a set of institutional

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4 Also, we can mention the ERVET (Ente Regionale per la Valorizzazione Economica dell' Territorio) in Emilia Romagna . Rodriguez Pose, 1998.

5 The case of Canadian Rural Partnership and the EZ/EC experience (Empowerment Zones and Enterprise Communities) at EUA – Beduschi Filho and Abramovay, 2004.
arrangements under an umbrella project. The purpose is to develop institutions that facilitate initiatives at meso level, a semi-endogenous alliance, at a subnational (group of municipalities) scale for project coordination, for regional governance and for gaining impact efficiency in a strategic approach.

This project has been launched in 11 regions within 3 Latin American countries: Mexico, Brazil and Chile. These specific territories were determined in agreement with subnational governments, in order to have enough political support.

It aims to: (i) Create, or empower if it exists, an instance for public deliberation, from which a strategy for regional development may evolve into a dynamic initiative thru the execution of projects at different scales of intervention. This initiative should also contain operative mechanisms for dealing with contract promotion at micro level; (ii) Enable the establishment of permanent learning mechanisms which allow improving and correcting regional coordination and effectiveness of the actions taken and to (iii) promote adaptive replications based on comparative analysis that allows for extracting lessons and best practices.

The project uses a quasi-experimental\(^6\) approach, taking similar regions in Brazil and Mexico to develop regional alliances: a couple of highly industrialized states, a couple of high-tech agriculture states coexisting with underdevelopment agricultural areas and, some states characterized by socio-economically diversified rural societies.

The FAO role in the project is more of a regulator rather than an executor. Local people and communities have advantages in knowing what is feasible to coordinate. An external agency such as FAO could then offer: (i) an adaptable standard for developing an alliance, with requirements for guaranteeing a good process performance (ii) facilitation for implementing that management standard (iii) a neutral instance that encourages multi-level, multi-actor deliberation because it is not geared to domestic politics (iv) technical support to the promotion of those alliances and its projects thru the donors community and a (v) a marketing strategy to attract private and public investments.

### 3.2. Alliances for regional development profile:

The Alliance arises from the need of answering the question of how to solve that trade off between short and long runs, between local priorities and entrenched interests, between cosmopolitan knowledge and idiosyncratic savoir-faire. From the Project perspective, these institutional arrangements could have the form of a Non Governmental Public Organizations (NGPO). This term has been used by Gordillo (1999) to indicate that missing or incomplete markets demand public interventions but not necessarily from government agencies. It would express the provision of certain types of public goods --namely intangibles such as policies, norms and regulations-- to infuse certainty and sustainability beyond political regimes changes. These are public organisms decoupled from a specific political regime but integrated to the public sphere and subject to scrutiny and accountability.

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\(^6\) Experimental Economics is the use of laboratory experimental methods to evaluate theoretical predictions of economic behavior.
It could be a coordinating arrangement at sub-national scale\textsuperscript{7}, which links local requirements with opportunities (actual or possible) given by both the different agencies (governmental, international, cooperation) and the market, in a long term strategic vision. The Alliance could play a similar role to an independent central bank\textsuperscript{8} with a (i) clear mandate, (ii) a vector of indicators and goals\textsuperscript{9}, (iii) with technical capacity for modeling; planning and executing and (iv) with enough stability to overcome the electoral cycles and the capture, but as the same time responsive to local needs. Its responsibility, independently of who executes, encompasses quality control on implementation and strategic coherence. In order to fulfill its mission, it must have:

\begin{itemize}
  \item[a)] A dynamic and integral strategy:
    In this regard, four points are important to the strategy (based on the framework posed by DeJanvry and Sadoulet, 2004):
    \begin{itemize}
      \item[i)] Identification of Region: A region should be determined as a social construction more than a pure geographic distinction. Some level of intra-regional heterogeneity is desirable, for including and connecting at least one area with economic potential. Some level of pluri-activity potential should be searched and promoted.
      \item[ii)] Institutional arrangements: Strengths and weaknesses of institutions should be documented; critical points to empower institutions should be described. Similarly, the analysis of relevant actors and current institutional capacities for consultation, planning, research and training and coordination with national policies should be described. A plan to overcome the detected gaps, included those pertaining technical and political competences, should be incorporated.
      \item[iii)] Productive capacity: potentials and constraints regarding competitive advantages for economic activities, including labor market, should be identified and promoted. The magnitude of a project package should be checked in order to configure in some dimensions a “big push”.
      \item[iv)] Social inclusion: social strategies for reducing poverty and increasing access to productive assets\textsuperscript{10} should be analyzed and included in the strategy. Safety nets and de facto risk reducing initiatives should be implemented in order to allow best economic and social development.
    \end{itemize}

  \item[b)] An effective coordination system (with documented responsibilities):
    Key processes for final quality of the Alliance services should be documented, effectively implemented and continuously improved. The interaction of processes and the responsibilities for different persons and institutions involved in the Alliance are of special interest. The procedures could be subject to audit in order to verify that the alliance delivers adequately. The pipeline for projects is a key process.

  \item[c)] A system that monitors processes and products:
\end{itemize}

\textsuperscript{7} As regional or micro regional, we refer to a group of neighbor municipalities which have a certain level of externalities within the group.

\textsuperscript{8} See for example the successful Chilean Central Bank independent approach regarding Inflation Targeting issues in Corbo and Schmidt-Hebbel, (2000).

\textsuperscript{9} Development is not a single variable problem. Development is not equal to GDP. It is a vector of multiple indicators. For a critical point of view of previous approaches see Adelman (1999).

\textsuperscript{10} Assets viewed in a broad sense: including human, physical, natural and social capital.
In any monitoring system, the starting point is the definition of strategic indicators. Each region should develop its own vector of indicators, mutually agreed in both the measurement and the source of data. An adequate record keeping for indicators and their monitoring, including the statistical analysis should be implemented. The strategy should be conceived as a documented hypothesis – explicitly establishing key assumptions – which connects actions to undertake with the dynamics of the indicators vector. Besides that, an effective mechanism for updating the value of strategic indicators and intermediate or cause indicators should be in place.

On the other hand, an effective program of internal and external process audits regarding the fulfillment of the planned processes and the resulted outcomes should be implemented and maintained to assure the proper monitoring system functioning.

Finally, monitoring is not enough for guaranteed improvement; this information should be properly used to advance recommendations and effective change of subsequent decisions. In fact, successful evolving organizations have developed a formal mechanism to record previous mistakes and put in practice corrections and also preventions, the latter in case of expected problems.

d) An effective commitment for continuous improvement of the system:
In almost all situations, those alliances are a type of institutional arrangement which decisions are probably not mandatory in courts, due to the complexity of decision making and the incompleteness of contract. It means that such contract cannot be legally enforced (Besfamille, 1996), but the outcomes of an efficacious alliance are subject to be evaluated by votes (for politicians), by investments (for firms) or accomplishments (for interest groups and agencies). However, the voting scheme biases the decisions against long run social profit, favoring outcomes that mature early. To avoid such biases a transversal appropriation of the Alliance and a long run dynamic strategy should be guaranteed. In this sense, the follow up of formal approaches of Change Management\textsuperscript{11} could be incorporated as a way for dealing with the de facto institutionalization of alliance.

All the above purposes boil down to attaining sustainable improvements of regional welfare\textsuperscript{12} within the legal framework. The effective implementation of this arrangement – the Alliance- must be a regional-specific process.

4) The Brazilian experiments: how far are we?
The following presents a brief analysis of Brazilian experiences within the FAO project. It takes into account the parameters established to this innovative institutional arrangement, the processes trajectories and their leading actors. The limitations and potentialities for boosting up development are considered.

After a brief description of the regions involved, the analyzes is presented following a “compliance roadmap” with “best practices” for the Alliance, previously discussed in the third section.

\textsuperscript{11} See for example the Kotter’s (1996) eight steps approach. It should be applied avoiding to jeopardize long run sustainability.

\textsuperscript{12} Formally defined as vector of indicators regarding economic, social, human and environmental variables or a given function of that vector and its dynamics.
4.1 The regions: a brief description

In São Paulo, the region chosen with the state government was the “Vale do Médio Paranapanema” that encompasses 17 municipalities\(^{13}\), with a overall population of around 250,000 inhabitants (year 2004), responding for 0.65% of the overall state population. Four municipalities (Assis, Paraguaçu Paulista, Cândido Mota and Palmital) concentrate 73% of the regional population. The region suffers a relative economic stagnation. In fact, employment and income generation are among the main concerns among the regional agents involved in this experience. The FAO counterpart in the region, who is leading the Alliance formation process, is the Agriculture Economic Institute (“Instituto de Economia Agrícola”), from the State Secretariat of Agriculture.

In Ceará, the region of “Vale do Salgado” was chosen with the State Secretariat of Local and Regional Development (SDLR). The SDLR is carrying out an intense process of regional planning, boosted up mainly by the recognition of the high level of demographic concentration in the state capital metropolitan region (Fortaleza), and the persistence of regional inequalities. That recognition led the state government to seek forms of reversing this concentration trend. The hypothesis orienting the SDLR work is that this tendency can be reversed by the generation of mechanisms to maintain populations, especially regarding job and income generation policies.

In Minas Gerais, the Northwest region that encompasses 16 municipalities\(^{14}\) was selected. One of the main regional characteristics, related to its large territorial extension and to a low demographic density, is the intense transformation process ongoing in its landownership structure. This region concentrates large rural estates and a big number of land reform communities. In fact, the region gathers the largest land reform communities’ concentration in Minas Gerais state. This trait is important to explain the large concentration of family farmers and land reform communities’ organizations, with increasing participation in forums like the Municipal Councils for Rural Development. The FAO counterpart in the state is the EMATER/MG, a state government organization (from the Agriculture State Secretariat), responsible for the rural extension services. This organization has been working with other important projects in the state, such as the Zero Hunger Program.

4.2 Alliance composition and leading players

In all the regions the Alliances are in a process of formation, taking advantage of the already existing institutional arrangements. In Ceará and Minas Gerais the Alliances correspond to Regional Councils, originated from the gathering of Municipal Councils for Rural Development. In São Paulo the “Alliance core” is a Council of municipalities, composed by mayors or their legal representatives.

On the composition of these Alliances, two separate “cases” can be seen: one is composed by São Paulo and Ceará experiences and shows a higher heterogeneity,\(^\)...

\(^{13}\) The territory encompass the municipalities that form the Intermunicipal Council of “Vale do Paranapanema” (CIVAP): Assis, Campos Novos Paulista, Cândido Mota, Cruzádia, Echaporã, Florínea, Ibirarema, Iepê, Lutécia, Maracai, Nantes, Oscar Bressane, Palmital, Paraguaçu Paulista, Pedrinhas Paulista, Platina and Tarumã.

\(^{14}\) Arinos, Bonfinópolis, Buritis, Brasilândia de Minas, Cabecceira Grande, Canabrava, Dom Bosco, Formoso, Guarda-Mor, João Pinheiro, Lagoa Grande, Natalândia, Paracatu, Riachinho, Unai, Uruana de Minas e Vazante.
pointing out to a possible integration of different economic and social sectors, going beyond agriculture. The composition of the Alliances being structured in those regions includes the private sector participation and encompasses the idea of strengthening regional productive chains.

The other case points out to the Minas Gerais experience, with an Alliance dominated by farmers (manly family farmers) and their organizations, with a little participation of private sector, and a diminished potential to overstep the agricultural sector, to surpass the sectoral bias.

When it comes to the leading players in the Alliance formation process, in all cases the government agencies play a leading role. This is especially present in the case of Ceará, where the region is part of a state program (within SDLR) to foster development promotion policies by regions.

In the State, the articulation and coordination among different agents of the region takes place in the Council for Regional Development that gathers all the municipal councils for rural development of the municipalities considered in the region.

Although the perception of the Regional Council as the proper instance to fulfill the Alliance demands, some changes were needed to give it a stronger representation. The Regional Partners Group was created, formed by delegates of various social sectors, gathering 230 members representing a wild range of organizations, from farmers to private sector, government and non government agencies. Nowadays the Regional Council is composed of 45 members, of which 1/3 represents the public sector and 2/3 civil society.

In São Paulo, a leading role can be attributed to the municipalities, gathered in the CIVAP Council, the Alliance core in this case. In Minas Gerais, the ongoing experience is a direct result of EMATER/MG activities.

### 4.3 Regional Development Strategies

Regarding the regional strategies, although with different nuances, in all three cases they have been elaborated very much based on their initial constituency. In this regard, the regional strategies for São Paulo and Ceará, highlight linkages beyond agriculture and Minas Gerais centered on agriculture, but trying to push the productive chains potential thru a sectoral approach.

Both the former strategies are strongly “economic oriented”. In Ceará, the strategy mentions the tourism as the tool to integrate and coordinate the efforts of different sectors and agents. In São Paulo, the strategy is strongly oriented to the strengthening and implementation of regional productive chains. The environmental oriented projects aim to the use of natural resources, especially water resource management.

In Minas Gerais, besides the limited reach regarding other sectors besides agriculture, the strategy process was able to identify the bottlenecks for regional development. Another element that explains this agricultural bias is the strong influence of bureaucratic requirements of federal government programs, such as the PRONAF, from the Ministry of Agrarian Development. In Ceará, this influence is less strong, but the strategy lays on state government’s financial resources in a great degree. There is still very limited attention to incorporating private sector in financing and executing projects, especially those related to regional economic promotion.

In the São Paulo proposal there is a bigger presence of private sector participation in financing and executing the projects proposed in the strategy.
4.4 Effective coordination systems:
Related to an effective coordination system, none of the experiences have already a coordination system de facto. In São Paulo, a Technical Committee was created within the CIVAP, composed by local organization, which the main function is to shelter the Alliance from the side-effects of local politics.
The CIVAP shows a 20 year search for cooperation instruments among municipalities of the region. However, the strong political influence of mayors and municipal governments and the weak participation of social organizations begs the creation of an executive instance like the Technical Committee.
In Minas Gerais the formation of the Regional Council for Rural Development shows an interesting innovation. This Regional Council was created in a series of local and subregional meetings, in a progressive scale, each one of them electing deputies for the next step. However, the Council composition shows the bias towards the small farmers sector. This over fragmentation tends to reduce the regional development promotion to the improvement of family farmers’ conditions.
In Ceará, the Regional Partners Group also shows an innovative organizational arrangement that aims to include public sector, private sector and citizens. The Group includes a political coordination committee and an executive one. In addition the sectoral initiatives are centered in five different committees that encompass the three economic sectors (agriculture, industry and services), plus tourism and culture, infrastructure and natural resource management and health and education. But most interestingly about this institutional arrangements, is the possibility to create a formal organization, legally recognized, able to establish contracts with outside territory partners. The formal constitution of this organization requires the commitment of all agents involved related both to participation in decision making and in project implementation.

4.5 Monitoring system and commitment for continuous improvement
When it comes to these issues very little focus is still given to the construction of indicator vectors to monitor and evaluate projects and processes. Despite the fact that recommendations were strongly addressed looking forward to incorporate indicators in the Regional Development Strategies, monitoring and evaluation indicators still seems to be a taboo for Brazilian organizations that deal with development processes.
The problem is that without clear indicators inserted in the strategies it is extremely difficult to establish another kind of relationship among public, private and social agents but the traditional one. That is to say the focus lies on government resource transferring and not on regional development goals and objectives and the strategies and projects’ function end up being the fulfillment of bureaucratic formalities.
Based on the field missions and further evaluations, we realized that organizations that deal with promoting development do not have the use of indicator vectors as part of their “incentive systems”. This constitutes a strong barrier that inhibits the establishment of contractual relationships between different agents in the territories which in turn could contribute to institutional changes related to regional development.

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The Brazilian law n.º 9.790, of march, 1990, regulates the formation of the OSCIP (Organização da Sociedade Civil de Interesse Público), a “civil organization for collective purpose”, a kind of non profit organization formed with specific goals within the scope of some activities. Among these activities are “social and economic development” and “poverty fighting” that an organization as the Regional Partner’s Group of Ceará could fit in.
The lack of indicator vectors also hampers the construction of an effective commitment for continuous improvement of the system.

5) Concluding remarks and further suggestions.
In this paper we analyzed the ongoing experiences in three micro-regions in the Brazilian states of Ceará, Minas Gerais and São Paulo, within the framework of “best practices”, discussed and proposed by FAO Regional Development initiative, ongoing in Brazil, Chile and Mexico.

This paper highlights the governance and coordination problems at municipal level, a relevant government entity in Brazil for rural and regional development promotion policies since 1988, when the decentralization process gave adjudicate more and greater responsibilities to the municipal level. However, this occurred without the proper process of capacity building to cope with public service deliver and rural and regional development policy management.

Despite the problems and the fact that the regional development promotion is a new perspective to almost all the agents involved in the territories considered, the three micro-region managed to elaborate an initial Regional Development Strategy and to propose an institutional arrangement to manage its implementation. Regarding the strategies, some problems can be pointed out, like the lack of a proper mechanism of monitor and evaluating both projects outcomes and processes. This is due to the apparent lack of concern about indicator vector construction. This can harm the change of the kind of relationship between agents, from an clinetelistic type to a contract based one, and also poses difficulties to the construction of an effective commitment for continuous improvement of the system.

The paper has also stated the limits and problems at municipal scale to boost up development and the importance of meso level institutions to cope with it. On how to build the meso institutional arrangements, what we have called the Alliance for Regional Development, some lessons can be taken for the Brazilian experiences.

Some of them are related to the use of municipal forums, like the Municipal Councils for Rural Development, as institutional arrangements to boost up development in the territories. Despite the fact that some are indeed representative of the local society, they present some problems, like the diminished participation of private sector and NGO’s and the high influence of local government structure. This influence is so strong that some Brazilian authors call this process of “mayor-isation” of the Councils, that leads to their capture by the municipal government, that with the local elites controls the bureaucratic processes, giving the Councils the role of mere clerkship for public programs.

However, despite all the problems, if these experiences are analyzed in the light of Brazilian political history, since long time characterized by the separation between policy design and implementation and between policymakers and citizens they can be seen as a very promising perspective.

6) References


