

When feds and locals do not speak the same language: an analysis of dissonances in federative cooperation

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Abstract

The article discusses the problems that may appear in the federative cooperation between the central level and municipalities and generate divergence around offered programs. Empirically, we analyze the National Program of Support to Fiscal and Administrative Management of Brazilian Municipalities (PNAFM) turned to modernize municipal management because it permits to evaluate the contrasting viewings between federal agencies (Department of the Treasury (MF)/Caixa Econômica Federal (CEF)) and municipalities. Theoretically, the argument to be discussed is that the existence of contradictory positions between federal agencies offering programs and local governments as recipients may create federative dissonances that result in low performance in terms of adhesion from subnational governments. This is a qualitative (we did interviews and documentary analysis) and quantitative research (we applied a survey in Brazilian municipalities and compiled information of the signed contracts according to reports obtained with the CEF. It was found that the federative dissonance expressed through numbers of municipal adhesion and by the opposed viewings of the feds and locals as the interviews with representatives of MF, CEF and municipalities. In terms of intergovernmental cooperation to promote municipal state capacities the analyzed case evidences as the optimism and capacities of enforcement from federal managers can approach the ambition of goals of a program with the failures of implementation and timidity of reached results.

Keywords: Federative Cooperation. Municipal management. National Program of Support to Fiscal and Administrative Management of Brazilian Municipalities (PNAFM).

Quando feds e locals não falam a mesma língua: uma análise sobre dissonâncias na cooperação federativa

Resumo

Este artigo discute os problemas que podem surgir na cooperação federativa entre o nível central e os municípios, que gera divergências em relação aos programas ofertados. Empiricamente, analisa-se o Programa Nacional de Apoio à Gestão Administrativa e Fiscal dos Municípios Brasileiros (PNAFM), voltado a modernizar a gestão municipal, pois permite avaliar as visões contrastantes entre as agências federais – Ministério da Fazenda (MF) e Caixa Econômica Federal (CEF) – e os municípios. Teoricamente, o argumento a ser discutido é que a existência de posições contraditórias entre as agências federais que ofertam programas e os governos locais como destinatários pode gerar dissonâncias federativas que resultam em baixo desempenho em termos de adesão dos entes subnacionais. Esta é uma pesquisa que utiliza técnicas qualitativas (entrevistas e análise documental). Esta é uma pesquisa que utiliza técnicas qualitativas (entrevistas e análise documental) e quantitativas (survey junto aos municípios brasileiros e informações dos contratos firmados com base em relatórios obtidos da CEF). A dissonância federativa expressou-se pelos números de adesões municipais e pelas visões opostas dos *feds* e dos *locals*, conforme as entrevistas com representantes do MF, da CEF e do municipalismo. Em termos da cooperação intergovernamental para promover capacidades estatais municipais, o caso analisado evidencia como o otimismo e recursos de *enforcement* dos gestores federais pode aproximar a ambição de um programa com falhas de implementação e timidez de resultados.

Palavras-chave: Cooperação federativa. Gestão municipal. Programa Nacional de Apoio à Gestão Administrativa e Fiscal dos Municípios Brasileiros (PNAFM).

Quando feds y locals no hablan: un análisis sobre disonancias en la cooperación federativa

Resumen

El artículo discute los problemas que pueden surgir en la cooperación federativa entre el nivel central y los municipios, que generan diferencias en relación a los programas ofrecidos. Empíricamente, se analiza el Programa Nacional de Apoyo a la Gestión Administrativa y Fiscal de los Municipios Brasileños (PNAFM), dedicado a modernizar la gestión municipal, pues ello permite evaluar las visiones contrastantes entre las agencias federales-Ministerio de Hacienda (MF)/Caixa Econômica Federal (CEF)- y los municipios. Teóricamente, el argumento a discutir es que la existencia de posiciones contradictorias ente las agencias federales que ofrecen programas y los gobiernos locales como destinatarios puede generar disonancias federativas que resultan en bajo desempeño en términos de adhesión de los entes subnacionales. Esta es una investigación cualitativa (entrevistas y análisis documental) y cuantitativa (basada en una encuesta a los municipios brasileños y compilación de informaciones de los contratos firmados según informes obtenidos de la CEF). La investigación constató a disonancia federativa se expresó en los números de adhesiones municipales y en las visiones opuestas de los *feds* y *locals*, según las entrevistas con representantes del MF, de la CEF y del municipalismo. En términos de cooperación intergubernamental para la promoción de capacidades estatales municipales, el caso analizado evidencia cómo el optimismo y los recursos de *enforcement* de los gestores federales pueden aproximar la ambición de un programa con las fallas de implementación y timidez de resultados.

Palabras clave: Cooperación federativa. Gestión municipal. Programa Nacional de Apoyo a la Gestión Administrativa y Fiscal de los Municipios Brasileños (PNAFM).

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INTRODUCTION

The federative cooperation is not a data, but a building process between government spheres. As such, it demands and depends on the creation of a political and institutional environment that brings the interests of entities closer in the arenas that materialize intergovernmental relations. This is the theme of this article and its objective will be to discuss how the Brazilian federal government dealt with these challenges when it started to offer to municipalities a program to modernize their administrative and fiscal management. The empirical case is the National Support Program for the Administrative and Fiscal Management of Brazilian Municipalities (PNAFM), which operated from 2002 to 2012, through the Ministry of Finance (MF) and the Caixa Econômica Federal (CEF).

The theoretical argument of this article is that the existence of contradictory positions between federal agencies that offer programs and subnational governments as recipients produces poor performance in terms of adherence. In the case of PNAFM, the coexistence of non-coincident views between federal managers and municipalities led to little encouraging results, as it will be seen, given that, according to Pressman (1975), the way that the feds designed and deployed PNAFM influenced in its reception by the municipalities.

For MF (BRASIL, 2004), in view of the responsibilities assumed by municipalities with the Federal Constitution from 1988 (CF/1988), it was necessary to train them in a managerial manner. The municipalities needed to be more efficient in their budgets, to organize their administrative machinery, to improve their fiscal control and to increase their capacity of tax collection. The PNAFM was aimed at improving administrative efficiency, strengthening tax and fiscal management, and establishing results-based management, human resources policy and budget planning with social participation (BRAZIL, 2006b).

To this end, the Union requested the support of the Inter-American Development Bank (IDB), in order to generate self-sustaining fiscal balance in its three power spheres (MF 2004). Negotiations began in 1998 and in the following year a fiscal management diagnosis was carried out in 50 cities. This study supported the formulation of the PNAFM, by studying deficiencies in revenue management, public expenditure, low levels of own collection, lack of tax codes, outdated taxpayer registrations, and low budgets (BRASIL, 2004).

In 1999, the Federal Senate authorized the hiring of the credit operation with the IDB and approved the PNAFM Operational Regulation. In May 2001, the Union loan was contracted with the IDB, and the Federal Senate regulated the PNAFM loan operations, which began their operations in May 2002 (BRAZIL, 2006a). Phase I received a contribution of US\$ 300 million, finished hiring in June 2008 and extended the execution until the end of 2012. Phase II began in 2010, hired until 2012 and extended until December 2015. The estimated US\$ 900 million has been halved and the first installment of US\$ 166 million is being implemented.

Besides this introduction, the article is organized in four sections:

- The first section reviews the literature related to the focus of this work;
- The second one deals with methodological procedures;
- It follows the empirical discussion about the difficulties to align the visions of federal managers and representatives of the municipality around the program; and
- In the conclusions, the theoretical discussion with the analysis of the PNAFM, regarding the challenges to obtain a more harmonious process of federative cooperation in national programs.

DISSONANCES BETWEEN FEDS AND LOCALS AND THE IMPACT ON THE ADHERENCE TO THE PROGRAMS

The discussion addresses two issues regarding with federal dissonance between the Union and subnational entities in the provision of central agencies programs. Initially, the analytical model by Pressman (1975) about the relationship between the feds and the locals. Then, Downs's (1967) proposition on two syndromes that affect federal and municipal managers and generate an underutilization of opportunities for cooperation.

According to Pressman (1975), for the feds, as municipal managers only observe the local reality, it is justified that the programs are formulated without their participation. Local governments want resources, but not exactly programs. They are limited, as they do not guarantee their local share, given that they are cautious in budget terms due to their tax collection. As they are constraint-seekers who want to blame federal agencies for their no adhesion with programs, their narrow-mindedness reduces the reach of actions.

For municipalities, as feds are far from their reality, there are design flaws that disregard federative heterogeneities (DERTHICK, 1972). Federal programs are concerned with spending resources, while municipalities wish to save them. Federal employees are naive, little practical, and unrealistically optimistic about the scope of actions, as they ignore local implementation capabilities. For municipalities, changes in the rules of these programs generate distrust in the face of rules considered unstable and bureaucratic procedures that generate inflexibility of execution (PRESSMAN, 1975).

This is a problem, as the division of authority between levels of government does not allow imposition, but requires induction on the basis of boundary conditions, even if the interests of the federal government and the municipalities can be distinguished. The federal “donor” seeks to move resources, information and ensure control for actions to be performed according to their premises. The “recipients” seek to attract funds, ensure their continuous flow and the desire for autonomy over the objectives sought by the donor (PRESSMAN, 1975). This conflicting relationship between donor and recipient tends to lead both to diverge on funding policies, because access rules and implementation form are the object of controversy.

In this situation, defensive behavior can impact the choices of localities. On the other hand, the less needy and more affluent municipalities may be the ones that most adhere to the programs, as they have better payment conditions and the federal budget costs are proportionally smaller in their budgets. These municipalities tend to exercise their autonomy better when they adhere to the programs, because their economic risk (retention of income or lack of financial resources) and political (accountability locally) is comparatively lower.

Thus, the vision of anticipated costs, required responsibilities and lack of technical support can influence the decisions of the entities (AGRANOFF and MCGUIRE, 2004). However, if the first two factors are assumptions considered as “harsh” for the last item, and come from contractual obligations, the aid process may be placed in the background, even if its necessity persists. This game generates cooperation or conflict, depending on the “mandates” or “functional imperatives” of programs affecting municipalities’ choices. Therefore, “it should be understood that if sub-national jurisdictions agree and can benefit from a federal program or policy, they are more likely to follow it and engage in some form of collaborative management” (AGRANOFF, 2001, p. 47).

The likely outcomes of these different perspectives between donor and recipient are two “syndromes” that seek to minimize this problem inefficiently. For Downs (1967), the *wilting violet syndrome* occurs when local official agents have little incentive to approach the federal government and reduce the scope and reach of its objectives by assessing costs and benefits. The advantages of interdependence are put in the background and give way to a more defensive behavior, but leave the possibilities of using the programs offered unexplored.

The *superman syndrome*, characterized by the centralized conception of programs, disregards federal specificities by defining uniform, broad and “glamorous” goals to be achieved by “daring” goals, but that contains only theoretically projected interdependencies. “Inflation of high objectives” approaching ambition in design with implementation failures. Moving away from the municipal reality makes it easier for federal policymakers to formulate innovative goals, as the burdens will be local (DERTHICK, 1972). The way in which such programs are conceived briefly resembles the vision by William Harrison Riker of the hierarchical ascendancy of the “national leaders’ perspective” in the definition of priorities and establishment of the conditions of the federative bargain. In this model of federalism, it is assumed that there is a definite delineation of roles between central elites and those of subnational governments (BURGESS, 2006).

One effect of both syndromes is to make it difficult to create more cooperative intergovernmental relations, as risks are calculated by political players. In the case of the wilting violet, local incumbents may act more conservatively, since “have an interest in preserving the status quo, as they wish to sustain the elements that put them in office when they make decisions” (DOWNS, 1967, p. 219). In relation to superman, it is a question of generating rules that, at the cost of the inefficiency of scale of a program, can make it difficult to implement (DOWNS, 1967). “Structural constraints” emerge (PRESSMAN, 1975), limiting the ability of both levels of government to achieve their goals cooperatively. The “contrasting images” effect occurs: “seen from the federal perspective of the superman, local caution appears as excessive shyness; seen from the perspective of the wilted violet, federal enthusiasm appears as imprudence. Thus, the images are influenced by the place of the players in the aid process” (PRESSMAN, 1975, p. 127).

METHODOLOGICAL PROCEDURES

This is a theoretical-empirical case study, which aims to generate explanations (GIL, 2010) on the performance of PNAFM in terms of low municipal adherence. Case studies start from an empirical configuration of contextual conditions and causes. To “explain specific historical results, the set of comparable results or processes chosen to be studied due to their significance to institutional arrangements or to social life in general” (RAGIN, 1987, p. 3).

We seek to find causal conditions that insert the analysis into a broader theoretical and empirical framework. In this article, the explanatory mechanism tested is the “federative dissonance” between feds and locals generated by the superman and violet syndromes (DOWNS, 1967). Mechanisms seek to make regularities observed in the analyzed phenomena understood, allowing one to comprehend how they occur, in light of the presented hypotheses. Therefore, by definition, they do not demand explanations, as they are the “ultimate causes” for clarifying results (MAHONEY, 2003).

This work is based on quantitative techniques (using basic descriptive statistics related to the number of PNAFM contracts by region, population size and percentage of funding and application of a closed questionnaire survey to the 5,570 Brazilian municipalities). This survey was supported by the Brazilian Association of Municipalities (ABM), National Confederation of Municipalities (CNM) and National Front of Mayors (FNP) (assessment of the questionnaire/pre-test, cover letter and access to municipalities by the mailing list that sent a link to the form being accessed on the internet). We used the Survey Monkey computer program. The survey was applied between October and December 2015 and 154 municipalities responded. After completing the data collection, the computer program provided a spreadsheet in Microsoft Excel format, with the answers. Responses with a margin of error greater than 10% and less than 90% confidence level were excluded.

Qualitative techniques were also used in this case study, such as obtaining primary data through interviews and analysis of secondary data. Regarding the latter, documentary research (MAY, 2004) was based on two sources: a) reports of management and monitoring of the PNAFM; b) information on the agreements between the Federal Government and the municipalities obtained through the Access to Information Act with CEF (number and type of agreements, year of hiring and values of each project, especially those financed by the MF without the municipal counterparts).

The primary survey carried out semi-structured interviews with MF and CEF managers responsible for coordinating the program, managers of national municipal representation entities (ABM, CNM and FNP) and the Brazilian Institute of Municipal Administration).

THE PANORAMA OF THE MUNICIPAL ADHERENCES TO THE PNAFM AND THE ACCESS ASYMMETRIES

This section discusses the PNAFM, considering the agreements in terms of municipal size, financed amounts and regional location. In Phase I, 61 expanded¹ projects were hired (Table 1). The Southeast accounted for 29.8% of the total values (22 municipalities), the Northeast accounted for 32.7% (14 municipalities), the South for 13.69% (6 municipalities), the Central-West for 11.88% (6 municipalities) and the North for 9.6% (6 municipalities). Although the South and Southeast, which have more qualified municipalities, received more than 43% of the total financed, there was a greater appropriation in the other regions. However, in relation to the number of agreements, 56.7% were concentrated in the municipalities at the South and Southeast, so that the consideration of federative heterogeneities (DERTHICK, 1972) did not appear as a parameter for adherence to the program.

¹ Regarding different managerial capacity level, were defined two types of projects (simplified and amplified) subdivided in 18 population groups. The bands from 1 to 5 (up 50 thousand inhabitants could contract the simplified version). The bands from 10 to 18 (more than 150 thousand inhabitants, the amplified modality), and the bands from 6 to 9 (population between 50 and 150 thousand inhabitants, one or another, through MF's approval). The simplified version was developed from two shortcomings that IBD and MF verified in the smaller and medium municipalities: a) absence of automatization in operational process, deficiency in control systems and lacking in generation of managerial information as well as to the society; b) low level of managerial capacity generated deficiency in the use of managerial tools and techniques of attention to the population. Thus, the investment should focus on information technology and human resources. From this analysis was developed the so-called “kit-solution” and the programs of training to this group of municipalities. This tool should be used in great scale to attend the larger number of localities. The simplified projects consisted basically in the acquisition of set of application systems (CAS) pre-qualified by the IBD and MF to fill managerial gaps (tax, financial, caring of citizens and ombudsman, human resources, procurement and asset) and conceived like a standard solution and with low costs (BRASIL, 2004).

Table 1

Distribution of extended agreements by region, population size and percentage of funding

Region	Populational size (thousand/inhabitants)	% financed	Region	Populational size (thousand/inhabitants)	% financed
Northeast (14 cities)	Alagoas (capital and 1 city)		South (12 cities)	Paraná (2 cities)	
	100 to 500: 1 city	1.29		100 to 500: 1 city	1.12
	over 500: Maceió	3.31		50 to 100: 1 city	0.68
	Bahia (capital)			Rio Grande do South (7 cities)	
	over 500: Salvador	4.26		100 to 500: 5 cities	5.2
	Ceará (capital and 1 city)			50 to 100: 2 cities	0.71
	100 to 500: 1 city	0.85		Santa Catarina (3 cities)	
	over 500: Fortaleza	6.4	100 to 500: 2 cities	5.61	
	Paraíba (capital and 1 city)		50 to 100: 1 city	0.37	
	100 to 500: 1 city	2.28	Goiás (2 cities)		
	100 to 500: João Pessoa	2.70	De 10 a 50: 1 city	0.37	
	Pernambuco (capital and 1 city)		100 to 500: 1 city	1.07	
	100 to 500: 1 city	1.07	Mato Grosso (capital and 1 city)		
	over 500: Recife	3.27	100 to 500: Cuiabá	2.16	
	Maranhão (capital)		100 to 500: 1 city	1.39	
	over 500: São Luís	4.61	Mato Grosso South (capital and 1 city)		
	Rio Grande do Norte (capital)		over 500: Campo Grande	3.14	
	over 500: Natal	2.91	100 to 500: 1 city	1.22	
	Sergipe (capital e 2 cities)		Amazonas		
	100 to 500: Aracaju	2.35	over 500: Manaus (capital)	4.33	
	50 to 100: 1 city	1.04	Amapá (capital and 1 city)		
	De 10 a 50: 1 city	0.37	100 to 500: Macapá	1.28	
Southeast (22 cities)	Espírito Santo (1 city)		50 to 100: 1 city	0.77	
	100 to 500: 1 city	0.69	Pará (1 city)		
	Rio de Janeiro (2 cities)		50 to 100: 1 city	0.38	
	100 to 500: 1 city	1.80	Roraima (capital)		
	over 500: 1 city	2.22	100 to 500: Boa Vista	1.26	
	Minas Gerais (capital e 6 cities)		Tocantins (capital)		
	over 500: Belo Horizonte	4.23	100 to 500: Palmas	1.58	
	100 to 500: 4 cities	5.78			
	50 to 100: 2 cities	0.86			
	São Paulo (11 cities)				
	over 500: 2 cities	5.45			
	100 to 500: 6 cities	6.76			
50 to 100: 3 cities	2.01				

Source: Elaborated by the authors based on Protocol SIC 16853006290201599, dated from 09.10.2015 - MF.

Note: There are 60 municipalities, as Joinville has hired 2 projects. In the calculation, only the portion financed by the IDB was considered, without the local counterpart, as this indicator better assesses the loan logic applied in the program.

As for the profile of the municipalities, 15 capitals accounted for 45.8% of the total contracted values, mainly in the Northeast, which is associated with access asymmetry in favor of the most affluent localities. At first, these ones have a greater capacity to implement actions compared to the smaller ones. Therefore, there was an adverse selection: municipalities more financially and administratively apportioned were those who preferentially hired, which generated an asymmetry of access, as membership is voluntary. The expanded modality served 9.8% of the 612 municipalities with more than 50 thousand inhabitants, 25% of capitals.

In the simplified modality, the investment accounted for 1.2% of the total applied in the enlarged version, which, in terms of intergovernmental cooperation, was completely disproportionate. Although capitals and large municipalities have more complex demands, those with up to 50 thousand inhabitants represent 89% of the 5,570 Brazilian municipalities. However, the Program reports justified that, in the expanded modality, the localities served comprised about 13% of the Brazilian population and 17% of gross domestic product (GDP). However, bands 1 to 5 of the PNAFM represented 45.3% of the national population (IBGE, 2010).

A better measure for this federative distribution would be the development of the gross municipal revenue, which in the five ranks from 1998 to 2007 grew to 27.2% of the national total (BRASIL, 2008a, 2008b). Thus, 60 municipalities responsible for 73% of this revenue appropriated 98.8% of the total of the values in phase 1. Therefore, the federative cooperation to promote state capacities and the inflection of the PNAFM did not favor the smaller municipalities.

Following this idea, already in phase 2, the city of São Paulo, which has its own capacity for modernization actions, took the last R\$ 25 million, but desired a further R\$ 50 million (equivalent to 1/6 of the total budget). On this issue:

We [CEF] really thought about small cities, but that objective has not been achieved. [...] In phase 1, we saw some, but we also saw that the larger ones were better served. [...] It is that culture of the various Brazilians within Brazil [in relation to] the capacity of the municipality. Wanting to take a small city and making that gear work did not work out, as it did in the first phase, and then we went to another public [of capitals and large municipalities]. (Interview 5)

The simplified modality reached 3.0% of its goal (21 municipalities/703 projects), which represented 0.4% of the total of 4958 cities with up to 50 thousand inhabitants (IBGE, 2010). Its membership was not the reality for cities in less developed states (4 agreements in Paraíba, 6 in Mato Grosso do Sul and 2 in Mato Grosso) and the remaining ones dispersed in Minas Gerais, Santa Catarina, São Paulo, Rio Grande do Sul, Paraná and Goiás. These figures are in line with the arguments of the wilt violet syndrome. The intention to massively reach localities with up to 50 thousand inhabitants was not successful and this reality did not go unnoticed by MF:

One of the major setbacks of PNAFM concerns projects in municipalities with a population of less than 50,000. These municipalities [...] were directed to acquire the so-called Solution Kit [...]. It was concluded that this model, imagined as an enabler of administrative modernization in municipalities with a population of up to 50,000 inhabitants, has proved to be absolutely ineffective. There were very few adherences in a universe of more than 5 thousand municipalities, and with projects actually performed [...] (BRASIL, 2007, p. 41).

However, the conclusion of the ineffectiveness of this modality was followed in phase 2 by the abandonment of this public, which further reinforced the asymmetries of access to the detriment of the smaller municipalities. With its formatting based on voluntary adherence and high counterparts of 50% of the amount financed, the program was directed towards a more selected public of municipalities in terms of installed capacity that, after all, filtered the potential applications. The PNAFM was far from being an alternative to support the strengthening of municipal management and to increase its financial autonomy through the federative cooperation. It was seen a more defensive behavior in the face of the effects considered on the municipal finances with the expectation of costs and returns. In phase 2, resources would be allocated considering the maturity of the municipal management, primarily in capitals (BRASIL, 2014), which further deepened the access asymmetry in favor of capitals and large municipalities (Table 2).

Table 2

Distribution of extended agreements by region, population size and percentage of funding

Region	Populational Size (thousand/inhabitants)	% financed	Region	Populational Size (thousand/inhabitants)	% financed
Northeast and Midwest (6 cities)	Ceará (capital and 1 municipality)		South and southeast (16 cities)	Rio de Janeiro (2 municipalities and capital)	
	50 to 100: 1 city	1.93		100 to 500: 2 cities	4.16
	over 500: Fortaleza	14.23		over 500: Rio de Janeiro	19.9
	Pernambuco (1 municipality)			São Paulo (4 municipalities and capital)	
	50 to 100: 1 city	0.95		over 500: São Paulo	10.17
	Rio Grande do Norte (1 municipality)			over 500: 1 city	10.17
	100 to 500: 1 city	2.69		100 to 500: 3 cities	2.01
	Mato Grosso do South (capital)			Santa Catarina (7 municipalities and capital)	
	over 500: Campo Grande	10.17		100 to 500: 2 cities	6.43
	Distrito Federal			10 to 50: 6 cities	3.23
over 500: capital	11.95				

Source: Elaborated by the authors based on Protocol SIC 16853006290201599, dated from 09.10.2015 - MF.

Note: The calculation considered only a portion financed by the IDB, without the local counterpart, as this indicator better assesses the loan logic applied in the program.

The strategy was to encourage less massively the elaboration of projects and more to guide those municipalities that expressed interest in the PNAFM (BRAZIL, 2010). The implicit position of phase 1, in favor of the larger municipalities, was explicitly assumed in the new stage. Keeping the program’s speech as a way to strengthen the federative pact through the modernization of municipal management has lost its meaning. Compared to phase 1: a) grew up the participation of the South and Southeast (72.8%) regions with municipalities more aligned with the goal of serving more qualified municipalities; b) the capitals increased their participation to 70.2% of the total financed; c) 3 municipalities hired for the second time (Fortaleza-CE and Jacareí-SP and São Bernardo-SP) and consumed 23% of the total available (why not serve other interested cities that had not accessed phase 1?); d) the exception were 5 municipalities of Santa Catarina with up to 50 thousand inhabitants considered “mature”. Phase 2 deepened the regional (South and Southeast municipalities) and intraregional concentration (prioritized capitals and larger cities) and widened access asymmetry for municipalities seen as fitter.

In the two phases, there were 106 projects in 101 municipalities (80 expanded and 21 simplified, equivalent to 1.81% of the 5,570 municipalities in the 2010 Demographic Census), 61% in the South and Southeast regions and 39% in the North, Northeast and Midwest. This indicates the inflection of the program to serve the “most capable ones”, because information from municipal management in the Research of Basic Municipal Information/IBGE, Institute of Applied Ecological Research (IpeaData), Brazil Finances (Finbra/STN) show that, in the first two regions, the average administrative and financial performance surpasses especially the North and Northeast regions.

According to Wright (1988), one of the possibilities of exchange in federative cooperation is the “formula game”: the weighting of the rules included in federal programs and what they allow in terms of bargaining, flexibility and adjustments to expand adherences. In the case of the PNAFM, its adherence structure imposed many rules to follow, which was a factor influencing its effectiveness in terms of participating municipalities. This is one of the consequences that in local governments arises from “organizational problems” (PRESSMAN, 1975) that constitute barriers to this support. The question is whether this price of

federalism is worth what it charges in the face of the effects of intergovernmental cooperation, as access requirements can generate negative inductions that alienate interested parties. For this reason, the calibration between rules and membership incentives not only implies greater cooperation, but also the possibility of reducing federal inequalities. Not being so, the stimuli of the program ended up being appropriated in an inverted form: less by the potential interested ones in terms of *necessity*, but more by the more affluent municipalities and with a *possibility* of adjusting to the rules.

Finally, there is an enormous misinformation on the program: according to the survey, only 20.8% of the municipalities know the PNAFM². How to generate federative cooperation if the program is unknown by about 80% of the municipalities? Regarding the grand vision proposed by this program, considering its low adherence, its success in modernizing municipal management was reduced. This theme of the next section is addressed by emphasizing the reasons for the dissonance and the divergent views of the feds and the locals about the program.

THE PNAFM OPTIMISM AND THE REALITY OF THE MUNICIPAL ADHERENCES: THE CONTRASTING VISIONS OF THE FEDERAL MANAGERS AND MUNICIPALISM

This section discusses the inconsistent readings between the program managers and those of ABM, CNM, FNP and IBAM. The official assessments were more optimistic, as illustrated by four excerpts in the PNAFM reports:

The whole package (agreements signed, in processing and with a formalized membership) exceeds the US\$ 300 million estimated for the first phase of the Program. This fact, together with the other actions in progress, favors the expectation of a brief attainment of the volume of foreseen subcontracts (BRASIL, 2006a, page 29).

The improvement of administrative and fiscal management throughout the country is a goal that the Ministry of Finance has been successfully pursuing for over twenty years and this trajectory cannot be abandoned (BRASIL, 2006c, page 21).

[In relation to 13 new expanded projects] it is worth mentioning the expressivity of the municipalities, several of them state capitals or even municipalities regional poles, that may influence their adjacencies (BRASIL, 2007, page 36).

The expectation is that, in the short-term, sub-loan contracting will reach the value of the first phase of the Program, which allows us to foresee a scenario of modernization and change of municipal management models, towards a situation of self-sustaining fiscal performance and balance in municipal accounts (BRASIL, 2006a, page 45).

As seen, the contracting goals were answered in a more contained manner by the municipalities. By the initial design, the program aimed to reach more than 3,700 municipalities, which proved impracticable. It ended up defining a potential audience of 300 medium-sized municipalities with some capacity installed for the enlarged projects. However, it was assessed that the greatest demands would be of simplified projects, but the smaller municipalities were the ones that adhered least (Interview 1). This reading on the performance designed for the program illustrates the contradictory encounter between superman syndrome and wilt violet syndrome. While the feds conceptualized, in a centralized way, the design and the goals of the PNAFM, the locals behaved much less effusively. The IDB/MF diagnosis defined a “solution before the problems” and, unrealistically, judged that the managerial dilemmas of this public were known and able to be met. This view was facilitated in the face of these federal policy makers were far away from the municipal reality to formulating objectives whose charges would be passed on to these entities.

² Given the great lack of knowledge on the PNAFM, the other answers do not have any sample validity. In this question, there were 154 answers and only 32 knew the program. The sample is similar to the municipal population distribution: by the 2010 Census, 89% have up to 50 thousand inhabitants (cut line of simplified projects), and in the survey these are 83%. The sample of this response has a 95% confidence and a margin of error equivalent to 8%. The questionnaire is available at the end of this article (appendix).

Even for federal managers, the simplified model showed little adherence to reality because the cities had a low tax capacity, were very financially dependent on federal transfers, and had several managerial shortcomings. Being this is the focus of the PNAFM, and given the lack of local capacity, how to make the set of application systems (CSA) an effective tool? What about the staff to operate it? (Interview 1). In line with Pressman (1975), the program formulators proved to be somewhat naive about the conditions and possibilities of the localities, impractical and therefore unrealistic about the scope of actions, as they ignore the capacities of their implementation.

There was an optimistic assessment that CEF's territorial capillarity would make it easier to serve small municipalities, but many of them said: "I do not want to know about that." In 2009, already in the second phase, the MF concluded: "it's really impossible to serve everyone". In smaller municipalities, with R\$ 400 thousand (reference value of simplified projects), it would not be possible to modernize its management, since after the purchase of the CSA, technical assistance and training would be necessary, but the accredited companies could not meet the demand. The command of the feds for this computerized tool to be nationally used exemplifies the ambition of the design, with the failures in the implementation (DERTHICK, 1972), and contained interdependencies between CEF and MF only theoretically supported.

In a country with more than 5,000 municipalities and different levels of maturity, the proposal of a "wholesale" program was not successful. Telling the cities what they should do mixed paternalism and a centralized "top-down" pattern (Interview 1). According to Agranoff (2001), the functional imperatives of the program not only focused on the municipalities' choices, but the assessment of their benefits did not lead to a successful search for federative cooperation.

This assessment is similar to that of municipalism (Interview 4): they are many interlocutors and some feel better than others and, from their offices, they think the way they thought is the best one, but they forget to agree with whom they are going to do it. The federal government distrusts municipalities as executors. They believe that their programs can strengthen them as an executor, always generating a subordination relationship, a dependency relationship, a relationship based on "I will tell you what it is like" (Interview 7). Thus, at PNAFM the maxim applied was you can either accept it as I am proposing or there will be no access, in the feds' outlook, who see subnational managers like middlemen (WRIGHT, 1988). In fact, in the creation and management of the program, there was no federative discussion. These characteristics of the program serve to support the arguments of the superman syndrome through the centralized definition of uniform rules from the perspective of federal agencies (MF and CEF) and glamorous objectives (PRESSMAN, 1975).

Regarding performance, the program gradually shaped an assessment opposed to the quantitative expansion, based on the standard view of the municipalities, to prioritizing the assistance quality. It was concluded to be better to reduce demand than to try to serve more than 3,000 municipalities and not succeed in doing so, not to mention the resource limitation (Interview 1). For the municipality, the number of agreements shows that the program was not directed at all, which requires assessing its objectives: was it for every country or only for the big cities? If it was for this public, the PNAFM fulfilled its purposes, but if it was aimed at improving management in general, it really fell short of expectations (Interview 4).

There was agreement stating that municipalities needed to modernize, but not all could do so through programs such as the PNAFM. Thus, the number of those served stopped afflicting the MF and the IDB. Among the reasons for this inflection was the significant dependence on the Municipal Participation Fund (MPF) for many localities that should assess other means for raising funds, as it was possible to make "free money" (eg, through covenants). However, if the municipalities did not know how to get this type of resource, why would they "get money that would jeopardize their future income?" (Interview 1). Therefore:

[If] I [a municipality] do not know how to take money for free and to be accountable for that money [...] I do not know how to take a loan where I will have to pay [...] Why? Because small Brazilian municipalities do not have the capacity to pay with this type of loan. If I take this loan to improve my own collection, I'll have to charge my own citizen. And what is the population's ability to pay for it? So, we have that situation where we need to have a maturity level to pick certain instruments that are available. And the level of maturity means knowing how to control, how to be accountable, how to calculate the return of what you are going to do. [...] And then we run the risk of always thinking "ah, the quantity", but that's not quite right. One has to look at it as follows: I need to serve the municipalities, but what is the need that these municipalities have? (Interview 1)

This feds vision seeks to characterize the municipalities as constraint-seekers that wish to make the federal agencies responsible for not adhering to the programs, besides evidencing their narrowness of objectives, focused on their financial reality and expenses.

Although very few municipalities hired the program, it was concluded that the vast majority did not have a profile and maturity for such a commitment. Assuming a project with these characteristics demanded collections, because it is necessary to generate results, which made many mayors think: “wait, wait, why am I going to be tied to that?” (Interview 1). On the other hand, it is up to mayors to show willingness to improve management, as there is still a fear of increasing tax collection due to the opposition of society, especially in smaller municipalities (Interview 3). This is, according to Pressman (1975), the “effect of contrasting images”: from the federal perspective of the superman, local caution appears as excessive shyness.

The vision of the municipalism is different: the CEF operates as a financial agent and the requirement on the municipal payment capacity is identical to that applied to private companies.

This type of framework, based on business financing formulas, eliminates many municipalities. They do not fit the municipalities because the methods of collection and capacity of payment are not measured in this way. [...]. When I was a mayor, we had to convince Caixa of what the payment capacity of a municipality was. (Interview 3)

From the perspective of locals and of the wilting violet, local incumbents stood before the program in a more conservative way, opting to preserve the status quo, given the concern of economic and political risks that, in the event of failure, would require an explanation to the local society, especially in smaller municipalities. According to Agranoff and McGuire (2004): the vision of anticipated costs, required responsibilities and a lack of technical support influenced the municipal adherence decisions.

For federal managers, the Ministry of Cities shows that there are other sources of resources accessible to the smallest localities. Nonetheless, it is necessary that the “other tip” (the cities) sees that there is “a range of opportunities [that] 90% of mayors know and [...] why they do not chase after that? [...] Aren’t they three different instances? When it matters, I’m an independent federative unit, but when it doesn’t, I want to use you as my father.” (Interview 1). In short, willingness and municipal organization are fundamental prerequisites, as opportunities do exist. Nevertheless, contrary to looking for paths, there was a widespread cry, once again reinforcing the superman syndrome. For example, in the concession of credit and financing operations:

[For] the National Treasury to bestow this authorization [...] it will observe [...] indebtedness limits [and] you need to meet a number of requirements. And they say it’s hard to meet them. Well, it’s hard to meet them because they will not read. Then, one needs the tax statement and the certificates. Is that hard work? It sure is. Is it bureaucratic? It is bureaucratic. But it’s in the legislation. Can one reduce the bureaucracy? Now, that is a matter of mayors [...] coming together to try to change it in the legislation. Those are things we do not see. They complain, complain and complain, but the main representatives of these players are not worried. They will tell you: “Look, I’m going to request [in the National Congress] the non-necessity of checking indebtedness limit” (Interview 1).

In this issue, the assessment made by municipalism is different (Interview 4): the National Treasury Department (STN) is a bottleneck that would “lock” and release the necessary certificates, for the municipality to hire credit operation, as it took time to analyze the documentation. The time elapsed since the initial demand, in some cases, was faced with situations like end of mandates or changes of priority, as it altered the municipal fiscal situation, which required updating the required legal evidences. Moreover, there was a “flood of documents that had to be attached to the loan application” (Interview 3). For municipalities, the rules generated distrust as they were seen as bureaucratic procedures that were inflexible and difficult to meet (PRESSMAN, 1975). Lastly:

All this costs money and the smaller municipalities did not have that capacity that the big ones had. They hired consultants to help them draw up these things [...]. It was then set up and forwarded to the bank, but it took a year, two years, two and a half years to get an answer. [...]. So, no matter how technical the program is [...], one must understand it takes some reasonable time for things to happen. (Interview 4)

For municipalism, about the STN's performance in hiring the program:

[The] difficulty in hiring comes from the exaggerated technocracy imposed by the national regime. And then, the mayors were very clear: to fix that, there is no such a speech like "ah, let's sensitize the Treasury to reduce the number of demands." [...] There is no sensitizing the Treasury. What do exist is, "how are these rules elaborated?" The rules of the Treasury, [which were said] to build a "ritual" for credit operations, [...] are built exclusively for the Treasury, advised by the control bodies. They can be used for international entities on how contracting should be operated or not. [...]. And then, it loses validity in the documentation from city halls and everything has to be re-done. It is an immense difficulty. Look, this system was built on a fiscal situation in the country in which didn't have interest to lend or to operate. It was made not to work [...]. (Interview 6)

In the locals' view, the effect of "contrasting images" is influenced by their place with the MF and CEF, which seemed to contain few incentives to join the program. The advantages of federative interdependence through the program were put aside and gave room to more defensive behaviors.

The relationship with CEF also adds up to the list of problems, because:

[...]there are people who say "Caixa does it, Caixa does that", and then another municipality comes up and says Caixa does not do any of that. The problem is not Caixa, the problem is the municipality. In fact, Caixa wants to help the municipality. (Interview 2)

For municipalism, there was a serious problem at CEF, given that as an executor of the government for most of the covenants, it does not have the adequate structure to respond to the absurd demand to be met. For this reason, there were problems between the municipality and CEF, this being another bottleneck of the program, as this was assumed to be another service offering, but not as a priority of its action (Interview 4).

Concerning the contractual guarantees, the visions from feds and from municipalism again oppose each other. Why do municipalities blame FPM? Why not try to reduce dependence on FPM to increase one's own resources? Why does one have to be always depending on others? (Interview 1). However, for locals, FPM is the only free resource available to the municipality and, before any threat of retention, the mayor thinks a lot about offering it as a guarantee. So, mayors weigh immensely before signing a contract with these rules, even if it is a bank guarantee (Interview 4). In line with Pressman (1975), seen from the wilting violet perspective, as the assessment of costs and benefits, assuming this commitment as a contractual requirement looks like imprudence on behalf of the feds.

As for payment terms, the assessments are different. For federal managers, costs are low (projects can last up to 5 years, be repaid in 16 years, have half-yearly installments and annual interest of 4.1%) (Interview 1). Pursuant to locals, the program was "a threat to the municipality, as it was indexed in dollars" (Interview 5). According to one of the municipality entities:

[...]we have always discussed it [...] as it was a very expensive money, since it is an IDB international money. When the dollar was low, it was worthwhile for the municipality, but [...] when the interest rate rises, it is very high. (Interview 5).

Finally, regarding the structure of the program, there was a tension between the municipalities' framing and the rules of resource use and the search for autonomy of the mayors to meet their priorities. The application of resources should take place as follows: training (10% to 30%), consultancy for computerized systems (10% to 30%), hardware acquisition and installation (0% to 30%), furniture and supporting equipment (0% to 20%), infrastructure (construction, remodeling and adaptation of physical environments such as public service centers) (0% to 20%) and personnel adjustment programs (0% to 15%). At the end of phase 1, training consumed 8.6%, consultancy 35.7%, computer equipment 29.4%, infrastructure 15.3%, communication support 11.1% and personnel adjustment 0.0% (BRAZIL, 2012).

MF and CEF sought to ensure control in the implementation of the PNAFM; municipalities were looking for resources, but craved for autonomy in their implementation (PRESSMAN, 1975). This is yet another example of the "contrasting images" between feds and locals stemming from the program's "functional imperatives" - funding policies, access rules, and form of deployment - have been the subject of controversy. Indeed, these conflicts have impacted the possibility of obtaining more fruitful federal cooperation.

Mayors preferred “visible” expenditures, as “human resources” accounted for only 8.6% of the total executed. *“Mayors like resources that go directly to the works, to direct public action. In this case, they are resources that come to qualify the [...] management capacity [which] is not always grasped by mayors”* (Interview 5). It is no different from what a federal manager argues: mayors want resources for works and the MF said: *“Look, in that case you are in the wrong program, because this is a modernization program and not one for building”* (Interview 1). These differences forced the MF into constant supervision to adjust the profile of municipal expenditures to the rules, and these, in turn, sought to broaden their autonomy in the use of resources.

CONCLUSIONS

It has been showed how and why disagreements occurred between federal managers and municipalities about the PNAFM. Feds centralized the way the program was built and controlled its implementation. The municipalities wanted to obtain more autonomy in terms of hiring, obtaining resources and in the means of using them. In this truncated process, the intergovernmental relations around the PNAFM did not allow cooperative agreements between the Union and the municipalities. The vacuum caused by minimal forms of compromise was used, above all, by capitals and large cities, so that the promotion of state capacities, in terms of federative cooperation, was not a result of this program format. In addition, the optimistic view of the federal level, with goals that were unrealistic, were cautiously answered by the massive non-adherence by municipalities, especially the smallest ones.

Therefore, even if cooperative federalism shares programs, bargaining over its rules can generate incentives to cartelization and access monopoly (ELAZAR, 1994). This result can occur when governments with more political and state capacities reinforce their positions in the federative arena, where politics is decided and policies are formulated. Those holding a skilled professional staff, an organized administrative structure, and a sound budget management improve their ability to operate cooperatively with federal agencies (GRODZINS, 1984). However, this can contribute to generating access asymmetries to programs and reinforce existing inequalities among subnational entities.

The numbers of municipal adherences also express the dissonance between the views of feds and locals, according to the opposing statements of representatives of MF and CEF and those from municipalism. Bringing the visions together proved to be a difficulty to seeking mutual interests. In terms of intergovernmental cooperation to promote municipal state capacities, the effects could not be more deleterious, because in the PNAFM federative agreement generated little expressive results.

The different stances assumed by feds and locals show how tensions between contrasting views can generate problems in the federative cooperation. This possibility increases in policies in which access is voluntary, the assessment of its costs and benefits may hinder local adherences and generate losses in intergovernmental cooperation. As there are political effects, is it worth identifying the players that lead this process and its institutional locus: professionals who dialogue with their subnational counterparts or “technocrats” who shape initiatives offered to entities? (WRIGHT e STENBERG, 2007). Hence, administrative guidelines may present for participants in federal programs tanto opportunities as well as problems (WRIGHT, 1988).

In this sense, the result of federative cooperation may be opposed to the one who is favored by its more benign vision, as it may encourage more defensive actions by subnational entities. The “calculative” behavior can be stimulated, which ponders on the costs and benefits of accessing a program (AGRANOFF and MCGUIRE, 2004). Local autonomy, a key element in the gearing of federal systems, can become a defense strategy in the assessment of the problems that can arise from the access of a policy emanating from the Union. Therefore, the existence of policy-making systems or sub-governments (WRIGHT, 1988) does matters, as policy proponents can acquire a substantial influence to shape the character of intergovernmental cooperation. These players are public agencies that constitute a field of interests and combine reasonable functional autonomy with a large enforcement capacity to shape rules.

The contradictory coexistence of the superman and wan violet syndromes constrained federal cooperation. Most municipalities stopped seeking government support and opted for a more defensive behavior, which left the possibility of using PNAFM unexplored. The case analyzed shows how the optimism and enforcement capacity of federal managers can generate an unvirtuous combination of “inflation of high goals” (DERTHICK, 1972) that ends up approaching the ambition of the conception to failures of implementation and timidity of results.

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INTERVIEWS

Interviewee 1 - General Coordinator of Programs and Cooperation Projects (MF).

Interviewee 2 - Executive Manager of the National Public Legal Entity (CEF).

Interviewee 3 - National Management of Programs and Public Policies (CEF).

Interviewee 4 - Coordinator of Technical Studies of CNM.

Interviewee 5 - ABM President.

Interviewee 6 - Executive Director of FNP.

Interviewees 7 – Brazilian Institute of Municipal Administration advisors.

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Appendice

Survey form with municipalities

Dear Mayor,

First of all, we would like to thank your willingness to participate in this assessment survey of the National Support Program for the Administrative and Fiscal Management of Brazilian Municipalities (PNAFM). The participation of your city in this research is very important so that our association can gather information about this program, and for that reason we count on your collaboration.

The research that will be carried out involves several cities in Brazil and is part of a study for a doctoral thesis that is being elaborated by a student of the Getulio Vargas Foundation of São Paulo. Our association is supporting this initiative, as it understands that this is an unpublished research in Brazil that will greatly contribute with the information that will be passed on to us after the end of this study. Therefore, their participation is fundamental to the success of this work.

This information is important, as the data answered by the cities will also serve this research. But, as usual in these jobs, the information will be used only for academic purposes, and therefore no personal identification of the respondent is necessary. What matters are only the evaluations that the municipality has on this program.

Answering all the questions presented in this questionnaire should take you 20-30 minutes. In addition, the estimated time to obtain information in other sectors of the city, if applicable, should take no more than 1 hour and 30 minutes. So, in a time limit of two hours, you will have answered all the questions and generated a very valuable information about the PNAFM.

We ask you to read the questionnaire to assess whether all the questions and their alternative of answers are clear and understandable. If you have any questions about the issues, please do not hesitate to contact us so we can assist you in ensuring that all issues are answered. We also ask you to, when applicable to the reality of your city, make sure you answer all questions.

We would also like to request that this questionnaire is answered within no more than 30 days from the date of its receipt. To respond to the questionnaire, simply click on the link that is attached in your email to have access to it. Once the questions have been answered and saved, you will have completed this task and will have contributed in a very important way, so that the municipal management continues searching for ways to improve its management.

City Characterization

City: _____ Federation Unit: _____

Respondent:

- a) Secretary of Finance
- b) Secretary of Administration/Human Resources
- c) Secretary of Planning and Budget
- d) Municipal Mayor
- e) Head of Staff/Secretary of Government
- f) Other _____

Population in the municipality

- a) up to 5,000 inhabitants
- b) from 5,001 to 10,000 inhabitants
- c) from 10,001 to 20,000 inhabitants
- d) from 20,001 to 50,000 inhabitants
- e) from 50,001 to 100,000 inhabitants
- f) from 100,001 to 500,000 inhabitants
- g) from 500,001 to 1,000,000 inhabitants
- h) more than 1,000,001 inhabitants

Knowledge of the program

1. Does the municipality know, have heard about or have information about the National Program of Support to the Administrative and Fiscal Management of Brazilian Municipalities (PNAFM) of the Ministry of Finance/Caixa Econômica Federal?

- a) yes
- b) no (in this case, end the interview).

2. (For those who answered yes in the previous question). How did the municipality become aware of the PNAFM?

- a) through the visit of an agent from Caixa Econômica Federal
- b) through the internet, on the Caixa Econômica Federal website
- c) by federal government/Ministry of Finance bodies
- d) by the press and/or federal government announcements in the media
- e) by contacting Caixa Econômica Federal and/or the Ministry of Finance
- f) by a consultant or technical advisory company
- g) by the mayors' meetings
- h) at the City Hall of Caixa Econômica Federal
- i) through a municipal association (region, state or national)
- j) by neighboring municipalities that contracted the program
- k) otherwise: _____

3. From the information that the municipality obtained, in order of importance, which are considered as the three most important aspects of the program?

- a) modernization of the area of information technology (computers, software, etc.)
- b) training of human resources
- c) acquisition of equipment such as vehicles and movable assets
- d) improvement in the physical and operational infrastructure of the city hall
- e) improvement in management systems in the budget, purchasing, human resources, equity, health, education and social assistance sectors

- f) increase in the collection of IPTU and ISS municipal revenues and collection contributions such as public lighting and garbage
- g) reduction of municipal expenses
- h) implementation of georeferenced systems for the revision of the Generic Plant of Values
- i) increase of municipal investment capacity
- j) efficiency of municipal management
- k) revision and updating of municipal legislation on taxes such as IPTU and ISS
- l) other: _____
- m) cannot identify any area as the most important one

Access to the program

4. Has the municipality already submitted a request to obtain PNAFM funding?
- a) yes (skip to question 6)
 - b) no (in this case, do not answer the next question, but answer: why not?).
5. If you have not already submitted a proposal for submission of the PNAFM, is the municipality interested? (only for those who answered no in the previous question).
- 5.1. If yes (in this case specify the reason(s):
- c) reviewing and updating the municipal legislation on taxes such as IPTU and ISS
 - d) efficiency of municipal management
 - e) increase of municipal investment capacity
 - f) implementation of georeferenced systems for the revision of the Generic Plant of Values
 - g) reduction of municipal expenses
 - h) increase in the collection of IPTU and ISS municipal revenues and collection contributions such as public lighting and garbage
 - i) improvement in management systems in the budget, purchasing, human resources, wealth, health, education and social assistance sectors.
 - j) improvement in the physical and operational infrastructure of the city hall
 - k) acquisition of equipment such as vehicles and movable assets
 - l) human resources training
 - m) modernization of the area of information technology (computers, software etc.)
 - n) improvement in customer service systems
 - o) other: _____
 - p) cannot identify any area as the most important one
- 5.2. If not (specify the reason(s))
- a) rules and norms of the project are very difficult for the city to fulfill
 - b) lack of qualified government personnel to prepare a good project

- c) the payment conditions for the financing are not favorable to the municipality
- d) there are no conditions to take advantage of/adapt their lines of action in the local reality
- e) the program is very rigid in its rules and possibilities of use
- f) Caixa Econômica Federal/Ministry of Finance take a long time to give a return to the municipality
- g) the city cannot hire a project that is expensive without knowing if it will give results
- h) you are afraid to keep your share of the retained FPM if you cannot afford the financing
- i) the municipality is in debt to the federal government and cannot receive federal funds
- j) other: _____

6. How has the municipality forwarded its request for funding?

- a) via a Caixa Econômica Federal local branch
- b) directly with the Ministry of Finance
- c) through the Municipalities Association
- d) through a consultant firm
- e) otherwise: _____

Submission of proposal for funding

7. In the case of submission through a local branch of Caixa Econômica Federal, did the information provided clarify all the questions about the PNAFM?

- a) yes (in this case, skip to question 9)
- b) no
- c) partially

8. (Only for those who answered no or partially in the previous question). What are the main problems with the information received?

- a) incomplete information on the rules for access to the program
- b) incomplete information on payment rules
- c) incomplete information on the program benefits
- d) other _____

9. In this process of submitting the project, what were the main difficulties faced by the municipality?

- a) absence of people with technical capacity in the government
- b) debts with the federal government prevented access to the program
- c) inability to run the program due to the lack of a qualified staff
- d) absence of companies in the city that could advise the government
- e) difficulty in contacting and/or receiving support from Caixa Econômica
- f) difficulty in contacting and/or receiving support from the Ministry of Finance
- g) paperwork and bureaucracy involved in presenting the project was very high

- h) lack of knowledge concerning the complexity involved in contracting this credit/public financing operation made its elaboration difficult
- i) setting investment priorities appropriate to the standards and percentages required by the program
- j) other _____

10. In this process of submitting the project, what were the main facilities found by the municipality?

- a) defining investment priorities appropriate to the standards and percentages required by the program
- b) knowledge of the complexity involved in contracting this credit/public financing operation facilitated its elaboration
- c) paperwork and bureaucracy involved in presenting the project was not excessive
- d) ease of contact and access in Caixa Econômica Federal
- e) existence of companies in the city that could advise the government
- f) ability to execute the program by holding qualified personnel
- g) debts with the federal government have facilitated access to the program
- h) the existence of persons with a technical capacity in government
- i) ease of contact and access to the Ministry of Finance
- j) other _____

11. Which were the priorities of the project presented by the municipal government? (multiple answer)

- a) increase in the municipal investment capacity
- b) acquisition of equipment such as vehicles and movable assets
- c) increase in the collection of municipal revenues
- d) implementation of georeferenced systems for the revision of the Generic Plant of Values
- e) modernization of the information technology area (computers, software, etc.)
- f) revision and updating of municipal legislation on taxes such as IPTU and ISS
- g) human resources capability
- h) improvement in the management systems in the budget, purchasing, human resources, heritage, health, education and social assistance sectors
- i) efficiency of municipal management
- j) improvement in the physical and operational infrastructure of the city hall
- k) reduction of municipal expenditure
- l) improvement in customer service systems
- m) other: _____
- n) cannot identify any area as a priority

12. How long did the project take to be approved?

- a) up to six months
- b) from six months to one year
- c) one year and a half
- d) two years
- e) and another one: _____

13. During the course of the proposal presented, which were the main problems raised by Caixa Econômica Federal and/or the Ministry of Finance?

- a) project was not framed in the bank's rules on how and where to use program funds
- b) project had no revenue growth goals
- c) project had no targets for municipal expenditure reduction
- d) project did not present an execution program
- e) project was inadequate in its formatting and presentation
- f) project with no clarity as to the ability to execute what was proposed
- g) project would require many revisions due to technical and presentation problems
- h) other: _____

14. What external support did the city receive in the preparation of its project before submitting it to the analysis by Caixa Econômica Federal and/or the Ministry of Finance?

- a) from an external advisory and/or consultant firm
- b) from the area of the bank operating the program
- c) from the municipalities association (for those who answered this, complement below)
- d) received no external support
- e) another form of external support _____

15. (Only for those who answered letter c in the above question). What municipalities association supported the municipality?

- a) Brazilian Association of Municipalities (ABM)
- b) National Confederation of Municipalities (CNM)
- c) National Front of Mayors (FNP)
- d) Association of State Municipalities
- e) Association of Region Municipalities
- f) Does not know/does not remember

Program Implementation

16. Has the municipality hired PNAFM more than once?

- a) yes
- b) no

17. How many times has the municipality hired PNAFM?

- a) once
- b) twice
- c) three times
- d) more than three times
- e) does not know/does not remember

18. In what period did the city execute the PNAFM in the time(s) in which it was hired? (mark all the years in which the program was executed after its hiring).

a) 1999	f) 2005	m) 2011
b) 2000	g) 2006	n) 2012
c) 2001	h) 2007	o) 2013
d) 2002	i) 2008	p) 2014
e) 2003	j) 2009	q) does not know/does not remember
f) 2004	l) 2010	

19. What was the hired modality of PMAT at the first time?

- a) Simplified PNAFM (cities with up to 150 thousand inhabitants)
- b) Expanded PNAFM (cities with more than 150 thousand inhabitants)
- c) Does not know/does not remember

20. (Applicable only to those who hired more than once). What was the contracted modality by PNAFM on other occasions?

- a) Simplified PNAFM (cities with up to 150 thousand inhabitants)
- b) Expanded NAPFM (cities with more than 150 thousand inhabitants)
- c) Does not know/does not remember

21. Considering the approved project and its implementation, what are the main areas of implementation of the PNAFM project? (multiple response).

- a) improvement in the physical and operational infrastructure of the city hall
- b) efficiency of municipal management
- c) increase in the collection of IPTU and ISS municipal revenues and collection contributions such as public lighting and garbage
- d) revision and updating of municipal legislation on taxes such as IPTU and ISS
- e) modernization of the information technology area (computers, software, etc.)
- f) human resources capability
- g) implementation of georeferenced systems for the revision of the Generic Plant of Values
- h) improvement in the physical and operational infrastructure of the city hall
- i) increase of municipal investment capacity
- j) improvement in management systems in the budget, purchasing, human resources, wealth, health, education and social assistance sectors
- k) reduction of municipal expenses
- l) other: _____
- m) cannot identify any results achieved

Results achieved and program evaluation

22. Considering the approved project and its implementation, what was the result (s) that the PNAFM brought to the municipality? (Multiple Choice Answer). (For municipalities that have hired more than once, answer this question considering **only** the first contract).

- a) improvement in management systems in the budget, purchasing, human resources, heritage, health, education and social assistance sectors
- b) revision and updating of municipal legislation on taxes such as IPTU and ISS
- c) reduction of municipal expenditure
- d) human resources capability
- e) improvement in the physical and operational infrastructure of the city hall
- f) increase of municipal investment capacity
- g) modernization of the information technology area (computers, software, etc.)
- h) efficiency of municipal management
- i) acquisition of equipment such as vehicles and movable assets
- j) increase in the collection of IPTU and ISS municipal revenues and collection contributions such as public lighting and garbage
- k) implementation of georeferenced systems for the revision of the Generic Plant of Values
- l) other: _____
- m) cannot identify any results achieved

23. (Only for municipalities that have hired PNAFM more than once). Considering the approved project and its implementation, what are the results that the PNAFM brought to the municipality on the second and/or third occasion? (Multiple choice answer).

- a) increase in the collection of IPTU and ISS municipal revenues and collection contributions such as public lighting and garbage
- b) reduction of municipal expenditure
- c) improvement in management systems in the budget, purchasing, human resources, heritage, health, education and social assistance sectors
- d) modernization of the information technology area (computers, software etc.)
- e) revision and updating of municipal legislation on taxes such as IPTU and ISS
- f) implementation of georeferenced systems for the revision of the Generic Plant of Values
- g) human resources capability
- h) acquisition of equipment such as vehicles and movable assets
- i) efficiency of municipal management
- j) improvement in the physical and operational infrastructure of the city hall
- k) expansion of municipal investment capacity
- l) other: _____
- m) cannot identify any results achieved

24. Considering the approved project and its implementation, which of the area(s) below was(were) carried out by the PNAFM project, but did not generate results? (Multiple Choice Answer). (For municipalities that have hired more than once, answer this question considering **only** the first contract).

- a) increase in the collection of IPTU and ISS municipal revenues and collection contributions such as public lighting and garbage
- b) improvement in management systems in the budget, purchasing, human resources, heritage, health, education and social assistance sectors
- c) modernization of the area of information technology (computers, software etc.)
- d) revision and updating of municipal legislation on taxes such as IPTU and ISS
- e) human resources training
- f) expansion of municipal investment capacity
- g) acquisition of equipment such as vehicles and movable assets
- h) improvement in the physical and operational infrastructure of the city hall
- i) reduction of municipal expenses
- j) efficiency of municipal management
- k) other: _____
- l) cannot identify any result that has not been reached

25. (Only for municipalities that have hired PNAFM more than once). Considering the approved project and its implementation, which of the area(s) below were carried out by the PNAFM project, but did not generate results on the second and/or third occasion? (Multiple choice answer).

- a) improvement in the physical and operational infrastructure of the city hall
- b) efficiency of municipal management
- c) increase in the collection of IPTU and ISS municipal revenues and collection contributions such as public lighting and garbage
- d) revision and updating of municipal legislation on taxes such as IPTU and ISS
- e) modernization of the area of information technology (computers, software, etc.)
- f) human resources training
- g) implementation of georeferenced systems for the revision of the Generic Plant of Values
- h) improvement in the physical and operational infrastructure of the city hall
- i) expansion of municipal investment capacity
- j) improvement in management systems in the budget, purchasing, human resources, wealth, health, education and social assistance sectors
- k) reduction of municipal expenses: _____
- l) cannot identify any results achieved

26. In the specific case of financial results, in what percentage was the revenue collected increased after the implementation of the PNAFM (considering all taxes and contributions)?

- a) did not generate any increase/there was no result
- b) up to 5%

- c) from 5% to 10%
- d) from 10% to 15%
- e) from 15% to 20%
- f) more than 20%
- g) not sure

27. Considering the approved project and its implementation, what is the evaluation of the municipality of PNAFM?

- a) a) poor
- b) b) bad
- c) c) regular
- d) d) good
- e) e) very good

Why? (open question) _____

28. According to the municipality, what are the PNAFM weaknesses?

- a) rules and norms of the project are very difficult for the city to fulfill
- b) there is no technical support from the banks to help the municipality elaborate its project
- c) the payment conditions for the financing are not favorable to the municipality
- d) there are no conditions to take advantage of/adapt their lines of action in the local reality
- e) the program is rigid and little flexible in its rules and possibilities of use
- f) Banco do Brasil/Caixa Econômica Federal/BNDES take too long to send a feedback to the municipality
- g) the project is expensive and with interest rates and grace periods little adequate to the reality of municipalities
- h) there is no guarantee that it will generate results to modernize municipal management
- i) requirement for the municipality to be up-to-date with its debts with the federal government
- j) lack of technical support from the banks to assist the municipalities to elaborate the project and request the financing
- k) other _____

29. According to the municipality, what are the PNAFM strengths?

- a) technical support from the banks to help municipalities prepare the project for requesting financing
- b) requirement for the municipality to be up-to-date with its debts with the federal government
- c) the results it generates to modernize municipal management
- d) project with collection values, interest rate and grace period compatible with the municipal reality
- e) Banco do Brasil/Caixa Econômica Federal/BNDES are prompt in sending a feedback to the municipality
- f) the program is flexible in its rules and possibilities of use
- g) conditions to take advantage of/adapt their lines of action in the local reality
- h) the financing conditions favorable to the municipal reality
- i) project rules and standards that are easy for cities to meet
- j) technical support from banks to help the municipality elaborate its project
- k) other _____

30. According to the municipality, the manner in which the PNAFM is organized, it is an accessible program and contributes to improving municipal administration?

a) yes.

Why? _____

b) no

Why? _____