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Porto Alegre is the capital of the state of Rio Grande do Sul (Brazil), and has 1,340,590 inhabitants (IBGE, 2000). It is the second state capital in the country with the largest rural area, representing 30.56% of the total city surface (17,116 ha) (SMIC, 2002). Of this area, 60% is used for horticulture, fruit growing and cattle raising. According to 2002 statistics (EMATER), there are close to 600 farmers in the region ¹.

Municipal the experience of Porto Alegre, Brazil Participatory Budgets

Porto Alegre is internationally known for its innovative management strategies. One of the pillars of local democratisation was the implementation of a Participatory Budget (PB), a democratic process of popular participation, under which the population directly decides how to allocate public funds for works and services to be executed by the municipal administration. The organisation and operation of the PB took several years to develop, with the goal of facilitating participation and ensuring a democratic process.

The city is divided into 16 regions, based on geographical, social and community organisation aspects. In each region, the population expresses its needs and highlights four priorities within 13 existing themes every year². Within each theme, the work to be carried out and the services to be performed are prioritised. In addition, six technical committees operate at city scale to extend participation with other social actors previously not involved in the PB (like union members, merchants, businessmen, farmers, students). These committees are able to go beyond a restricted neighbourhood vision and think on a city-wide scale. The Administration

organises a large plenary session and meeting with the community each year.

FOUR EXPERIENCES

Fishermen's Cooperative

The city of Porto Alegre lies on the banks of the Guaíba River. In 1999, the fishermen of the islands (Ilha da Pintada and others) established the first fishermen's production and service provision cooperative in the state of Rio Grande do Sul, *Coopeixe*, and in the same year they applied to the Thematic Economic Development Committee for funds for the construction of a fish collection centre (located in the periurban area). The construction of this structure would allow them to collect all the harvest in one location and to handle and clean the fish (according to health regulations); it was also planned to serve as a supply centre. The money invested represented approximately 350,000 reales³. Currently, the cooperative has 230 members. Fish is sold at markets, to restaurants and directly to consumers. In 2003, production and commercialisation will be maximised. The goal is to sell the fish in Porto Alegre and its surrounding areas. This participatory experience with the municipal PB prompted cooperative members to go on to participate in the state-level PB. In 2000-2001, state fishermen became

organised and applied for funds to purchase material (nets and vessels), securing 150,000 reales from the Thematic Agriculture and Supply Committee. The fishermen of *Coopeixe* are considering applying for more funds during the PB meetings scheduled for 2003, to buy more fishing material, or to start up a processing agro-industry within the next years.

Casa do Mel of the Gaucha Beekeepers Association

The Gaucha Beekeepers Association (AGA) was created 40 years ago, and currently has 80 partners in Porto Alegre. One of the biggest problems faced by beekeepers of the association was the processing of honey, and for the last 20 years they have nursed the idea of establishing their own facility to process their honey. In 1995, the members applied for and obtained from the PB's Thematic Economic Development Committee funding to build the *Casa do Mel* ("Honey House"), approximately 70,000 reales. The association bought equipment for the house (30,000 reales) using a percentage of the honey sales. The house was inaugurated in 1998. In 2002, the association decided to apply for more credit to build another processing unit and a structure for the collection of honey in an extension to the current house. The application was approved, at an estimated cost of

For information on the
participatory budget:

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40,000 reals. Products currently processed in Casa do Mel bear the federal health control seal, which allows them to be exported abroad. The honey produced by the association is sold at a kiosk, assigned by the municipality and located in the centre of Porto Alegre, as well as at fairs. The association does not want to sell its honey in supermarkets, believing it to be wrong from a social point of view because then it would be sold at higher prices. Currently, the demand for honey exceeds the current supply of AGA, making it necessary to seek new distribution channels. In 2002, 15 tonnes of honey was produced.

Pig Farmers' Association

In the 1990s, urban pig farmers in Porto Alegre used to collect the city's unsorted garbage and sort it at their homes, separating out the organic matter to feed their pigs. However, these practices were harmful to the environment. To solve this problem, the Municipal Department of Urban Sanitation (DMLU) implemented a project whereby organic waste was sorted at the source, to be collected and distributed to producers. In return, the 15 producers involved in the project supply two day-care centres (200 children) with non-perishable food every month, worth 500 reals. Currently, organic waste is collected at 35 facilities (mostly hospitals and some company cafeterias) with an average of 7 tonnes/day to feed 1,700 pigs. The DMLU is responsible for the collection and transportation of the waste to a distribution centre, located at the house of one of the pig farmers. At the start of the project, the 15 producers were not associated. They decided to organise the Association of Pig Farmers of the Southern Zone in order to be able to submit an application to the PB. In 1996, they

applied for and obtained from the Thematic Economic Development Committee funding to purchase a machine to crush and sterilise organic waste⁴. In 2002, the Association applied for and obtained from the same committee a truck and a tractor worth 50,000 reals. This will allow, among other things, the association to increase waste collection. This year, associates plan to apply with the PB for the construction of an agro-industrial facility to slaughter the animals and process the meat.

Agro-industry within a Tourism project

The rural community association of Belem Velho is developing an agricultural tourism project that includes treks to nearby areas, visits to farms, etc. Associates wanted to be able to process local products in order to sell them to tourists. In 2002, they applied for and obtained from the PB's Thematic Economic Development Committee funding for the construction of an agro-industrial facility worth initially 10,000 reals. It is to be a simple structure built on a piece of land owned by the community association. Once built, the agro-industrial facility will work as follows: the residents of the shanty towns of Belem Velho will process products bought from local farmers. This will allow them to work together to produce an alternative income. The association is considering the creation of a local brand for the products of this agro-industry. This year or the next, they expect to apply for credit to build stores within the association facility, in order to sell local products.

REFLECTIONS

- ❖ All the farming experiences previously mentioned were facilitated through the state-level **Thematic Economic Development Committee** and not through regional committees. This is due to the fact that in Porto Alegre the needs prioritised by the regional committees are limited to paving, sanitation, health, and education. Accordingly, Urban Agriculture has a greater chance of obtaining funds if interested agricultural producers apply for it within the thematic committees.
- ❖ **Urban farmers must be organised** and be part of an association in order to obtain funds through the PB. The greater the number of representatives of the same organisation present in PB meetings and assemblies to apply and advocate for their request, the greater the chance for it to be prioritised. It is evident that the likelihood

of getting funds through the PB provides a significant incentive for farmers to join forces (*Coopeixe*, Pig Farmers' Association) or to strengthen their organisation (*Casa do Mel*). During the PB meetings where the prioritisation of investments is discussed, arguments used by farmers as they submit their requests are always focused on social benefits and on gains for their community.

- ❖ It is important to underline the fact that the farmers and fishermen in the cases mentioned above belong to the middle- and mid-lower classes.
- ❖ The experiences in agriculture financed through the PB are conducted mainly in **the periurban and rural area** of Porto Alegre (only in the case of *Casa do Mel* is honey produced in the inner area of the state).
- ❖ Farming activities supported by the PB in Porto Alegre are diverse, and the **granted funds range between 10,000 and 350,000 reals**. In the cases mentioned, the PB is the **only way for producers to obtain funds** for their activity. In the case of *Coopeixe*, the PB allowed them to build the infrastructure of the cooperative, without which it could never have existed.
- ❖ Urban farmers obtain funds through the PB to **support production** (machinery and materials), **supply and processing** (infrastructure and equipment for agro-industries). They are also considering applying for funds for **commercialisation** (stores).
- ❖ The participation of farmers and fishermen in the PB opens **communication channels with the municipal government**, which allow for other types of collaboration (sales points, service provision for municipal events, possibility to profit from complementary training). Also, in some cases, associates provide social services in return.
- ❖ The producers who obtain funds through the PB apply **developmental dynamics to their activities**; in several cases they have already made applications (*Casa do Mel*, *Coopeixe*, Pig Farmers' Association) and/or are planning to make more in the future, often with the idea of adding value to their products through processing.

Notes

- (1) This number does not include local fishermen.
- (2) Basic sanitation, housing, paving, social assistance, education, street lights, health, transport, economic development, recreational areas, cultural areas, sports and environmental works.
- (3) In the month of March 2003, 3.35 reals = US\$1.
- (4) The equipment will be installed this year.



The Fishermen's Cooperative

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