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# Municipal Planning between integration and fragmentation: A study on the relationship between the Goals Program and the Pluriannual Plan in the City of São Paulo

*O Planejamento Municipal entre a integração e a fragmentação: Um estudo sobre a relação entre o Programa de Metas e o Plano Plurianual no Município de São Paulo*

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**Abstract:** This article deals with the dilemmas of government planning at the municipal level, specifically the issue of the lack of integration and fragmentation of the various existing planning instruments. The objective of the discussion is to demonstrate that governmental planning has an essential political aspect that overlaps with technique, and also determines effectiveness in the execution of goals and objectives. For this purpose, we analyze the Pluriannual Plan (PPA) in the Municipality of São Paulo, which ended up incorporating a more budgetary character, comparing it with the Goals Program (PdM), which has a more political and strategic character. Indeed, the theoretical foundation on which the argument is based indicates that government planning is a political process, which takes place in an environment where different interests and actors coexist. For this reason, we argue that the PdM, having its own obligation linked to the elective mandate of the mayor, ended up gaining precedence over other mandatory preparation planning instruments, such as the PPA, in the municipalities in which it became a legal obligation. After a brief introduction of the matter, the first section of the article presents the research methodology used: a comparative analysis of the PdM and the PPA. The second section of the article presents, in general, the context in which the PdM was instituted in the Municipality of São Paulo and its performance since then. The fourth section introduces and discusses the PPA, focusing on its emphasis on the budgetary aspect of planning. Finally, the fifth and last section discusses the compatibility between the two instruments, addressing the issue of fragmentation of municipal planning and its monitoring, with consequences for social control. Finally, the last section presents the final results.

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**Resumo:** Este trabalho discute a falta de integração e a fragmentação existente entre os diversos instrumentos de orçamento e planejamento no âmbito da gestão municipal. O objetivo da discussão é demonstrar o aspecto político do planejamento governamental e sua sobreposição à técnica, no que tange à eficácia na execução de metas e objetivos. Para isso, faz uma análise do instrumento representado pelo Plano Plurianual (PPA) no Município de São Paulo, que acabou incorporando um caráter mais orçamentário, comparando-o com o Programa de Metas (PdM), de caráter mais estratégico-político. Com efeito, a fundamentação teórica na qual a argumentação se apoia encara o planejamento governamental como um processo político, que se desenrola num ambiente onde convivem diversos interesses e atores. Por esse motivo, argumenta-se que o PdM, por ter sua própria concepção ligada ao mandato eletivo do chefe do executivo municipal, acabou ganhando precedência sobre outros instrumentos de planejamento de elaboração obrigatória, como é o caso do PPA, nos municípios em que se tornou uma obrigação legal. Após uma breve introdução da questão a ser desenvolvida, a primeira seção do artigo apresenta a metodologia de pesquisa utilizada, baseada em uma análise comparativa dos instrumentos de planejamento sob análise. A segunda seção apresenta, de modo geral, o contexto em que o PdM foi instituído no Município de São Paulo e seus resultados desde então. A terceira seção apresenta e discute o PPA, com foco em sua ênfase no aspecto orçamentário do planejamento. A quarta seção, por sua vez, discute a compatibilização entre os dois instrumentos, abordando a questão da fragmentação do planejamento municipal, e de seu monitoramento, com consequências para o controle social. Por fim, a última seção apresenta os resultados e considerações finais do trabalho.

**Palavras-chave:** Planejamento Governamental; Plano Plurianual; Programa de Metas.

## **1. Introduction**

This article deals with the dilemmas of government planning at the municipal level. Planning activities are vital to qualify the formulation and implementation of public policies, and government planning is, by definition, a collective political process, coordinated by the State, which, by increasing the government's capacity, carries out a strategic project of society (DE TONI, 2014). In Brazil, the 1988 Constitution established guidelines and determinations for planning at the same time that it elevated municipalities to the status of federated entities, decentralizing the production of public policies and also the elaboration of budget and planning pieces - the Pluriannual Plan (PPA), the Budget Guidelines Law (LDO) and the Master Plan (for municipalities with more than 20,000 inhabitants), in addition to specific sectoral plans<sup>2</sup> - such as, for example, Health and Education plans, among others. In some municipalities, as is the case of São Paulo, the

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<sup>2</sup> In addition to the constitutional imposition for the formulation of the budget planning instruments mentioned above, in the following decades other sectoral planning instruments became mandatory for the municipality, even conditioning the transfer of Union resources. This is the case, for example, of municipal health plans (Federal Law 8.080/1990).

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so-called Plan or Goals Program is added to these instruments, generally instituted by specific legislation. Thus, the municipalities were absorbing planning attributions, at the same time that the instruments for this were also diversifying. This is the context in which the present study is inserted.

The political decentralization instituted by the Federal Constitution of 1988, with power distributed among the three interdependent federated entities (Union, States and Municipalities) was the result of an agenda to strengthen subnational governments (LIMA et al, 2019). However, there is a vast academic literature that addresses the inequality of political, technical and financial conditions between municipalities, which makes the planning process quite heterogeneous and fragmented. Considering this scenario, it is possible to affirm that the heterogeneity of municipalities in Brazil is reflected in the local planning processes, and another issue is the form of integration between the various sectoral plans, in order to produce the PPA (LIMA et al, 2019). In particular, the City of São Paulo, the focus of this study, stands out for being one of the largest cities in the world, with 19.7 million inhabitants (SEADE, 2010). Another particularity of São Paulo is that in addition to the planning obligations embodied in the 1988 Constitution and in specific laws, the city also has the so-called Goals Plan/Program (PdM) (instituted by amendment to the Municipal Organic Law),<sup>3</sup> which documents the political commitments of the elected Chief Executive. Despite the extensive literature on government planning that exists, the fragmentation/integration issue continues to be quite relevant, especially for the City of São Paulo, as we will demonstrate below. From this thematic focus, we will seek to contribute to the existing literature, reducing this research gap.

The PdM was conceived as a planning and management instrument to define the priorities and strategic actions of the municipal government throughout the four-year term of office of the elected mayor, based on the proposals made in the electoral campaign. Therefore, its character is inherently political. In this sense, there is a whole debate about the perspective through which governmental planning can be seen.

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<sup>3</sup> Currently, 75 Brazilian municipalities have municipal laws establishing the mandatory Goals Program, according to a survey by the Sustainable Cities Program available in <<https://www.cidadessustentaveis.org.br/pagina/plano-de-metas>> Accessed on September 6, 2021. Municipalities of various forms stand out, from state capitals like Belo Horizonte (MG), Florianópolis (SC), João Pessoa (PB), Porto Alegre (RS), Vitória (ES) and Rio de Janeiro (RJ), to significantly smaller ones, such as Santos (SP), Ilhéus (BA), Marília (SP), among others.

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More than the mere application of recognized methodologies and/or technical excellence, government planning is essentially a political process. Administrative theories can provide a more limited analysis of issues of efficiency and effectiveness and the application of managerial models, while the economic debate can help to understand the allocation of resources. However, when planning is sponsored by the top management of the government, it becomes the very essence of the act of governing, since the plan is, in essence, a great well-founded bet on hypotheses and future scenarios with different viability for the success of the planned project (DE TONI, 2014). Indeed, the theoretical foundation on which the argument was anchored reinforces this point, considering planning as a political process, which takes place in an environment where different interests and actors coexist. This point will be further developed throughout the work.

We argue that the PdM, as it has its own conception linked to the elective term of the municipal executive, ended up taking precedence over other planning instruments of mandatory elaboration, as is the case of the PPA, in the municipalities where it became a legal obligation. After all, for a government plan to materialize in activities that transform the municipal reality, it must be more than the result of good technical work. It is necessary for the plan to be taken over by the management of the public organizations responsible for its implementation. This argument seeks to answer a research problem that questions the concrete results derived from the growing influence of concepts and tools imported from private management practice to public administration. In this way, the objective is to demonstrate that the mere application of technical recommendations, without the endorsement coming from the political sphere, is not capable of making planning more effective in practice.

In the following section, we will briefly detail the research methodology used. Then, in the third section, we will provide an overview of the amendment to the Organic Law that established the PdM in the city of São Paulo, and its history as a demand from civil society. The fourth section presents, in general terms, the PPA, emphasizing its character as a general planning instrument at the municipal level, and its emphasis on the budgetary aspect of planning. It is important to highlight that this more budgetary nature of the PPA, although suggested by the wording of art. 165, § 1º of the Federal Constitution of 1988, is not necessarily a condition that limits its use as a planning instrument for the guidelines, objectives and material goals of the municipal administration. In section 5, we will discuss the issues related to the compatibility of these planning instruments and the

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fragmentation of municipal planning and its monitoring in the City of São Paulo, with consequences for social control. Finally, the last section will present some final considerations regarding the debated topic and will launch some questions for the continuity of a research agenda that encompasses the planning theme in its broadest conception.

## **2. Research Methodology**

In addition to a literature review on the issue of planning in public policies, the work methodology involved a comparative analysis between two planning instruments - the PPA and the PdM - considering their legal and normative as well as practical dimension and achieved results. The literature review in question sought to rescue essential concepts for the discussion on government planning, applying them to the analysis of instruments and guiding the discussion about their implementation and the concrete effects in terms of public policies.

The PdM and the PPA were selected to compose the scope of the comparative analysis precisely because they are instruments that incorporate the characteristics that were intended to be observed: while the PPA fulfills the legal imperative of planning instituted by the 1988 Constitution, encompassing the government administration both from the execution of material goals and the budgetary point of view, the PdM stems from the electoral platform - and, therefore, the political direction - of the chief executive. The mastery of technical budgetary language should also be highlighted: while this is essential for the elaboration and monitoring of the PPA, it remains largely absent or appears only incidentally in the elaboration of the PdM, since the budgetary aspect of its content needs to be made compatible with other instruments, notably the PPA itself.

Thereafter, once the scope of the comparative analysis was established, we looked into the content of the documents produced by the City of São Paulo and its impacts. First, the research brought an analysis of the results achieved over the thirteen years of the amendment n.30 to the Organic Law of the Municipality (LOM), which established the PdM in the city. Then, from the analysis of the goals and results of the last planning cycle materialized by the PdM 2017-2020, we observed the compatibility of its content - that is, how it was transposed - to the PPA 2018-2021. This comparison allowed us to observe how, in practice, the fragmentation of municipal planning occurs, not only in terms of its articulation with the budgetary aspect, but also in terms of the integration between different instruments.

Finally, the results obtained from this comparative analysis indicate that, given this fragmentation, the different municipal administrations have been showing an option to prioritize the PdM, since it more explicitly translates its priorities to the population and to social control. In addition, it is also evident that government planning remains a disputed concept, and that the difficulty of articulating the planning-budget binomial in compliance with the regulatory frameworks has been constant throughout the analyzed period.

### **3. The Goals Program (PdM) in the city of São Paulo**

The Goals Program (PdM)<sup>4</sup> or Plan of the city of São Paulo was a claim and an achievement of organized civil society<sup>5</sup>, incorporated into the LOM in 2008, through amendment n. 30. Article 69-A reads as follows:

**Art. 69-A. The mayor, elected or reelected, will present the Goals Program for his administration, up to ninety days after his inauguration, which will contain the priorities: strategic actions, indicators and quantitative goals for each of the sectors of the Municipal Public Administration, Sub-prefectures and Districts of the city, observing, at least, the guidelines of its electoral campaign and the objectives, guidelines, strategic actions and other rules of the Strategic Master Plan law.**

§ 1 The Goals Program will be widely publicized, by electronic means, by the printed, radio and television media and published in the Official Gazette of the City on the day immediately following the expiry of the term referred to in the "caput" of this article.

§ 2 The Executive Power **will promote, within thirty days after the end of the period referred to in this article, the public debate on the Goals Program through general, thematic and regional public hearings**, including in the Sub-prefectures.

§ 3 The Executive Branch will publish the performance indicators related to the execution of the various items of the Goals Program every six months.

§ 4 The Mayor may make programmatic changes to the Goals Program, always in accordance with the law of the Strategic Master Plan, justifying them in writing and widely publicizing them through the means of communication provided for in this article.

(...)

§ 6 At the end of each year, the mayor will publish the report on the execution of the Goals Program, which will be made available in full through the means of communication provided for in this article.

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<sup>4</sup> The acronym "PdM", in literal Portuguese translation, indicates "Program of Goals".

<sup>5</sup> In this process, the civil society organization Rede Nossa São Paulo (RNSP) played a leading role, organizing the mobilization around the approval of the Goals Law and presenting a bill to the São Paulo City Council with the main guidelines and objectives of the proposal.

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The objective of this legal requirement was to organize, in a clear and transparent way, the priority actions of the City Hall of São Paulo during the four years of the term of office of each elected Mayor, in addition to making the proposals made during election campaigns binding. Thus, the PdM must express the strategic objectives of the Administration through a limited number of goals, monitoring indicators and initiatives to be implemented by each area of Public Administration (health, education, transport, etc.) by city region. There is also a participatory stage, which, in the MSP, should encompass a debate that involves the cut by the 32 subprefectures.

In practice, the PdM should function as a major transparency pact between the City Hall and the population, with active participation by society and dialogue between different actors through consultations and public hearings; and periodic reporting on concrete goals and objectives to be met by the elected local government. At the end of the four-year period, the municipal executive must also organize dialogues with civil society to present the final balance of the goals achieved and give feedback on the commitments assumed.

According to the history maintained by the civil society organization Rede Nossa São Paulo /Sustainable Cities Program, in this period of little more than a decade since the amendment to the Organic Law, the different municipal governments - Kassab administration (2009-2012), Haddad administration (2013-2016) and Doria administration (2017-2020) - applied different methodologies to prepare the PdM. Kassab management established a set of 223 goals, organized into 5 thematic axes, and reached a percentage of 55% of goals achieved in the period, according to the final balance released. However, it is noteworthy that the official balance released an "efficacy index" - of 81% - that encompassed both the goals in progress and those achieved to compose this evaluation<sup>6</sup>, evidencing the methodological challenge of implementing the instrument at that time.

The Haddad administration, in turn, established 123 goals organized into three axes, after a broad participatory process that involved receiving more than 10,000 proposals sent by civil society. At the end of the term, the number of goals completed was 66, a percentage of approximately 53% of fulfillment. It is noteworthy that, at that

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<sup>6</sup> According to an assessment by Rede Nossa São Paulo, based on material available on the São Paulo Municipal Government Department website. <[https://www.prefeitura.sp.gov.br/cidade/secretarias/governo/planejamento/programa\\_de\\_metas\\_20132016/index.php](https://www.prefeitura.sp.gov.br/cidade/secretarias/governo/planejamento/programa_de_metas_20132016/index.php)>. Accessed on September 7, 2021.

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moment, there was greater methodological refinement in the preparation of the document. The goals were grouped into strategic objectives and broken down into deliveries and processes, facilitating the monitoring process by the population. There was also progress in the definition of indicators based on well recognized concepts in the discipline of Public Policy. In addition, Haddad's administration also made available its own interactive portal for monitoring goals - the "Planeja Sampa" Portal<sup>7</sup>, with semiannual disclosure of the evolution of the PdM's goal indicators.

Finally, the Doria-Covas administration (2017-2020) presented a "leaner" plan, with 53 goals grouped into 5 thematic axes and received 20,000 proposals from civil society. Initially, the methodology adopted was to establish impact goals, then broken down into strategic projects composed of lines of action, for which specific indicators were designated. In this process, it is worth noting the hiring of consultancy firms<sup>8</sup> to define and replicate Project Management and monitoring methodologies in the City Hall Departments, which did not necessarily result in a higher success rate, since the percentage of achievement of goals was 43.5% until 2019<sup>9</sup>. This significantly lower percentage was probably due to the programmatic review of the PdM presented in 2019 by former vice mayor Bruno Covas, who materialized a very different plan from the previous one of 2017, creating, in practice, two totally different plans for each biennium of management, each one guided by its own methodology.

The Guide for the Elaboration of the Program of Goals produced by the Sustainable Cities Program<sup>10</sup> highlights that each mayor can update the goals during the four years of term, depending on budgetary, planning or management eventualities. In fact, there must be some flexibility in adjusting and resizing goals, so that planning does not become a process detached from urban reality. Changes to the plan, however, must

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<sup>7</sup> The portal was also used by the João Doria administration, being disabled in 2019 after the programmatic review of the PdM 2017-2020 coordinated by Bruno Covas, who took over the mayor's office after Doria left the position to run for the election of governor of the State of São Paulo.

<sup>8</sup>In particular, we highlight the hiring of McKinsey consultancy firm in 2017, a service donation received by the then mayor João Doria, and Falconi, which provided a service related to the creation of an automated system for the internal monitoring of the PdM.

<sup>9</sup> This percentage of execution of the 2017-2020 PdM was calculated by the organization Rede Nossa São Paulo using a methodology that took into account the arithmetic average between the results of the Doria administration and the Covas administration in each biennium, since the final balance released by the city considered only the goals for the 2019-2020 biennium. <<https://www.nossasaopaulo.org.br/2021/03/17/balanco-plano-de-metas-gestao-doria-covas-2017-2020/?>>. Accessed on September 29, 2021 .

<sup>10</sup> Available in <[https://www.cidadessustentaveis.org.br/arquivos/Publicacoes/Guia\\_para\\_Elaboracao\\_do\\_Plano\\_de\\_Metas.pdf](https://www.cidadessustentaveis.org.br/arquivos/Publicacoes/Guia_para_Elaboracao_do_Plano_de_Metas.pdf)>. Accessed on September 6, 2021.

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be carefully evaluated and carried out in a transparent manner, and therefore must be discussed and agreed with society to avoid the mischaracterization of previously established agreements and the consequent loss of confidence in the public administration.

In the particular case of the Covas-Doria PdM (2017-2020), for example, the control bodies - such as the Public Ministry and the Municipal Court of Auditors - continued to fulfill their role during this period, demanding the Municipal Executive for clarification and general information about the commitments made in 2017, which created practical difficulties for the São Paulo City Hall Departments. In this sense, the programmatic review strategy adopted must be negatively highlighted, since it goes in the opposite direction to the very purpose of the PdM: it allowed the presentation of a totally different plan from the one agreed with the population at the beginning of the administration and from the elected political platform. This concern is quite relevant when considering the history of São Paulo's municipal policy, and demonstrates, once again, the preponderance of politics over technique in the day-to-day of government planning - even the use of the most sophisticated methodology by recognized consultancies does not guarantee the continuity and effectiveness of the planning.

It is also recommended that the elaboration and/or revision of a Goals Program takes into account a joint analysis of the other planning instruments that guide public management, with emphasis on the Master Plan of the City and the Pluriannual Plan (PPA) and on the sectoral plans (Urban Mobility Plan, Housing Plan, Health Plan and Education Plan, among others). Indeed, article 137 of the LOM, in its § 9 and 10, states that:

§ 9. The budget laws referred to in this article must incorporate the priorities and strategic actions of the Goals Program and the Strategic Master Plan law.

§ 10. The guidelines of the Goals Program **will be incorporated into the bill that aims to establish the pluriannual plan** within the legal deadline defined for its presentation to the City Council.

However, there is a whole debate that points to the need for integration between the various planning instruments, including in the City of São Paulo. Although there has been some learning over the 13 years since the amendment n.30 to the LOM, many challenges to the realization of an integrated planning still remain, as we will discuss in section 5. The next section will specifically address multi-year planning. The PPA was

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chosen as a comparison parameter due to its general and global character, despite the fact that it ended up limited to a more budgetary character. Despite the dynamics of municipal budget planning in Brazil and its particular problems, we argue that the PPA could become a much more robust instrument of integration for city planning. This study, although restricted to the reality of the City of São Paulo, is quite relevant, especially considering that there are currently articulated initiatives in favor of the legal institution of the PdM at the state level (not only in São Paulo but also in the states of Pernambuco, Rio Grande do Sul and Santa Catarina) and at federal level (PCS, 2021).

**4. Main planning instruments at the municipal level: the PPA**

Article 165 of the Federal Constitution of 1988 establishes that the entities of the Brazilian Federation must prepare, every four years, a Pluriannual Plan (PPA)<sup>11</sup> for the next period of four years, comprising the guidelines, objectives and goals of the public administration in general, in order to plan investments and to maintain or implement initiatives of continuous duration (programs). The PPA is then (at least formally) the main instrument of public planning for strategic guidance and establishment of public administration priorities, providing transparency to the application of public resources and to the results obtained. Thus, it should contain the set of projects and activities to be carried out in the four-year period starting from the second year of the Chief Executive's term of office until the end of the first year of the subsequent term of office. The establishment of this periodicity aims to guarantee the continuity of actions from one government to another, maintaining the priorities already assumed by each Administration, as well as providing society with a global view of the Municipal Administration's intentions. By instituting the PPA, the intention of the constituent legislator was to make governmental planning a continuous function of the action of the State and not an option of the ruler (PAULO, 2014).

Thus, the PPA must be delivered to the City Council by September 30 of the first year of the Chief Executive's term of office. The Budget Guidelines Law (LDO) and the Annual Budget Law (LOA), in turn, are derived from the PPA and establish the administration's goals and priorities annually, including for capital income; and also predict the amount to be allocated - the budget expenditure - for each project or activity in that year, respectively. Therefore, the PPA occupies the most general dimension of

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<sup>11</sup> The acronym "PPA", in literal Portuguese translation, indicates "pluriannual plan".

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medium-term planning, while the LDO must link the preparation of the budget in the terms established by that instrument, identifying the priorities of the subsequent exercise; and the LOA forecasts revenues and sets expenses for each year (LOA is the de facto government's annual budget), pursuing the efficiency of spending and annualizing the planning in a more specific way, translating the activities of the municipal executive into budgetary actions.

In this context, it is important to clarify the concept of budget expenditure for the purposes of Brazilian legislation: it is any transaction that depends on legislative authorization, in the form of a budget allocation code, to be carried out. The budget expenditures specified in the PPA and also in the LOA respond to the logic of classification by Functions and Programs, composing the functional-programmatic structure through which the budgetary instruments in Brazil are organized. This type of classification organizes public expenditures into Functions, Programs and Actions, as established in the Ordinance of the Ministry of Budget and Management No. 42/1999. The functional classification proposes to explain the areas "in which" the expenses are being carried out (e.g. health function, identified by n.10 in the budget allocation codes), while the programmatic classification identifies the objectives, that is, "for what" expenses are being incurred. Actions, in turn, can be classified between Projects and Activities. We also emphasize that the use of the terms "Programs", "Actions", "Projects" and "Activities" in this section strictly indicate the corresponding budget classifications, not being confused with the actions and goals of the PdM, even though, in order to materialize, these must be covered by the Budget Actions, translated into corresponding budget allocations codes.

For the purposes of organizing the budget planning pieces, the Programs configure a set of articulated actions to reach a pre-established common objective, aiming at the solution of a problem or the fulfillment of a certain need or demand of society<sup>12</sup>. Based on the programs, actions in the form of Activities, Projects or Special Operations are listed, specifying the respective values and the budget units responsible for carrying out the action. In the City of São Paulo 2018-2021 PPA, for example, the Health Department had only one finalistic program, Program 3003 - "Health Actions and Services", whose

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<sup>12</sup> The methodology for organizing the PPA into Programs, structured as modules between planning and budgeting and as agglutinating government actions around the contribution to a common objective, began on the occasion of the preparation of the PPA 2000-2003 at the federal level (PEREIRA, 2019).

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objective was defined as “Ensuring a healthy life and promoting well-being for everyone, at all ages; expand access and reduce the waiting list for healthcare”. Related to this Program, there were Activities and Projects necessary for the provision of healthcare services to the population of the city.

It is noteworthy that the classification of budget expenditure in Programs (Classification by Programmatic Structure) comprises government actions oriented towards the achievement of the strategic objectives defined in the PPA for a period of four years. As established in article 3 of Ordinance of the Ministry of Budget and Management No° 42/1999, the Union, the States, the Federal District and the Municipalities will establish, in their own acts, their structures of programs, codes and identification, respecting the concepts and determinations contained therein. That is, all entities must have their work organized by programs and actions, but each one will establish its own programs and actions in accordance with the aforementioned Ordinance.

The Actions related to the Programs in the structure of the budget instruments are, in turn, operations that result in products (goods or services), which contribute to meeting the objective of the Program in question. The budgetary Actions, according to their characteristics, can be classified as Activities, Projects or Special Operations. Activities are programming instruments used to achieve the objective of a Program, involving a set of operations that are carried out continuously and permanently over time, which result in a product or service necessary for the maintenance of a government action. Example: Inspection and Monitoring of Private Healthcare Plans and Insurance Operators is an activity. Project is a programming instrument used to achieve the objective of a Program, involving a set of operations, limited in time, which results in a product that contributes to the expansion or improvement of the government's action. For example, the implementation of the national network of human milk banks is a Project. Finally, Special Operations are expenses that do not contribute to the maintenance, expansion or improvement of government actions, and which do not result in a product or direct consideration in the form of goods or services.

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As an example, we show in Table 1 the structure of a budget allocation code<sup>13</sup>, contained in the PPA 2018-2021<sup>14</sup> of the City of São Paulo:

**Table 01:** Structure of the budget allocation code up to the Project/Activity level

<b>Budget allocation codes</b>	<b>84.10.10.301.3003.1508</b>
Government Agency	84.10: Municipal Health Fund
Function	10: Health Function
Subfunction	301: Primary Care
Program	3003: Health Actions and Services
Project	1508. Construction of a Basic Healthcare Unit (UBS)

**Source:** PPA 2018-2021 of the City of São Paulo. Elaborated by the author.

The PPA, when organized by the functional-programmatic logic that determines the formatting of budget allocations codes, ended up taking, in practice, a more budgetary and less strategic character compared to other general and sectoral planning instruments. However, in theory, it dialogues not only with the budget, but also with management, planning and control. However, both at the City of São Paulo and at the federal level, the PPA has been detailing the same as the annual budget, so that it has become a multi-annual budget rather than a plan (SANTOS; VENTURA; NETO, 2015). Despite the clear constitutional mandate, the government's goals (and not purely budgetary ones) are not easily identifiable in the PPA.

The structuring of the PPA around the concept of the Program, determined by the supervenience of Federal Decree n. 2829/1988 symbolized an effort to implement the program-budget in the country. The objective was to explicitly associate the budgetary resources allocated to obtain the goods or services delivered to society, providing

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<sup>13</sup> For a more complete view on the construction of budget planning instruments and structure of budget allocations codes, it is possible to consult the Manual of Accounting Applied to the Public Sector (MCASP), available at <[Manual de Contabilidade Aplicada ao Setor Público \(MCASP\) - 2021 11 08 — Tesouro Transparente](#)>. Accessed on September 17, 2021. In addition to the classification in Project/Activity/Special Operations, it is also possible to identify the economic category, application modality and expense element codes.

<sup>14</sup> The budget pieces of the City of São Paulo can be consulted on the website of the Municipal Finance Department: <<http://orcamento.sf.prefeitura.sp.gov.br/orcamento/index.php>>.

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transparency and efficiency to government actions. Formally, the Program should explain the relation between the plan and the budget, however, the forced alignment between the structure of the PPA and the LOA ended up making the tactical-operational dimension of the plan very similar to that of the annual budget, losing an important strategic dimension of planning and its monitoring and control. Despite its role as an important guide for budgeting, even after 30 years, the PPA has not yet been fully recognized as an effective instrument for strategic planning and management, neither at the federal nor at the local level. The methodological choices made over the years for its elaboration also contributed to moving it away from its purpose of integrating planning with the execution of public policies. In some cases, other instruments - such as the PdM in São Paulo - ended up filling this gap.

Thus, it is argued that, through its emphasis on the budgetary dimension, the PPA assumed a merely formal role of planning, becoming unable to adequately inform the government's strategic goals (SANTOS, 2011). An aggravating factor of the situation is the fact that the entire process of monitoring and evaluating of the plan has been concentrated in the departments that are responsible for budget management. These facts corroborate the argument that the application of the rules provided for in the Constitution failed to give materiality to the Pluriannual Plan, an instrument that should contribute to rescuing the state function of public planning.

Given this scenario and considering the limitations and debates surrounding the concept of government planning, we will discuss, in the section below, some challenges to the integration of municipal planning instruments - the PdM and the PPA - in the City of São Paulo.

## **5. The challenges to integrated planning: results and discussions**

In addition to the discussion on the limitations of the integration between the strategic and budgetary planning dimensions in the PPA, it is also necessary to consider the challenges inherent to the integration between different government planning instruments. In the City of São Paulo, in addition to the various sectoral plans,<sup>15</sup> the PdM

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<sup>15</sup>In addition to the sectoral plans under federal command - such as the Municipal Health Plan, The Education Plan, Food and Nutrition Security Plan, among others; the São Paulo municipal government also established other instruments under its own command, such as the 2030 Agenda for Sustainable Development Action Plan, which resulted from the municipalization of the United Nations' Sustainable Development Goals (SDGs). We also highlight the Open Government Action Plan, the result of municipal commitment to an international organization, the OGP - Open Government Partnership.

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plays an important role in defining government priorities. Considering the timeframe required for its preparation - the PdM must be delivered within 90 days after the Chief Executive takes office - it is reasonable to say that the PdM's priorities end up guiding the preparation of the PPA (which must be delivered to the Chamber by the end of September of the first year of term). As Table 2 demonstrates, the periodicity of the PPA coincides, in part, with the periodicity of the PdM:

**Table 02:** Time correlation of planning instruments

Time Correlation/year	2021	2022	2023	2024	2025
Mandate of the Municipal Executive					
1.PdM					
2.PPA					
2nd LDO					
2b. LOA					

**Source:** Elaborated by the Author.

We can observe this dynamic between PPA and PdM in practice when analyzing the public documents that guided the planning cycle of 2017-2020 and of 2018-2021 at the City of São Paulo. The text of the explanatory memorandum of the PPA 2018-2020 states the following:

(...) Despite the non-coincidence of the validity period of the two documents, the PdM and PPA must keep maximum coherence. As a result, the PdM became part of the PPA and functioned as a guide for budget actions in general, given its character of absolute priority established by the administration.

In this sense, the search for the integration of these instruments, although limited, is still a strategy for strengthening the PPA as a central element for the Executive's decision-making, in addition to the allocation of investments and ordering of expenditures in general. During the 2018-2021 cycle, the local administration made efforts to make the PPA compatible, which first involved a general review of the codes for Programs and budgetary actions (Projects and Activities) that were used in previous PPAs. In addition,

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the administration also sought to link, when applicable, each budget action of the PPA 2018-2021 to the goals, strategic projects and lines of action established in the 2017-2020 PdM, in order to enable integrated and global monitoring. There was also an effort to establish adequate metrics for monitoring of the evolution of indicators, making the PdM indicators compatible with the budgetary Program indicators under the 2018-2021 PPA, whenever necessary, seeking to avoid overlaps and redundancies.

However, this compatibility could not always be done automatically and/or intuitively. Despite the attempt to explain the correspondence between the PPA budget Programs and the PdM, the use of different methodologies for the elaboration of the two instruments naturally imposed limitations and constraints. In 2017, the Doria-Covas management adopted a methodology that implied the establishment of impact goals for the PdM. To each goal of the PdM, one or more strategic projects would be linked (in many cases, more than one project per goal). Each strategic project, by its turn, was composed by different lines of action. Thus, the PPA sought to contain goals, strategic projects and lines of action. The link at the Program level was insufficient, since it ended up comprising several actions in addition to the goals themselves. The example in Table 3, referring to the health area, explains the correspondence between the PdM and the main Program executed by the Municipal Health Department (SMS):

**Table 03:** Interconnection between the 2017-2020 PdM and 2018-2021 PPA

Program of Goals 2017-2020 - Goals	Goals Program 2017-2020 - Strategic Projects	PPA 2018-2021 - Programming
<p><u>Goal 1:</u> Increase the coverage of Primary Health Care to 70% in the city of São Paulo.</p> <p><u>Goal 2:</u> Reduce by 5% (7 premature deaths per 100,000 residents) the early mortality rate from selected Chronic Noncommunicable Diseases, contributing to an increase in healthy life expectancy</p> <p><u>Goal 3:</u> Certify 75% (630) of municipal health facilities according to quality, humanization and</p>	<ul style="list-style-type: none"> <li>● Project "Celebrating Children"</li> <li>● Project "Life is Urgent"</li> <li>● Project "More Health"</li> <li>● Project "Living more and better"</li> <li>● Project "Quality Healthcare"</li> <li>● Project "Accelerated Healthcare"</li> <li>● Project "Digital Healthcare"</li> <li>● Project "Elderly-</li> </ul>	<ul style="list-style-type: none"> <li>● Program 3003 - Health Actions and Services</li> </ul>

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<p>patient safety criteria.  <u>Goal 4:</u> Reduce the average waiting time for priority exams to 30 days in the city of São Paulo.  <u>Goal 5:</u> Decrease the infant mortality rate by 5% (0.6 deaths per 1,000 residents) in the city of São Paulo, prioritizing regions with the highest rates."</p>	<p>Friendly City"</p>	
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**Source:** Municipal Finance Department, São Paulo City Hall. 2018; Municipal Secretary of Government. Elaborated by the author.

As can be seen, the 3003 Program - Health Actions and Services ended up encompassing a series of many goals, projects and lines of action, making it difficult, in practice, to track budget expenditures specifically associated with each of the 2017-2020 PdM initiatives. For 2018, for example, an amount of R\$ 6,743,166,988.00 (SF, 2017) was estimated to be allocated under the heading of the 3003 Program. Although it is possible, through a more qualified analysis, to observe the budget forecast pulverized in the Activities and Projects codes in the document, it is an exercise that demands specific knowledge, making the task quite complex for any citizen and even for the members of the Administration. Added to this complexity is the possibility of renegotiating the PdM after two years in office. As we demonstrate in section I, this is precisely what happened in 2019, when former vice mayor Bruno Covas took over the City Hall. At the time, other goals were established, under a new methodology that suppressed the organization by strategic projects and lines of action, making the PPA monitoring process between 2019 and 2020, at best, somewhat irrational.

Despite the methodological choice for the impact goals in 2017, naturally with a less obvious correspondence with the budgetary cycle, it is evident that the grouping by Program in the PPA was insufficient to structure a complete integration between the two instruments. In this sense, it is also necessary to emphasize the different responsibilities for the elaboration of the main planning instruments of the São Paulo city: while the process of construction and monitoring of the 2017-2020 Goals Program was the responsibility of the Municipal Department of Management (currently, it is the

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responsibility of the Secretariat of Municipal Government)<sup>16</sup>, the preparation of the Multiannual Plan is in charge of the Secretariat of Finance. The lack and/or failures of articulation between the Departments was reflected in the adoption of different and not very compatible planning and monitoring methodologies.

In any case, the operationalization of the PdM is also evident as an element of incorporation of the strategic dimension into the PPA in São Paulo, seeking to transcend the purely budgetary logic and promoting the integration between the two instruments. However, the concrete results of this integration effort also have consequences for the fragmentation of planning, by creating a dynamic of complex understanding that is somewhat inaccessible from the point of view of transparency and traceability of budget actions and expenditures. In practice, the monitoring of the PdM and the PPA in the PMSP ends up being done separately, generating an overlapping of commands - since the competences of strategic planning and budget are fragmented in different units - and also of content, despite recent advances in the compatibility of the instruments.

## **6. Conclusion**

This work sought to broadly address the challenges of municipal planning, through the observation of specific instruments used in the City of São Paulo. From the comparative analysis developed above, one can observe that the PdM has been playing the role of a more strategic advisor for planning in the City of São Paulo, which is reflected in its precedence and overlap with the PPA. Despite the relevant advances towards greater compatibility between these two planning instruments, however, the strategic and budgetary dimensions are still quite fragmented, creating practical difficulties for the administration.

The article demonstrated that the PdM had been linked to the elective mandate since it was conceived, acquiring priority in relation to the PPA due to its more political character. After all, it is a document that translates the priorities of the elected chief of the municipality, implying his/her vision of the goals that the execution of public policies

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<sup>16</sup> Currently, the competence for preparing and monitoring the PPA of the City of São Paulo is the Planning Coordination (COPLAN), linked to the Undersecretary of Municipal Planning and Budget (SUPOM) of the Secretary of Finance (SF), according to Decree No. 56,764/2016. Until 2015, however, COPLAN was linked to the former Municipal Planning, Budget and Management Secretariat (SEMPLA), organized by Decree No 51.820/2010, which was responsible for preparing both the Goals Program and the Multiannual Plan. The dismemberment of SEMPLA, then, materialized the separation between planning and budget in São Paulo City.

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should serve, even if it uses its own sophisticated techniques and methodologies for its elaboration and monitoring. According to amendment n.30 to the LOM detailed in section I, the PdM is established as a transparency pact with civil society for the term of office, although the legal provision does not prevent the government from reformulating it more or less freely, as was the case with the 2019 renegotiation conducted by Bruno Covas. Due to its inherently political character, we argue that the PdM ended up materializing the most strategic dimension of planning at the municipal level in São Paulo, filling a conceptual space that the PPA was unable to address.

Section II presented the regulation that established the PPA as the main instrument of public planning for the strategic orientation of the Public Administration, at least in the formal aspect. We also presented the functional-programmatic structure through which the PPA has been organized since 2003, a structure that materialized a very specific technical language, and which ended up contributing to reinforce its budgetary character. The budgetary concept of “Program” should explain the relationship between planning and budget, but, in practice, it ended up making the organization of the PPA very similar to the annual budget, giving the PPA a medium-term budget aspect and making it more difficult to identify the priorities of the government. It was argued that this emphasis on the budgetary dimension created a strategic planning gap which, in the City of São Paulo, was filled by the PdM.

Finally, in section III, we presented the efforts to make the PdM and PPA compatible in São Paulo, observing the practical case of the PdM 2017-2020 and the PPA 2018-2020. At this point, the limitations of correspondence between the PPA Programs and the goals and actions of the PdM became evident. In addition, it is also worth noting that the legal provision for renegotiation of the PdM in the middle of the political term can generate additional challenges to this compatibility, especially with regard to the monitoring of government activities, since there is room for the government to modify the methodology of the plan and even the content of its political platform. Even so, it is concluded that, although with limitations, the PdM has been an element of incorporation of the most strategic dimension to the PPA, seeking to translate government priorities into budgetary language. In this process, integration and fragmentation end up marking the dimensions of planning and monitoring, respectively.

In short, the work intends to contribute to the debate on government planning at the municipal level, especially with regard to the limitations of definitions and concepts

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generally linked to Management Theories. It is also important to highlight the limitations of the research, since it focused only on the scenario of the city of São Paulo and, specifically, on the last planning cycle completed in 2021. Space and content restrictions, in turn, caused the example in Box 3 to be limited only to the Health goals documented in the PdM 2017-2020. However, this exemplification has the potential to be extended to other goals and areas, which we encourage other researchers to do.

Although the techniques and methodologies of planning and management are important, the conclusion indicates that the center of the debate on government planning must be in the relations between the State, civil society and the public sphere; in the role of the State; in the dilemmas between policy and policy analysis; and in the matters arising from these relations (SANTOS, 2011). The inescapable political character of public planning was emphasized in all its dimensions, including the budgetary one. Considering this, it is inferred that the importation of sophisticated theoretical/technical tools from private management is insufficient and inadequate to solve the classic problems of governmental planning, with emphasis on the fragmentation of goals and objectives and on limitations to efficacy and effectiveness.

Finally, it is worth noting that government planning is still a disputed concept, and each way of explaining it can be related to a way of creating the object itself in light of the convenience of specific areas (IDEM). In this sense, understanding the motivations that lead different groups to defend what is understood by governmental planning refers, therefore, to the configuration of particular interests of these groups. Furthermore, the dispute over the concept of planning also reflects the classic dichotomy of the relationship between politics and bureaucracy. An analysis that considers these other aspects, relating them to the integration/fragmentation of the different planning instruments, can constitute a promising future research agenda.

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