TRAJECTORY OF THE NATIONAL REGIONAL DEVELOPMENT POLICY (PNDR): PHASES AND PROBLEMATICs FOR ITS IMPLEMENTATION IN BRAZIL

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ABSTRACT

The National Regional Development Policy (PNDR) completes 20 years since the launch of its first version, in December 2003. The purpose of this paper is to analyze the successes and obstacles that prevented the implementation of the PNDR guided by the dimensions: a) institutional, through analysis of presidential policy documents and decrees; b) evaluation of the critical bibliography constituted by the collection of publications regarding this policy; c) budgetary, based on data from the budget allocation of the Ministry of Regional Development and National Integration applied by revenue from the referred body and from parliamentary amendments in programs and projects in regional development, from 2003 to 2022. Despite the institutional dimension demonstrating significance advances in the treatment of regional inequalities, the budget data of the MI ministry, and later the Ministry of Regional Development, aligned with data from the amendments of senators and federal representatives, show that the premises of the PNDR were not central in their actions resulting from budget expenditures.

Keywords: PNDR; Ministry of National Integration; Constitutional amendments; Financial budget; Rotas de Integração program.
INTRODUCTION

The National Regional Development Policy (PNDR) completed 20 years since the launch of its first version, in December 2003, organized by the Secretary of Regional Development (SDR), coordinated by Tânia Bacelar Araújo, supervised by the Ministry of National Integration (MI), on that occasion the version of the document “PNDR: discussion proposal”.

The theme of this paper gains relevance due to the recreation of the Ministry of National Integration (MI), with the following nomenclature, Ministry of Integration and Regional Development (MIDR), in the current administration of the Lula government (2023-2026). The balance of the institutional trajectory of the PNDR is justified by the new window of opportunities, opened by the current government for its repositioning in the MIDR.

The trajectory of the PNDR can be understood in two phases: the first referring to 2003 until 2010, with the aim of formulation and implementation, later followed by the years 2011 until 2018, which comprised a period of institutional calibrations for the permanence of the policy, and the second phase covering 2019 until the Lula III government (2023-2026), ongoing.

It is proposed to take stock of the advances and obstacles that occurred in the PNDR, on the agendas of federal governments from 2003 to 2022. The analytical focus of this paper is the
trajectory of the PNDR, of which the objective is to analyze its phases and main obstacles that prevented its institutionalization, considering the analytical approach in three dimensions: the first is institutional, based on the analysis of documents for the implementation of the PNDR; considering the instruments related to the methodology of the typology of territories, the formulation of the financing fund. The second dimension is the evaluation carried out by bibliographic production, which discussed the collection of bibliographic references produced in the form of theses, dissertations, book chapters, books and scientific papers on the critical analysis of the PNDR. The third dimension is the economic one, in which it analyzed data from the budgetary allocation of the Ministry of Regional Development and National Integration applied by revenue from the aforementioned body and parliamentary amendments in regional development programs and projects, from 2003 to 2022. The mediation between these three dimensions seek to present the proposals of the PNDR for Brazil’s regional development, followed by assessments of the balance between the successes and errors of this policy.

The paper is organized, beyond this introduction and final considerations, as follows. The first topic dealt with the design of the methodology applied in this work to analyze the trajectory of the PNDR. The second topic referred to the analysis of the PNDR regarding the changes that occurred throughout its trajectory, considering the categories of the methodology of the typology of territories and the financing fund. The third topic is guided by the critical evaluation of the literature on the PNDR through books, chapters and scientific papers, comparing the obstacles that faced the implementation of the agenda proposed by the PNDR for regional development. The fourth topic presented MIDR budget data generated from programs and functions.

**DESIGN OF THE METHODOLOGY FOR THE PNDR BALANCE**

The balance of the trajectory of the PNDR has important phases, of which it would only be possible to understand them by advancing in an effort to systematize the material published to date regarding the aforementioned policy. As a way of systematizing the material analyzed in this paper and given the number of documents and bibliographic references on the PNDR, it was decided to gather the material and organize it by dimensions, which would later become fronts of analysis.
The first dimension was called institutional, as it comprises the material that founded the trajectory and phases of the PNDR. To analyze the institutional dimension, institutional documents formulated by the Ministry of National Integration (MI) and the Institute for Research in Applied Economics (IPEA), presidential decrees with attention to themes regarding the methodology of the taxonomy of microregions (MRGs) and formatting the operationalization of policy priorities.

The institutional documents analyzed were: a) formulated by MI, National Regional Development Policy: executive summary. Brasília (2003); The PNDR in two periods: The experience learned and the perspective after 2010 (2010); PNDR evaluation of the national regional development policy (2011); I National Conference on Regional Development: reference text (2012); The new PNDR: Government Integration to Promote the Development of Regions (2018); b) the published decrees analyzed were Decree No. 6,047 (February 22, 2007) and Decree No. 9,810 (May 30, 2019); c) The evaluation and balance materials produced by IPEA that were analyzed - An evaluation of the National Regional Development Policy (PNDR): Diagnosis of the application of resources from the Constitutional Financing Fund for the Northeast (FNE), the North and the Midwest (FCO); An assessment of the National Regional Development Policy (PNDR): Diagnosis of the application of resources from the Constitutional Financing Fund for the Northeast (FNE), the North and the Midwest (FCO); Agendas for the Development of the North, Northeast and Midwest Macroregions: subsidies for the preparation of the PPA (2020-2023).

The second dimension analyzed of the PNDR aimed to identify the obstacles that prevented its implementation, as a guide for the survey and assessment of the literature in relation to the research agenda regarding the evaluation of the PNDR. The organization of this literature was systematized by books organized by IPEA, theses and dissertations, and book chapters and scientific papers. As a way of analyzing this compendium of material, the following aspects were used as a category to understand the obstacles and paralysis of the PNDR: a) first is operational, derived from the methodology for classifying territorial asymmetries; b) the second is administrative, raised by the lack of dialogue between the federative scales; and c) the third is the budget and financing, arising from the difficulties in approving the FNDR and the absence of specific instruments for its financing.
The third dimension analyzed the degree of priority granted by the federal government in implementing the PNDR, determined by analyzing data relating to Executive Branch spending through the MI and MDR budget, and the parliamentary amendments of the deputies of the Chamber of Deputies. The analysis covered data from the Integrated Planning and Budget System (SIOP) of the federal government from 2003 to 2022.

According to Portugal and Silva (2020), the composition of the PNDR budget was configured through the institutional arrangement between the regional development funds, Finam and Finor, which were extinguished in 2006, and the tax incentives, both aimed at major works. And, at the same time, the Constitutional Financing Funds (FCFs) that are backed by the Basel II Agreement (2004), as parameters to regulate credit risk behavior for banks, categorized these funds as market oriented. Therefore, as a way of analyzing the budget spent by MI and MDR, it was decided to analyze the budgetary resources coming from the federal government for the aforementioned ministry, consulted on the SIOP website.

### Table 1 | Methodological dimensions of the PNDR analysis

<table>
<thead>
<tr>
<th>Analyzed Material</th>
<th>Categories</th>
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| **Institutional Dimension** | 1. Microregion typology methodology;  
MI and MDR documents;  
Presidential Decrees;  
Technical notes formulated by IPEA.  
2. Financing of regional policy;  
3. Operationalization of actions.  

| **Economic Dimension** | 1. Federal Government Budget for the Ministry of Integration (MI) and Ministry of Regional Development (MDR);  
2. Budget allocation by function in the MI and MDR;  
3. General Rapporteur amendments at the Ministry of Regional Integration and Development;  
4. Amounts Spent on General Rapporteur Amendment Functions in MI and MDR.  

Source: Prepared by the author.
LINKS AND DISPUTES IN INSTITUTIONAL AND FEDERATIVE CONTEXTS: THE INSTITUTIONAL DIMENSION OF THE PNDR

In the period from 2003 to 2016, the emphasis on territories occupied a central position in the public policy agenda of the federal government. There was the formulation of the agenda and guidance for the implementation of territorial planning, through the State as an essential institutional basis to strengthen the specificities of the endogenous capabilities of the territory, as a foundation for encouraging the participation of local actors in decision-making for planning, linked to the federal government, in the formulation of a national regional development policy.

During the first Lula administration (2003-2006), territorial planning organized by the PNDR via MI was prioritized, articulated with the mesoregional programs included in the Multi-Year Plan (2004-2007). Concomitantly, programs were formulated by the Ministry of Agrarian Development (MDA), the National Territorial Planning Plan (PNOT), and the Citizenship Territories. The MI defined its territorial typology in micro-regions and the MDA was concerned with prioritizing rural areas in the territories, subsidized by identifying the specificities of Brazil’s mesoregions.

According to Moura and Knox (2019), the inclusion of the theme of territories in public policies during the Lula government (2003-2006) was positioned as a priority, resulting from the articulation of social movements, formed by the Landless Workers’ Movement (MST), Federation of Agricultural Workers (Fetraf) and the Confederation of Agricultural Workers (CONTAG), from a focus on the mesoregions, with the opening of a new public policy agenda, initiated by this government.

The coalition of interests of social movements regarding the rural debate, with the opening of a window of opportunities for the territorial policy agenda in the Lula government, strengthened the institutionalization of territorial policies. The creation of the Secretariat of Territorial Development (SDT), by the Ministry of Agrarian Development (MDA), underlying the inauguration of the National Council for Sustainable Rural Development (CNDRS) and the Institutionality and Social Management Thematic Group (2004) constituted institutional spaces that aligned social demands with the elaboration of territorial policies in the management of the MDA (Moura and Knox 2019).

Moura and Know (2019) pointed out that there was a rapprochement between the intentions of the actions of the MI and the MDA, driven by regional and territorial policy agendas, and
participation in CONDRAF, combining in the implementation of regional programs in mesoregions through PROMESO, PROMOVER and CONVIVER positioning the MDA as a strategic partner in territorial development. However, the cross-dialogue, as called by the aforementioned authors, between MI and the MDA, harmed the coalition of institutional forces in the formulation of joint actions. Because the MDA maintained its profile of territorial development through the militancy of social movements, while the MI sought to implement the PNDR, and the dissociation of interests was due to the limits and difficulties of intersectorality.

The technical creation of the PNDR was led by Tania Bacelar Araújo. It can be pointed out that there was an important contribution from Araújo (2000) in diagnosing and giving new meaning to regional inequalities in the 1990s, through the concept of heterogeneity of economic structures in the states and sub-regions of Brazilian regions. Its analysis was the result of the process of productive deconcentration, coming from state financing funds and the strategy of the II National Development Plan (PND phase II) that provided the economic integration of the Midwest, North and Northeast regions, expanding the economic dynamics of the region. Southeast based on the stock of natural resources, called dynamic hubs, focused on exports. The heterogeneity of the territories was strengthened by the centers of dynamism, driven by economic infrastructure projects and the expansion of trade through competitive integration, based on dynamic agricultural, mining extraction and agroindustry focuses.

The PNDR arose from the need for State intervention in territorial heterogeneities, whose specific inequalities should be addressed by articulated programs, according to the specificities of mesoregional and subregional scales. Araújo (1999) understands that sub-regions respond to different economic dynamics: sub-regions and dynamic areas; sub-regions in the process of restructuring; stagnant subregions; sub-regions and areas of potential that are underutilized; and border strips. The governance structure of the PNDR, in the author’s perception, should articulate a chamber with a greater number of representatives, through the creation of the National Council for Regional Policies, composed of the President of the Republic, representatives of the state government and the Deliberative Chambers, National Congress and the Senate, with the participation of non-governmental representatives. The implementation of the PNDR should be guided by the creation
of the National Regional Development Fund (FNDR) with decentralized management in Regional Committees.

For Araújo (2007), the PNDR must consider several scales, from national, macro-regional, meso-regional, sub-regional and intra-urban, combined with the articulation of public agents and civil society in the design of regional policy. Because of this, it is essential to implement the PNDR with a focus on regional biodiversity, through a clash of knowledge, based on the great potential of territorial specificities.

According to Galvão (2007), the PNDR (2005) prioritized five different mesoregions: Alto Solimões (North); Chapada do Araripe (Northeast); Jequitinhonha Valley in the North of Minas Gerais; Great Mercosur Frontier on the Southern border; and the Southern half of Rio Grande do Sul. There was reference to the strategic areas formed by the northeastern semi-arid region, formed by nine sub-regions, and the border strip. PNDR initiatives advanced in actions to strengthen local productive arrangements, combined with the insertion of transport, social and water infrastructures, implementation of governance actions in territories with greater economic and social vulnerability.

Mesoregional programs and the PPA (2004-2007) paved the way for the regional approach in public policies, which the PNDR later assumed as a strategy for regional development. In this way, the PPA (2004-2007) included programs with a regional development profile guided by the binomial, economic growth through local productive arrangements (APLs) and social inclusion: 1. Promotion of Sustainability of Sub-regional Spaces (PROMESO); 2. Promotion and Economic Insertion of Sub-regions (PROMOVER); 3. Border Strip Program for border areas and Integrated Development; 4. Sustainable Semiarid Program (CONVIVER), specifically for the Northeast Semiarid.

The trajectory of the PNDR has two phases that can be understood according to the synthesis of Brandão (2020). The first phase covers the year of creation and presentation of the PNDR territorial typologies methodology (2003), in the debate version, which goes through institutionalization in 2007, and this phase extends until 2009. The second phase of the PNDR began in 2010, with a new management model for PNDR - phase II (2011-2015), triggered by the state and federal conferences on this policy, leading the National Congress to elevate regional policy to the category of State policy. In the new version of the PNDR, there was a review of the typologies of territories, carried
out by Macedo and Porto (2017), with the intention of highlighting inequalities between micro-regions, based on four guidelines: income convergence; network of polycentric cities; regional competitiveness and generation of jobs and income; and adding value to economic diversification.

The first category of the institutional dimension of the PNDR analyzed in this paper was the microregion typology (MRG) methodology applied to the identification of territorial inequalities. In 2003, in the first version of the PNDR, a taxonomy was proposed according to territorial multi-scalarity. The microregional scale was defined by the variables of average household income and GDP per capita growth, which resulted in four typologies, high-income microregions, dynamic microregions, stagnant microregions and low-income microregions. Underlying the central guidelines that guided this policy were the Policy Eligibility Map, the National Fund for Regional Development (FNDR) and the model of participatory democracy, articulated between civil society and government institutions (Brasil-MI, 2005a).

Later, in the document “PNDR in two periods: the experience learned and the perspective after 2010”, the methodology was improved and the variable GDP per capita was replaced by total GDP to measure the dynamics of micro-regions. The PNDR defined as eligible spaces the entire territory covered by the Superintendence for the Development of the Northeast (SUDENE), the Superintendency for the Development of the Amazon (SUDAM) and the Superintendence for the Development of the Midwest (SUDECO) and the territories classified as medium and low income, located in the South and Southeast. Program Regions (RPs) and Planning Sub-Regions (SRPs) were defined at different scales, subject to program intervention according to their particularities. The PRs were located in the Semi-Arid, the Border Strip and the Integrated Development Regions (RIDES) around Brasília, Teresina and Petrolina and Juazeiro (Brasil-MI, 2012).

A new review of the typology of the PNDR territories took place in 2017 by Technical Note No. 52, of the MI, monitored by the Regional Development Secretariat and the General Coordination for Monitoring and Evaluation of Regional Policies, entitled “Proposal for updating the Sub-regional Typology of the National Regional Development Policy”. The new typology was the result of the structural characteristics of the local production system represented by the average per capita income based on the MRGs and municipalities, with the economic dynamics represented
by the rate of variation in the average municipal GDP. From this typology formed by the productive dynamic variable and the income variable, six classes were generated for each of the variables, characterized by two lower classes of low income or low variation in GDP, and two intermediate classes, of medium income or medium variation in GDP, and the top two, high income or high GDP variation (CGMA, 2017).

The research by Macedo and Porto (2017) presented a review of the typology of the PNDR MGRs: a) combination of sub-regions with relatively high average incomes, dynamic and competitive, and sub-regions with precarious living conditions and traces of stagnation in all macro-regions of Brazil; b) existence of MRGs that were characterized by GDP growth and territorially dispersed demography, in a context of low economic growth; c) persistence on the macro-regional scale of differentiation of dynamics between the North, Northeast, Midwest macro-regions in relation to the South and Southeast; c) intramicroregional and intrastate imbalances, determined by the analysis of macro and microregions and federative units.

The typology used income, local and regional economic dynamism and product variation as variables to characterize the MRGs: a) household monetary income per capita (determined by the basic basket index, considering the value of the smallest basket investigated by DIEESE); b) rate of change in GDP per capita, calculated by the GDP of the MRGs based on municipal GDP at current prices (BRL), from 2002 to 2014, IBGE (Macedo and Porto, 2017).

The new PNDR typology reclassified 558 Brazilian micro-regions, adopted nine typologies, instead of the four defined by the policy in 2007, and classified municipalities according to these new typologies. As of Ordinance No. 34 of the Ministry of National Integration (January 19, 2018) the new classification of MRGs for PNDR action was announced. According to Macedo and Porto (2017), problems were found in assessing the micro-regional scale, due to the existence of high-income and low-income municipalities in the same micro-region, which made territorial inequalities invisible and consequently was not supported by actions from the PNDR to implement projects to reduce this territorial asymmetry.

The second category of the institutional dimension is the financing of the PNDR, which considered the National Regional Development Fund (FNDR) as its backbone. The proposal to create
the FNDR was sent to the Special Committee of the Chamber of Deputies as PEC No. 233 (2008) as part of the tax reform formulated by the federal government to be implemented. The report was approved by the Special Committee but did not advance to the Plenary of the Chamber of Deputies for evaluation.

Bernand Appy, the Secretary of Economic Policy at the Ministry of Finance, was responsible for presenting this proposal for the PNDR financial fund to the Special Committee of the Chamber of Deputies. According to Appy, the FNDR would be a fundamental piece for administrative decentralization and coordination with greater participation of state and municipal governments, for the elaboration and execution of projects, coordinated with the actions of the federal government, through the integration of regional development policy with industrial policy, allowing to identify potential for exports. The infra-institutional action between the federative units, municipalities and the federal government would allow the management of resources from state funds for the execution of projects financed by Union resources (Brasil, 2008).

The disapproval of the FNDR compromised the implementation of the macro-regional and sub-regional plans of the PNDR. In the document “I National Conference on Regional Development: reference text” (2012) the PNDR - phase II proposal regarding the financing of actions in the territories was directed towards combining efforts with the Growth Acceleration Program (PAC), as a way to catalyze its actions towards the deconcentration of the economy from the Southeast to the Midwest, Northeast and North regions. In the aforementioned text, investments would promote the competitiveness of the regional economy and multiplier effects in other sectors, inducing private investments (Brasil-MI, 2012).

The Rotas da Integração program, established by Ordinance MI, No. 164/2014, provided a strategy to promote productive dynamics in territories through the articulation of production chains with national integration, taking into account the premises that formed the PNDR. The Rotas da Integração were configured as a program composed of an incisive and objective action by the PNDR in the territories,

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1 After the institutionalization of the PNDR, the MI and the Secretariat for Regional Development Policies presented, in 2012, the second version for discussion of the National Policy, called PNDR - phase II. The policy was restructured in accordance with the guidelines listed by civil society, through forums, held during the period from 2007 to 2010, for all twenty-seven federative units in Brazil, at local and state levels, and, finally, the last stage carried out in December 2012, nationally, in Brasilia (Brasil-MI, 2012).
composed of two aspects, the territorial and the sectoral. The priority of the *Rotas da Integração* was to implement productive inclusion in territories with low and stagnant dynamism, understood as those with *per capita* family income below 50% of the national average and areas with 50% to 75% of the national average. The profile of productive arrangements prioritized rural activities associated with the use of extractivism in the forest, with the parameters of inclusion and socio-environmental sustainability for selection and formulation of routes (Brasil/MI/SDR, 2017b; REDESIST, 2015).

In 2018, the PNDR was reviewed by working groups supervised by the Civil House of the Presidency of the Republic regarding the problems raised by the Federal Audit Court (TCU). The working groups were divided into the following themes: GT1- Assessment of the National Regional Development Policy (PNDR); GT2 - Assessment of the Constitutional Financing Fund of the Midwest (FCO), the Constitutional Financing Fund of the North (FNO) and the Constitutional Financing Fund of the Northeast (FNE); and GT3 - Assessment of the State Participation Fund and the Municipal Participation Fund (FPM). The objectives of GT1 were related to the review of the PNDR and its instruments, specified in the specific objectives to establish new legal frameworks for the review of the PNDR instruments, and to adapt the functioning of the Chamber of National Integration and Regional Development Policies, and adopt measures to improve the operating instruments of the Superintendencies (Monteiro Neto, Pego, 2019).

The tasks of GT1 were within the scope of the second phase of the PNDR, starting with the reinstallation of the new Chamber of National Integration and Regional Development Policies, as the basis for the new PNDR framework, combined with the recreation of the activities of SUDAM, SUDENE and SUDECO for the formulation of macro-regional plans (Monteiro Neto, Pego, 2019).

The main products generated by T1 were related to the formulation: a) agenda for the regional development of the North, Northeast and Midwest, providing input for the preparation of the PPA (2020-2023); b) guidelines for formulating regional development plans, such as PRDA, PRDNE and PRDCO aligned with PNDR priorities; c) proposed decree to review the PNDR to reduce regional inequalities through economic and income growth, improving the population’s quality of life (Monteiro Neto, Pego, 2019).
<table>
<thead>
<tr>
<th>PNDR document</th>
<th>Proposed Typology Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Version of the PNDR (2003)</td>
<td>Conceptual notion of territorial multiscalarity. The micro-regional scale was defined by crossing the variables of average household income and GDP per capita growth, which resulted in four typologies: high-income micro-regions, dynamic micro-regions, stagnant micro-regions and low-income micro-regions.</td>
</tr>
<tr>
<td>PNDR in two stages: The experience learned and the perspective after 2010 (2010)</td>
<td>Replacement of the GDP per capita variable by total GDP to measure the dynamics of micro-regions. Definition of eligible spaces and Program Regions (RPs) and Planning Sub-Regions (SRPs), located in the Semi-Arid Region, the Border Strip and the Integrated Development Regions - RIDES around Brasilia, Teresina and Petrolina and Juazeiro.</td>
</tr>
<tr>
<td>Proposal to update the Subregional Typology of the National Regional Development Policy (2017)</td>
<td>Per capita income based on MRGs and municipalities, with the rate of variation of the average municipal GDP. It resulted in the following quadrants, two lower classes with low income or low GDP variation, and two intermediate classes, with medium income or medium GDP variation, and the two upper classes, with high income or high GDP variation.</td>
</tr>
<tr>
<td>Macedo and Porto (2017)</td>
<td>a) household monetary income per capita (determined by the basic basket index, taking as a reference the value of the smallest basket investigated by DIEESE); b) rate of change in GDP per capita, calculated by the GDP of the MRGs based on municipal GDP at current prices (BRL).</td>
</tr>
<tr>
<td>PNDR Financing Proposal</td>
<td>The financing of actions would be made up of participation in other programs, such as the Growth Acceleration Program (PAC). And financing by Constitutional Financing Funds (FCFs).</td>
</tr>
<tr>
<td>Rotas da Integração Program, regulated by MI Ordinance No. 164/2014 (2014)</td>
<td>per capita family income below 50% of the national average and areas with 50% to 75% of the national average. Prioritizing rural activities associated with the use of extractivism in the forest.</td>
</tr>
</tbody>
</table>

Source: Prepared by the author.
INSTITUTIONAL RUPTURE OF THE PNDR AGENDA AND THE MULTI-SCALARITY OF PLANNING: THE EVALUATION DIMENSION

According to Alves and Neto (2014), the PNDR was programmed to operate subject to transscalarity, multidimensionality and transversality of policies, under the preamble of sectoral plans and programs with an interface with the territory. In order to improve the organization and intersectoral combination of public policies at the interministerial level, between state and municipal departments and social actors.

As previously presented, taking stock of the literature on the PNDR agenda allows us to classify it into different analytical categories that justify the obstacles and paralysis of the PNDR. The first category referenced by the territorial asymmetries classification methodology was modified in relation to PNDR - phase I. The classification of microregions called high-income or dynamic income made low-income municipalities invisible, due to the GDP values of the municipal average per capita, the activities based on agriculture or mining and oil extraction. The microregion differentiation method was revisited and updated by the study by Macedo and Porto (2018). The new PNDR typology reclassified 558 Brazilian micro-regions, expanded the typology to nine territorial dynamics and redefined the classification of municipalities.

The changes in the administrative category, according to Coêlho (2017), did not present changes in the regional profile in the list of PNDR proposals. However, implicit policies paved the way for growth in social and economic indicators: a) increase in the relative value of the minimum wage greater than the inflation rate; b) the expansion of credit for investments and consumption; c) sectoral policies such as the PAC in the logistics infrastructure and electrical energy axis, in the social axis referring to the Bolsa Família Program (PBF) and Rural Pension.

Brandão (2020) points out that classic instruments were used to reduce regional inequalities, such as FCFs. And he adds that there were territorial transformations mainly in subspaces where they were targets of large government infrastructure projects and linked to commodity production and export corridors, as in the case of the Midwest and Northeast with agricultural commodities and in Pará with mineral commodities.
In Silva’s (2015) conception, in the administrative category there was an absence of dialogue between the federal government and the federative units, as a fragile substrate to strengthen the institutionality of regional policy. In the municipalities, there was a lack of technical capabilities led by planning bodies as they did not take on PNDR programs and projects.

The works “Evaluation of Public Policies in Brazil”, volumes I, II and III, organized by Resende presented the following evidence of the obstacles of the PNDR: Resende (2014) points out that explicit policies guided the growth of medium-sized cities through increased consumption and family income, combined with the expansion and internalization of Higher Education, strengthened the expansion of employment in the labor market; Resende (2017a) states that despite the organization of priority areas and eligibility of low and stagnant income territories, the governance of the PNDR was compromised by the lack of dialogue between the national, state and local scales.

In the budget and financing category, Resende et al. (2017b) highlighted a proposal for continued evaluation of PNDR instruments, which considers effectiveness, efficiency, qualitative instruments and impact assessment on the problem as analytical dimensions. In the effectiveness dimension, proposals were made to assess its relationship with the employment and productivity of beneficiaries. In the efficiency dimension, the benefited enterprises were evaluated. The qualitative assessment sought to resolve problems found in previous research. The impact assessment considered the *ex ante* and *ex post* impacts of the funds on reducing regional disparities.

In Coêlho’s (2017) assessment, the budget and financing category presented problems related to failures in the allocation of resources in relation to the PNDR guidelines, the absence of indicators and quantitative targets for distribution in priority regions of the PNDR and were highlighted problems in the institutional infrastructure of entities associated with PNDR, assessed by the Federal Audit Court (TCU).

The operationalization of the PNDR faced flaws during its implementation, such as the absence of a legal binding law and little effort at dialogue around this agenda between ministries. In the Temer (2016-2018) and Bolsonaro (2018-2022) governments, there was a marginalization of regional policy in the performance of these public policy agendas, in favor of the agenda of combating drought in the Northeast, which can be verified by observing the contingent of employees
of institutions. Codevasf had 1,749 employees and DNOCS had around 1,354 active employees, while in the regional development superintendencies the number of employees from Sudam, Sudene and MI did not exceed 1,178 employees (Portugal and Silva, 2020. p. 107).

The absence of the FNDR opened space for the fight for resources available for the Midwest, North and Northeast regions, so that the investment funds were used for objectives other than regional development, directed towards CAP infrastructure financing. FCFs were used for the rural sector through financing from the National Program for Strengthening Family Agriculture (Pronaf) (Portugal and Silva, 2020).

The balance carried out by Lopes, Macedo and Monteiro Neto (2021) found 118 changes in law No. 7,827/1989 creating the funds. The changes were framed according to the themes of changes in the budgetary application of FCFs in projects, expansion of the geographic coverage for the application of FCFs, new items for granting debts and changes in the governance and management format. The PECs, PLs and PLPs were moved towards reorienting the State in relation to the regional issue, stimulating deindustrialization and regressive productive specialization in the national economy. The reorientation of the application of constitutional funds was linked to the logistics and transport infrastructure sector towards the spatialization of agromineral commodities in Brazil. Furthermore, there was no change proposed to improve the operationalization of FCFs in line with the PNDR guidelines.

Monteiro Neto, Colombo and Rocha Neto (2023) prepared a synthesis of the macrostructural and microstructural constraints that hindered the implementation of the PNDR, with important lessons. The federative dialogue was compromised by the low priority established for the policy for actors within the legislative houses, diverging in relation to the need to implement planning instruments. The Superintendencies were weakened due to the marginalization of regional politics and the hierarchy of MDR decisions. Subnational governments do not dialogue in the same categories established by the federal government and the MDR, making it difficult to understand the PNDR for its implementation. Added to the obstacles are the difficulties in monitoring and controlling the MDR to measure effectiveness. Furthermore, the lack of specialized bodies in social participation to share decisions in regional planning policies.
Monteiro Neto, Colombo and Rocha Neto (2023) point out that an alternative for PNDR is to combine two strategies established in the list of federal government programs, namely, the Rotas da Integração program for local productive arrangements and the program for the internalization of Institutions of Higher Education (HEIs) by federal universities and federal institutes, through financing from regional public banks, Banco do Nordeste do Brasil (BNB) and Banco da Amazônia SA (BASA), to prioritize credit lines appropriate to the context territorial. This strategy would enable the PNDR to activate the bias of endogenous capabilities for technological innovation of local enterprises to generate income and economic growth.

**BALANCE OF THE BUDGETARY ALLOCATION OF THE MINISTRY OF REGIONAL DEVELOPMENT AND NATIONAL INTEGRATION: THE ECONOMIC DIMENSION OF THE PNDR**

The change in the administrations of Luís Inácio Lula da Silva (2003-2006 and 2007-2010) and Dilma Rousseff (2010-2014 and 2015-2016), interrupted by *impeachment*, caused changes in the institutional arrangements of the Ministries, in relation to the governments that succeeded them, by Michel Temer (2016-2018) and Jair Bolsonaro (2018-2022), causing a serious split in the articulations referenced by the territorial development perspective of the PNDR in relation to its concrete implementation. The main one was the extinction of MI, the Ministry of Cities, in 2019, and the joining of both ministries into a single ministry, called the Ministry of Regional Development (MDR) (Gumiero, Silva and Portugal, 2022).

The change in the institutional structure formed by a new ministry brought together by different planning sectors responsible for the organizational apparatus of the PNDR, scaled new priorities in the MDR, as can be seen in Graph 1. In the period from 2003 to 2009 there was a greater expenditure of resources from the federal government during Lula’s administration through the extinct MI, guided mainly by mesoregional and subregional programs that were under the supervision of the PNDR. However, in the subsequent administrations of Rousseff and Temer, with the extinction of the PROMESO, CONVIVER, PDFF, PDSA programs included in the Multi-Year Plans (PPAs) of 2004-2007 and 2008-2012, there was a reduction in investments in the portfolio by the
federal government. At the end of this historical series, the Bolsonaro government, in which there was an increase in the allocation of resources in the MDR, due to the merger between the extinct ministries and secretaries, guiding actions directed towards other paths, different from those of the PNDR.

Graph 1 | Federal Government Budget to the Ministry of Regional Integration and Development (MIDR) (in BRL million)

![Graph 1](image)

In Graph 2, MIDR budget resources were distributed by function and the largest expenditures were: Water Resources (BRL52 billion); Other Special Charges (BRL41 billion); Civil Defense (BRL30 billion); Community Assistance (BRL27 billion); and General Administration (BRL 18 billion). The five largest expenditures by function are not directly related to regional policy priorities, listed by the PNDR. On the contrary, they present water resources programs and actions related to environmental disasters as priorities, being much closer to other agendas.
Graph 2 | Budget allocation by function in MIDR from 2003 to 2022 (in%) 

Graph 3 shows an inversion of priorities in the MIDR program and action agendas in relation to the PNDR proposals and guidelines. The largest amounts distributed were programs operated from 2003 to 2022 in the aforementioned ministry: with 30% in the “Special Operations: financing with return” program; followed by 7% distributed in the Executive Branch Management and Maintenance Program; 5% of the resources were allocated to the Social Security for Inactive Workers and Pensioners of the Union; 5% was allocated to the Risk Management and Disaster Response program; and 4% for Disaster Response and Reconstruction. 51% of MIDR budgetary resources allocated went to the aforementioned programs. The remaining 49% was divided into small fractions of resources for programs of local interest, but which did not signal a planning strategy for regional development bringing together the different federative units and territories of high economic and social vulnerability.
The general rapporteur’s amendments, intended for the MIDR, made up a significant amount in 2020 and 2021, accounting for the current amendment and committed appropriation values. The values respectively for 2020, 2021 and 2022 were for the committed category of BRL 8,037 billion, BRL 6,042 billion and BRL 736,637 million.

Source: MIDR Budget. Consulted in: SIOP.
The largest amounts spent on functions by the general rapporteur amendments in the MIDR were for Civil Protection and Defense Actions (BRL 465,229.00), Payment of Quotas to the Residential Lease Fund (BRL 363,603.00), Operation of Transport Systems Urban Passenger Railway (BRL 200,599.00), Support for Implementation, Expansion of the Sanitary Sewage System (BRL 192,267.00) and Transfers to the Social Development Fund (BRL 178,015.00).

**Graph 5** | Amounts Spent on Amended Functions of General Rapporteur in MIDR (in %)

The data presented regarding the budgetary allocation spent by the MI and MDR in the period from 2003 to 2022 demonstrated that the agenda of priorities and actions for the implementation of the PNDR made little progress in terms of execution analyzed by the economic dimension, through priority by the federal government. The budget allocation by function in the aforementioned ministries resulted in a greater allocation of financing to actions aimed at water resources and the mitigation of environmental disasters. The actions aimed at the regional policy agenda were driven by mesoregional programs in...
the first Lula administration (2003-2006) through the PPA 2004-2007, however, later funding was restricted to programs of local interest mobilized by the interests of the federative units, taken over by the representation in the Chamber of Deputies, through budget amendments, valued at BRL 14,815,637.00 billion in amounts spent on functions amended in the MIDR.

The review and expansion of the classification of the PNDR MRGs typology, carried out by Macedo and Porto (2018) and institutionalized by Technical Note No. 52 (CGMA, 2017), can contribute to the understanding of territorial asymmetries, named by Araújo (2000) as territorial heterogeneities. However, the consolidation of the effectiveness of the implementation of these methodological changes to the PNDR must be accompanied by the normative adjustments of the MIDR, so that it is possible to implement the PNDR governance instruments, such as the financing and multi-scale planning management instruments for state and municipal planning bodies.

**FINAL CONSIDERATIONS**

The institutional trajectory of the PNDR presented in this paper compared the mistakes and successes considered essential for the implementation and effectiveness of public policy, addressed by the analysis of the institutional dimension, the dimension of the evaluation of bibliographical production and the economic dimension. In the institutional dimension, there was a balance of PNDR institutional documents, which allowed us to understand that advances in the systematization of the conceptual notion of territorial multiscalarity of the taxonomy of territories, carried out by the documents “The National Policy for Regional Development: executive summary” (2003), for the document “Proposal to update PNDR typologies: methodological note and reference maps” (2018). The defining variables of territorial typologies, average household income and GDP *per capita* growth, remained. However, in the document “The PNDR in two periods: The experience learned and the perspective after 2010” they improved the way of measuring, by replacing the GDP *per capita* variable with total GDP, and new variables were inserted to understand territorial characteristics, such as the degree of internal income inequality in micro-regions and measurement of homogeneity in the GDP growth rate.
The most significant changes occurred in relation to “Technical Note No. 52: proposal to update the sub-regional typology of the National Regional Development Policy (PNDR)”, in relation to the aforementioned documents, which presented the variables of average income *per capita* based on MRGs and municipalities, with economic dynamics represented by the rate of variation in the average local Gross Domestic Product (MRGs). The reorganization of the taxonomy involved readjusting the municipalities into nine typifications, expanding the scope of variations previously presented in the first PNDR document, the municipalities were classified by economic growth and economic dynamics.

In the category relating to the PNDR financing, the Lula government’s tax reform proposal (2008) was rejected by the Special Commission, making it necessary to readjust the instruments and activate FCFs as a financial mechanism due to its institutional structure directed towards the Northeast, North and Midwest, through the Regional Development Superintendencies, SUDENE, SUDAM and SUDECO and the banks BNB, BASA and BB as resource administrators. However, FCFs comply with a market policy encouraged by selective investments in restricted projects in highly dynamic and high-income territories.

The results of leasing FCF financing in the years 2000 and 2010 presented a panorama with a tendency to strengthen the export agenda via *commodities* in the regional economy of the Northeast, North and Midwest in the international division of labor in international trade. The distribution of the Northern Constitutional Fund (FNO) was relevant in rural activities in the states of Pará, Tocantins and Rondônia, in relation to the other federative units in the North, with a strong specialization in cattle farming in Pará. The expansion of FNO resources in Tocantins, Pará and Rondônia were configured in sectors, activities and projects similar to those of the Midwest (Gumiero, 2022).

The leasing of financing from the Constitutional Fund of the Northeast (FNE) strengthened the axis of federative units formed by Bahia, Maranhão, Piauí in the Northeast, which together with the financing of the FNO in Tocantins, called MATOPIBA, strengthened the production of rural activities in relation to non-rural. The Midwest Constitutional Fund (FCO) focused on municipalities with a profile of greater economic dynamism, strengthening activities in the rural sector (Lopes, Macedo and Monteiro Neto, 2021; Pires *et al.*, 2023).
The document “I National Conference on Regional Development: reference text” (2012) established as an alternative the combination of the PNDR with other government programs, so that it would be possible to obtain subsidies for the formulation of its objectives in the territories. First there was an attempt to bring the PNDR closer to the field of action of the PAC in the territories. However, by adopting this trajectory, regional policy would be mischaracterizing its premises and objectives, of territorial equity and equitable distribution in territories, to make room for large PAC infrastructure projects, which had different metrics for their spatial location and territorial, with different impacts than those formulated by the PNDR.

The Rotas da Integração program aimed to become an applied arm of the methodological notions of distinguishing territorial inequalities from the PNDR and its instrument for applying projects that generated income distribution, through the APL. The Rotas sought to synchronize the synergies of territorial specificities in the generation of production processes with MRGs of low and stagnant income. Of the practices and instruments mentioned in the PNDR, the Rotas had the most applied perspective to be instrumentalized to the premises and guidelines of the aforementioned policy.

The absence of a specific instrument to finance the PNDR compromised and positioned the FCFs as an instrument to operationalize this institutional arrangement in the territories. The debate on this agenda places as a priority how to manage and guide the FCFs, leading to the formulation of a policy that is linked to the premises of the PNDR. In addition to questioning the role and function of PNDR - phase II approved as a decree in 2019 and currently active.

Data from the MI and MDR budget and parliamentary amendments showed the highest percentages of spending on urban infrastructure with reference to public transport and basic sanitation in municipalities of 50 thousand or more, and environmental disasters. The agenda on regional development was occupied with projects of great scope and impact such as the Integration of the São Francisco River into the basins, but with a water resources bias. Only in the first term of the Lula government was there actually a higher percentage of spending within the regional policy agenda with the PROMESO, PROMOVER, CONVIVER, PDFF and mesoregional programs.

The aforementioned programs on the regional and mesoregional agenda were allocated in the 2004-2007 Multi-Year Plan, which allowed budgetary resources to be applied to their execution.
Despite Decree No. 9,810 (May 30, 2019) giving survival to the PNDR, it is not possible to say that there was institutional strengthening, as there is a need to implement it through the next PPA (2024-2027) and in the budget allocation of the MIDR, to fulfill the execution of the budget given the institutional legitimacy that validates the application of the PNDR in territories.

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