

## THE ROLE OF PRIVATE BUILDINGS IN THE PRESERVATION AND DEVELOPMENT OF HISTORICAL CITIES IN BRAZIL

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*Érica Diogo, Sandra Magalhães Corrêa*

*National Historical and Artistic Heritage Institute (Iphan)*

*erica.diogo@iphan.gov.br*

*sandra.correa@iphan.gov.br*

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**Abstract.** The problem of the preservation of private buildings in historic cities in Brazil is recurrent, given the impossibility of public investments in this direction, and the precariousness of many of the buildings in cities protected by the National Institute of Historical and Artistic Heritage (Iphan). The deal with these issues set one of the major actions of Monumenta Program, realized by the Ministry of Culture of Brazil, with funding from the Interamerican Development Bank (IDB) and the support of UNESCO, which operates in 26 Brazilian historical cities since 2000. This action is the offer of funding by differentiated conditions for residents and users of these sites to retrieve their property. Federal funds invested in the recovery of the property return to municipalities through Municipal Funds for the Preservation of Cultural Heritage, which are managed by Boards of Trustees with equal representation of government and civil society. Thus strengthens local structures of cultural heritage preservation. Moreover, this action affects another goal that is the permanence of residents and traditional uses in the historic centers, as well as generating employment and income, contributing to the social development of populations. To get an idea, about 50% of the operations meet the income range of up to three minimum wages (U.S. \$ 970.00 per month), classified as low income in Brazil.

The need for conservation and preservation of heritage-listed buildings has been established in Brazil since 1937. Since then, the challenge has become even greater, especially with the increasing number of urban complexes protected by the National Historical and Artistic Heritage Institute (Iphan) in recent decades. Thus, there is a struggle between the preservation of cultural heritage buildings and the desire of its residents and users to adapt them to contemporary needs nowadays. In this sense, the Brazilian government, by means of the agency responsible for the preservation of cultural heritage, is still seeking answers to the urban heritage problems, in face of the challenges that are beyond heritage issues.

With regard to urban policies in general, they encourage, intentionally or not, the expansion of urban land in a disorderly and inappropriate way, harming the use of built heritage, consequently generating the increase in the cost of land and the necessity of investment in infrastructure and public services. This, also coupled with the imbalances of regional economies, often makes the urban historical sites suffer the consequent abandonment and emptiness caused by the degradation of the built heritage and the

social conditions in these places. Related to this, there have been some attempts to reactivate these areas, such as those performed in the 1970s, under the Historic Cities Program, through significant urban heritage interventions, with a large number of resources invested. Despite the attempt at a global operation, the limited actions of other federal entities, which were key participants in the program, minimized the goals initially set. In the 1990s, those places were practically identical to the precarious situation identified 20 years earlier.

In the year 2000, the Brazilian government made a new push to preserve the urban heritage, with the *Monumenta* Program, made possible by funding from the Inter-American Development Bank (IDB), and operating in 26 cities (protected at the federal level and selected by specific criteria). Initially planned according to the concepts of "Strategic Planning", from 2003 on, part of the Program's strategies changed, seeking to contribute to social development in such areas. Under this consideration, the Financing for Private Real Estate Recovery (*Financiamento para Recuperação de Imóveis Privados*) has been strengthened.

The idea was to allow access to financial credit without interest rates and with a number of other facilities for the recovery and/or adaptation of buildings located in the cities selected within the *Monumenta* Program, with special conditions for families on low incomes (3 minimum wages: US\$ 1022,00) and for residential purposes.

The action planning required considerable efforts, especially when it comes to convincing the IDB, and after, Caixa Econômica Federal, the Brazilian government's financial service provider, to implement an action that had an unfavorable economic cost at first (low investment versus high operational effort). However, the defense of the action was in another realm: that of social transformation coupled with the preservation of cultural heritage.

After seven years, with the Program in its final phase, there have been more than 400 loans in 25 historic towns, reaching a total value of over 12 million dollars, and 50% of the number of contracts signed with low-income families and for residential purposes.

If the numbers may seem modest at first glance, it is necessary to emphasize that the changes resulting from the financing of private property in towns such as Cachoeira, in the state of Bahia (32,000 inhabitants; poverty rate 41.75%), and Natividade, in Tocantins (9,000 inhabitants; poverty rate 49.11%), effectively improved the preservation of the town in general, and the living conditions of the population, as well as the generation of income made possible by the restored property. Still considering parameters linked to the sustainability of the action, it is also important to observe that the borrowers become protagonists in the preservation process, as they mobilized themselves for the recovery of their properties, therefore, with a proactive attitude. In addition, the financing amortization returns to Municipal Preservation Funds (*Fundos de Preservação Municipais*), and not to the Federal Government, generating a virtuous cycle of investment in local preservation policies.



Figure 1. Ouro Preto - MG before recovery



Figure 2. Ouro Preto - MG after recovery

Considering such results, the Financing for Private Real Estate Recovery action was defined as one of the strategic lines of the new national cultural heritage preservation program (*PAC-Cidades Históricas*). This program modifies significantly the concept addressed by the *Monumenta* Program, as it reverses the process of planning and the decision making, which are now implemented in accordance with the municipality's interest and by its articulation with the state and Iphan. Brazil's Heritage Institute, in turn, seeks to articulate other federal government sector policies in these towns, in order to enhance all the investments being made there. It must be said that this program also seeks to link cultural heritage preservation to economic and social development. With this concept and method, currently, the program has activities in 188 towns, in various stages of development. This is, therefore, the potential universe of the Financing for Private Real Estate Recovery action, as of 2011.

It should also be emphasized that nearly 26% of these towns have up to 20,000 inhabitants. Among the 188 municipalities, 56, or 30%, are given priority in the Regional Development National Policy (*Política Nacional de Desenvolvimento Regional-PNDR*), established by the Ministry of National Integration (*Ministério da Integração Nacional*), with eight municipalities classified as low income and 48 as stagnant (following the development analysis methodology adopted by the Ministry). In addition, 57 of these counties are included in the ministerial program Territories of Citizenship (*Territórios da Cidadania*), which seeks to spread basic citizenship programs, and also economic development for regions with low levels of social and human development.

It is noteworthy that this profile is not well attended by investments from the federal government, despite its being crucial for the consistency of the Brazilian Urban System. As stated by Ana Cristina Fernandes (2009, p. 65), urban policies eventually "lead to the impression that

thousands of municipalities are unnecessary to the social product and the very nation-building". The author stresses how much this is harmful to the country as a whole, as several studies suggest that economic development is intrinsically related to the societies' capacity of innovation. And this innovation, in turn, is found mostly in urban society.

Moreover, the potential investments multiplier effect in small towns is very high, being necessary smaller investments to make important changes (LEMOS, 2005). These statements are ratified in the results of funding actions, as in Natividade: U\$ 512,660.00 were invested in 61 contracts (out of 250 buildings that integrate the protected area), 51% required by families on low incomes. In about 30% of the contracts, the buildings were adapted in order to generate income, such as the production of biscuits and handmade jewelry, both traditional activities from the local population. In addition to the economic development generated by this action, the beneficiary population, who once lived in precarious conditions with respect to sanitary fittings and conservation (about 90% of the buildings had their rooftops restored), had their quality of life significantly improved. This is not to say that the Financing for Private Real Estate Recovery action should only be implemented in small towns. However, it is in this profile that the action has greater economic and social impact, especially when we take notice of the amount of investment required to do so.

Nevertheless, even in those towns, the recovery of buildings facilitated by access to financial credit will not solve all issues related to cultural heritage preservation. In some cases it has been observed, after the recovery of private properties, that the economic value of the assets, depending on the economic dynamics of the place, has caused the displacement of the traditional local populations towards opportunities for sale and/or rent – a recurring effect in processes of requalification held in historic areas – and precisely what this action proposes to address. In this sense, the action must be evaluated on its long-term results, which certainly will point out, as the creators of the proposal always warned about, for a combination of actions that allow the permanence of the traditional populations after the improvement of their living conditions. Thus, one can say that, considering its great potential for transformation, restoration funding for private properties is an important tool, and along with other sector initiatives it can contribute towards achieving the goal of preserving cultural heritage through economic and social development of local populations. This is the challenge for today in emerging countries, such as Brazil.



Figure 3 Cachoeira - BA before recovery



Figure 4 Cachoeira - BA after recovery

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