



The Beginner's Guide to

Participatory Budgeting

An introduction to setting up participatory budgets in cities and local governments.



Get your citizens engaged
on local topics

citizenlab.co
Copyright - All rights reserved 2019

Table of contents

Table of contents	1
Introduction	2
The History of Participatory Budgeting	4
Critical success factors	5
Types of Participatory Budgeting	10
Aims and Objectives	14
The 7 steps of Participatory Budgeting	17
Successful case studies	24

Written and Published by CitizenLab SA - Meusegemstraat 105, 1861 Meise, Belgium - BE 0638.901.287

www.citizenlab.co

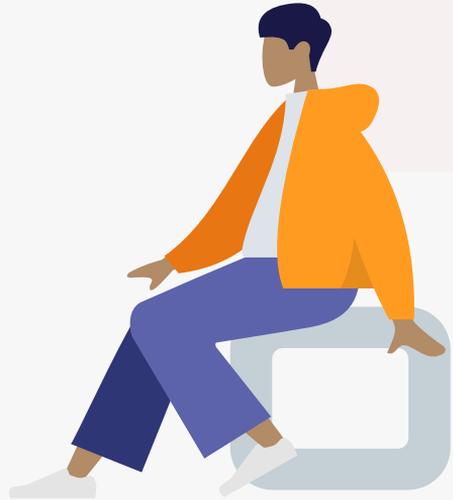
© 2018-2019 CitizenLab

All rights reserved. No portion of this book may be reproduced in any form without permission from the publisher.

For permissions contact: hello@citizenlab.co



Introduction



Over the years, it has become a buzzword in circles concerned with citizen participation and (digital) democracy. Maybe you've already heard about it, maybe you've even considered instating it in your city or municipality. Or maybe this is completely new to you. No matter which of these boxes you check, you've come to the right place!

Let's start with the basics right off the bat: a participatory budget is an innovative policy-making tool which **directly involves citizens in budgeting decisions**. It was first used in Brazil in 1989, and, since then, more than 1,500 participatory budgets have been implemented across 5 different continents. Participatory budgeting is now being used by administrations all over the world to give citizens a say on how local policies are shaped.

With a participatory budget, citizens have the opportunity to allocate resources, prioritise social policies, and monitor public spending. It might sound like an intricate process fit exclusively for bigger cities, but any local government, no matter its number of inhabitants, can implement a participatory budget.

In this e-guide, you'll find everything you need to get you started with participatory budgeting. This is what you can expect:

- A **clear definition** of participatory budgeting and the idea behind it;
- An overview of **critical success factors** and possible question marks;
- A clear explanation of the **different types** of participatory budgeting and their specific values;
- Real-life **case studies** of participatory budgeting projects across the globe.



The history of participatory budgeting

Before we dive in, let's go back to where it all started.

In 1989, in Porto Alegre, Brazil, the progressive Worker's Party won the local elections with a campaign based on citizen engagement and participatory democracy. They implemented a participatory budget so that non-elected citizens could help to decide on the allocation of public money. This was a completely new phenomenon at the time.

The participatory budget gave citizens direct decision-making power at the local level, co-decision-making power at city level, and oversight power at all levels. To simplify the organisation of the project, the citizens were divided into neighbourhood groups and the projects were ranked by topic such as housing, urban infrastructure, healthcare, education, youth, culture, and sports.

The municipality implemented the final budget and monitored progress in collaboration with the citizens.

What first seemed like an obscure socio-political experiment turned out to be a massive success. In the Porto Alegre case, the number of participants soared quite rapidly - ten years after its launch, participatory .

After the pioneering Porto Alegre case, the number of running participatory budgeting projects spread like wildfire throughout Brazil. In 2008, there were over 200 (!) different participatory budgets throughout the South-American country, and 41% of all cities with a population over 100.000 had one. By 2010, 900 out of all 16,000 Brazilian cities had a participatory budget going on.



Critical success factors

Participatory budgeting is a highly democratic concept that has many strengths:

- It gives community members a **voice** and builds bridges between citizens, councillors and officers.
- **It builds trust.** Participatory budgeting displays an openness to transparency and accountability.
- It generates **social capital** by sparking debate and giving citizens insight into each other's needs. Participatory budgeting has the potential to lead to more social cohesion.
- It leads to **better decisions** that are more widely supported by citizens.
- It helps citizens gain better insight into how their governments work. By involving citizens in important (financial) decisions, they grasp a better understanding of the decision-making process.
- It leads to **better public services.** Giving citizens a voice on which public services are most needed and where they are most urgent overall increases the quality of public services.

Despite its great strengths, participatory budgeting also of course comes with its downsides. Before launching a project, be sure that you have a clear view of the main challenges you'll find along the way.

Here are the main issues you might have to overcome.

1. The possible complexity of the process

Implementing a PB can be quite complex. It's not something you create overnight with just a little bit of good will. It takes time to set up and requires the collaboration of multiple departments across the administration. The success of the entire process also relies on citizens understanding how budgets are attributed and how the voting system works. It's important to factor in some time to allow your citizens to absorb all the information.

For smaller authorities it's advisable to start with a simpler type of PB, like a small grants scheme for a local neighbourhood.

2. Overcoming bias

This is a common question in the realm of citizen participation in general. How do you ensure that the group of citizens engaging with your cause is representative for the population as a whole? How do you reach those people that may be less inclined to participate, like certain minority groups?



It's an important matter, and the truth is — there's no real quick fix for this one. But there are some things you can do:

- Focus on the **wide-spread communication** of your campaign and communicate in a way that is transparent, clear and inclusive.
- Work with **intermediaries**. Approaching certain associations, religious leaders, syndicates or other kinds of micro-influencers helps to lower the threshold for groups that are harder to reach.
- Devise a **Quality of Life-index**. This assesses the level of wealth by districts or neighbourhoods and defines where resources are most needed. It's a practical tool that can be used to weigh the results of your project and overcome, if not bias, at least demographic differences between your citizens.
- In the long term, it's vital to **gradually involve and represent minorities in your administration**. This is a sure-fire way of getting rid of this social inequality and engaging minorities in participation projects.

True inclusion and representation of all demographics are processes that often don't flow organically and should not be taken for granted. It's important for governments to go the extra mile to reach those people that may be harder to reach.

 TIP

The CitizenLab-platform provides helpful insights into demographic data of your participating citizens. This can help evaluate and possibly adjust your approach.

3. Insufficient resources

One of the key success factors to any participatory budgeting process is having **sufficient resources** to not only make the project flow smoothly, but also be able to invest the funds that were promised.

Don't let citizens decide whether to spend those euros on a playground or new bike lanes if you're not willing or able to invest that money at all. This will make citizens feel like they're not being taken seriously, even if your intentions were good.

4. Managing expectations

Related to the previous point is this: manage citizens' expectations in a way that is honest and transparent. Don't get their hopes up – communicate openly about the impact they'll be able to make.

Ensure that people are aware of the true nature of the programme, and be honest about the impact their participation can truly have.

Also, as a municipality, some policy domains are inevitably outside of your scope of influence. Realize that, for citizens, the distinction between the different layers of government may not be as clear as it is to you.

5. Creating a cycle

You don't want your participatory budgeting project to be a one-off event – or to be seen as one. Why would you consult your citizens once if the next decision will be made top-down again?

To gain the trust of your citizens and build that sense of confidence that makes participatory budgeting so powerful, it's better to make it an **indispensable part of your community's budgeting cycle**. Making PB an established process will help you boost citizen engagement and reinforce representative democracy.

Of course, this process is a journey, and you don't have to have anything set in stone after the first try-out. **Learn, adapt, and communicate clearly** to your citizens about the 'what' and 'why' of your decisions.

The phases of implementing a participatory budget : plan, act, review, make the necessary changes... and start again!





Types of participatory budgeting

Are all participatory budgets the same?

In the general sense, participatory budgeting is about consulting citizens on how to allocate certain funds or prioritise domains that need funding. But it's definitely an umbrella term, because there are various types of participatory budgeting that slightly differ from each other.

Let's take a look at what's out there. What are the different options? How do they differ? And how can you figure out which one is right for you? In the wide range of cases that exist across the globe, we've identified the main list of variables.

1. Decisive or Advisory PB?

In this kind of participatory budget, it's all about the outcome. How will the council (re)act once the results start to trickle in? If the outcome of the PB is fixed and the city commits to acting accordingly, the PB has a **decisive character**.

If, on the other hand, results are merely taken into account and viewed as suggestions in the allocation or draft of a budget, the PB has an **advisory character**.

Of course, this decision has a big impact on the expectations a participating citizen will have of the outcome. It's vital to clarify from the start whether you're instating a decisive or advisory process.

2. Themes or Ideas?

This dimension covers the scope of the participatory budget. What is the PB about, exactly?

In some cases, a PB is held at the level of **themes or policy domains**. In other cases, the focus lies on **concrete ideas or projects**. And in other cases still, there's a hybrid process. This means that you organise a participatory prioritisation of policy domains, and then choose the best ideas or projects within each prioritised domain.

3. In group or individually?

In offline projects, we often see that ideas or themes are discussed in small groups before a vote takes place. Online trajectories are more suitable for individual participation, where citizens express their personal preferences.

Of course, there are intermediate forms. On the CitizenLab platform, you can vote individually for the ideas of your preference, and discuss every idea directly on the platform.

4. Ideation or fixed framework?

In many cases, you'll already have a set of ideas or themes that your citizens can vote or comment on. In some cases, however, cities allow their citizens to submit their own ideas.

Allowing ideation changes your participatory process significantly. If this is something you want to implement, think about **setting aside specific budgets** for citizen ideas, and make sure you have a clear and transparent framework with eligibility criteria.

5. Local or regional?

What's the designated area for the participatory budget? Does the project have an impact on the entire territory of the city or municipality, or does it focus on a particular neighbourhood?

This also impacts who's invited to participate in the PB. It makes sense for projects with a local impact to involve only or mostly the residents that will directly feel that impact. With less territory-specific projects, it's more logical to include everyone.

These four characteristics make for endless possible combinations. But in practice, we often see two specific combinations arise:

A. Local, specific projects with a decisive nature. For example, a municipality allowing its citizens to allocate budget on proposals for new biking lanes and bike storages. The outcome of the vote is fixed, which means the city has to follow suit.

B. City-wide, general policy ideas with an advisory nature. For example, a city allowing its citizens to prioritise themes like diversity, sustainability, mobility or culture. The citizens' prioritisation of these themes are not fixed, but can help the city to refine its policies and set priorities.





Aims and objectives

Before you truly get started with participatory budgeting, it's important to define what your end goal is. What do you really want to achieve with your PB project?

Of course, it's more than normal to have more than one objective in mind. But a clear prioritisation will help you to stay focused throughout the process.

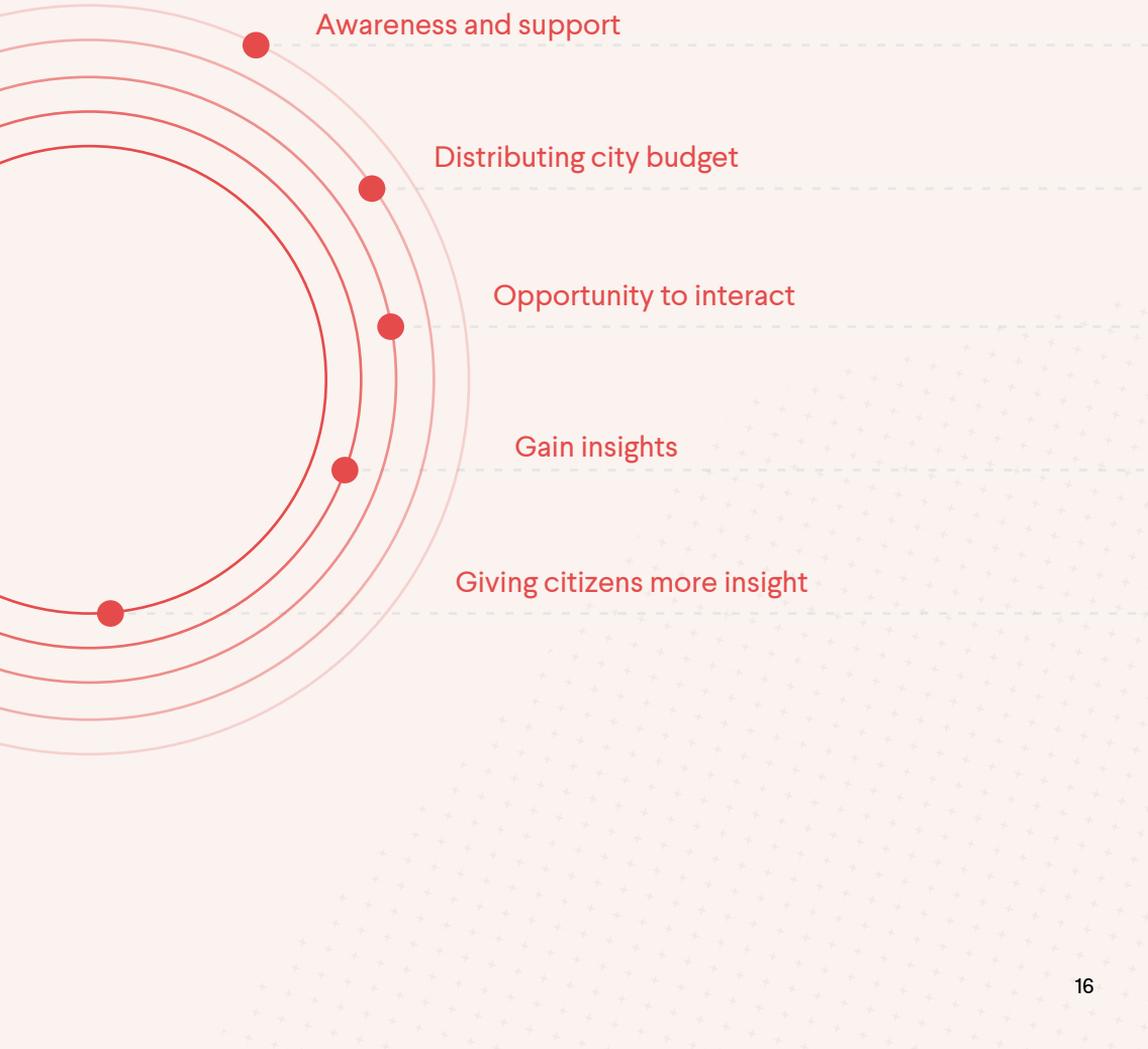
Let's take a look at some of the main aims and objectives of a participatory budgeting project:

- Gaining **insight** into what the population prioritises, and how different preferences are weighed against each other.
- **Distributing city budget** according to what citizens have decided (especially for decisive types of PB).
- Giving citizens the **opportunity to interact** with each other. Creating debate between people from different backgrounds and with different preferences or needs can promote empathy for 'the other' within the same community.
- Building **awareness and support**. When the voice of citizens is taken into account, they will find more legitimacy in the chosen policies.
- **Giving citizens more insight** in how budgeting decisions are taken. Through a PB, citizens learn how to make choices with finite city budgets. You want more budget for cultural projects? Fine, but does that mean you'll spend less on health care?

 **TIP**

Don't use an arbitrary amount on a particular idea in the idea-selection phase. Give binary options: either you choose a proposal with its full budget, or you don't.

As you can see, a PB offers many possibilities, and its impact can be incredibly positive. Of course, the practicalities will be highly dependent on your city's context and needs - that's why preparation is key.





The 7 steps of participatory budgeting

Now that you have all the theoretical knowledge under your belt, it's time to dive a little deeper into practical considerations. Participatory budgets can make a real impact locally, but they're not set up overnight. Here's the process broken down in 7 clear steps for easier implementation.

The following steps are shared by most successful participatory budgeting process. They are relevant regardless of the size of your city and the themes you are involving citizens on.

1 - Laying the groundwork

In this first phase, there are some important decisions to be made.

- Go through the different **types of participatory budgets** (see chapter 3) and decide which kind works best for your specific situation.
- Decide what your **main goal is** (see chapter 4). Your purpose can be multi-layered, but setting clear priorities will help the process flow a lot more smoothly.
- Decide on how to **engage with your citizens**. This can happen both offline and online, yet offline participation can be more time- and resource-consuming. An online platform is an accessible way for all citizens to let their voices be heard. A mix between both is a great way to allow for deeper deliberation.
- Answer the following questions
 - What is your budget?
 - What's your idea on timing? How much time do your citizens have to participate, and how much time will the process take in its entirety?
 - Who can participate? Can citizens propose ideas or vote for them outside of their own neighbourhood?
 - Which topics will be covered?
 - What are the eligibility criteria for the citizen's ideas? For example: not exceeding a certain budget, respectful of all parties involved, etc. Clear rules that are communicated upfront will help manage expectations.

2 - Informing citizens

Citizens should be informed of the timeframe, process and rules. The eligibility criteria for ideas should be communicated clearly -- if everyone knows the rules of the game, the whole process is bound to run a lot more smoothly.

It's also very important that you clearly state what the council will do with the final results: is this intended as **advice** or is the input **decisive**?

Educate your citizens by proactively communicating with them and making all the information publicly available. Not only the general documents about the PB process, but also more specific data, like the available financial resources and the budget allocation of the past year. This will help citizens make informed and data-driven decisions.

3 - Collecting input

Once the project is launched, citizens can start voting, commenting and, depending on the kind of project, proposing ideas. They'll discuss local priorities and elaborate on concrete projects, all up for evaluation by the city itself.

In this phase, it's really all about the content of the ideas and not their budgetary dimensions -- yet.

Note: As discussed in chapter 3 on the different types of PB, this phase does not occur within every PB project. This is only relevant if you allow ideation in your participatory process.

4 - Decide on budgets and process input

If there is a phase where citizens input ideas, then there also needs to be a phase when the city processes these ideas. At this point, the citizen input is analysed by city experts and checked according to the eligibility criteria that were set earlier on in the process. The city selects the final proposals and gives feedback to the participants on their initial input.

Because it's not always easy to select ideas, most cities use clear and measurable criteria such as cost or feasibility.

- To determine **cost**, the city or municipality will consult internal or external experts. This could be the responsible department. And of course, the expected cost must fall within the predetermined budget (= the total budget for the project or a maximum amount per idea).
- **Technical feasibility** can be more or less easy to estimate according to projects. Can the idea be implemented within a certain time frame? Does it have a positive impact on all citizens, or does it cause damage to certain groups?

Often, you'll have to refine the selection by looking for an appropriate equilibrium. Similar ideas can be merged into one, retained ideas shouldn't be concentrated in the same neighbourhood, and if you allowed votes or comments, the popularity of the ideas should also be considered.

5 - Voting

This is where the action *really* starts. In this phase, citizens distribute a set budget over a number of themes or ideas. There's a difference between both, so let's break them down a little.

- If the PB takes place at the level of themes or policy domains, experts often work with the principle of **communicating vessels**. What you want to add to the budget in one theme, you'll have to remove from another theme (or you have to collect higher taxes). In many cases, the actual budgets per theme or policy domain are used as a starting point.
- PBs with concrete projects or ideas work with the principle of a '**shopping basket**'. You can freely add ideas from the list to your basket until the total budget of the selected ideas exceeds your budget. Often the personal budget is equal to the actual total budget.

After collecting and analysing the votes, the city will come up with a final budget recommendation which inspires the final decision. The ideas can then be turned into an action plan and start informing decisions.

TIP

How long should this phase last? This of course depends on the complexity or your project, but we'd recommend giving your citizens at least 2 months to vote so that they have time to get informed.

6 - Results

Communicating the results is vital. Which ideas were selected? Which domains were given the biggest share of the budget?

And it's equally important to **communicate the next steps**. Who will implement the selected ideas? When will this happen, and can citizens contribute in this step? How is the distribution across the different policy domains taken into account in the budget exercise of the city or municipality? Being transparent about the results is going to help build trust in the long term, and will ensure citizens participate in the next project.

7 - Implementation

This is maybe the most essential step of all: the actual implementation. This is where citizens can see how their participation makes a real, tangible impact. Turn dreams into plans, and plans into action. And meanwhile, keep your citizens up-to-date, so they can see what's changing.

To turn a PB project into a success story, there are a few key conditions to keep in mind:

- There need to be **enough resources** to implement the projects chosen by citizens. Local governments must have sufficient funding available to be financially flexible.
- Once the budget is finalised, cities have to **make it public**, give feedback to participants about their ideas, and notify them on the progress of the proposed projects.
- If you decided to implement an ideation phase in the participatory budgeting process, it's vital to take the ideas contributed by citizens into account in your prioritisation and policy-making.



Get started with participatory budgeting today

At CitizenLab, our aim is to build bridges between cities and their communities. Our platform is a digital toolkit for participation, and we provide a variety of features to engage citizens on local topics.

Over the years, we've worked with 100+ cities and municipalities to help them boost digital democracy. If you're thinking of implementing a participatory budget your city or municipality, don't hesitate to contact us!

Our experts will show you the functionalities of the platform and talk you through our most recent case-studies.

hello@citizenlab.co
+44 118 32 42 214



Successful case studies

As we've already mentioned, the first known participatory budgeting project took place in Porto Alegre, Brazil, in the eighties. In this case, PB contributed to a more equitable distribution of city services.

Let's take a look at the before and after numbers. By 1997, after the implementation of the participatory budgeting project:

- Sewer and water connections increased from 75% to 98%.
- Health and education budgets increased from 13% to about 40%.
- The number of schools quadrupled.
- Road-building in poor neighbourhoods increased five-fold.

This case makes it abundantly clear how participatory budgets can have a positive impact on cities, including the poorest or least privileged neighbourhoods.

Since its Porto Alegre debut, participatory budgeting has spread across the globe. In nearly every continent, citizens have contributed to city budgets. Let's take a look at some international cases that'll inspire you to draft your own PB plan!

Seoul, South Korea

- **Budget:** The South Korean capital of Seoul spends 50 billion Korean won (= €39 million) on participatory budgeting projects every year.
- **How?** In 2017, they engaged 117,000 citizens through an online voting system to focus on a deteriorating neighbourhood in the Mapo district.
- **Result?**
 - An environmental design project to prevent crime;
 - The establishment of the community centre of Sogeum Naru;
 - A decrease in safety concerns;
 - Thousands of domestic and overseas civil officers and politicians visited the area to learn from this example.
- **What's unique?** The project was partly carried out by residents, and part of it was financed by corporate and resident funding.



PARISIENS, PRENEZ LES CLÉS DU BUDGET !

20 MILLIONS D'EUROS | 15 PROJETS POUR PARIS | 1 SEMAINE POUR VOTER

Du 24 SEPTEMBRE au 1^{er} OCTOBRE 2014
Votez sur budgetparticipatif.paris.fr



Paris, France

- Budget:** Between 2014 and 2020, Paris has planned to spend 5% of its investment budget (or a total of half a billion euros) through participatory budgeting.
- How?** The French capital implements PB on different levels simultaneously: one city-wide project, one for every single district, and specific PB projects for low-income neighbourhoods. On top of this, youth organisations and schools also have dedicated PB projects.
- Result?** Most of the collected ideas through the Paris PB projects concern building 'another possible city'. Recurring topics are urban agriculture, making the city greener and being more welcoming to refugees and homeless people. For example, 3.000 survival and health kits were distributed to homeless people, and architects and public planners were asked to design innovative spaces for temporary or mobile shelters.
- What's unique?** PB is also impacting the city administration, as civil servants learn to react quicker and to cooperate on more general PB proposals.

Chengdu, China

- **How?** Chengdu, a Chinese city of 14 million inhabitants in rural and urban areas, started their PB project in 2011. They distributed 2 million booklets to inform their citizens on the process and final objectives.
- **Result?** Ever since, over 50.000 small projects have been approved, a majority of them concerning basic, local services and infrastructure, like village roads or water supply.
- **What's unique?** Citizens can choose to allocate their vote. They can choose to spend their PB resources on immediate actions, or use them as a down payment on a collective loan for much bigger projects. In that case, the loan is repaid by a part of the PB in the following years.



Rosario, Argentina

- **Budget:** In Rosario, Argentina, participatory budgeting is an annual cycle in which over 4.000 city residents decide how to allocate \$8 million of the city budget.
- **How?** The city of Rosario mixed the process of participatory budgeting with an approach named 'gender budgeting'. This was done to make all participants more aware of gender issues and the impact of participatory budgeting projects on gender-based issues
- **Result?** In practice, this means that appropriate actions are taken to involve more women in the PB process. For example, anyone who voted at a budget assembly was asked to select one male and one female delegate to promote gender equality.



Toronto, Canada

- **What's unique?** This Canadian city is the odd one out in this list. Toronto has its own corporation that rules community housing, which manages 6% of Toronto's housing stock.
- **Budget:** Every year, CAD \$7 million of this housing corporation's budget is allocated through participatory budgeting.
- **How?** Tenants could participate if they wanted, and didn't need the city's approval for their choices or ideas. After all, everything was a part of the corporation's own budgets.
- **Result?** Since a majority of the social housing tenants came from socially disadvantaged groups, demographics which are often under-represented in similar projects have had the opportunity to truly influence outcomes. It also had a pedagogic value in accustoming the tenants to be more involved in public decision-making.



Wortegem-Petegem, Belgium

It's a common misconception that participatory budgeting is only suited for big cities. Here's one of our local cases to prove the contrary:

- **Budget:** The small Belgian municipality of Wortegem-Petegem (12.000 inhabitants) established a participatory budgeting project to divide 100.000€ over 40 citizen initiatives.
- **How?** Citizens could weigh in both offline, on paper surveys, as well as online on our digital participation platform. After two months of idea-collection and a qualitative selection, the municipality retained 55 citizen proposals, 40 of which were ultimately put up for voting. During one month, inhabitants could vote for their 3 favourite projects.
- **Result?** With over 800 citizen votes, they reached over 14% of their entire voting demographic. Ultimately, 27 projects received funding, and a total of 99.450€ was divided through participatory budgeting. The municipality is currently taking active steps to implement the winning projects.

Participatory budgeting really is citizen participation at its finest. It's all about including citizens and allowing them to weigh in where it really matters - improving public services, allocating funds to the projects and neighbourhoods that need it the most, and creating a broader support for your policies.

As this e-guide shows, you don't have to be New York City or another giant metropolis to pull this off – but it's fine if you are! Implementing a participatory budget is within reach, no matter the size of your city or municipality. It's all about finding a committed team and following the necessary steps.

So, do you feel that participatory budgeting itch? Has the time come to implement a participatory budget in your community? Or are you just curious to find out more?

Contact us today! Our experts will be able to answer your remaining questions, talk you through our most recent case-studies and show you the CitizenLab tool in action.

Thanks for reading,

CitizenLab Team



+44 118 32 42 214



hello@citizenlab.co



Get started with digital citizen participation in
your city or municipality!

www.citizenlab.co
hello@citizenlab.co