

Presentation as part of VLGA training program on Community Engagement to Mayors from Misamis Occidental Province, Philippines

Participatory budgeting consists of a process of democratic deliberation and decision-making, in which ordinary community members decide how to allocate part of a public budget through a series of local assemblies and meetings. It is generally characterized by several basic features:

- community members identify spending priorities and elect budget delegates to represent their neighbourhoods,
- budget delegates transform community priorities into concrete project proposals,
- public employees facilitate and provide technical assistance,
- community members vote on which projects to fund, and
- the public authority implements the projects.

Why do Participatory Budgeting?

Participatory budgeting can lead to:

- more equitable public spending, shifting budget allocations to where they are most needed
- higher quality of life
- increased satisfaction of basic needs,
- greater government transparency and accountability,
- increased levels of public participation.

Opening up the budget process to direct involvement of the community is a guaranteed way of getting the community involved

It has been used in particular to engage and empower the poorest members of society,

It is also an entry point. Being involved in the budget process builds people's capacity and interest in being involved in other government and governance processes

It relies on a healthy civil society and helps to maintain and build that level of civil society

It's about sharing power!

- It's not just consultation.
- The biggest strength and the greatest weakness of participatory budgeting is that it is focused on short-term tangible outcomes.
- It appeals to people's self interest and benefits, not just community benefit

Principle involved is that citizens have the right to control the budget, because the budget is the real face of the government

The Porto Alegre experience

Porto Alegre in southern Brazil is a city of 1.5 million people, with an area of 476 km², and a GDP of \$US 8 billion. The total budget of the Porto Alegre administration is around \$US 1.6 billion.

Some statistics about Porto Alegre as a whole are it has an illiteracy rate of 3.4%; infant mortality of 14.4 deaths per 1000 births, and 17% of houses are in illegal settlements.

Their participatory budgeting process has been running for twenty years, and each year involves many thousands of residents and community organisations. The process directly determines the expenditure of 12% of the Porto Alegre budget – or around \$US 200 million. The people who participate are typically low income but not the lowest income, and have a reasonable level of education.

In PA PB is described as a political commitment between government and civil society.

Participatory budgeting processes are run in hundreds of cities across the world, with the majority in Europe and Latin America. A guide to participatory budgeting in the UK has just been produced, and an African regional seminar was held earlier this year.

The Porto Alegre Participatory Budgeting process Orçamento Participativo

Porto Alegre is divided into 17 regions for the participatory budgeting process.

There are also six themes –

- circulation, transport and urban mobility;
- city organisation, urban and environmental development;
- economic development, tax and tourism,
- culture
- health and social assistance and
- education, sports and leisure.

The PA PB process runs through a series of stages throughout each year. In brief these are:

March – April	Preparatory meetings in regions and themes with the previous years Councillors and delegates Delegates hold meetings in their own neighbourhoods and networks to consult with them and discuss particular needs, and encourage people to attend the regional and theme assemblies
April – May	Region and Theme Assemblies. (photo) Each regional assembly is usually attended by around 1000 people. Four main items are on the agenda of each assembly: <ul style="list-style-type: none">▪ A report about the activities of the previous year▪ Attendees vote on their overall priorities by choosing four priorities from a list. The areas that people at each of the regional assemblies had to choose from in 2008 were:<ul style="list-style-type: none">○ Habitation○ Economic development, taxation and tourism○ Social assistance○ Education (childcare)○ Basic sanitation , sewerage and drainage○ Health○ Culture○ Environmental health○ Youth○ Accessibility and urban mobility

- Public lighting
- Sport and leisure
- Circulation and transport
- Recreation areas
- Tourism

- Two Participatory Budget Councillors for each region and theme are elected. The Council of the Participatory Budget ‘plans, supervises and deliberates on the income and expenses of the municipal budget’.
- The number of delegates that each region is entitled to for the rest of the process is determined. Each 10 participants at an Assembly entitle the region or theme to one delegate.

May – July Delegates are elected from the people who attended the regional and theme Assemblies. These delegates are elected or appointed by the community organisations which people indicate they are a member of. The Delegates Forums are then convened. People who attend an assembly who are not members of a community organisation are also able to attend the delegates forums. The delegates forums discuss the particular works and services being considered for the Budget. These works and services must fit the priorities decided upon in the Assemblies. In general there will be around 15 projects chosen for the top 4 priorities in each region, and 5 projects for the remaining areas of work.

July - October A municipal assembly is held weekly of all the elected participatory budget Councillors from across the city. Decisions on how much gets allocated to particular geographic regions are decided not just on the basis of what the regional priorities were, but are weighted by the level of need and population of each region, so the regions most in need will receive more projects than richer areas of the city.

Technical and financial analysis undertaken of the proposed works are undertaken by City Hall

September - October. A final vote on which works will be funded is taken in the Municipal Assembly, and the proposed budget is sent to the City legislative assembly for final approval, and the particular projects begin to be implemented.

October – December A detailed investments and services plan is prepared by Government. Any possible changes to the PB process for the following year are discussed

December – January Discussion and voting by the PB Councillors of any changes to the PB process.

Resources required to run the PB program

PB in Porto Alegre is co-ordinated from two offices at City Hall – governance and budget. One person in each of 9 regional offices is responsible for running the program, plus there are part time paid positions of co-ordinators for each of the six themes and 17 regions – so in total across the city there are 20-30 staff involved in running the program.

The link between the participatory budgeting process and representative democracy.

61% of Porto Alegre population in a survey reported that PB they felt was more important than their legislative assembly.

Although the PB process is highly successful at involving people, there are still groups that are not represented – the very poor and the elderly in particular.

Not many people move from being actively involved in the PB process to standing for election to the city legislative assembly.

In general there is a feeling from people involved in the PB process that the Legislative Assembly doesn't consist of people who have participatory experience or strengths. Only 3 of the current 36 members of the Porto Alegre Legislative Assembly have experience as a PB Councillor.

A PB Councillor reported to me that they prefer to be members of the community working in partnership with City Hall rather than be elected representatives.

One advantage of this is that there is little evidence of the PB process being used for people to get elected to the legislative assembly.

There is some friction between the legislature and the PB process. Some members of the legislative assembly see PB as a support – others see it as a challenge.

The benefits of PB in Porto Alegre

- Democratization of budget allocations – making sure the money is spent where its most needed – improved education, housing, roads
- Greater transparency and accountability of government
- Sense of ownership from the community ‘we did it’
- Public participation, especially by marginalized residents – because its directly relevant to them and they can see the outcomes of their involvement
- Community capacity building – PB has evolved so that there is more community involvement , not just in demanding things but being involved in raising money and implementing projects.
- Another example was capacity building in particular groups through being involved in the PB process. A need for funding for a school for the deaf involved the deaf community and their supporters being active in raising awareness about the needs of the deaf, and organising themselves and lobbying to build support for their cause.
- Harnessing the energy and the goodwill of the community through the process

Learnings and Challenges from Porto Alegre and beyond

Budget and timing limitations

Of course there isn't enough money to do everything that people want to see done, so there can be disappointment when projects are not funded. Other projects can take longer than the community expects to be implemented so there can be frustration around this also.

Difficulties in sharing basic demographic information with the community

Porto Alegre have only recently developed an information capacity to share demographic information with the community which needs to underpin decision making processes, so that decisions can be made based on community need, not just people's personal desires. The Observa POA data sources consist of a website with maps, indices on measures such as infant mortality, amount of illegal and unplanned housing, illiteracy; and surveys and reports.

It's still too early to see how this information is influencing the decision making process. However a key aim of the Observa POA program is to train delegates and Councillors on how to understand and use the information.

Capacity both of community and of city hall

Although the Neighbourhood assemblies are very well attended (over 1000 people out of population of 17 000), only 7% of people at an assembly actually speak at an Assembly. It's estimated that people need around eight years of participation in the process to be 'up to speed' with the issues.

There is a ongoing need for training of the community participants to try to 'short-circuit' this time period, and training of officers who are running the process. A major international program of training modules is currently under development

The process depends on having civil society organisations being inspired and motivated to support the concept and get involved in the PB process. They need to see that PB is fundamental to their work

A criticism of the Assembly process is that the majority of people who attend the Assemblies have come because they have been encouraged by others to attend, not because they have a strong personal reason or desire to be there, and will be told how to vote.

Some cities find it challenging to find the resources to sustain the program

The multi-dimensional nature of the process makes it complicated, given it is a program which cuts across financial, regional, and community participation programs

Strategic issues not being prioritized in the PB process

Experiences of participatory budgeting across different cities show that people tend to focus on short term needs, sometimes to the detriment of strategic needs.

Porto Alegre is attempting to overcome this by introducing a participatory strategic planning process. However this process has attracted a different group of people (more educated and middle class) , and it is felt that the two programs need to be better integrated.

Advice for other cities considering implementing PB processes

- Need to have support from elected representatives – need to have the political will to implement it. Other players that need to support it are bureaucrats and the voters! In political systems with an executive and a legislature need to be aware of the dynamic between the two. In one city in Brazil PB almost didn't get the support of the legislature because it was seen as a project of the executive.
- Key issue is the participatory architecture – how PB relates to other mechanisms of participatory democracy. Need a long term planning framework linked in with PB processes. In the city of Santa Andrea in Brazil (650 000 people)all the long term priorities need to be subjected to a PB process, and all the PB participants area involved in the strategic planning process.
- Very important that the PB process is localised and tailored to suit the local conditions
- If it seems too daunting to begin a PB process across the whole budget then its possible to start with part of the budget – eg education, housing or health.

- Another option is to do the process every two years rather than annually.
- Very important to begin, rather than delaying acting whilst trying to get the model absolutely right. Then use an action research model to modify things as they go along
- Consider working first with agencies that are working with disadvantaged communities – eg in Toronto PB processes have been used with the public housing agencies. This has given the more marginalized communities the opportunity to gain experience and confidence before broader processes open to the whole community are implemented
- Sometimes there is conflict in a legislature where political allegiances are fluid, and the major governing party needs to ‘buy support’ of smaller parties by promising particular projects. This process can be in conflict with the outcomes of the PB process, and is difficult to overcome without political reforms.