

Participatory budgeting

Participatory budgeting is a deliberative process that includes the public in deciding how available funding will be allocated.

What is to be achieved?

Access to funding is only a part of resolving complex or wicked problems, the use and management of available funds goes a long way towards reducing the problem's impact. The aim of the participatory budgeting approach is to give the general public access to information on community projects and to involve them in deciding how to allocate the available budget to address the identified issue or achieve the desired outcome. Participation in budget allocation increases the public's awareness of the risks involved in budgeting and the trade-offs required and affords them a level of accountability they do not normally have to own. It also provides an avenue for the community to contribute its knowledge and expertise to government decision making.

Internationally, participatory budgeting has been used to allocate funds for infrastructure maintenance and capital works projects; for projects and services for young people and people with disability; for school services; and for [neighbourhood improvement projects](#).

What is the format?

Participatory budgeting was first developed in Brazil in the 1980's to establish democracy and public participation after years of military rule and economic hardship. The format has predominantly been direct face-to-face engagement with people in communities led through the process.

More recently, participatory budgeting is also being [delivered on-line](#). This can significantly increase the number and diversity of participants if people are digitally literate and have access to the internet, however demographic statistics need to be studied to ensure participation by marginalised people is not restricted.

Offline or Online?

A decision of whether to use an offline, online or mix of both approaches should consider a range of factors such as:

- target audience for voting. A range of factors should influence the decision as to which method to adopt including access to the internet, digital literacy, geographic location and spread, demographics etc.
- program resources. A number of cost-effective online platforms can be purchased off-the-shelf. In comparison, offline methods can be highly resource intensive to deliver
- objective of the program - collaborative problem solving or decision-making. Collaboration occurs most effectively when people interact face-to-face rather than on-line. Decision making can occur effectively face-to-face but requires management of a range of factors such as group dynamics.

What to consider?

Involving the public	Extending a level of control over how government funds are allocated can engage people who may otherwise be very cynical about collaborative problem solving
Carefully consider the outcomes	Participatory budgeting may help to build trust and relationships between government and communities but a poorly implemented or executed process can have the opposite effect
Increased transparency	Public participation in budget allocation can increase transparency and accountability and reduce perceptions of misappropriation and waste but again a poorly implemented process can have the opposite outcome
Consider the changes	Participatory budgeting does not require a new pot of money, just a change to how existing funds are allocated
Consider all amounts	No amount is too small for participatory budgeting
Collaboration	Participatory budgeting can create additional public good, for example by creating collaborations in communities and raising awareness of issues and resources
Preparing communities	Participatory budgeting needs decision makers to give up some of the control over budget allocation and to trust that communities will take on the responsibility. Organisers and communities may need to invest in building the capacity of communities to achieve this outcome
Spreading the influence	The more people who have access to the process, the less likely one group or section of a community will be able to exercise undue influence on the outcome
Equip the community	Organisers must consider what tools and materials they are going to provide to communities to assist their collaboration, problem solving and decision making

How to use the Participatory Budget tool?

Identify funds

- The organiser identifies an appropriate budget or source of funds to apply the participatory approach to. This could be an existing budget or a new fund developed for the specific purpose. Sufficient funds and resources to support administrative costs are also identified.

Design the program

- The organisation and representatives of the community (as appropriate) work together to design the program model. This would include clearly defining the objective of using a participatory approach, deciding at which point/s the community will be involved, who can take part and how their involvement will be facilitated, the objectives and parameters of the funding etc.
- The organiser develops program material that is appropriate for the target audience. This could be guidelines, applications, frequently asked questions etc. Material to assist the community decision making will be required.
- The organiser puts into place the mechanism to support the community's involvement (either off-line or on-line)

Projects are suggested

- The community develops costed proposals for projects that will address the areas of need/achieve the objective of the funding.

Community problem solving/decision making

- The community votes or decides on the top proposals. The organiser oversees this process to ensure it is robust and is not manipulated by segment of the community or vested interests.

Delivery

- Each chosen proposal is delivered as agreed and monitored to review whether the results and outcomes are as intended. Standard procurement and acquittal processes are used.
- The organisation and community reflect on the process and the outcomes the community from using the approach in comparison to other methods. They identify lessons learned and how to improve the process of participatory budgeting for the future. A cycle might be linked to a one-off budget item, or to an annual budgeting process.

Resource Required?

- staff and community time
- funds for set-up/administration and distribution
- training for staff/community volunteers/participants
- internet access and management
- promotion and communication materials
- meeting spaces for face-to-face events

How to Evaluate?

As with any public program the evaluation should be against its objectives. Other potential measures to evaluate the outcome of a participatory budgeting program include:

- Who participated in the community voting (demographics etc)?
Was participation representative of the target community?
- What was the outcome of the funding? How does it compare to the outcome that would be (or could be expected to be achieved) achieved through a non-participatory approach?
- What was the program cost of the participatory approach? How do various cost measures compare to a non-participatory approach (i.e. total management costs, cost ratio of management costs to funds distributed etc)?
- Can any additional value created by the program be identified and quantified?

Case Study – Fund My Community

Fund My Community is a program that uses participatory budgeting as part of a program bringing innovation to grant funding programs. Through Fund My Community, \$1 million of competitive one-off grant funding is allocated by the community. In addition to participatory budgeting, the program incorporates a red-tape reduction objective by providing a streamlined application process. It also seeks to

create additional value for the applicants (not-for profit community groups) by providing a platform to raise their profile in the community.

The community ‘voting’ component is primarily delivered online through the innovative tool designed and built to support the process. The tool incorporates a range of factors to promote deliberative thinking and a fair and equitable outcome.

Tips and helpful hints

Fairness

Ensuring the process is fair and equitable, that people have equal access to take part and that the process is not hijacked by vested interests, is vital to success

Decision making

If your objective is decision making, understand how people make decisions and factor this into your design. This includes understanding explicit and implicit motivators for decision making.

Target audience

Understand who your target audience is and design and deliver a media and communication campaign to attract their participation.

Existing resources

Leverage existing resources to supplement your program resources.

Support References

www.participatorybudgeting.org

www.pbnetwork.org.uk

www.thepeoplesbudget.org.uk/what/howpbworks