Participatory budgeting

A deliberative process that includes the public in deciding how available funding will be allocated.

What is to be achieved?

Participatory budgeting gives the general public access to information on community projects, and involve them in deciding how to allocate the available budget to address an identified issue or achieve a desired outcome.

Participation in budget allocation:

- increases the public's awareness of the risks involved in budgeting and the trade-offs required
- affords them a level of accountability they do not normally have to own
- 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 different kinds of projects such as:

- infrastructure maintenance and capital works projects
- projects and services for young people and people with disability
- projects for school services
- neighbourhood improvement projects, etc.

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.
- Recently, participatory budgeting is also being delivered online, like Pick My Project, a Victorian government initiative delivered from mid-July 2018 until late 2020.
- Online format can significantly increase the number and diversity of participants provided people are digitally literate and have access to all resources needed.

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**: consider 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. 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 sceptical about collaborative problem solving.

Carefully consider the outcomes

Participatory budgeting may help to build trust between government and communities but a poorly implemented or executed process can have the opposite effect.

Increased transparency

A well thought strategy for public participation in budget allocation can increase transparency and accountability and reduce perceptions of misappropriation and waste

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 help create collaborations between communities and raising awareness of issues and resources.
Preparing communities	Organisers and communities may need to invest in building the capacity of communities to take responsibility about decision making and achieve shared outcomes.
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 Budgeting tool?

1. 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.

2. Design the program

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

3.   Projects are suggested

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

4.   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.

5.   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 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 and participants.
•   Internet access and management.
•   Promotion and communication materials.
•   Meeting spaces for face-to-face events.

How to evaluate?

Evaluation of the program should be against its objectives. Other measures to evaluate the outcome of a participatory budgeting program may 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 the current outcome compare to the outcome that would be 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

Pick My Project (Victoria)

Pick My Project was a $30 million community grants initiative empowering Victorians to come up with project ideas that will help make their local community a better place to live. This could include small infrastructure projects, services or events, or programs to improve community and bring people together. The community then voted for their favourite project ideas to be funded.

Pick My Project was delivered purely online. This facilitated verification of votes and provided voting opportunities for everyone across the state. People who didn't have an email address or mobile number but wanted to participate were encouraged to get help from their local library or get in touch with the Pick My Project team for them to complete their vote. The team also hosted over 50 Voting Help Desks around Victoria to assist people with voting.

The program commenced in May 2018. 237 project ideas were successful following the public vote including 120 across metropolitan Victoria and 117 across regional Victoria. The $30 million grant funding was divided equally between metropolitan and regional Victoria.

The projects were delivered between November 2018 and June 2020.

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Tips and 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.
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 campaigns to attract their participation.
Existing resources	Leverage existing resources to supplement your program resources.

References

Participatory Budgeting project

Participatory budgeting network: making people count

Further resources

Participatory Budgeting – Involve UK

Participatory Budgeting – Participedia

Have a look at this video put together by the Church of Scotland. The Church has been supporting many congregations to lead Participatory Budgeting events in their communities.