

**PARTICIPATORY BUDGETING
TOOLKIT FOR LOCAL GOVERNMENTS IN ALBANIA**

**Social Development Team
Europe and Central Asia Region**

December 2006

The findings, interpretations, and conclusions are the authors' own and should not be attributed to the World Bank, its management, its Board of Executive Directors, or the countries they represent.

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Acknowledgements

This toolkit draws from the experience of a pilot program in Albania on participatory budgeting in four localities (Prrenjas, Baldushk, Kashar, and Elbassan). The pilot took place from February 2004 to December 2007 with financing from the Trust Fund for Environmental and Socially Sustainable Development (TFESSD) and the Bank Netherlands Partnership Program (BNPP).

The toolkit documents best practices from the experience of the local actors such as mayors, civil servants, local councilors, community-based organizations, and active citizens who took the lead in implementing the pilots. Much of the toolkit builds from draft manuals that were prepared for this pilot project by local Albanian implementation partners such as the Urban Research Institute (URI), CoPLAN, and the National Albanian Center for Social Studies (NACSS). These three NGOs developed the methodology, coached the key actors in the pilot local governments, and documented key lessons from the experience.

This toolkit was prepared by the ECSSD team, with substantial collaboration with colleagues in the region and the Anchor in the World Bank. The task was managed by Radhika Srinivasan, with guidance from Maninder Gill, Sector Manager for Social Development and Nadir Mohammed, the Country Manager for Albania. Substantive written contributions were made by Arsala Deane and Andre Herzog. Contributions from Carine Clert who initiated the pilot, Jolanda Trebicka and Hernando Garzon are also acknowledged.

Acronyms and Abbreviations

CBO	Community-based organization
CSO	Civil Society Organization
LG	Local government
M&E	Monitoring and evaluation
MDG	Millennium development goals
NGO	Nongovernmental organization
PB	Participatory budget or budgeting
PBC	Participatory Budget Council
PBP	Participatory budgeting process
PM&E	Participatory monitoring and evaluation
TIP	Team interaction principles

Executive Summary

Participatory budgeting (PB) is an approach that brings local communities closer to the decision-making process around the public budget. This innovative financial practice has the potential to enhance citizen voice in budget decision making and to help government improve budget transparency, efficiency, and accountability. The city of Porto Allegro in Brazil pioneered the concept of PB that brought the population directly into the formulation and execution of the city's capital budget. However, there are no exact or precise PB models. This toolkit is derived from participatory budgeting pilots conducted in Albania. It describes the conceptual framework, key building blocks and the PB cycle as it was implemented in Albania.

The PB methodology was conceived and implemented in tandem with the Local Government Budgeting law and regulations in order to complement and not hamper the processes of the formulation and implementation of the budgets of local government units (LGUs). Careful attention was given to not overwhelm the already limited capacities of LGUs and avoid duplication of their activities. The PBP demonstrated that citizens' engagement in the budgeting process could be combined with traditional public management mechanisms, contributing to increased transparency, inclusion, and accountability in local government.

This toolkit is designed for two audiences. First and foremost, the toolkit serves to provide step by step guidelines to officials in Albanian communes, municipalities, and other government bodies who wish to learn about or implement participatory budgeting. Secondly, the toolkit is intended as a learning tool for civil society organizations in other countries who want to learn about Albania's PB experience and are considering implementing PB in their own projects. The toolkit builds on good international practices and tested PB methodologies. These international practices were tailored to fit Albanian local government budget law and practices, and local cultural values and social norms.

Part 1 outlines the steps of the PB process, the benefits to local governments and communities, and the roles and motivations of the various stakeholders in the process. All PB steps depend on comprehensive local involvement. These steps consist of (i) identifying the PB projects that fulfill the most pressing local needs, (ii) preparing feasibility studies, (iii) developing a proposed budget for submission through local administrative heads and councils, (iv) overseeing the budgeting approval process, (v) monitoring execution and procurement, and (vi) evaluating the execution and function of the public works funded. Experience in Albania has shown that effective communications can lead to extensive citizen participation and can garner the cooperation and contributions of other key groups, such the local business community and nongovernmental organizations.

Part 2 discusses the benefits and risks associated with PB. A major benefit of the PB program has been the strengthening and enhancing of social accountability and good governance attitudes and practices. Risks associated with PB program include the possibility of raising citizens' expectations excessively and then failing to deliver and lack of citizen participation in community meetings due to failures of communication and physical inaccessibility. A

commitment to the process from citizens and civil society and the timely delivery of PB projects that address the real needs of communities are essential for overcoming these problems.

Transparency, clarity, and accuracy of information on expenditures and revenues underlie the success of the PB cycle, as examined in Part 3. Subdivisions or zones established within each municipality or commune facilitate the processes of communication, allocation of resources using territory or sector criteria, prioritization of projects, establishment of norms, and project monitoring and evaluation. Capacity-building through well-planned training sessions and materials were essential and highly effective in the Albanian pilots for meeting these goals.

The elements of the PB cycle, the focus of Part 4, encourage participation and inclusiveness and enhance communication, transparency, and community members' capacity. To make the PB accessible to all, communes or municipalities are geographically divided into zones. Intensive communication using local institutions and media prepares the way for electing (volunteer) community delegates, appointing and training facilitators, and gathering information at preliminary workshops and meetings on local stakeholder concerns and priorities. Two rounds of regional meetings provide PB councilors with a wider perspective from which to establish a project priorities list, a process that the Albanian experience has shown increases intra-community communication and understanding. Invaluable to this effort has been the institution of field visits, allowing all PB councilors to visit each zone in which a project has been proposed and to discuss its priority for the community, its financial and technical implications, and the extent to which it will meet local, regional, and sector priorities. Field visits have proven so useful that they must be viewed as essential to the PB process, despite the difficulties they can pose in terms of logistics and cost. Also essential are clear, easy-to-read budget documents and their wide distribution to everyone directly involved in PB planning and implementation. Similarly, to encourage transparency and future participation as well as to ensure the efficiency of the PB process, clear, understandable, and open monitoring and evaluation processes involving community members should be established and adhered to.

Albania's pilot projects provided useful lessons for PB's effective, successful implementation, and suggestions for scaling-up and institutionalization derived from them are covered in Part 5. Positive impacts on the communities involved included increased awareness of and participation in decision-making and the budget process and increased dedication to monitoring and evaluation to ensure community goals were met; community members' consequent feelings of greater empowerment and participation; increased accuracy, understanding, and accountability regarding the sources and disbursement of financial resources; and enhanced transparency, accountability, and trust between local government and their communities and constituents.

Key findings for the successful unfolding of the PB cycle included the necessity of commitment and leadership to involve citizens in the process and overcome entrenched paternalism and monopolies on decision-making; early agreement on the "rules of the game" for structuring the process, balancing priorities, building consensus, handling conflict, and so on; the nature of the added LG burden of time and effort, if not necessarily of funds; the need for effective, open communication at all levels and stages; the importance of electing capable PB councilors with adequate time for participation and of the training of community members not otherwise prepared to sustain the process; the centrality of field visits, as mentioned above, and the

usefulness for communication, the sense of participation, and the perception of concrete results of community members' involvement in procurement, monitoring, and evaluation.

A number of lessons and results from the Albanian pilots offer opportunities for scaling-up and institutionalization. The national government has recognized the benefits and has requested the further dissemination of the PB program. The program has highlighted areas for improvement in local development policies, further legislation on budgeting rules and procedures, and local and regional planning. The institutionalization of the processes used in the PB pilots (field visits, training programs) would be useful. The facilitator role, in particular, proved very successful and could be adapted for a number of programs aimed at reaching communities and their most vulnerable members. NACSS (the Program for Strengthening Local Governance and Accountability in Albania) overlapped with the PB pilots, to the mutual advantage of both programs; shared methodologies and benefits included training and involvement of facilitators, the training in the production and use of poverty maps, and the adoption of practical methods for involving marginal or vulnerable community groups.

1. Relevance of Participatory Budgeting to Local Governance

1.1 What Is Participatory Budgeting?

Participatory budgeting (PB) is a mechanism that allows the citizens of a specific jurisdiction to participate in decisions on the allocation and management of all or part of the local government's available public financial resources. Participatory Budgeting aims to increase transparency, accountability, and social inclusion in local governance.

A PB process requires *citizen engagement* in all phases of the budget cycle, briefly described below:

- Identifying capital investments and projects to address the most pressing local needs,
- Preparing feasibility studies to support the appraisal of such investments and projects,
- Preparing a budget proposal for submission, through the local mayor, to the local council,
- Overseeing the budget approval process (review, discussion, and voting),
- Monitoring budget execution
- Monitoring procurement (tendering, bidding, and contracting), and
- Monitoring and evaluating the execution of public works.

Participatory Budgeting involves the direct participation of citizens and civil society. It also actively engages local government actors such as the mayor, the local council, the treasurer, and the directors of the local finance, urban and rural planning, and local services departments. In designing PB, special efforts are made to include citizens who have traditionally been excluded as stakeholders. PB creates opportunities for citizen involvement in policy decisions, improves the efficiency of resource allocation, and enhances the quality and delivery of public goods and services.

Participatory Budgeting does not transfer funds from the local government to local communities. It differs considerably from standard community development approaches that enable communities to compete for public or donor funding. In PB, communities work together with the local government to agree on how to spend limited local government resources more effectively.

1.2 The Origins of Participatory Budgeting

Participatory Budgeting emerged in Brazil as part of a larger effort to overturn Brazil's long history of patronage politics, social inequity, and corruption. Government, civil society, and political parties mobilized to experiment with participatory budgeting as a way to improve government transparency and increase citizen voice in government decisions.

Participatory budgeting began in 1989 in the municipality of Porto Alegre when the Workers' Party won the mayoral elections. The new government experimented with different mechanisms to overcome fiscal constraints, re-direct capital investments and services to the poor, and provide citizens with a direct role in decision-making. Participatory Budgeting emerged from this two year experimental process. Since then, PB has spread throughout Brazil and nearly 140 municipalities and five states have implemented some sort of a PB program. Today, over 27 countries are implementing some kind of PB program.¹

There is no overarching, universal methodology for participatory budgeting which could be adopted wholesale in Albania. The amount of the public budget deliberated by PB varies. Typically it represents between 5 to 10% of the annual revenue budget of a city though this has grown significantly in some cases. PB has enabled citizens to debate on new investments that are not already earmarked or defined.²

Participatory Budgeting has been recognized by the Department for International Development (DFID), the World Bank, the UN, UNESCO and other organizations for its effectiveness in improving transparency and governance. Participatory Budgeting is considered an effective social accountability mechanism that strengthens the demand side for better governance and empowers citizens to influence public sector decisions, particularly socially excluded citizens. Participatory budgeting is known to improve public sector reform in public expenditure management. Through PB, local governments have demonstrated improved fiscal discipline, by finding ways to reduce costs, allocate investments in a more equitable manner, and increase transparency in budget allocation, spending and reporting.

The main features of PB include:

- A geographical structure that breaks down existing administrative boundaries facilitating citizen inclusion, citizen participation and involvement decision-making and pro-poor budgeting.
- Regularly scheduled meetings and debates in each geographical unit, to engage citizens in discussions to decide strategic priorities for capital investments and services, develop actions plans and evaluate and monitor on-going activity, in a manner which complements existing representative democratic structures.
- A cycle of activities closely following the local budgeting cycle which provides a framework for participation, planning and implementation.
- A network of organizations involved in capacity-building, information dissemination, public communication, and citizen mobilization.³

1.3 The Potential Benefits of Participatory Budgeting

¹ Social Accountability Sourcebook: Tools and Methods.
<http://www-esd.worldbank.org/sac/Tools/toolsindex.html>

² Website of the PB Unit of the UK Government: <http://www.participatorybudgeting.org.uk/>

³ Website of the PB Unit of the UK Government: <http://www.participatorybudgeting.org.uk/>

Increased effectiveness in budget targeting: In many cases, public budgets do not reflect the real priorities of citizens, particularly the poor. Scarce public resources are often spent on the wrong goods or the wrong group of beneficiaries. PB helps match citizen needs with public resources.

Improved transparency and accountability: Often citizens do not have access to government budget information. In some cases, citizens perceive budgets as too complex to fully comprehend. PB offers an opportunity for local governments to demystify the budget for citizens, and to be more transparent and accountable in public resource management.

Promotion of social inclusion, poverty reduction, and empowerment: The traditional budgeting process can often contribute to social exclusion and poverty due to elite capture, lobbies, and powerful interests. By increasing the voice of ordinary citizens and the most vulnerable groups, PB can potentially re-direct public investments towards basic services in poor neighborhoods. The social learning and civic mobilization mechanisms embedded in PB helps empower vulnerable groups to increase their voice in budget decisions.

Evidence shows that there is no single model of Participatory Budgeting. In Albania, the experience is still nascent and is in a development stage. Participatory Budgeting should not be seen as a panacea for all problems of local governance. Rather, it complements the traditional, public sector mechanisms of political, administrative, and legal accountability.

1.4 Who Participates in the PB Process?

Participatory budgeting is, in fact, a co-managed process. In other words, it is a mechanism through which state and non-state actors come together to allocate, spend, and account for public resources. If the PB process is to achieve its objectives, all stakeholders should be involved. This includes citizens, representatives from local civil society, government, local councils; and the business community. The participation process should ensure that vulnerable groups (usually citizens from low income groups, women, youth, children, and immigrants) are directly engaged in all the PB phases.

Participation in PB is voluntary and all stakeholders should enjoy equal opportunity to participate. Hence, it is vital to establish the appropriate mechanisms so that each stakeholder can participate meaningfully, through public hearings at the neighborhood or village level or community meetings with specific groups (such as women). It is important, therefore, to understand the actors, their roles, and their motivations in order to support their participation.

One of the main characteristics of the participatory budget process in Albania is that citizens can participate directly and do not need to be represented by an official entity, such as a labor union or CSO. Although such organizations play an important role in the process, they do not have formal privileges. In fact, the mobilized citizenry makes all significant decisions. When it has been necessary to choose participants or delegates, they have generally been chosen by lottery or voting.

Each stakeholder has a specific role:

The **citizen's** role is to communicate their needs for public goods and services. Citizens discuss these needs with other community members and with local authorities, reach a consensus, and set their priorities. Citizens also contribute to the definition of the rules and procedures that guide the PB process. After the budget has been approved, citizens participate in overseeing budget execution, the local government procurement process and monitoring and evaluating public works.

Local government has the role of overall management. Local government provides citizens with information about the PB process and budget information. It also organizes the public meetings. Based on feedback from those meetings, it analyzes citizen investment priorities and ensures that the final PB proposals are incorporated into the budget document submitted to the local councilors for approval. Early in the budget process, the local government executive branch provides training to citizens and civil society on the PB process and sets the “rules of the game.” These rules govern the PB process and should be agreed on by all the stakeholders. Local government also plans out the PB process in different geographical areas, and thus should come up with an effective geographical division of the communes or municipalities to ensure thorough coverage of PB activities.

In societies with weak social capital, such as Albania, **NGOs** can play a supportive role to mobilize citizens and community-based organizations to participate in the PB process. NGOs can reach out to vulnerable groups who have been traditionally excluded from public debates. In situations where local government lacks the capacity to manage the PB process, NGOs can be contracted to fill this gap. NGOs can help moderate public meetings to ensure that all stakeholders have the opportunity to voice an opinion, negotiate, and make decisions free of pressure. They can conduct public awareness campaigns, help demystify budget documents, and build local capacity of the local government, citizens and local civil society.

The role of the **local councilors** is to discuss and approve the budget. Once the local council approves the budget, the local government executive branch co-manages budget implementation with citizens. Local councils also play an oversight role in this phase.

1.5 The Relevance of Participatory Budgeting for Local Governments in Albania

The reform process in Albania has created new opportunities and challenges for local government actors. Albania has gradually implemented decentralization. A Law on the Organization and Functioning of Local Government (“the OFLG law”) mandates that local governments have full legal authority for infrastructure, public services and local economic development. Despite a number of problems in the implementation of the law, local governments have demonstrated a measure of self-initiative. Local elections have been held and many mayors have demonstrated greater autonomy over political, fiscal, and administrative functions. While local governments have more responsibilities, they lack adequate fiscal resources and capacity to deliver on these new responsibilities. More problematic is the lack of clarity of service responsibility in the legal framework among levels of government, leading to a general outcome of poor service delivery.

The decentralization reform process has raised citizen expectations. However, a sense of mistrust has arisen among most citizens about the performance of most local governments. Local governments are blamed for *all* service delivery breakdowns, even those that do not fall under their jurisdiction. Skepticism, deriving from that mistrust, about what can actually be expected from local authorities has substantially discouraged most residents from adequately complying with their local tax payment laws, and making their required user fee payments for local services. This has led to revenue shortfalls and a fairly difficult financial situation for most local governments.

The annual budget process is often highly politicized, and thus suffers from significant delays. Citizens view the local government budget process as a partisan exercise, with little relevance to their needs. This is particularly problematic as poverty and social exclusion still persist in many rural and urban areas.

Both Albanian national and local government actors expressed an interest in testing mechanisms that would strengthen government accountability to citizens; improve local government public expenditure management; and increase local government transparency. The PB process offers tools and procedures that can help local governments overcome the difficulties they face in governance. The PB process offers citizens, particularly those that are socially and politically excluded; an opportunity to enhance their voice in policymaking decisions

State and non-state actors have different motivations for promoting civic engagement in public expenditure management.

Local Government Motivation:

- **Increased legitimacy:** Although local government officials may be aware of community needs, they do not always validate their assumptions with their constituents. PB increases the scope and quality of dialogue between citizens and local government officials, enabling better communication, continuous feed-back from citizens, and citizen voice in decision-making. When elected representatives demonstrate a willingness to be more transparent and seek citizen input in budget matters, their legitimacy increases.
- **Improved budget targeting:** PB enables citizen participation in allocating and managing public resources. The PB rules are set in such a way that they favor the redistribution of spending for public goods and services in low income neighborhoods and the poorest rural communities. An index of unmet basic needs is generally used for this purpose, allowing the government to spend more in areas with lower levels of the social and economic infrastructure. The PB process enables local government to make pro-poor budget decisions.
- **Facilitate budget approval:** The PB process helps build a wider consensus on the budget plan. Although local councilors still have final approval, PB can help limit partisan disputes.

- **Promote good governance:** Citizens perceive local governments to be highly corrupt. When local governments publicly share accurate budget and public expenditure information, citizen perception of corruption is reduced. Transparency is increased when citizens help oversee public resource management. Such openness also reveals to citizens the limitations and constraints faced by government.

Citizen Motivation

- **Access to local government information:** Citizens gain access to key information that is kept out of the public domain, such as the exact amount of tax collected, budgetary expenditures, and budget forecasts. Meetings with local government representatives provide citizens with a broader understanding of government functions, structures, resource basis and constraints. Citizens gain access to technical information on issues such as land use planning.
- **Increase voice in local decision-making:** Citizens are directly able to influence local government decision making. Through the PB public meetings, citizens, particularly vulnerable groups, are encouraged to voice their needs and hold government accountable to their decisions.
- **Obtain direct benefits:** When citizens help determine which public works are financed, they directly engage in the development of their neighborhoods and communities. Citizens approve technical plans such as the installation of sewer systems or the construction of new roads. They also oversee the implementation of such works.
- **Deepening citizenship and democracy:** Through PB, citizens evolve from being passive observers to playing an active role in local development and public administration. Thus PB offers citizens opportunities to exercise democratic values.

CSO and Private Sector Motivation

- **Strengthen social capital:** Civil society is weak and still emerging in Albania. The PB process offers civil society an opportunity to improve its representative role. By engaging with local government officials on the public expenditure process, civil society can exercise their role as advocates for reform and better governance.
- **Provide services of public interest:** Many CSOs working on development have specific technical and administrative skills that can be used during the PB process. CSOs can facilitate the PB process by mobilizing the community, moderating public meetings, and advising citizens and local governments on specific sectoral issues. CSOs often employ planners, architects, accountants, and social workers

who have a high level of knowledge and can contribute to the PB budget deliberations.

- **Reduce corruption and kick-backs:** The business community often supports PB because it promotes transparency and reduces corruption. This is quite important to local businesses as it allows contractors to bid in a more open and fair system. Contractors no longer pay kickbacks and bribes to ensure that their project will actually be funded and implemented.
- **Better use of taxes:** The members of the business community also benefit from PB since their national and local taxes are used more efficiently. Business associations find it in their interests to participate to lobby for specific development improvements. A neighborhood business association might want to have local streets paved or lighting installed, for example. Business associations generally organize their members to attend meetings to ensure that their needs are considered in the PB exercise.

2. Key Elements and Challenges of Participatory Budgeting

2.1. *Key Elements for Success*

Participatory Budgeting programs demonstrate the following common elements that have contributed to their success.

Commitment from government: Since the government is the driver and manager of a PB program, its commitment to participatory budgeting is of extreme importance. Political will is vital, particularly for building support among local councilors and other political actors who might feel threatened by citizen direct participation in local governance. Key staff, such as heads of departments and civil servants, should demonstrate high levels of commitment as PB requires their intensive involvement.

Shared decision-making: The government should grant decision-making power to its citizens. Limiting citizen involvement to a mere consultative role does not provide adequate incentive for participation. Citizens must feel that their priorities will be accepted and implemented.

Financial management capacity: The government should have adequate financial management capacity. Poor revenue forecasts and budget estimations can easily lead to unrealistic PB proposals. Before a local government starts to implement PB, it must have capacity to manage its finances.

Social communication capacity: Local government should be able to communicate effectively with the population. Local government can use different communications tools such as newsletters, leaflets, radio, and television. It could partner with local media to explain the PB program to a wide audience; and disseminate information on tax collection, available resources, and current expenditures.

Fiscal space: Adequate funding must be available through the local budget, allowing citizens to participate in meaningful deliberations and plan for new public works or projects. Local governments can implement PB even if they have a limited amount available for capital investments.

Civil society capacity: Although PB fosters civic engagement, mobilizing citizens can be a daunting task for local governments. Citizens need information and some capacity building to understand the budget; and have a meaningful dialogue with local government technical staff. Local CBOs and media can help mobilize citizens and build their knowledge.

Clear “rules of the game”: The PB process requires clear rules of the game. These rules outline the objectives of PB, the duties of each actor, the criteria for allocating resources and prioritizing investments, the calendar of PB activities, and criteria for electing citizen

representatives for the PB council. The rules also spell out guidelines for conflict resolution, consensus building, and citizen participation. Before the PB cycle begins, the rules must be agreed to by all stakeholders to limit misunderstandings and conflicts.

2.2 Challenges

This section sheds light on the challenges that could be avoided during the design and implementation of a PB program.

Participatory Budgeting varies considerably in design. Some governments use PB to engage citizens in a fairly modest manner. Some PB exercises start with limited citizen participation and evolve into more active citizen engagement. The table below illustrates the typical stages of participation which present different limitations and challenges.

Table 2.1. Typical Phases of Participation

Level	Type of participation	Outcomes
Basic	Consultation	Local government solicits public views, but do not necessarily consider those views in the final decision.
Intermediate	Token participation	Local government consults citizens but makes final decisions.
Advanced	Citizen empowerment	Citizens jointly make decisions with local government.

Source: Justus Mika, “The Conceptual Framework in Participatory Budgeting” (draft), p. 13.

The Albanian PB program experienced the following limitations and challenges.

Narrow scope: Initially, citizens are less interested in learning about their rights, the mandate of government, or broader social policies; and are more focused on obtaining a project or investment for their neighborhood. Delivering tangible goods and services to citizens is vital for building citizen trust and enthusiasm. However, when PB programs focus solely on this aspect, public learning and citizen empowerment are diminished. Civic education should be provided throughout the PB program to ensure wider learning.

Raising expectations: The local government staff must disclose accurate information about the budget and provide realistic revenue forecasts to citizens so that the PB process aligns with local fiscal realities. This is crucial in the Albanian context, as several donor-funded participatory activities have raised citizen expectations and not delivered. Disclosing accurate budgetary constraints to citizens also makes them aware of the fragile financial plight of their local government. Often resources barely cover operational costs, leaving limited room for investment.

Inclusion: Citizens may not be able to attend public meetings for a variety of reasons. Some locations may be difficult to access due to distance or security problems. Inadequate advertisement of events may result in citizens being unaware of upcoming meetings. Citizens may also be tired of participating in frequent meetings. A more extensive and targeted communications campaign could help avoid these problems.

Avoiding civil society co-optation: Local government may be tempted to co-opt the representatives of civil society to obtain political support in exchange for favors. The autonomy of civil society needs to be respected in order to preserve the integrity of the PB process.

Overextending government capacity: Government may not have enough resources and time to devote to the PB process. Civil servants are busy with their routine responsibilities. Without adequate motivation and incentives, civil servants will not participate in the PB meetings, which often take place after normal business hours. The local government needs to manage its human resources; otherwise it will not be able to allocate adequate staff to support the PB process.

Tension with elected representatives: Elected members of the local council may fear losing their citizen representative power. As the budget arrives in the local council with a substantial degree of popular legitimacy, some legislators may fear that their role in the budgeting process becomes a mere formality. Without broader political support, elected councilors may block the PB process.

Sustainability: A final limitation is lack of sustainability. Citizens have a tendency to abandon PB after their demands are met. Election periods usually undermine the quality of participation as discussions turn into political debates. Political changes in the administrations can potentially disrupt the PB process, particularly when the PB is used for pushing narrow political agendas.

3. Building Blocks of Participatory Budgeting

3.1 Common Features of the PB Cycle

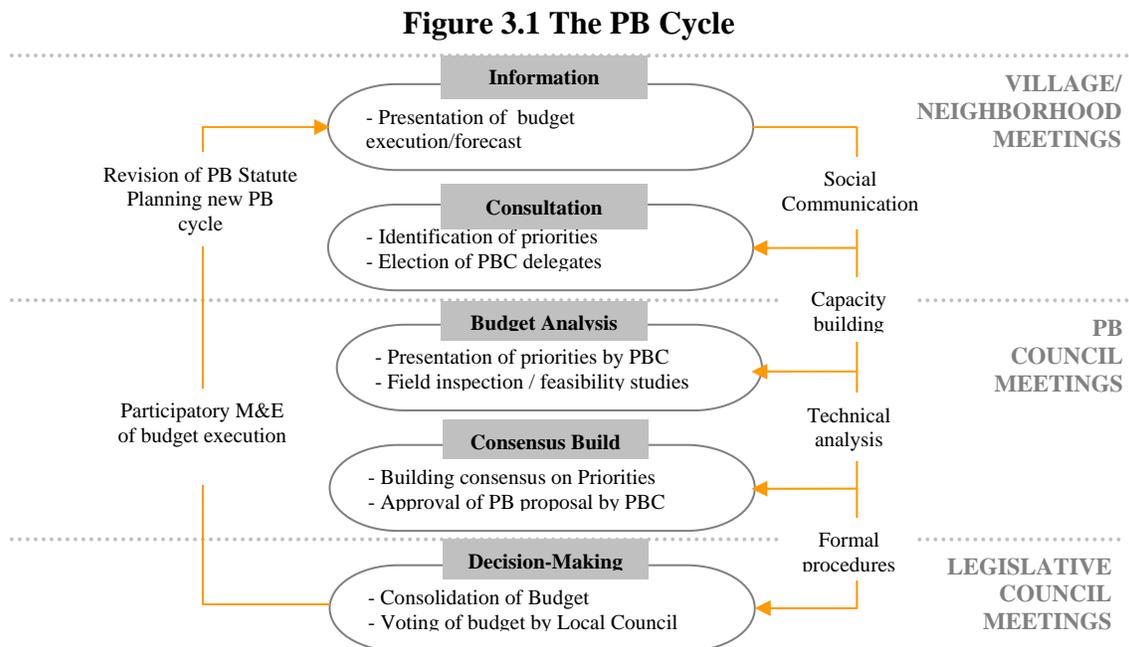
Although PB has no universal model many PB programs share common features such as:

- (a) Mechanisms of Participation,
- (b) A geographic structure that divides a jurisdiction into subdivisions,
- (c) A structure that allows stakeholders to plan for investments along sectoral dimensions,
- (d) Criteria for allocating resources and prioritizing investments,
- (e) PB statute or guidelines,
- (f) Public communication,
- (g) Capacity building for all the actors.

3.2 Mechanisms of Participation

Participatory Budgeting is a process of *direct, voluntary, and universal* citizen participation. All citizens, can participate independently of gender, age, or ethnicity. Citizens do not need to be part of civil society organizations, associations, unions, or political parties to qualify.

Participation mechanisms consist of different kinds of public meetings that are organized around the specific phases in the PB cycle, shown in Figure 3.1. These meetings have clear goals and objectives. They are briefly described below and are further elaborated upon in Chapter 4.



Village/Neighborhood Meetings: The PB cycle begins with meetings in each of the geographic sub-divisions. At the meetings, the local government introduces participatory budgeting and builds citizen interest. During these meetings, local government and citizens discuss the PB rules and procedures that will guide PB cycle. The local government provides citizens with figures on current budget execution and revenue forecasts. The local government also presents its own capital investment priorities. Prior to these meetings, community organizations meet citizens independently to raise awareness, and mobilize citizen participation for the whole PB cycle.

At a second round of meetings, each village/neighborhood discusses its own priorities. An experienced facilitator moderates the meetings to encourage active participation from all citizens. Once all needs are presented, citizens rank the priorities. Citizens also elect individuals to represent them in the Participatory Budgeting Council (PBC).

PBC delegates are elected from each village/neighborhood. Usually, two representatives are elected to represent each village/neighborhood to ensure that at least one delegate is present in all PB activities. To be eligible, the delegates typically need to meet a set of criteria. Eligible candidates should not hold a local government or local council position. Affirmative action measures can be introduced to encourage representation of vulnerable groups in the council. PBC delegates do not receive remuneration. They have to demonstrate neutrality and not push their own ideas. They would also need to commit considerable time to the PB process and make sure that they can attend all PB Council and village/neighborhood meetings.

Participatory Budgeting Council Meetings: The Participatory Budgeting Council is usually composed of an equal number of citizen elected delegates and government representatives. Citizen and government delegates present and discuss the different the investment needs. The PBC members carry out field visits (PB caravans) to inspect each priority and interview potential beneficiaries. The government carries out technical and financial feasibility studies for each proposal. In parallel, the PBC delegates participate in capacity building activities to become more familiar with public expenditure management, conflict resolution and consensus building skills.

Since local government resources are limited, PBC delegates spend a significant amount of time negotiating and building consensus on the priorities that will be funded. The final PB proposal is usually approved by consensus, but when a broad agreement is not reached, the PBC votes the final list of priorities. The final list of priorities is presented to the Mayor.

Legislative Council Meetings: After receiving the PB proposal, the local government finalizes the budget, integrating capital investments with current expenditures, operational & maintenance, and other budget costs. The Mayor submits the final budget to the local council which debates and approves the local government budget. PBC members attend the budget debate in the local council to oversee whether the final budget reflects the PBC deliberations.

Participatory M&E of Budget Execution: Once the budget is approved, the PBC establishes a special committee to oversee the execution of the budget. During this last

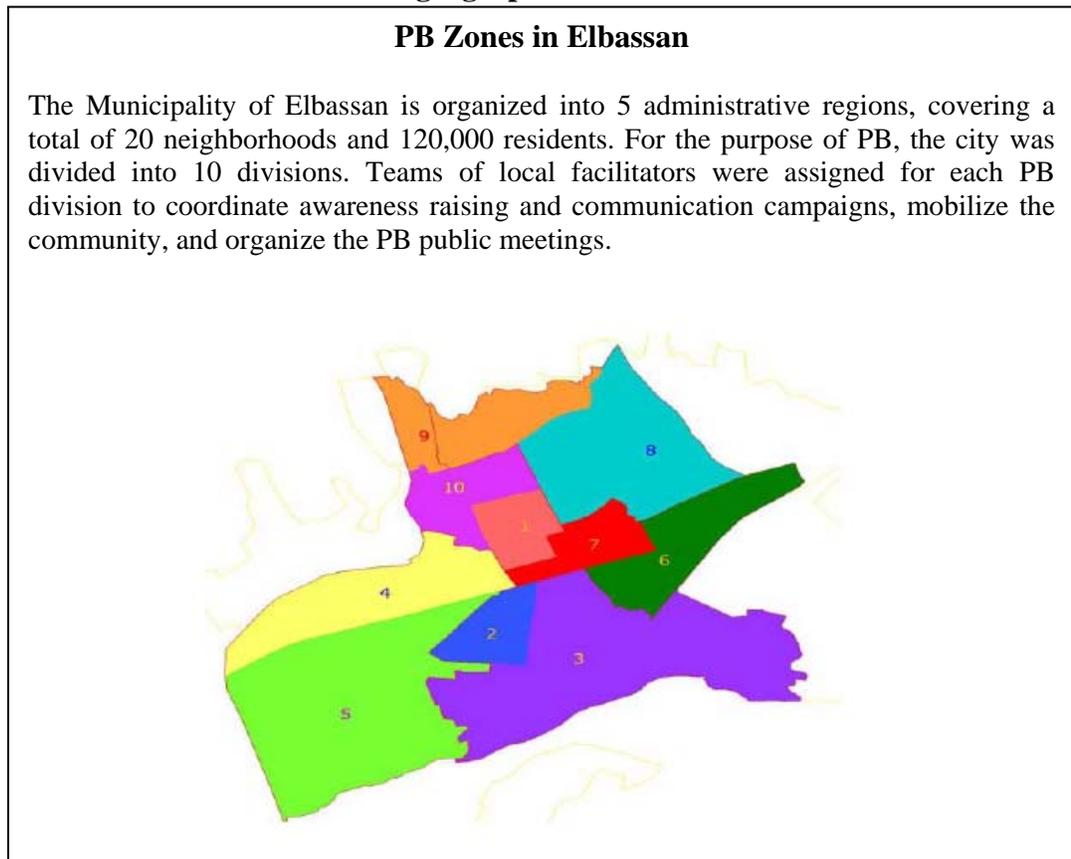
phase of the PB cycle, citizens oversee the procurement process (tendering, bidding, and contracting), monitor the actual execution of the public works, and evaluate the final quality of the works.

Revision of the PB Rules/Planning the New PB Cycle: Before starting the new PB cycle, the PBC meets again to assess and propose modifications to the PB rules of the game. Typical changes discussed include modifications to the calendar of public hearings, PB geographic sub-divisions, and resource allocation and prioritization criteria.

3.3 *The Geographic Structure*

The jurisdiction in which PB takes place is divided into geographic sub divisions that follow existing political boundaries such as villages or neighborhoods. This kind of division facilitates citizen direct participation as PB meetings are held in each village or neighborhood. It enables citizens to have better access to information and closer interaction with the local government staff. Since the geographic structure is used to plan investments, it helps target resources to underserved communities. It is also easier for citizens to monitor construction and maintain the public works in their geographic sub division. Citizens can help maintain local infrastructure, such as local roads, schools, and drainage. As a consequence, citizen participation tends to be greater when the geographic subdivision is well planned.

Box 3.1 below illustrates the geographic subdivisions of Elbassan



3.4 *The Sectoral Structure*

A sectoral structure is used to plan investments and services such as infrastructure, education, and health. Such a structure allows the PB process to take into account economies of scale, reduce overlaps in resource planning, and find ways to save costs. The sector-based dimensions usually follow pre-existing sectors of public management. Sector-based planning helps PB align with existing sectoral policies. In some cases, such as Elbassan, PB sectoral planning is aligned so that it complements the sectoral planning reflected in local development plans. This kind of coordinated planning helps align the annual budget to medium and long-term policy planning.

Usually citizens are more comfortable participating in PB discussions of their neighborhood, rather than in sector-based PB public hearings. However, civil society organizations, professional groups, and associations are better able to think along sector based dimensions, such as teachers-parents associations, local business groups and other similar groups.

Citizens also elect PB delegates for the PB Council to represent them in the PB activities. Citizens can elect PB delegates to represent their geographic sub division, and also represent a specific sector.

Sectoral planning divisions generally reflect local government priorities for a particular year and thus may change from year to year. To participate effectively in PB, citizens should be fully informed about the geographic and sectoral planning system.

Table 3.1 illustrates the benefits and challenges of Planning PB according to geographic structures and sectoral dimensions.

Table 3.1

Structure	Benefits	Challenges
Geographic	<ul style="list-style-type: none"> ▪ Budget can take into account needs of each village/neighborhood ▪ Budget priorities and tax contributions analyzed and planned per geographic unit ▪ Citizens are more motivated to participate in PB because they deliberate on priorities for their neighborhood ▪ Larger projects that benefit several neighborhoods can be discussed with citizens 	<ul style="list-style-type: none"> ▪ A budget that allocates investments for each geographic unit can become too fragmented; ▪ Investments planned for each geographic unit leads to small projects with limited impact; ▪ Tension between villages/neighborhoods that pay taxes and those that do not ▪ Excessive decentralization of administrative structure and functions ▪ Decreases opportunities for participation of larger interest groups and the private sector
Sector	<ul style="list-style-type: none"> ▪ Helps align short-term budget planning to medium- and long-term development planning ▪ Helps create economies of scale, reduction in costs in resource planning ▪ Helps create synergies between local priorities and specific regional and national sector policies ▪ Allows greater participation of specialized NGOs, interest groups, and the private sector 	<ul style="list-style-type: none"> ▪ Shift away from daily reality towards a more technocratic and relatively abstract discussion ▪ Decreased involvement of the poor and others due to more abstract discussion

3.5 Criteria for Allocating Resources

Local government needs to forecast the expected amount of resources to plan for potential investments. The local finance department identifies the percentage of current or capital revenues that will be available for the PB program. The amount of financial resources may vary, but they generally consist of unconditional central government transfers and resources from local taxes. Most current revenues are usually committed for the financing of recurrent expenditures (such as administration and operational costs). A proportion of capital revenues may be already committed for works in progress or earmarked for specific projects (conditional grants or loans), and, of course, these resources cannot be, in practice, available for PB. Consequently, a fixed percentage or pre-determined optimal proportion of the budget is not typically allocated for PB. It all depends on the specific financial circumstances of each local government, the political will of the municipality, and the pressure brought to bear by its citizens.

There are no predetermined criteria for assigning resources by sub-division or sector. Each local government should define such criteria jointly with citizens. The criteria are usually given different weight points. Common criteria include

- population,
- local priorities (i.e., housing, streets, education, health, sewage),
- unmet basic needs (i.e., water, electricity, or sanitation),
- the degree of citizen participation,
- the degree of tax evasion or arrears,
- investment rich or neglected considerations,
- impact of a project on the community as a whole, and,
- Impact on disadvantaged or vulnerable groups.

For example, if a specific jurisdiction decides to give 3 more points to unmet basic needs, and fewer points to population, then more resources would flow to communities with unmet basic needs, regardless of population density. Other jurisdictions may give more points to population, to allocate projects to the neighborhoods with bigger populations, hence achieving wider coverage and impact.

Figure 3.2 illustrates an example of a jurisdiction's allocation criteria for water resources. Working from a 1 to 4 point weight scale, (1 being lowest, 4 being highest in weight), this jurisdiction gave more points to populations with least access to basic services, and more points went to sector priorities (1st, 2nd or 3rd, priority according to citizens). Population density received fewer points. In this jurisdiction, Zone B receives the largest funds for water because only 10% of the population had access to water, and it was the most important priority for its citizens. The fact that it had the lowest population density did not significant affect the result.

Figure 3.2

Example of Water Resource Allocation	
Basic Criteria	Weight
1. Percentage of population with access to service	▪ 4
2. Population	▪ 1
3. Sector priority	▪ 2
<hr/>	
1. Percentage of population with access to service	Points
▪ 0 – 25%	▪ 4
▪ 26 – 50%	▪ 3
▪ 51 – 75%	▪ 2
▪ 76 – 100%	▪ 1
2. Population per PB “zone”	Points
▪ - 10,000 inhabitants	▪ 1
▪ 10,001 – 25,000 inhabitants	▪ 2
▪ 25,000 – and beyond	▪ 3
3. Sector Priorities	Points
▪ First Sector Priority	▪ 3
▪ Second Sector Priority	▪ 2
▪ Third Sector Priority	▪ 1
<hr/>	
PB Zone “A”	
▪ Access to water = 60% population = 2 points x 4 (weight) = 8	
▪ Population 20,000 inhabitants = 2 points x 1 (weight) = 2	
▪ Water = second priority = 2 points x 2 (weight) = 4	
<i>Sub-total = 8 x 2 x 4 = 64 points</i>	
PB Zone “B”	
▪ Access to water = 10% population = 4 points x 4 (weight) = 16	
▪ Population 5,000 inhabitants = 1 points x 1 (weight) = 1	
▪ Water = first priority = 3 points x 2 (weight) = 6	
<i>Sub-total = 16 x 1 x 6 = 96 points</i>	
PB Zone “C”	
▪ Access to water = 95% population = 1 points x 4 (weight) = 14	
▪ Population 12,000 inhabitants = 12 points x 1 (weight) = 2	
▪ Water = third priority = 1 points x 2 (weight) = 2	
<i>Sub-total = 14 x 2 x 2 = 56 points</i>	
<hr/>	
▪ Total resources available for water	10,000,000 Leks
▪ Sum of points (A+B+C)	216 points
▪ Resources allocated for water in zone A	$64/216 \times 10,000,000$ Leks =
▪ Resources allocated for water in zone B	$96/216 \times 10,000,000$ Leks
▪ Resources allocated for water in zone C	$56/216 \times 10,000,000$ Leks
<hr/>	

Some local governments link the allocation of resources per geographic division according to tax compliance. During the PB public hearings, tax compliance, current expenditures, and quality of public works are debated in order to improve overall financial management. Participatory Budgeting has helped some local governments improve tax compliance, as citizens see a direct incentive to pay their taxes if they receive capital investments in their neighborhoods.

3.6 *Prioritization criteria*

Each geographic zone will have competing investment priorities. These need to be ranked according to prioritization criteria. Such criteria involves issues of affordability, extent of the community support, alignment with established goals (i.e., in local development plans or sectoral priorities), “needs” versus “wants,” and relationship to other projects and activities. Box 3.2 describes the types of criteria that can be applied to rank competing investments.

Box. 3.2 Investment Prioritization Criteria

- Does the project support other community or economic goals?
- Does the project fit with the community’s long-term goals?
- Is the project a community need or a community “want”?
- If the project is a want, what is compelling about it?
- Will the project put any individual or group at a disadvantage?
- Can the community afford to maintain and operate the project after it is built?
- Is there strong support for the project in the community across factions?
- If this project is undertaken, will it be a duplication of other efforts?
- Does the community fully understand the project and its implications?
- Does the project resolve any compliance issues?
- What is the project’s internal rate of return as compared to that of other local projects?
- What is the project’s present value as compared to that of other local projects?

Other instruments that help create final priority rankings are:

PB caravans: Visits to each neighborhood or village to evaluate specific demands help the PBC members visualize the different levels of needs.

Technical feasibility studies: A technical feasibility study examines whether the demands of a project are technically feasible. It also sheds light on the project’s degree of complexity.

Financial feasibility studies: A financial study determines the estimated cost of each demand and whether the cost fits with the budget forecast.

3.7 *The PB Statute or Guidelines*

In Albania, the Decentralization Law specifically enables citizen participation and consultation in the local government budget process. Local governments should build upon this by approving a by-law or decree that outlines essential elements and principles for conducting PB. Detailed rules and procedures for PB should be spelled out in a statute or guideline. The government and citizens generally design a set of PB guidelines. These are discussed and agreed to by the stakeholders and distributed to the public. Anyone who wants to attend a PB meeting should be able to get a copy of the PB guidelines. They may be in the form of a booklet, memorandum of understanding, a social contract, or a statute or resolution of the local council.

While the set of rules may vary, they should spell out the following:

- The geographical subdivisions,
- The schedule and locations of all PB activities,
- Communication campaigns and the kind of information that will be provided to all stakeholders,
- A series of activities to sustain mobilization of participants and elected representatives of the PB council,
- Rules for public deliberation and negotiations,
- Descriptions and functions of all PB participatory mechanisms,
- Processes for managing conflict resolution,
- Criteria for allocating resources and prioritizing investment, (A formula to guarantee equitable distribution of resources is also considered. Jurisdictions with higher poverty, higher population, and less infrastructure typically receive a higher proportion of resources than better-off communities.)
- Criteria for electing the PB Council members,
- Mandate, roles, responsibilities of PB Council members, and
- Affirmative actions to empower vulnerable groups

The local government should select the specific local government department that will be responsible for managing the PB program. Usually, the development planning or finance department is the anchor. Sometimes the PB is housed in the department of social welfare to foster strong focus on social inclusion and poverty reduction. Sometimes the mayor's office takes over the management responsibility to ensure political leadership.

Although the PB may sit in a specific department, it is important that there is inter-departmental coordination, as all departments are affected by PB outcomes. The department heads should be kept well informed and, if possible, should participate in the PB council meetings to provide required information and to communicate department views on budget issues.

3.8 Local Capacity

Participatory Budgeting depends largely on the local capacity of local government and local civil society to engage in an informed and constructive dialogue, and prepare a local budget. A capacity-building strategy that transfers skills to the relevant PB stakeholders is essential. Training is a key component of such a strategy, and training modules should be developed for community leaders, PB elected delegates, NGOs, local councilors, and local government representatives from the departments of finance, revenue collection, local development, and social welfare.

Capacity building for citizens and their delegates: Training modules should cover the following topics:

- Skills to ensure active and meaningful participation during different stages and activities of the PB process,

- Knowledge of the complexity of local problems and how to formulate appropriate solutions,
- Understanding of budget procedures,
- Selection and prioritization criteria for projects for the PB cycle,
- Increased understanding of citizenship principles and values to enhance civic responsibilities, consensus, and solidarity, and
- Skills to Monitor tendering, bidding, and contracting.

Capacity building for local government staff and local councilors: The training modules for local officials should include the following topics:

- Current assignment of local functions and expenditure responsibilities of public goods and services,
- Expenditure control mechanisms, including expenditure efficiency indicators,
- Current assignment of local revenue sources, including local taxes, fee, user charges, and fiscal transfers and grants,
- Revenue forecasting methods and techniques, including revenue performance indicators,
- Current budgetary procedures for local governments on budget preparation and execution,
- Basic local government financial management skills,
- Conflict resolution and consensus-building skills, and,
- Entry points for citizen participation in the budget cycle.

Local government staff members also need to refine their communication skills. They need to be able to present citizens with accurate information, and also need to “hear” what citizens have to say. Local government staff managing public hearings need to set clear objectives, create an agenda, and set rules to facilitate effective public meetings. The local government should inform participants in advance about the dates, time, and venue of each PB event. Local government staff may also make use of surveys or opinion polls to gather citizen feedback about budget priorities, quality of services, and evaluate the PB process.

In Albania, the following tools are used to communicate with a wide audience. In rural areas, local governments do not have access to an organized local press, TV or radio. To disseminate information, they can use official newsletters, vehicles with loudspeakers, mailings, posters, leaflets, and meetings in common public areas such as schools. Larger municipalities and towns have more organized media, and can use TV, radio, the local press, in addition to the communications mechanisms above. The media plays an important role in this process. It serves to monitor public opinion, identify community attitudes toward various issues, discover and reveal citizen concerns, and build support for new investment decisions.

Capacity building for participants in Participatory Monitoring and Evaluation (PM&E): There are specific skills required for citizens to engage in tracking and monitoring of public works projects. Each community in each geographical division should create a monitoring and evaluation group. This group receives training on the following:

- Procedures for monitoring public works,
- Documents to be drafted by the work group,
- Guidelines on how to complete those documents, and
- Presentation of monitoring results.

During training, the M&E group should discuss what criteria it will use to evaluate investments. Detailed criteria should be specified in a training manual. An action plan should be prepared by the monitoring group. The action plan should describe the monitoring activities, tools to be used, specify the responsibilities of each person, and the schedules and deadlines for participatory monitoring and evaluation.

4. Implementing a PB Cycle

4.1 Phases of the PB Cycle

Active citizen participation is a key feature of Participatory Budgeting. The PB Cycle can be divided into two phases: (1) Budget Formulation; and (2) Budget Monitoring. In the first phase, citizens and local government participate in consultations through public meetings to exchange information, debate on ideas and local development priorities, and produce a budget proposal. In phase 2, citizens and government jointly monitor budget implementation and the execution of public works. Figure 4.1 maps out each phase, and figure 4.2 illustrates the key actors involved in each phase of the PB cycle.

Figure 4.1. Key Phases of the PB Cycle

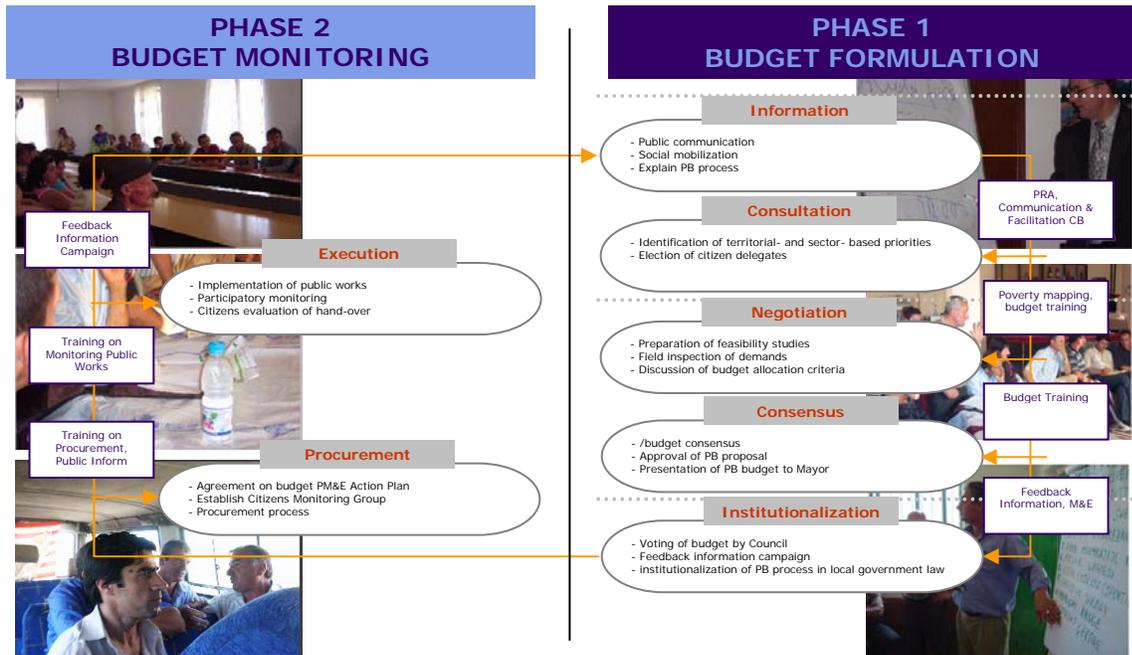
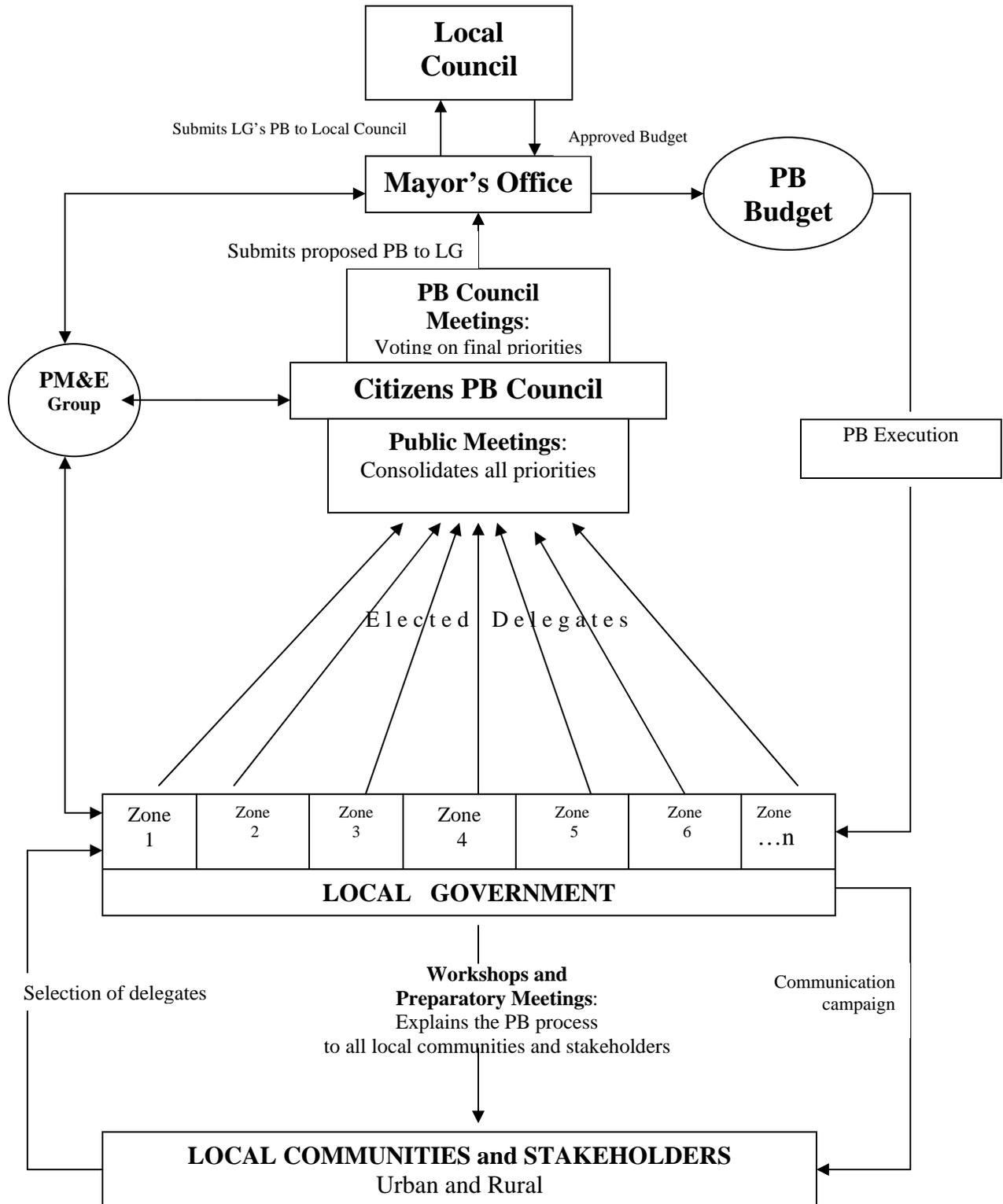


Figure 4.2. Key PB Actors and Their Interrelationships



4.2 Phase 1: Budget Formulation

Communications campaign. PB is launched through an extensive communications campaign, designed to disseminate information on the PB program and mobilize all stakeholders to participate in the activities.

The campaign is conducted by local government (often in partnership with local civil society). A variety of means are used to reach each family in a community. These means include information stands, open meetings, workshops, leaflets, newsletters, and posters or visual illustrations, and they are intended to provide information and encourage participation. The communications campaign should be conducted in places that are used for public gatherings such as community centers, town centers, main shops, primary and secondary schools, universities, and public libraries. All available media are used, including press-releases through leaflets, radio, television, and newspapers.

Facilitating community mobilization. Prior to the public meetings, the local government and community jointly select individuals to serve as facilitators. The facilitator's role should:

- Ensure the inclusion of the marginalized communities and vulnerable groups,
- Disseminate information to the community on next steps and progress,
- Organize and moderate community meetings,
- Produce reports and documents on meetings held, and,
- Maintain contacts with the local government on new developments and the progress of the PB process.

Training of local facilitators. Facilitators receive training to mobilize communities and moderate public meetings. Training of facilitators should focus on:

- The budget cycle,
- Facilitation and moderation,
- Communication techniques,
- Brainstorming techniques and prioritization, and
- Conflict resolution and problem solving.

4.2 Workshops and Preparatory Meetings for Local Government Staff

Local government department heads and councilors are typically briefed on the PB program prior to the implementation of the PB cycle. The workshop should cover the following:

- Presentation of the participatory budgeting program,
- Objectives, and operational details,
- Expected local impact,
- Activities to be undertaken before, during, and after implementation,

- The current budget forecast,
- Expected role of council members and local government department heads,
- Expected role of other key stakeholders,
- PB norms and procedures,
- Proposed geographic subdivision of the jurisdiction (and sectoral), and,
- The evaluation procedures.

At the end of the workshop, a detailed implementation plan should be prepared by the local government, agreed on by all stakeholders, and disseminated to the public.

Kick-off meetings. Once the implementation plan has been prepared, a kick off meeting should be scheduled. The agenda should include, among others, the following topics:

- Explanation of the main PB objectives and expected results,
- PB implementation time framework, including the budget cycle,
- Explanation of the main activities, such as communication and outreach campaigns,
- The geographical subdivisions,
- Schedules for the first public meetings for each zone, including agendas, times, and venues,
- Explanation of the roles and responsibilities of the main stakeholders in the PB cycle,
- Content of and schedule for training modules for stakeholders in key areas, and,
- Ground rules for the first public meetings.

4.3 Village/Neighborhood Meetings

Village or Neighborhood meetings take place in two rounds. At the meetings citizens, discuss prioritization criteria for selecting new investments. Communities often informally meet prior to these meetings to pre-identify new investment needs and projects.

The first village/neighborhood meetings are formally opened by the Mayor. Local council heads and relevant department directors often participate in these meetings. The agenda of the meeting is focused on:

- Creating ground rules for public meetings,
- Discussion of local issues and possible solutions,
- Update on local budget execution and presentation of a budget forecast,
- Possible new local investment opportunities and expected results,
- Criteria to prioritize local needs,
- Agenda for the second series of public meetings, and
- A schedule for all PB activities.

Local government staff members disseminate the following information to citizens at these meetings.

- ***The budget procedures and the calendar for the following year's budget cycle.*** This should be presented in a user friendly format that describes how local budgets are prepared, approved, and how it affects community members directly.
- ***Clearly defined entry points for citizen participation during the budget cycle.***
- ***The budget, including figures from the actual budget, the approved budget for the current year; and an estimated budget for the following year.*** It should be prepared in a user-friendly format so that it is clear to ordinary citizens.
- ***Information on local investment needs and actual investments.*** Each department provides information about its expenditures and current and future investment programs.
- ***Information about local revenue sources, unpaid taxes and user charges in arrears:*** This information must be provided by the local revenue collection department.
- ***Local operational structure.*** This includes distribution of responsibilities and the names of the department heads.

The second village/neighborhood meetings provide communities with the opportunity to identify and vote representatives to the Participatory Budgeting council. The elected representatives are typically members of the community and are responsible for representing their constituency in all PB activities and reporting back to their constituency on progress made. Ideally, two representatives (one woman and one man) are elected for each geographic sub division.

These meetings also provide citizens with an opportunity to propose local investment projects and develop a list of priorities. Citizens discuss and evaluate the priorities based on specific prioritization criteria.

Local NGOs and PB facilitators inform citizens about the PB process and mobilize citizens to attend these meetings, particularly members of vulnerable groups. CSOs and NGOs usually prepare a set of issues to table at the meetings. For example, parent-teacher associations may meet to agree a priori on certain priority investments for schools. Or, CSOs working with women could make sure that women will be present at the PB meetings to make their voices heard.

4.4 Participatory Budgeting Council Meetings

The PB Council discusses and analyzes the investments tabled at the village/neighborhood meetings. The PB Council may convene several times in to finalize the list of investments and projects. Short training or ice-breaking sessions help build negotiation and consensus-building skills.

First council meeting. At this meeting, citizens and local government delegates are officially presented. Each delegate has the opportunity to discuss community investment needs. During the first PBC meetings, delegates receive detailed information on the local government budget.

PB caravans. After a final list of priorities is approved, field visits are organized so that PB council representatives can evaluate first-hand the priorities identified by residents in each village/neighborhood. Field visits generally include members of the PBC, representatives from the local government and relevant members of local government departments. Field visits help participants to understand that other neighborhood priorities may be more urgent than in their own neighborhood. This is particularly important for building consensus. Most citizens consider this activity as one of the most meaningful, because citizens and their representatives start discussing issues as a group rather than as individuals. They begin to differentiate between indispensable and emerging priorities. The field visits help representatives to be more objective as they evaluate each location's list of priorities. Representatives from remote villages sometimes cannot participate in the field visits. It is critical that appropriate transportation and logistics are organized to ensure their participation.

Financial and technical feasibility studies. After the field visits, each investment undergoes a financial and technical feasibility study. A feasibility study includes financial and technical assessments, brief environmental impact evaluations, and social and economic impact analyses. Local governments prepare cost estimates of the infrastructure priorities and develop complete feasibility studies for every infrastructure project on the priority list. These studies may be carried out by the local government staff or they can be contracted out. The financial and technical feasibility study determines which priorities are viable and sustainable.

Finalizing the PB proposal. The PB Council reviews the technical and financial feasibility studies and determines final set of priorities for the budget proposal. At this meeting, the PBC delegates approve the final budget by voting or by consensus. Final priorities are selected according to predetermined criteria such as access to services, number of beneficiaries, poverty indicators, and the delegates own assessments during their field visits. The PBC members meet with the local finance or budget director to learn more about the local budget figures, planned operational expenditures, plans for funds for the investment programs, and the estimated revenue from project beneficiaries.

The local government prepares and disseminates an accurate estimate of the available capital revenue so that the budget is aligned with the actual fiscal resources. This task generally requires an examination of the following revenue sources:

- Local taxes and fees: some or most of these resources may already be committed for administrative and operational expenditures;
- Budgetary transfers from the central government: a portion of this revenue may be committed for recurrent expenditures and public works already under construction;
- Grants and contributions from other national or foreign authorities: some of these funds may already be earmarked for specific projects; and
- Beneficiary contributions for selected projects.

Once these revenue sources are evaluated against the list of priorities, the PB proposal is finalized by the PBC. The PBC delegates hold separate meetings in their own "constituencies" to communicate the contents of the final budget proposal.

4.5 *Approving the PB Proposal at the Local Council*

The proposed budget is subsequently submitted for review by the mayor and his staff. Once the mayor reviews the budget, the local government conducts open meetings to discuss the proposed budget with PBC delegates. Subsequently, the local finance department or budget director finalizes the budget and submits it to the local council for review, discussion, and approval.

The participatory budget should be easy for the ordinary citizens to read and understand. It should have an executive summary. It should meet all legal and budgetary requirements. The budget should contain the mayor's budget message. This message is essentially a report describing what the budget is expected to achieve, the main issues that the local council should take into account, and the changes between the proposed and the existing budget. The message explains the basis on which the budget prepared, such as community participation, special contributions, revenue forecasts, and the final selection of priority projects by PBC delegates.

The budget should be distributed to every council member and to every local council delegate for review and evaluation. Subsequently, the budget commission should schedule budget discussions and public hearings within the given timeframe of the agreed-on budget cycle. The local council should then debate and discuss the budget in an open session. During the budget revision phase, commission members, councilors, and citizen delegates will be able to ask the local government technical for clarifications. These discussions can lead to requests for changes, which should be incorporated into the proposed budget by the local government.

Councilors debate the budget with the mayor and the local technical staff. PBC delegates attend the budget deliberations. After the approval of the annual budget, the local government conducts a communications campaign to inform citizens about the final outcome and discuss the final allocation of PB priorities.

4.6 *Phase 2: Participatory Monitoring and Evaluating (PM&E)*

The second phase of the PB cycle consists of citizen and government monitoring of budget execution and implementation of public works and projects. Unforeseen budget cuts, poor revenue forecasts, and corruption can affect the percentage of the budget that is actually executed. It becomes critical; as a result, that citizens and government closely monitor budget execution to ensure that the budget is implemented according to the law.

Participatory monitoring and evaluation yields the greatest results when stakeholders have the opportunity to discuss and plan the PM&E from the outset. The evaluation should take into consideration the project's impact on the community, on its quality of life, ability to mobilize resources, distribution of income, self-reliance, and environmental and natural resource conservation.

PM&E should evaluate projects according to the following principles:

- **Responsiveness:** Objectives are met according to the priorities of all stakeholders;
- **Transparency:** Clarity and openness characterizes all activities and processes;
- **Accountability:** Actors are held responsible for their roles by their constituents; and
- **Equity:** Costs and benefits are distributed as equally as possible among the stakeholders.

Composition of the Participatory Monitoring & Evaluation Group. A PM&E program is carried out by local volunteers in collaboration with local government experts. A PM&E program may be initiated and led either by the local government or by an NGO seeking to gather data for advocacy or research purposes. Other potential partners may include funding organizations, universities, and associations. Funding organizations are sometimes eager to participate in PM&E as they have the opportunity to screen how monitoring programs are carried out.

Scope of PM&E. PM&E should examine the following:

- The existence of funding for the project (from all relevant sources such as the state budget transfers, own local revenues, contributions from the community, and donors),
- Achievement of desired objectives,
- Inclusion of priority projects,
- Main contractual agreements,
- Compliance with procurement procedures,
- Timeliness in implementing projects,
- Project cost before and after the completion of the project,
- Quality of service, and
- Deviations from the participatory budgeting process.

Implementation of PM&E. The main activities for implementation of PM&E are described below:

Identify projects to monitor: If possible, all budgeted projects should be monitored. The PB council member from each geographical sub division and a local government staff should identify the projects to be monitored in each geographical sub division.

Establish monitoring groups: To conduct the PM&E activities, a monitoring group (PM&E group) is created in each geographical sub division. The group members are elected by the community or nominated by the PB council. The monitoring group works in coordination with the relevant local government departments and the contractor responsible for project implementation. The criteria for selecting and electing the monitoring group may include the following:

- Knowledge about administrative, financial, and social issues,
- Representation of all geographical areas impacted by the project,

- Representation of all social groups (gender, age, cultural or ethnic group), and
- Demonstrated commitment in participating in community affairs.

Build capacity of the monitoring group: A series of training sessions are typically conducted for the monitoring group members to provide them with adequate skills. The local government usually provides the training or partners with a CSO for the training. Training topics include monitoring procurement, inspection and evaluation of public works implementation, and inspection and evaluation during the warranty period of public works.

The PM&E group typically examines whether approved projects have been implemented as planned. If problems occurred, the PM&E group recommends solutions. It plays an important role in ensuring that activities are performed on schedule, within the allocated budget, and that outputs and outcomes correspond to project objectives.

The PM&E group evaluates the impact of changes (planned and unplanned) of project outputs and outcomes, their effects on potential beneficiaries, and extent of benefits derived from such changes.

Monitoring procurement. In order for the monitoring group to perform its job during the procurement phase, it must receive the rules, legal procedures, and construction timetable for each project. The local government prepares a set of relevant documents (bidding, selection of winner, contracting, guarantees, timetable, etc) for each public works project. This material should also be available to the monitoring group to review before the procurement process starts. The monitoring group observes:

- Local government impartiality in the selection procedure of contractors,
- Budgetary appropriations and actual commitments,
- Contract consistency with project specifications,
- Cost efficiency (quality of the product vis-à-vis its unit cost), and
- The intended beneficiaries versus those actuality benefiting.

At the end of the procurement process, the monitoring group briefs the community on their findings. The group also documents its findings in a report, and disseminates it to the local government staff.

Inspection and evaluation. Close communication with local government authorities should be established during project implementation so that the local government can act immediately on any irregularities. The monitoring instruments and tools to be used during this phase should be user-friendly so that ordinary citizens can apply them. The monitoring members of each geographic unit should carry out inspections during project initiation, implementation, and completion.

Project Initiation

- The monitoring group should check if the project started as planned. If there were delays, the group reports the reasons for the delay to the local government so that they can take immediate action.
- The group should observe any increases or reduction in costs and report reasons for any changes.
- The group should report any deviations from the project’s physical specifications.

Project Implementation

The monitoring group should conduct:

- Field visits to the locations in which the projects are taking place;
- Data collection for measuring progress and evaluating indicators;
- Inspection and analysis of technical, and administrative documents; and
- Inspection of legal documents such as contracts, amendments to the contracts, procedures for approving changes, agreements on the starting and completion dates of the project, agreements revoking the project, and reasons for revocation.

If resources are available, the group can carry out public household surveys to measure citizens satisfaction with public works and services delivered.

The group should document its findings in progress and final reports.

Sample Monitoring and Evaluation Matrix

Project	Planned according to specifications	Difference between planned and actual	Reasons for changes	Compliance with PB budget	Evaluation of local government performance with legal obligations
Time					
Cost					
Quality					
Process					

The evaluators should consider three main technical factors when monitoring infrastructure projects.

Timing, physical evaluation, and transfer. PM&E groups should monitor the following:

- Determine progress of construction;
 - Observe compliance with the schedule in the contract;
 - Conduct physical evaluation after completion of works; and
 - Verify successful transfer of project to the entity responsible for its operation.
- ***Budget evaluation.*** The PM&E group should determine if the project has expended its allotted financial resources, or has run a deficit. All financial contributions received should also be verified as part of the overall budget evaluation.
 - ***Social evaluation.*** The PM&E group should determine whether the project actually provides the intended services for which it was commissioned.

Project Completion

Inspection and evaluation during the warranty period: The warranty time limit should be specified in the contract between the local government and the contractor. The PM&E group should examine all of the project’s physical components and verify that they are in working order during the warranty period. Any detected problems should be communicated to the local government and the community to ensure that corrections or improvements are made before the end of the warranty period.

The PM&E group prepares and submits a final evaluation report to the local government and the PB council, and the PB council members report the findings to its communities.

5. Lessons Learned from PB Pilots in Albania

5.1 *The Implementation Process*

The communities and the local governments that implemented PB, consider the PB program to be fairly successful. Key outcomes of the implementation process may be summarized as follows:

- Citizens in the pilot local government units became aware of the principles of local budget formulation and execution. During the second year, attendance at the meetings grew and was characterized by increasingly active participation.
- PB implementation has played a significant role in building the skills and accountability of many local government administrative and technical staff and council members. Budget preparation procedures have improved dramatically in all pilot locations. .
- By taking part in budget discussions and developing a budget, the community felt empowered and has a new sense of ownership of its local development..
- For the first time, local government and council members involved in budget formulation made a more holistic analysis of investment options. They tried to manage scarce financial resources, with a view to address the most urgent needs and target disadvantaged groups.
- Local government transparency accountability increased, as citizens received easy to read information which demystified the budgeting process. As a result, citizens have better understanding of local government functions, revenue sources, and budgetary limitations.

5.2 *Achievements and Challenges*

Achievements. PB had a tangible impact on improving the quality of life of the pilot communities. Services have significantly improved in Prrenjas; administrative costs have been substantially reduced in Baldushk; and local investments have increased in all three local governments. Several improvements in local government management were also achieved. These are described below:

Increased revenue capacity: There was an increase in LG revenue during the period of the implementation of the pilots. Although different exogenous factors affected local revenue, particularly the tax reforms implemented during the period, local governments have actively sought to increase resource mobilization through taxable and non-taxable sources to address citizen investment priorities. The PB public meetings provided citizens and local governments with an opportunity to address local tax and services fee issues.

Local government and citizens openly discussed the problem of uneven tax compliance and communities were better informed about the link between tax compliance and increased investments. Local revenues increased in 2005 in all locations, although not uniformly. In the Baldushk commune, local revenues increased by 63 percent, in Kashar they increased by 42 percent and in Prrenjias by 6 percent. Local Governments have been successful in mobilizing non-monetary resources from local communities, such as land, equipment, and labor for PB projects. In Baldushk, for example, farmers agreed to contribute private land to build roads.

Better efficiency in public resource management: Local governments have improved budget execution efficiency particularly in purchase of goods and contracts. During the PB meetings, mayors presented copies of purchase lists, which showed significant reduction in operational costs. For example, in Baldushk costs were reduced by 40 to 50 percent. Citizen group monitoring of the procurement process significantly increased transparency in procurement processes, which is one of the most problematic areas of the financial fiduciary system in Albania.

Improved quality of public works: The creation of citizen's budget monitoring groups improved the quality of public investments and infrastructure maintenance. In Baldushk, for example, the local government constructed a small health clinic in a remote village with savings from a road project that was identified as a result of the PB process. During the procurement procedures, the monitoring groups unveiled an over-costing error of USD \$15,000 which was allocated to cover the construction of the health clinic. In some cases, quality of the construction also improved as citizens requested contractors to re-do unsatisfactory work. Citizens were also involved in the maintenance of new irrigation and drainage infrastructure. Citizen monitoring groups also helped resolve implementation problems such as removal of illegal construction blocking road improvements.

Inclusion of vulnerable groups: For the first time, isolated rural communities in Prrenjias and rural migrants in Kashar directly participated in local public hearings and have seen their priorities included in the final budget. These groups do not have a strong political voice, and, in the past, they have been discriminated against in the allocation of budget resources. Women were less present in the budget formulation phase, but became more active in budget monitoring phase.

Improved budget targeting: Resource allocation and investment prioritization mechanisms in the PB process have helped the local governments to align investments with citizen priorities more effectively. They have also served as an effective way to monitor development progress. Poverty maps were used to prioritize resources and monitor development outcomes. They tried to manage scarce financial resources with a view to address citizens' priorities. Poverty maps were used to help targeting most disadvantaged groups and areas (neighborhoods/villages) with the greatest unmet services. For the first time, the local government and council members discussed with the local population on how to allocate capital investments. In Kashar, Prrenjias, and Baldushk investments prioritized through the PB process were fully incorporated in the final budget matrix submitted by the mayors, and subsequently approved by the local

councils. In Elbassan, the PB Council agreed to also incorporate the capital investment priorities defined in the Elbassan City Development Strategy (CDS). This allowed the integration of two participation planning processes (PB and CDS), thus balancing short-term needs with long term strategic investments.

Enhanced local governance: Citizens highlighted the importance of PB as a vehicle for citizens to exercise their civic rights, increase their awareness, and improve local government responsiveness. Several of these testimonies were documented and disseminated by the local media. Mayors stated that the PB process has facilitated their job. Mayors noted that citizens now have a more open and organized method for articulating their needs, which replaces the usual practice of lobbying for individual interests. As stated by one of the mayors: “The doors of the local governments have been opened to the population, thus citizens can be the main actors in governance.” The mayors have also argued that PB helped facilitate the budget approval process, even in areas where local politics have negatively influenced the budget process. They noted that PB is also an excellent mechanism for fighting citizen perception of corruption, which has been a main concern for the citizens.

Sustainability and Institutionalization: PB has been institutionalized in local government practices through the PB statute, a self-regulating mechanism developed by the PB Councils. Elbassan has taken a further step, by passing an organic law that adopted participatory budgeting and allocated budget resources to support the PB process annually.

Challenges. Some of the main challenges of the PB process in Albania had to do with the scarcity of resources, and the uneven commitment by some members of local government and local councils. These specific challenges were foreseen. Both local government staff and councilors share the greatest risk in participating in the PB process. They need to relinquish a share of their decision-making power to their communities, and this process often takes time. For the local government staff, it may imply wide cultural changes.

Local political economy: Probably, the greatest challenge faced in PB is related to the way local politics operate. Some elected local councilors find the PB process threatening and fear losing their representative authority and power. In one specific case, members of the ruling party pressured the mayor to invest in specific constituencies before the national elections, rather than on citizen priorities. So far, such pressures have failed due to the strong commitment of mayors to respect the PB process. “Champion” councilors have also played a fundamental role in winning over their peers. These champions have argued that the PB process is only a mechanism for citizens to propose budget priorities to the local council, and therefore it does not undermine the mandate of elected representatives.

Unfinished agenda on the fiscal decentralization framework: Despite the recent reforms, the current legal and regulatory decentralization framework continue to present unresolved issues which affect the capacity of LGU to prepare and execute their budgets. Firstly, local government budgets are largely prepared on an incremental basis, rather

than with resources allocated strategically in order to meet Government policy priorities. The initiative of preparing strategic sector budgets with bottom-up costings within an overall resource framework, as part of the central MTEF budget process, has not yet been implemented by local governments. Secondly, local governments unnecessarily prepare two (rather than one) detailed budgets each year. The MoF requests information in August on local governments' broad, indicative budget parameters, rather than require local governments to prepare detailed budgets in the middle of the year. Thirdly, the timetable for preparation of local budgets does not meet good public financial management principles. In practice, local governments do not obtain final approval of their budgets until the end of March or even into April. Until that date, local governments are constrained by instructions to spend no more than one-twelfth of own revenues and the unconditional grant of the past year. This means that the local fiscal year extends only over eight not twelve months. These practices, instituted at the national, not local level, raise serious questions about accountability for expenditures attributed to local governments but not reflected in the budget until after the fact. Finally, the lack of appropriate monitoring and reporting on expenditures potentially undermines appropriate accountability for the use of resources. Weaknesses in budgetary reporting hamper local (and central) government's ability to monitor the achievement of its budgetary aims.

Government capacity: Local governments demonstrated limited capacity in budget processes. They also had a narrow understanding of their own mandates. Information about current budget expenditures and estimates were not initially available either. Technical staff and laymen demonstrated limited technical capacity to absorb and manage budget information. While on-going training local government staff became an integral part of the project implementation, local government staff could benefit from additional training in local finance.

Managing expectations: Local governments in some locations are already beginning to use their own revenues to implement projects outlined by the PB process. However, the government failed to communicate this to the community. As a result, citizens were unaware of the fact that government has taken their participation seriously and into consideration. Likewise, since expectations of the citizens are quite elevated, it is urgent that the governments share success stories, even if those initiatives are modest. The government needs to manage expectations by being transparent and open about what it can achieve. This is critical so that citizens do not become disillusioned with the process.

5.3 *Lessons and Recommendations*

Several important lessons were learned from direct observation and from citizen and local government feedback. These lessons should, of course, be considered by those wishing to invest in participatory budgeting. The main lessons learned from the two-year experience were the following:

- Commitment and leadership to delegate responsibilities and involve citizens in decision-making in all PB phases is critical. Old forms of paternalism and monopoly in decision-making have created obstacles for PB implementation.
- One of the most important lessons of the PB process was the need to establish the “rules of the game” early on. PB rules should be discussed and agreed to by all the key stakeholders and distributed to the public in the first year. Although this obligation was defined in the Memorandum of Understanding (signed by all participating local governments), the rules were not made public to the community until later in the PB process.
- The involvement of local councilors in the earlier stages of budget preparation helped gain their “buy in” and helped ensure a less contentious budget debate during the local council budget meetings.
- Local governments do not need to invest in substantial extra costs to implement a PB program, but need to allocate a significant amount staff members time to implement the program.
- Local government need to be able to communicate effectively with citizens. However, such skills may not be easily available and training may be required in this regard.
- Social communication campaigns are easier to implement when local CSOs participate in promoting the PB process.
- Members of the monitoring group should be sure they have enough time to allocate to monitoring activities. In this respect, training a larger number of monitors (than required) helps a sustainable monitoring process.
- Community involvement in procurement procedures was very effective in ensuring local government compliance of legal procedures for bidding and tendering.
- The monitoring group turned out to be fairly effective in enhancing communication between the local government specialists and contractors. The monitoring group was able to give local government staff rapid updates on implementation and related obstacles, which enabled the local government to take quick action to resolve problems.
- Field visits (“caravans”) were fairly expensive. Local governments should seek financial and technical assistance from CSOs and other groups to ensure cost-efficiency.
- The role of facilitator is a novelty for Albanian society especially in rural areas. This role was introduced for the first time by the pilot program, and given

appropriate attention; this role could be institutionalized as a new instrument to improve community organization, especially among vulnerable groups.

- Albania suffers from a high level of poverty and social vulnerability. About a quarter of the falls below the official poverty line. Policy makers and development practitioners need to find ways engage this constituency in a more meaningful manner. Participatory Budgeting is a mechanism that has been successfully tested in Albania to address the exclusion of this group and make real gains in improving local governance. Successful replication of such a methodology beyond a pilot can help the poor to participate more effectively in local development.
- PB offered an opportunity for enabling cooperation between donors. At the macro-level, the continued dialogue with key donors engaged in local governance helped in sharing experiences and keeping each stakeholder better informed to avoid duplications. At the operational level, the implementation of PBP in Elbassan was carefully coordinated with the implementation of EGUG, a project funded by the Dutch Embassy

5.4 Conclusions

The piloting of participatory budgeting in the municipalities of Elbassan and Kashar, and communes of Baldushk and Prrenjash demonstrate that the basic legal and fiscal environments for promoting and scaling-up PB in Albania already exist. The experience in these four LGUs has shown that participatory budgeting is very significant as a participatory mechanism as it has clear incentives for citizens, local government, and local councilors. Furthermore, PB produces tangible impacts as it is linked to existing resources, rather than to abstract long-term development planning. Above all, PB, by enabling LGUs to manage scarce public resource in a more transparent, efficient, and socially responsive manner can build citizen trust in local level authorities and “good governance”.

It is evident that governance is perceived today as a sine qua non for sustainable social and economic development and this shift to more inclusive governance structures while engendering more complexity in managing the process of development, provides on the other hand, increased opportunity for the delivery of infrastructure and basic services to the poor. However the viability of decentralization that underpins the PB exercise also requires the development of dynamic and transparent relations between the central government, local governments and the civil society. It first of all requires a transfer of competencies supported by the mobilization of the necessary financial and human resources. Secondly, local governments must be equipped with specific tools and endowed with the capacity to fulfill their newly devolved responsibilities. Last but not the least, local governments should be able to pursue a broad social dialogue with its citizens for the definition of the levels and kinds of services required.

The Albania experience has shown that the principles and values of public participation are embedded in the Law on Local Government Functioning to guarantee democracy and transparency at local level. It provides the basic protocols for public information disclosure and

public hearings on local government decision-making processes. In Albania as in many countries globally, national legislations incorporate the principles of direct participation of the citizenry. This approach creates the basic enabling environment for citizens to participate more actively in local governance structures thereby empowering civil society to hold those in power accountable. Separate and detailed legislation on public participation is not required to replicate the pilot elsewhere in Albania.

However, more work needs to be done in the delineation of mandates of the different levels of government and in increasing the predictability of inter-governmental transfers. The PBP was, in this respect, easier to implement in Elbassan, as large municipalities can rely more on their own revenues to cover a wide range of activities, while smaller LGUs are mostly dependent on transfers that often barely cover their minimum operational expenses. Therefore, a well-delineated and predictable inter-governmental transfer system will not only positively influence the quality of public services but also improve the capacity of LGUs to be more accountable to their citizens.

The PB pilot in Albania has shown that it has contributed to good governance by fostering greater transparency, more accountability and enhanced legitimacy. Clearly, other benefits have included evidence-based policy and planning, need-based allocation of resources, tapping of new ideas, information and resources, risk management through increased public vigilance, building trust in government institutions and developing citizenship and civic capacity. Going beyond ‘opportunistic’ collaboration, these inclusive participatory models should become a governance norm for all public institutions. The way forward should include attempts to empower civil societies, build their capacities for citizen-based dialoguing for policy change, and introduce methodologies of citizen-based monitoring of service delivery.

Ultimately, it is the success of these pilot experiences and the efforts of key stakeholders (national CSOs, the Government of Albania and champion mayors) to disseminate the PBP lessons and support national wide capacity building which will enable replicating PB in Albania. Important municipalities such as Durres and Fier have already expressed interest in adopting participatory budgeting. It is not possible, however, to expect a fast scale-up process. The dissemination of the results from the PBP will help to change the mind-sets of local leaders who will be able to identify clear benefits from citizen’s participation in local government planning and budgeting, replacing gradually the traditional forms of local politics characterized by patronage, clientelism, and lack of transparency. In this respect, this Toolkit can be instrumental as a reference for other local governments interested in implementing participatory budgeting.

6. Knowledge Resources

TRAINING MATERIALS

Distant Learning Courses

The World Bank Institute's, Community Empowerment & Social Inclusion (CESI) Program
<http://vle.worldbank.org/gdln/cesilac.htm>

Video-Session "Porto Alegre: An Interesting Example" (English/Spanish)

<http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/CESILPROGRAM/0,,contentMDK:20291807~pagePK:64156158~piPK:64152884~theSitePK:459661,00.html>

Seminar and Workshop Presentations

Participatory Budgeting in Brazil and Implications for Local Governance Projects
<http://www.worldbank.org/participation/ParticipatoryBudgetingBrazil.pdf>

Participatory Municipal Planning & Budgeting – Country Design and Implementation Experiences.
International Conference on Local Development, The World Bank, 2004
http://www1.worldbank.org/sp/ldconference/PS1_S5.asp

Participatory Budgeting Workshop in Bosnia and Herzegovina, February 2005
<http://vle.worldbank.org/gdln/bosnialocalgovernance/>

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LINKS TO RELEVANT ORGANIZATIONS/WEBPAGES

Links to World Bank Sites

World Bank Participation and Civic Engagement Group

<http://www.worldbank.org/participation/participation/participation.htm>

World Bank Institute's Community Empowerment & Social Inclusion Learning

<http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/CESILPROGRAM/0,,menuPK:459702~pagePK:64156143~piPK:64154155~theSitePK:459661,00.html>

Community of Practice on Social Accountability (COPSA)

<http://Inweb18.worldbank.org/ESSD/sdvext.nsf/66ByDocName/SocialAccountabilityCommunityofPracticeonSocialAccountabilityCOPSA>

World Bank Public Expenditure Group (PREM)

<http://www1.worldbank.org/publicsector/pe/index.cfm>

Links to External Organizations

PGU-LAC Collection of Resources on Participatory Budgeting

<http://www.pgualc.org/index.php?sv=1&category=Presupuesto%20Participativo&title=Catálogo%20de%20Recursos>

The Global Campaign of Governance UN-HABITAT

<http://www.unhabitat.org/campaigns/governance/>

DFID Participatory Budgeting

http://www.ucl.ac.uk/dpu-projects/drivers_urb_change/urb_governance/participatory_budgeting.htm#city

Children Participatory Budgeting, UNICEF

http://www.childfriendlycities.org/resources/block_6.html

International Budget Organization

<http://www.internationalbudget.org>

Participatory Budgeting Project - Goethe Institute Porto Alegre

<http://www.goethe.de/br/poa/buerg/en/framebag.htm>

Democratic and Participatory Governance, Human Development Resource Net

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