

## ***What is participatory budgeting?***

***Participatory budgeting (PB) is a mechanism of local government, which brings local communities closer to the decision-making process around the public budget.***

It is a flexible process, which has been implemented in varying forms across cities of all sizes, within Brazil and beyond. It works to enhance participation in local democracy whilst improving community cohesion and ensuring the delivery of cost-effective local services. It has achieved recognition by the UK's own Department for International Development (DFID), the World Bank, the UN, UNESCO and others for its transparency and effectiveness, and is widely used as a model of good practise in local governance.

Some of its main features include:

- A clearly defined geographical structure, complementing political boundaries, which facilitates decision-making and service delivery.
- The development of well supported, popular city-wide meetings and debates, to involve local communities in discussion on thematic issues (transport, education, waste disposal etc.), to decide strategic priorities, develop actions plans and evaluate and monitor on-going activity, in a manner which complements existing representative democratic structures.
- A widely understood Annual Cycle which provides a framework for participation, planning and implementation, not only for the local authorities but also to facilitate local involvement.
- A network of support agencies involved in local capacity-building and the communication and promotion of policy information and practice.
- A budget matrix, which processes local priorities into a comprehensive table to inform expenditure across the city and across established themes.

Local authorities in Brazil face similar limitations on their tax-raising powers to those in the UK. But where PB has been successfully established for a number of years tax receipts have increased along with social improvements, and the transparency of the process has become an important factor in widening its scope and acceptance of the PB process. The amount of the public budget apportioned by PB varies from city to city. Typically it represents under 5% of the annual revenue budget of the city though this has grown significantly in some cases. Significant is that participants commonly debate only new investment, not already committed or statutory defined expenditure.

So some of the clear benefits of PB can be summarised as:

- Enhancement of community participation in local decision-making, reducing the so-called 'democratic deficit';
- A better focus on issues of social exclusion and neighbourhood renewal, bringing clear improvements to some of the poorest neighbourhoods;
- Cost-efficiency improvements in service delivery over time.