PARTICIPATORY
BUDGETING IN AFRICA
A TRAINING COMPANION

With cases from eastern and southern Africa

UN-HABITAT

MDP

Participatory Budgeting in Africa:

A Training Companion with cases from eastern and southern Africa

Volume II: Facilitation Methods

Foreword

Participatory budgeting is emerging as an innovative urban management practice with excellent potential to promote principles of good urban governance. Indeed, participatory budgeting can yield many benefits to local government and civil society alike. It can improve transparency in municipal expenditures and stimulate citizens' involvement in decision-making over public resources. It can redirect municipal investment toward basic infrastructure for poorer neighbourhoods. It can strengthen social networks and help mediate differences between elected leaders and civil society groups.

By broadening and deepening citizen participation in the allocation of public resources, participatory budgeting appears as a positive process for the construction of inclusive cities, where those who are traditionally marginalized are breaking out of the cycle of exclusion. Participatory budgeting can thus become an important tool in the democratization of cities. The practice has expanded from its Latin-American roots and an increasing number of cities worldwide are now adopting it with many local variations.
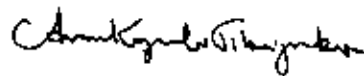
In Africa, participatory budgeting is rapidly gaining attention from governments, civil society, and international development agencies as an innovative platform for strengthening citizens' voice in budgetary processes and in the delivery of public goods and services. It is increasingly recognized that participatory budgeting is not only an effective mechanism for African cities to improve targeting of public resources to the poor, but also a new tool, in support of decentralization and social accountability.

In response to increasing requests from African cities, UN-HABITAT, in partnership with Environnement et Développement du Tiers-Monde ENDA-Ecopop (Senegal), the Municipal Development Partnership for Eastern and Southern Africa (Zimbabwe), and El Centro Internacional de Gestión Urbana (Ecuador), is working toward building the capacity of local governments in Africa for the introduction and application of participatory budgeting.

This Training Companion is one of the results of this interregional collaboration. It is based on concepts and illustrative examples from African cities that recently initiated participatory budgeting. Considering the diversity of subregional settings, two versions of the Companion are published, one each for English- and French-speaking Africa. The Companion provides visibility and resonance to the efforts that have been made by many anonymous women and men of Latin America to improve democracy and construct participatory governance in their own cities. The interregional collaboration in the preparation of this Companion has also generated a process of mutual learning across language groups and regions in Africa as well as in Latin America. The inputs of the various institutions, including sensitization events and pilot workshops, underscore the multiple ownership of the publication.

I hope this Training Companion will serve as a source of inspiration for those decision-makers and urban managers who are committed to introduce participatory budgeting in African municipalities as a tool for innovative local governance. We welcome your views on how to improve this manual including lessons and experiences from the field.

Anna Kajumulo Tibaijuka
Executive Director, UN-HABITAT

Table of Contents

References

List of Boxes

List of Figures

List of Tables

Preface

In order to implement decentralization successfully, various challenges and constraints that influence governance must be overcome. In a number of African countries, the absence of effective transparency and accountability in local government has led to corruption and outright abuse of public office. This phenomenon has proved to be a major constraint with regard to service delivery, implementing poverty reduction projects and promotion of local economic development. A well empowered citizenry is needed to ensure accountability and the prevention of corruption.

Introduction of participatory budgeting can be a sound vehicle in realizing good governance and fighting poverty. It is a mechanism that involves elected leaders, public officials, service providers, and non-state actors – civil society, private sector and development partners.

This Training Companion on participatory budgeting in Africa is part of the effort to build the capacity of local government officials and their partners in introducing the practice to Africa. The Companion was developed to provide users with information, tools, methodologies, case studies and tips on how participatory budgeting could be introduced and sustained. The materials in the Companion were collected from various local governments in Africa and other countries where participatory budgeting is being practiced. Users are encouraged to adopt the material to their local condition.

The preparation of the Companion was initiated by UN-HABITAT in cooperation with ENDA-ecopop (Senegal), the Municipal Development Partnership for Eastern & Southern Africa (Zimbabwe), and the International Centre for Urban Management (Ecuador). The preparation was considered one of mutual learning across languages, regions and continents that generated South-South partnership in the development of tools. Meanwhile, it facilitated multiple ownership of the process, the output and spin-off activities.

It is the hope of the authors that this companion will help to stimulate local governments to work closely with their citizens to strengthen decentralized governance and deepen democracy in Africa. Further, the inter-regional collaboration approach adopted throughout the development of this Training Companion will, hopefully, generate further opportunities for those who have been directly involved but for many other urban specialists from African regions and elsewhere.

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Acknowledgements

How to Use This Training Companion

This Companion is aimed at helping local governments in Africa and other stakeholders to prepare for, design, initiate and manage a participatory budgeting process, by training key actors who initiate the budgeting processes. Hence, the targeted audiences of the Companion are the facilitators or persons who would be assigned to introduce the process in a national forum, or a given city such as central and local government staff, NGO leaders and community practitioners. Decision or policy-makers such as councillors, chief executive officers and civil society leaders is another important category of the target audience. It is hoped that the Companion together with the Participatory Budgeting Toolkit will serve as key references for transferring the practice of participatory budgeting from Latin American and European cities to English-speaking Africa.

To support this mix of potential users, the Companion has been divided into two parts with nine chapters. Part one is made up of chapters one through five; part two is made up of chapters six through nine.

VOLUME I – Concepts and Principles

Chapter 1 is an introduction to participatory budgeting, where the concept, its origins, its importance as an innovative local governance approach and linking it to ongoing local government reforms and the localization of the Millennium Development Goals are reviewed.

Chapter 2 makes up some conceptual distinction between the budget and the budgeting effort as well as outlining some of the key tenets of the traditional budget cycle.

Chapter 3 looks at the participatory budgeting process cycle.

Chapter 4 deals with the dimensions of participatory budgeting. These include the participation, gender, financial, territorial, as well as the normative and legal aspects.

Chapter 5 focuses on the conditions for participatory budgeting.

VOLUME II – Facilitation Methods

Chapter 1 dwells on implementing participatory budgeting.

Chapter 2 gives examples of participatory budgeting case studies from selected African, Latin American and European countries.

Chapter 3 focuses on key constraints to practicing participatory budgeting in Africa and proposed solutions.

Chapter 4 concludes.

Throughout the first eight chapters, in addition to the reference to African experiences on participatory budgeting, the Companion also draws on case studies and experiences from the Latin American region and other parts of the world. Each of the first eight chapters is designed to meet two needs:

- First, it has been written to encourage self-learning by local government staff, NGO leaders, community practitioners, and others who need to know more about participatory budgeting.

- Second, it is also designed to provide trainers, consultants, researchers, and others with in-depth information and ideas about specific roles, responsibilities and processes involved in undertaking participatory budgeting.

To enhance the self-learning process the Companion includes some Learning Application Exercises composed of worksheets and reflective questions aimed at encouraging readers to think about how the issues covered by the learning application relates to their own experience and perspective as local government staff, community practitioners, NGO leaders or councillors.

While the training tools in the Companion have been organized in a sequence that could be used effectively in workshops, trainers are however encouraged to be creative in designing group-learning experiences based on these materials. For example, they can reorganize the various tools in the Companion and even use some of their own designs to suit each learning audience.

Limitations to the Companion

This Companion is still subject to peer-review and critique and therefore we welcome your views in lessons and experience. Given the novelty of the practice of participatory budgeting in Africa, there is insufficient information on the "how to" aspects of this kind of budgeting and how the tool can be linked to wider developmental issues.

However, despite the short comings mentioned above, the authors are confident that the document provides a unique opportunity to local government officials and planning practitioners to learn about new concepts in a more systematic manner and to reflect on how they can integrate it into policy formulation and management. It is their conviction that the document has adequate material to cause action on ground.

Chapter 1

PUTTING PARTICIPATORY BUDGETING IN PRACTICE

1.1 Introduction

As already highlighted in volume 1, chapter 3, the budget process has four distinct stages:

- the preparatory stage
- the formulation stage
- the implementation stage
- the monitoring and evaluation stage

Figure 1.1: The Participatory Budgeting Cycle Stages
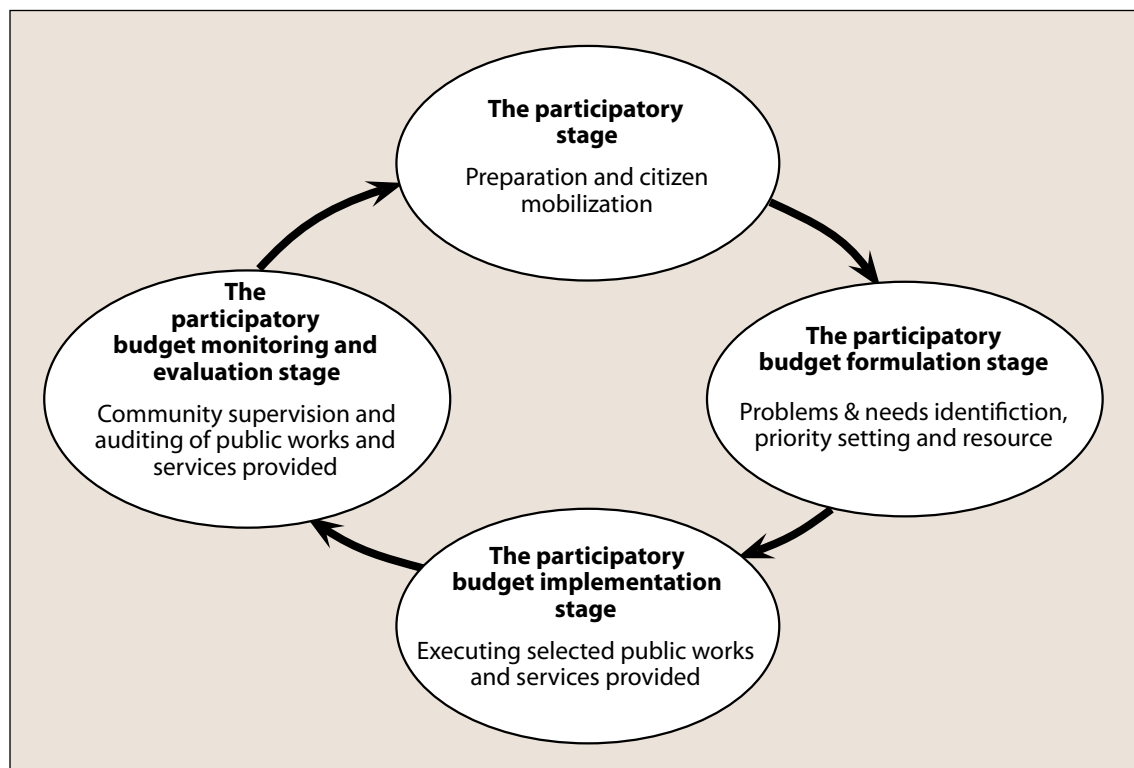
Source: Compiled by Municipal Development Partnership for Eastern and Southern Africa

Setting up participatory budgeting requires more then a vow by local politicians or civil society leaders. The knowledge of certain tools and mechanisms, which are applied at the different stages of the participatory budgeting cycle, can facilitate the process. At its core, the budget formulation stage, comprising the project identification up to budget approval, and the Budget Implementation, starts with the execution of the approved budget.

The suggested methods to put participatory budgeting into practice follows a systematic approach formulated around the four participatory budgeting stages and the encouragement of every stakeholder to engage in the process.

At **the outset of the participatory budgeting process**, it is important to strengthen a few of the necessary conditions for effectively putting participatory budgeting in place. Among these are:

- the need for effective and professional facilitation of the process
- appreciation of participatory budgeting and assertion of political will
- outreach programmes to inform and sensitize citizens and local actors
- the set-up of a steering committee and well motivated staff
- a clear calendar of activities

The Preparatory Stage allows for a better understanding of the municipality's situation and to collect essential information to make participatory budgeting successful. In this context, one analyses information about the profile of the municipality, existing infrastructure and their quality and access. This information will be complemented with a mapping of local actors, their interests and their stake. Further, the success of this process, which promotes linkages among and

across different actors, will depend on a clear and shared definition of the rules governing the process. In the absence of the explicit definition of roles and responsibilities of different constituents participating in the process, the introduction of participatory budgeting risks degenerating into numerous conflicts in the short term. These rules target different criteria for territorial zoning (for example wards), the definition for the representation system and the nomination of delegates. It also entails the council's determination and announcement of the amount of resources that can be assigned to investments for participatory budgeting. This information will allow various partners and citizens to appreciate the final investment options in the budgetary process.

The following tools and mechanisms are proposed:

- Mapping the Situation and Actors of the Municipality
- Situational Analysis
- Mapping Local Actors
- Defining the rule of the process
- Internal Rules and Criteria for Representation and Prioritization
- Determine the Amount and Origin of the Resources

The Participatory Budget Formulation Stage will promote sharing the collected information and situational profile of the municipality in order to develop a decision-making tool.

In many municipalities, participatory budgeting committees are set-up at this phase to make the budgetary process easier. Further, it will be crucial at this stage to create the largest possible alliances that could be brought into the process. Essential questions to be answered include who are the allied? What are their interests, their stake? What contributions can be mobilized? Ideally, the alliance would

agree on the implementation of infrastructure and services in a participatory approach. Partnerships could be built for the management of infrastructure. Finally, the participatory formulated budget is presented to the council for approval.

The following tools and mechanisms are proposed:

- Problem Identification and prioritization
    - SWOT analysis
    - Prioritization of demands
- Creation of alliances and beginning the dialogue
    - Mechanisms for Creating Coalitions, Outreach and Identifying and supporting change agents

At **the Participatory Budget Implementation Stage,** and thus execution of projects and action agreed upon in the participatory budget formulation, attention will be drawn to the principles of accountability with respect to public expenditure and transparency in de-cision-making. For this purpose and according to the context, different mechanisms can be explored, for example request for in-kind contributions by community members.

- Action planning

The Participatory Budget Monitoring and Evaluation Stage allows for the evaluation of progress made. The monitoring is permanent during the participatory budgeting process and according to the context, whereas the evaluation could be on a regular basis, for instance in the middle and at the end of the cycle.

- Monitoring and evaluation
    - Key principles for undertaking a participatory evaluation
    - Citizen report card

1.2 At the Outset of Participatory Budgeting

1.2.1 The Role of a Facilitator

Putting participatory budgeting in place is difficult and requires skilled facilitation. The role of the facilitator is often pivotal if good results are to be achieved from the process.

Ideally, a facilitator should be a member of the municipal staff and should be given additional training for the new task. The facilitator should be in a position to welcome rational and emotional input. Ideally, it would be beneficial if the facilitator could spend much of the early time in the budgeting process developing issues, engaging stakeholders and building coalitions. The facilitator must appreciate that people are more likely to engage in the process if they feel genuinely to be contributing to decision-making that will impact

A participatory budgeting facilitator busy thinking how best to go about it, © MDP-ESA.

significantly on budgeting and resource allocation. The person should be able to use an approach that can make dialogue among different alliances and coalitions easier. The facilitator should ensure that every participant has equal say to the extent that (a) no indi-

Tips on Social Mobilization as a key to successful Participatory Budgeting

Maintain a sense of humour and be patient; you might have a deadline to keep, but others may have other priorities.

Open your mind and heart and you will receive a warm welcome; a mutually beneficial relationship will develop.

Build upon the positive aspects of the local culture, religion, knowledge and tradition; brick by brick, work with the people to build up their lives with dignity and honour.

Initiate but do not lead. You are a catalyst of development activities; and not the boss.

Listen at all times. Learn from people the whats, the whys, the whens and the hows of their situation and poverty.

Help people Identify their needs. Remember that

raising awareness is the first step toward mobilization. Sit together, share ideas and experiences – this is a two way process.

Avoid talking in terms of money: rather talk in terms of working together. Do not be authoritative, and do not talk big. Use simple language; your task is to communicate effectively.

Involve the community from the onset; do not start a project, and then bring in community participation mid-way through.

Organize the people to draw up their own plans for their development, simple activities which can easily be understood and realistically carried out.

Never assume that you are right and that others are wrong. In most cases you will discover that they are, in fact, right but you had failed to listen!

vidual or organized group dominates the process and the deliberations; (b) everyone who comes participates in the same agenda; and (c) all voices carry equal weight. Applying this transparent process to budget decision-making increases the likelihood that resource allocation will reflect the common good rather than the priorities of the most vocal special interests.

Because needs often surpass available resources there are always winners and losers in budget decision-making. In this regard, the facilitator needs to be able to move the process toward establishing genuine budgetary priorities and making tough choices. Finally, the importance of maintaining the credibility of the process in the eyes of the citizens and key decision-makers must be born in mind. Therefore, the facilitator needs to ensure that partisanship and bias are absent from the planning and execution of events, the participant mix and the discussion materials. In short, the decision-making process must be open and transparent.

1.2.2 Assertion of Political Will of Decision-makers

The councillors and decision-makers are entitled and empowered to make the local budget on behalf of the community. For them to engage in a participatory approach to budget planning, for which they are responsible, it is important that they perceive of such action before they will engage. They thus need to be informed about participatory budgeting, and be convinced of its necessity in drawing up the local budget.

Furthermore, the local authority shall appreciate the principles of participatory budgeting, as well as its essential characteristics for the success of the process.

Once the participatory approach in developing the budget and its principles and characteristics are appreciated, the council could reveal its intention in session. Then it will adopt the introduction of participatory budgeting and the set-up of a steering committee.

1.2.3 Outreach Efforts to Sensitize Citizens

Extensive efforts must be made to draw people from across society, particularly the disenfranchised and who usually shun participation in civic activities. Ideally, the outreach team should comprise the mayor and ward councillors, leaders of civic group organizations, representatives of historically marginalized groups and the media. The team should identify the demographic and geographic populations that are underrepresented and try to bring them into the process.

Box 1.1: Budget Outreach Process in Entebbe Municipality

The Budget Outreach Process was initiated by the mayor of Entebbe as a means of identifying the needs of the community, enlightening the community about its rights and obligations, and providing a meeting point between citizens and local politicians. It was originally envisaged as an annual event of visiting each of the 24 villages and sub-wards in the municipality in order to ascertain local conditions, problems, needs and priorities, in the run-up to the annual budget process. The Entebbe Municipal Council linked with the Municipal Development Partnership for Eastern and Southern Africa which provided extra funding for the Council's budgetary process activities, with the aim of supporting the active participation of a wider cross-section of stakeholders in local government budgetary processes. The council hired a facilitator to guide these processes.

The budgetary process in Entebbe begins with outreach, an intensive effort involving the mayor, councillors and heads of departments, and representatives of civil society organizations – altogether a group of 30-50 people – visiting each village and sub-ward for a whole day. The visit involves a tour of the village, visiting homes, talking to people, identifying problems and needs. At the end of the visit, there is a public meeting with village residents, which is generally well attended, at which problems and needs are discussed. Officers of the council are then required to respond, and a list of issues is compiled for further action. The proceedings are recorded on video for future reference, visiting all the villages in each division in a facilitated way to determine the priorities and concerns of the local population. In the Entebbe municipality there is clear political commitment by its top leadership towards participatory politics. This immensely assists

the seriousness with which the exercise is carried out. One day is spent in each of municipality's 24 villages, so the whole process takes a month. Although it involves much effort and time, it has clear advantages, since the mayor, councilors and senior staff is able to hear firsthand the concerns of residents. In turn, residents feel they have a more involved relationship with the municipality..

The findings from the outreach process are used to feed into a three-year rolling strategic plan for the municipality, intended to guide development and budget priorities. Overall, the outreach is seen as an effective way for elected representatives and officials to come to much clearer – and shared - understanding of local problems and needs. The process is recorded in photographs and videos and serves to increase transparency and thus avoid misunderstandings. The involvement of civic organizations helps to ensure a broader perspective and greater accountability of officers and councilors. The provision of resources over the last two years has meant that funds are available to implement some of the projects identified through the outreach However, the process has problems:

- *it is costly, particularly in terms of staff time*
- *it tends to raise expectations that actions will be taken and facilities will be provided -immediately, whereas problems may be intractable and resources may not be available*
- *it is unclear how effective is the follow-up action, or the link to the budget process*

  some people perceive it exercise as political campaigning and public relations.

TIP 1   **Widespread Dissemination of Information**

The essence of participatory budgeting is the sharing of information between the local authority and its citizens. Citizens must be able to convey information to the local authority in the language and manner that clearly articulates their needs. Citizens also need to understand the budget and how it translates their needs into monetary terms. This means the local authority has to go out of its way to simplify the budget format into the language and format that people can easily understand. Another useful method that is used is graphic presentation of sources and uses of revenue. These can be simply headed as, "Where the money comes from" and where the money goes" or such simpler terms that can be understood by most people.

Local authority budgets are drawn from our taxes. They take different forms but exist within all our urban councils and districts. They are the way core local services are funded, and have great impact on the poorest within our communities.

We believe broader participation in budget setting is essential for effective, democratic and relevant local governance. This is based on our learning from neighbouring countries, and other developed democracies, the world over.

Various channels of communication are incorporated into the information dissemination guidelines used by local government use for participatory budgeting. These include:

• Sending out circulars
• Putting up public notices
• Circulating posters and pamphlets
• Utilising local press
• Utilising radio and television services
• Using mobile trucks with speakers
• Sending out letters of invitation
• Undertaking outreach visits
• Utilising cultural institutions and festivities

TIP 2   **The Media**

Bringing in the media is critical to securing participation as well as to establishing legitimacy in the public eye and among decision-makers. Early media outreach efforts generally focus on engaging neighbourhood newspapers and local radio stations and, as momentum builds, the mainstream media should begin to take an interest.

Using community radio to promote participatory governance in Malawi, © USAID.

1.2.4 Setting up the Steering Committee, Building Staff Structure

After the adoption of the participatory approach to the elaboration of the municipal budget, the further preparation and support for the participatory budget process needs to be organized. For this purpose, the council might prefer to inaugurate and mandate a committee which would include the elected leaders, the facilitator or resource person and other support organization charged by the municipality.

A well organized participatory budgeting process requires skilled and motivated regular staff and volunteers. The size of the unit depends on the size of the event: for a meeting of 4,000 people, approximately 40-50 staff members and 500 volunteers would be needed; a meeting of 200 people would require approximately 8-10 staff members and 40-45 volunteers. Volunteers are trained to work in any of three roles fundamental to the success of the event:

1) **Working Group Facilitators:** Given the number of people involved, at some point they have to be divided into working groups. This is intended to ensure that all viewpoints are considered. Skilled facilitation is critical to ensure productive discussions. Group facilitators must have a strong background in working with small units as well as the experience and confidence to work an intensive, day-long programme. One of the challenges of the working group facilitators is to balance between regional and thematic (issue) orientations.

2) **Volunteers:** In addition to regular staff, volunteers can be recruited to take on any number of tasks. Some of these include reminding citizens of meeting times and providing last minute details; stuffing participant folders with needed information and guides, worksheets and other background materials and dropping additional printed materials on the tables; registering participants on-site; serving as greeters and escorts; managing meal distribution; delivering missing printed materials to individual tables; helping people with special needs; supporting facilitation at the tables by answering questions and finding on-site experts when needed for consultation.

3) **Rapporteurs:** Rapporteurs are note-takers who are expected to capture the ideas that

are generated during discussion and pass them on to the facilitator. Rapporteurs can be very helpful in capturing shared priorities and concerns that can be presented to plenary sessions for discussion and decision-making.

1.2.5 Work Plan

It is important that the lead facilitator establishes, through consultation with key stakeholders, a work plan for the participatory budgeting process. The timetable for presenting the budget for approval, either by the full council or the minister as required by law is an important consideration in setting deadlines. Without this pre-planned calendar of participation, it might be difficult to coordinate the necessary exchange of information among different actors.

Planning and budgeting takes time and a well arranged planning and budgeting process ensures that the politicians have enough time for consultations with the communities in their constituencies and other relevant stakeholders; enough time to acquaint themselves with the budget materials and to decide on their priorities.

The budget process needs to be well planned in advance, with a clear timetable of events, and, crucially, funding made available for the holding of these events. Involving everybody may be costly, but it helps in ensuring more balanced and widely-owned decisions being made.

Box 1.2: Use of Community Radio to Mobilize citizens: The Experience of Soroti Municipality, Uganda

In Soroti Municipal Council, the media plays a significant role in enhancing civic participation in the planning and budgetary process. The municipality has two radio stations and a local newspaper that disseminate information on the budget events. Radio phone-ins for are also provided for citizens with questions and comments on the municipality's performance.

1.3 Mapping the Situation and Actors of the Municipality

The critical question at this stage is "where are we?" All community members come together to answer that question in order to determine "where they want to go". This stage involves a critical analysis of the community status, with intent of finding out the problems. During the participatory discussion, members of the community come out with a list of problems, some of which may be beyond the capability of the community to solve given the limited resources available.

Municipal officials discussing the community's problems,© Urban Management Programme.

TOOL 1 **Situational Analysis**

(a) Some Guiding Questions in Conducting a Situational Analysis

- *What are the constraints and challenges facing the local authority?*
- *How are they manifested?*
- *What is the poverty situation and how is it manifested?*
- *What section of the community does it affect most?*
- *What is the image of the council?*
- *What are the root causes of the challenges? (some communities deal with symptoms)*
- *How can participatory budgeting be used to tackle the challenges?*
- *Do we have the internal capability or shall we need external assistance?*
- *What are the options?*
- *How much will the options cost?*

(b)   Worksheet for Identifying Assets in Council Brainstorming Meetings

Create a list of assets in the community that can act as building blocks for introducing participatory budgeting:

Consider

Networks: These include: People who can serve as experts, organizations that can be relied upon, Infrastructure, such as social centres, which can be utilized

Be creative:

Asset # 1	Asset # 6
Asset # 2	Asset # 7
Asset # 3	Asset # 8
Asset # 4	Asset # 9
Asset # 5	Asset # 10

Box 1.3: Situational Analysis at Local Government Level: Example from Uganda

Timing: The situation analysis should be undertaken in October.

Purpose: The purpose is to establish the current situation per sector and per parish including service coverage levels, poverty and livelihood issues, trends for the different poverty categories and parishes (poverty pockets) and environmental issues. This will also include review of previous performance and interventions by NGOs and community based organizations, the private sector, and any other stakeholder.

Facilitators/Responsible: The facilitators will mainly be the Technical Planning Committee at the sub-county level. Each of the extension staff will be in charge of the respective sectors. For the sectors that are not represented in the lower local government, they should seek technical guidance from the higher local government.

Nature of information/Inputs:

- *Parish plans and record books*

- *Previous performance by the local governments and NGOs/community based organizations*
- *Consultations with service providers (schools, health units etc.)*
- *Review of secondary data*
- *Sector information from the district*

Approach/Methods:

- *Synthesize parish level livelihood and trend analysis data*
- *Refer to the village record books where they exist*
- *Refer to secondary data and reports*
- *Hold discussions with NGOs and private sector with interventions in the sub-county.*
- *Refer to sector specific information from the district*

Output: Situation analysis and review of previous performance sections of the

Box 1.4: Situation Analysis and Stakeholder Mapping in Mutoko District, Zimbabwe

Mutoko Rural District Council spans over 4,700 square kilometres and consists of a commercial centre as well as vast farmlands and communal areas posing serious and costly communication problems. It has 29 councillors in the 29 wards.

Prior to 2001, the Mutoko Rural District Council faced continuous budget deficits. Whenever the council proposed or tried to raise tariffs and charges, there were demonstrations. Citizens argued that they did not see any justification for increases as the council was not providing any quality services. Various civic society organizations, under the influence of the Mutoko Citizens Association and the Informal Traders Association, took to the streets every year resisting

and boycotting any increased charges from the local authority. Even some of the council employees had difficulties accepting some of the decisions. Whenever there were consultative meetings, the most vocal and powerful tended to dominate the meeting. As a result, many citizens did not have a chance to speak. The confrontational relationship forced the council to rethink the way it was operating and the result was the idea to experiment participatory governance. In particular, the council resolved to take a new approach to its annual budgeting process.

The council further resolved to approach Ministry of Local Government for funding. The ministry agreed to incorporate Mutoko District into a donor-sponsored

(USAID) Pilot Programme on Local Governance in Zimbabwe. The Urban Institute (a Research Institute contracted by USAID) with expert knowledge was hired to facilitate the process. The process was kicked off with meetings with the provincial governor, provincial administrator, district administrator, elected and appointed members of the local authority. This meeting was intended to gain the political support of the local leaders. Two meetings were held with the council officials to agree on the objectives of the exercise. It was agreed that in general that the consultative process should focus on the following:

- *Mechanism and processes for improved information flow between the local authority and civil society*
- *Mechanisms and processes for improved interaction and involvement of civil society in local governance*
- *Degree of local authority transparency and accountability*
- *Level of management capacity of the local authority*
- *Financial viability of the local authority and*
- *The effectiveness of civic society organizations in representing civic society in local government issues.*

In addition to the above objectives, the council wanted to discuss specific issues in order to understand better their and how the relationships with them could be improved. The council wished to:

- *Find out what citizens really wanted and how they viewed the role and image of the council;*
- *Mobilize citizens to support council efforts in delivering services*
- *Reduce tension among different political groupings*
- *Encourage citizens to deal with the council in a less confrontational manner*
- *Expose citizens to the financial predicament of the council*

- *Reach out to people who felt excluded*
- *Build a sense of belonging and solidarity.*
- *Build trust between Mutoko Rural District Council and its community*
- *Establish adequate information flows between the Council and civic society organizations.*

This was followed by the mapping of the key stakeholders. A comprehensive list of stakeholders was drawn thematically, spatially and by interest groups. These included various sectors of informal traders like welders, vegetable vendors, carpenters, transport operators, quarry miners, farmers, teachers, churches, nurses, law enforcement bodies, state firms, commerce, industry, women's' associations, street children, political parties, government departments, councillors, ward development committees and traditional leaders.

Representatives of the stakeholders were invited to a three-day workshop where the agenda covered presentation from the district administrator on the structure, functions and powers of local governments. This was followed by presentations from heads of department detailing services provided by each department of the local authority as well as constraints and challenges. The facilitators gave a conceptual framework of participatory budgeting. The finance officer gave an overview of sources of revenue and how it was used to provide services. Graphs and charts were used to show proportions of operating revenues and income including central transfers. Pricing policies for the services were also presented and discussed. The local language was permitted in the discussions. Participants were divided into groups that tackled the following topics:

- *Strengths, weaknesses, opportunities and threats analysis of the operating environment*
- *Political, economic, social, technological and ecological analysis of the internal environment.*
- *Stakeholder analysis to include identification, interests, roles, responsibilities, influences and strategies for inclusion in planning.*
- *Vision, mission, core values and strategic issues*

of the local authority

- Service delivery charter and projects identification

- Communication channels, budget cycles and participatory budget timetables

- Resultant capital budgets and operating income requirements

- Adjustments required in taxes and charges.

The process ended with a resolution and Restructuring Action Plan for participatory planning and budgeting. A share mission statement was developed which says: "Mutoko District Council is committed to participative, efficient, effective, economic, quality service, and good governance."

This mission now forms the basis of the annual development programmes and the resultant annual operating budgets.

A significant contribution came from one of the traditional leaders, Chief Mutoko, who suggested that annual budget adjustment to a local "development tax", payable by each household should be equated to the going price of a chicken. This basis was used to adjust all charges including those that the informal traders had refused. All representatives undertook to discuss and "sell" the budget to their constituencies. Subsequent budget formulation and performance reviews are now done quarterly at village, ward and district levels using these channels and methods.

The adoption of the Restructuring Action Plan culminated in the Mutoko community adopting and signing a Social Contract (see attachment). The contract was signed between the council and leaders of civic groups, the traditional leaders, central government departments. Expected standards of performance and the roles of each participant were clearly defined and agreed upon. The definition of roles enabled the council to resolve the problems of role conflicts that characterized the Mutoko administration.

To get the budget process inclusive, a Budget Action Committee was established comprising representatives from council, the district administrator; the business, residents, informal traders associations; as well as the party and local churches. Its principal task

is to coordinate budgeting process.

The process created an opportunity for the council to establish a balance between representative democracy and participatory democracy. Mechanisms were put in place where the council could talk directly to their citizens, to deal with specific issues, for instance in ward and village meetings as well as outreach programmes.

Other benefits that the local authority and stakeholders have mentioned are that there is now unity of purpose and stakeholder involvement in budgeting. Stakeholders feel their local authority is now more open and transparent to them and no objections to annual budget adjustments have been recorded since then. Furthermore, stakeholders feel a strong sense of belonging and ownership in all what the local authority does. Traditional leaders are also assisting in debt collection. Stakeholders have expressed the need for help in forming stronger civic groupings and agenda setting. The local authority managers have asked for a course on participatory budgeting to enhance their knowledge and skills.

Mutoko District Council has learnt the following lessons acquired through the process:

- A multisectorial strategic planning approach is critical in building the trust and confidence of the local stakeholders in processes of developing participatory local governance. It also strengthens local ownership and interest in development issues.

- Establishing a permanent structure such as the Budget Action Committee helps to create and nurture a meaningful relationship between the council and citizens.

- A valid engagement between local authorities and civil society organizations on local governance issues is possible, especially, when there is a shared vision and mission to be pursued.

- Local authority and civil society's engagement can be useful in transforming negative impressions of each other, and can therefore focus on critical issues of development.

Source: Compiled by Mutoko District Council

Box 1.5: Situational Analysis in Selected Latin American Cities

In many cities applying participatory budgeting in Latin America, the initial situational analysis is provided by already existing strategic development plans, long-term urban development programmes or other type of integral municipal plans, which are usually built by the municipalities in consultation with planning experts and in some cases are the result of intense participatory processes.

In general, those instruments provide an accurate vision of the current situation and identify the existing priorities in the different areas of the municipality. Combined with the information about the budget available, those elements allow the initial allocation of resources in the territory (for example urban and rural areas, poorer and richer neighbourhoods.) In addition, those are the sources for selecting the criteria for the thematic distribution of the resources (education, health, local economic development) to be discussed in the participatory budgeting process.

However, those general instruments of situational analysis at the urban and municipal level usually require further development at the local communities' level. Experiences of Cordoba, Spain, and Belo Horizonte, Brazil, recently reported as part of the Urban

Regional Aid Programme - Network 9 Project "Tools for articulating participatory budgeting and urban planning" clearly explain how those initiatives at community level are developed, and how they relate to the participatory budgeting process.

In Cordoba, citizens have taken part in "Participatory Neighbourhood Plans" conducted in each of the city's 86 subdivisions, while in Belo Horizonte they have been involved in the formulation of "Integral (or Global) Specific Plans" that have been developed in 81 "Planning Units", involving about 27,000 inhabitants on average. Furthermore, some of those are considered "Special Zones of Social Interest" due to their scarce urban consolidation and development, therefore priorities for the local government.

The city of Medellin, in Colombia, develops participatory planning and budgeting processes at the communities level as a unique simultaneous exercise.

What is important is that those planning instruments provide inputs for the participatory budgeting processes the local authorities and municipal staff, as well as for the participants, who can better understand and perceive the urban reality and the problems when using those planning and analytical tools.

Source: CIGU [www.cigu.org]

TOOL 2 **Mapping Local Actors**

The process of participatory budgeting involves influential people such as leaders from civil society organisations and business associations, bankers and donors, officials, academics, professional experts, activists, and journalists. The local authority together with stakeholders has to identify those key actors at an early stage so that they are mobilized to contribute to the budget process in their localities. At community level members in a meeting identify their needs; who the champions can be; and discuss the resources needed to solve the community's problems.

At a local authority level the committees of council identify the key local actors with whom they can work together to deal with identified situations. The mapping of local actors allows the facilitator to identify potentials for organizing community support to meet their own needs.

At community level, the following categories of people may be included in the discussions: opinion and religious leaders, the elders, community resource persons, civil society organization leaders and other members of the community. These people have a stake and experience in most of the aspects discussed during budgeting.

A council organizes a workshop to which the mayor invites councillors, senior officials and representatives of civic organizations. Through group work, participants are asked to name the stakeholders or main actors in the local authority, their influences and roles. In addition to this, the participants are asked to state the best way of interacting with these identified stakeholders. A richer list of civic organizations that will participate in the local government budgeting cycle is drawn. It is helpful to place the participants into some groupings such as civil society, private sector, and public sector.

A disabled participant being taken to an all stakeholders participatory budgeting meeting, © MDP-ESA.

Below are some of the advantages of mapping out as many local actors as can be found relevant to participatory budgeting:

• Diverse interests catered for

• Inclusiveness of new ideas

• Promotion of innovativeness

• Legitimacy

• Tapping on social capital

Mapping the participants of the participatory budgeting process allows the council to acknowledge:

• How many they are, for example, the disabled, in order to foresee how they will be convened, the size of the assemblies

• Where they are from, in order to establish how many decentralized meetings will be required or the cost to transfer the population to the meetings that we will convene

• Who they are, if they represent other groups, if they are leaders, if they are part of groups, unions, associations and networks

• Their cultural education level, to know if our participatory process must include activities in just one language, and if it must be simpler

- What positions they hold, to establish what type of awareness, partnerships, neutrality or other strategies we will adopt
- The strength they exert in the province, so as to foresee the potential power of negotiation of their proposals.
- The capacity and competencies of the various participants

(a)   Stakeholder Analysis Workshop Agenda

Convene a meeting of municipal officials, key business, institutional and community people (maximum 15-17). Purpose of meeting: to elicit the range and type of stakeholders in the community from people who are the "experts" about who lives and who works in their community. It would be useful to have a facilitator for this meeting.

At this meeting ask participants what and who are the various interests in the community from the following sectors:

- *Municipal staff*
- *Municipal agencies*
- *Provincial government staff*

- *Funding agencies*
- *Community members and local champions in various initiatives*
- *Local businesses*

When all these factors are carefully identified, it is probable that all aspects and sectors of the community will be known. Have the workshop participants identify individuals within these sector groups (especially neighbourhood and community groups), who might be willing to join future strategy task forces. Ideally, people who are invited to join strategy area task forces will have expertise in the area.

(b)   Worksheet for Mapping Local Actors

Tick

Ward	Public Organization	Private business Organization	Civic Organizations	Informal groups
1				
2				
3.				
4.				
5.				
6.				
7.				
8.				

Box 1.6: Linking Traditional Leaders to the Budget Process: The Case of Mutoko Rural District Council in Zimbabwe

Context: In an effort to reach out to every resident to influence local decisions by the local authority, Mutoko Rural District Council incorporated traditional leadership structures to feed into the local authority planning and budgeting and to compliment efforts of elected officials of council.

Results: The issue is that the council is now able to get grassroots inputs and feedback into its budget through traditional leadership structures working together with democratic processes, thus increasing its participation and inclusion levels. Democratic processes alone were failing to reach out to every resident because of apathy in attendance of councillors' meetings.

Box 1.7: Mapping Local Actors: The Experience of Latin America

The identification of local actors is usually done by the municipal staff, sometimes with support provided by local NGOs or community based organizations. What is important is to verify that those invited are real representatives of all the groups and social segments of the local society.

In many cities of Latin America, the municipalities consider three channels of participation: First, there is a physical-territorial channel, as in the case of the citizens in a ward of a neighbourhood. Second, the thematic channel, as in the cases of parents associations, sports clubs or church organizations. Third, other channel of participation relates to the specific social condition of each person, in terms of age, gender, physical, ethnical or cultural situation.

Accordingly, the mapping of actors must consider all those channels, ensuring the presence of delegates or representatives of all of them in the participatory budgeting process. In many cases, positive discriminatory methods are applied to allow further representation of the social groups that are considered more excluded, as in the case of the ethnic and cultural minorities.

In Cotacachi, Ecuador, the Municipal General Assembly, which is the local version of the Participatory Budgeting Council, includes delegates from the urban and rural zones of the municipality, from all the existing local organizations and from all the local social groups. In the recent annual meetings it was decided to allow a seat in the Assembly to a delegate from the local branch of the Alcoholics Anonymous Association, and other seat to a delegate of the local juvenile gangs.

Source: CIGU

1.4 Defining The Rules

TIP 1   **Internal rules, Criteria for Representation and prioritization**

Local governments in English-speaking Africa which are practicing participatory budgeting have some regulation governing the process. These may be central government guidelines like the constitutional provisions in Mozambique, Uganda, and South Africa. They may take the form of government policy directives like in Kenya and Zimbabwe.

In many countries rules and regulations are locally developed and codified into a gentlemen's agreement between the local governments and the identified stakeholder representatives. Broad meetings with civic organizations produced a blueprint covering rights and obligations of the local government as well as those of the citizens.

The regulations are meant to create common standards in the way the local government involves its citizens in the budget. Aspects to consider and agree upon:

• the definition of terms

• forms of representation

• criteria and procedure for electing participatory budgeting delegates

• methods of communication

• the participatory budgeting cycle

• the roles and functions of participants to the participatory budgeting process

• criteria for getting on the participatory budgeting council

• criteria for distribution of resources

• responsibilities of the participatory budgeting council

• number of plenary meetings and thematic areas

Other regulations put in place for proper budgeting; and ensuring adherence to the budget during the implementation stage, could include:

• timeline for submission and approval of budgets for local governments

• strict adherence to the approved budgets by the implementers

• declaration of revenues from other sources by the local governments and donors

• timely and accurate accountability by local governments

Effective participatory budgeting takes place in the context of some regulations. The regulations could be formal or informal. They are formal when the local government adopts them as by-laws and, therefore, have the force of law. They could also be constitutional and statutory requirements that local governments must follow as they prepare their budgets.

Often statutory regulations on participatory budgeting are general and leave local governments with wide discretion on how it should be done. Participatory budgeting regulations are informal when they take the form of a gentlemen's agreement between the local authority and its stakeholders. Such an agreement could be one that the local government and its stakeholders sign and it is printed but no one would be prosecuted if they choose to disregard these procedures.

Box 1.8: Guideline in Uganda

In Uganda, dissemination of information and guidelines is essential in budgeting. This information is circulated in what is referred to as the Local Government Budget Call Circular. The purpose of this circular is to guide sector departments and lower local governments through the planning and the budgeting process and to make sure that inputs to the process are being provided in a uniform and consistent manner.

The budget call is submitted to lower local governments that contribute to the recurrent service delivery budget and the development plan. The officers in the lower local governments responsible for coordinating development projects ensure that villages and wards start planning projects to be incorporated into the district councils' development plans.

The Budget Call presents the following:

- *Detailed timing of events and activities throughout the budget formulation process*
- *The dates of submission for sector contributions to budget documents*
- *The dates of submission for lower local government contributions to budget documents*

Disseminating guidelines to villages

1. *Send Circulars*
2. *Put up public notices*
3. *Review and up-date Community Based Management Information System*
4. *Add new information to the Village Record Book*
5. *Analyse the new totals ready for the consultation meeting.*
6. *Conduct consultation meetings*
7. *Carry out a participatory prioritisation process*

i. *Share updated information divided between women and men with village members*
ii. *In view of that information, assist village members to list important projects/activities that could help the village as a whole improve and that could be done in three years' time*
iii. *Put the list of projects in order of importance (priorities) using an appropriate ranking method*
iv. *Agree on which priorities to:*
   - *be carried out at the village level without support from the higher councils.*
   - *be forwarded to the Parish by filling the form provided*

The Village Executive Committee should ensure that information is collected, analysed, used, stored in a village record book. The information in this record book should be regularly updated and shared with the next level; that is the Community Based Management Information System established. The facilitator should assist the village to put a system in place.

Box 1.9: Internal Rules and Regulations

As explained in several texts, while Brazilian cities use a set of internal rules that changes periodically for conducting their participatory budgeting processes, Spanish-speaking Latin American cities usually require a local law or ordinance approved by the city council. Those are more difficult to modify but at the same time, provide a more solid legal framework for the participatory budgeting. Several examples of both types of documents are also available in the CIGU Web site, although their language is Spanish or Portuguese.

TIP 2   **Determine the Amount, Origin of the Resources**

The municipal authorities must define the criteria for allocating resources and openly declare the amount to be allocated by the participatory budget process. It might be helpful to make everyone aware that not all the investment resources can be determined by the participative budget because there are municipal works the city council must endorse. There are also other municipal expenditures which are inflexible, such as municipal labour costs or capital payments on debts. However, this information needs to be presented in a way which the citizens can understand.

Participatory budgeting at this level will involve the making of revenue projections and indicative sector allocations. The budgeting process should provide medium-term revenue projections, for local revenues and government grants, thus setting out the total medium-term resource envelope for the local government. Indicative medium-term recurrent and development allocations must be specified. This stage also requires the local government to define the amount of the resources that would be placed at the consideration of the participatory budgeting process and those that would be necessary for the local government to implement the process.

Ideally, local governments should expose the capital and operating budgets to participation. Capital budgets are exposed to participation mainly in setting priority development projects. This can be done through participatory strategic planning with the local community. The local government and its community, through a series of consultative workshops at city, ward and community levels, establish the local government's vision, mission, strategic areas and activity priorities for the next few years ranging from three to five years. These projects are ranked with the most urgent coming in the earlier years and the less important

following in later years. This then guides the local authority in annual capital budget priorities. Annual reviews of the Strategic Plans precede annual capital budget finalization.

Under operating budgets, it would be appropriate for the local government to expose that part of the budget for which local control exists. If a service like water or refuse collection is entirely financed from local revenues, then it can be exposed to participatory budgeting. This means that from village committees to wards and to city halls, citizens are asked to map out an income policy involving the tariff structure - like whether the water tariff should be in bands that prohibit excessive usage or that promote usage. They can also determine whether they want everybody to pay the same or for consumers to be grouped into categories (like industry, government, domestic, industrial or commercial user) and each issued with a separate rate.

Discussions can also focus on cross-subsidies to the poor: for example, industry and commerce may pay more than the domestic users and there may be a free allocation for all domestic users that is then met by higher charges to every other user. Other critical areas to discuss would be whether the service should be self-financing or should be subsidized through general taxation like rates. Citizens may also discuss input levels in terms of quantities and prices. Once the levels of inputs are agreed upon, the budget discussion can focus on setting the appropriate level of charges. This way, citizens participate in resource allocation.

Where there is greater decentralization and local autonomy in setting charges for services provided by local governments, the whole capital and operating budgets can be subjected to participatory budgeting. Where the local authority relies on central transfers to finance

its operations and development, the amount of the budget that can be exposed to participatory budgeting will centre on that part of the transfer that is general and not earmarked or conditional. Participatory budgeting is, therefore, limited to portions of the budget where the local government has full autonomy, and this varies from one local government to another.

Zimbabwe's urban centres are good examples of local governments that expose the whole of capital and operating budgets to citizens for inputs. This is because the urban centres raise over 95 percent of their revenues locally with central transfers amounting to 1 percent of the total urban revenues. Because of this high level of local fiscal autonomy, the urban centres have powers to set local charges and determine which projects to undertake and how these will be financed. This increases the scope of the local budget that can be exposed to participatory budgeting.

As an approach, participatory budgeting may begin in only one section of the budget that citizens are concerned about and, over time, advance to cover all aspects of the local government budget subject to local fiscal autonomy. Participatory budgeting amounts, therefore, will tend to grow over time.

In determining the amount of resources in the budget process it depends entirely on the following parameters:

- review of the previous year's revenue performance
- medium-term revenue projections
- revenues from government and donor grants
- local revenues

However, the flow of donor money to the local governments is not always certain. Therefore, it is inadvisable to base budgets on availability of these funds, unless there is a communicated commitment or when negotiations are at a very advanced stage. As such, the critical area when working out the revenue budget is the estimation of revenues expected to be collected locally. Local revenue projections must be based on the previous year's actual revenues. Unrealistic increases in revenue estimations should be avoided because it leads to making budgets which raise expectations which cannot be met.

This stage of budgeting is very complex. It requires a technical body to guide the process and this body should be available throughout and armed with all the relevant information. This body could as well be termed the Budget Desk. This should be a subset of the District Technical Planning Committee to coordinate the entire planning and budgeting process. It should consist of:

- senior officers from the finance office
- the district planner
- the district population officer
- heads of department

It must be emphasised that although, budgeting is technical, views of the beneficiaries must be taken into account.

1.5 Problem Identification and Prioritization

This step introduces the diagnostic analysis and prioritization of problems and projects. The elected delegates will, on the basis of a good knowledge of their community, proceed with problem identification and brainstorming responsive solutions. Participatory budgeting committees could be set up for this purpose, respecting the representation criteria for all communities in the municipality, including woman and youth.

TOOL 1 **SWOT Analysis**

- Establish the strengths, weaknesses, opportunities and threats in the community/local government
- Identify the categories of people and their livelihoods
- Establish distribution and access to resources

(a)   Worksheet for SWOT Analysis

Directions:

1. In your group, brainstorm points on external opportunities and obstacles your organization faces over the next 2-5 years.
2. Choose up to 4 points that are most critical to your organization's future. Vote if necessary.
3. Repeat steps I and 2 for internal strengths and weaknesses.

After about 40 minutes, some groups will report on the selected critical external forces and internal resources.

External/Outside/Around Us

Opportunities	Obstacles

Internal/Within Us

Strengths	Weaknesses

(b) Worksheet for Identifying Stakeholders

Instructions: List stakeholders and rank in terms of importance to your place

Stakeholders (Internal/external)	Influence Factors	Needs	Level of Importance (High, Med, Low)

An external stakeholder is any person or group outside the community / organization who can make a claim on the community / organization's attention, resources, or output or is affected by the community / organization's output.

An internal stakeholder is any person or group inside the community / organization who can make a claim on the community / organization's attention, resources, or output or affects or is affected by the organization's output.

TOOL 2 Prioritization of Demands

Project identification and prioritization should be participatory, involving local communities in identifying and prioritizing their needs. Thus, the role of the Budget Committee is to consider the views of these communities during the screening of various project proposals and the selection of the preferred proposals for implementation. The screening process responds to the following concerns:

• Is the risk involved manageable?

• Is the demand for the expected outputs adequate?

• Does the project actually have a compara-

tive advantage?

• Will the supply of raw materials be adequate?

• Is the design in agreement with the institutional and management capacities available?

• Will the recurrent costs be adequately met given the available resources?

Prioritization and use of the Budget Matrix can effectively facilitate the prioritization of demands in order to allow for a fairer distribution of resources.

Worksheet for Prioritization of Demands

Sector Area: _____

Does this idea or investment:
1) Lead to poverty reduction
2) Lead to generation of employment
3) Target vulnerable and marginalized groups
4) Lead to political support

Idea	Question 1	Question 2	Question 3	Question 4
	Yes/No	Yes/No	Yes/No	Yes/No
	Yes/No	Yes/No	Yes/No	Yes/No
	Yes/No	Yes/No	Yes/No	Yes/No
	Yes/No	Yes/No	Yes/No	Yes/No
	Yes/No	Yes/No	Yes/No	Yes/No
	Yes/No	Yes/No	Yes/No	Yes/No

TIP 1   **Some Guiding Principles for Participatory Planning**

Key principles that underlie the Participatory Planning Guide for Lower Local Governments include:

a) Consideration and incorporation of the results of the participatory planning processes in lower local councils that includes the marginalized categories in planning;

b) Involvement of a wide-range of stakeholders in the planning process including technical staff, elected leaders, nongovernmental organizations/community based organizations and the private sector.

c) Planning as mechanism to promote mutual accountability between the members of the public, elected and appointed officers.

d) Plan realistically and consider the identified local government challenges in light of the existing resources (human, time, material and financial).

e) The planning process should be holistic, incorporating all sectors and plans of nongovernmental   organizations/community based organizations

f) The lower local government hence the concept of "integrated and comprehensive" development plans.

g) The planning process and cycle at lower local government level should be in harmony with those of the higher local government level (including municipalities) – that is visions and development plans.

h) The planning process could build more on the vision, strength and opportunities which will eventually enable the local government to remove obstacles and challenges.

Box 1.10: The Experience of Uganda on Priority Setting

Methodology of Participatory Planning and Budgeting in Ugandan Local Governments

• Village councils supported by a resource person initiate priorities based on prevailing social and economic needs in a village council planning and budgeting meeting.

• Priorities decided upon under a resolution are forwarded to the next level (parish council) by respective village councils.

• The parish level council further sieves through the priorities from each of the village councils.

• The agreed list of priorities for each parish is sent to the next level of a sub-county, town council or division. This is a level of body corporate with some funds for implementation. This level further ranks all priorities from each parish and approves projects for implementation based on available resources.

• The technical team costs the priorities, hence a budget. Where a lower local government wishes to take up a project which has recurrent cost implications to the next level of local government, consent must be sought from the Higher Local Government.

Experiences Learnt From the Methodology

• It is a bottom up process and emphasizes less of the horizontal linkages. For example, participation of resident nongovernmental and civil society organizations, and of development networks is limited.

• Similarly neighbouring local governments or administrative units rarely consult each other on similar priorities for an integrated planning approach.

• The regulations governing this process emphasize top–down feedback on the final projects approved. However, few Higher Level Councils engage in this practice

• Since most of the local council's sources of funding are limited, planning/budgeting is dictated by indicative planning figures communicated to local councils a few months before the commencement of the process.

• The participatory planning and budgeting process is guided by an annual plan/budget cycle formulated at the district level and by a few organized lower local governments.

• Local governments (district, city, municipal and town council) are required to develop a budget framework paper for submission to the central government. This is done well in advance, before councils approve their budgets. The missing link is the timing.

• Some local governments start on projects that have recurrent cost implication to Higher Local Governments without the latter's consent. Commencement of the project, thereafter, is limited since the Higher Local Government does not plan for the project recurrent costs such as staff salaries and other operational costs.

• Political dialogue, rather than technical need, determines the process of bottom-up planning and budgeting at the village, parish and sub county and town council levels. The gaps here include technical competencies in project feasibility analysis and profiting.

• Whereas representation during the process is larger at the lowest level (village council), it gets smaller at the upper levels. This has a bearing on priority setting at various levels.

• The process demands for female participation. However, cultural upbringing limits female participation

• Participatory planning and budgeting meetings require a technical person to advise on government policy. However, due to small staff structure and the timing of the process, technical guidance is usually lacking. Where facilitators do exist they generally lack this and listening skills.

• In such meetings a few elites dominate the discussions which, at times, are in their favour.

• In most cases, priorities set as a result of participatory planning and budgeting are hardware physical infrastructure projects in the name of roads, health centres, schools and less of other support

services. It is as well evident that the utilization capacity of some of the hardware infrastructure projects is low.

• *Low youth participation in local council participatory planning/budgeting meetings.*

Proposed remedy to existing gaps
As a step to bridge the gaps during the process, the Government of Uganda with support from the World Bank implemented the Local Government Development Programme that enforces compliance of local governments to show evidence of:

- *Enhancing youth and Women participation*
- *Feedback on approved priorities by upper councils to lower councils*
- *Minutes of discussion and participation of various groups of people and organizations*
- *Capacity building on facilitation skills, participa-*

tory rural appraisal and Project profiling skills
- *Integrated approach to planning*

Way Forward
• *Increased awareness of the population on the role of actors and need for participatory planning and budgeting.*

• *Improve skills of technical officers in explaining government policy, undertaking feasibility studies and other planning and community facilitation skills.*

• *Central government to harmonize planning and budgeting cycle with local governments.*

• *Promotion of top–down and horizontal linkages in planning.*

• *Popularize government policy for access to all.*

• *Share experiences between neighbouring local council, across regions and countries, especially the South to South cooperation.*

Source: Sonko Solomon, town clerk, Njeru Town Council

In countries like Mozambique and Uganda, it is common to give citizens beans or stones which they throw into clay pots placed under pictures of capital projects like schools and water. The beans or stones in each pot are counted to rank projects. The case in Box 6.20 below illustrates how community members scored victory over their councillor in prioritizing their needs. The scenario was in the Kibinge Sub-County in Masaka District, Uganda.

Box 1.11: Priority Setting: Results of Preference Ranking During Participatory Budgeting in Kibinge Sub-County, Masaka District, Uganda

It was a planning meeting attended by the area councillor to the district council. The priority needs identified were:
- *Road repair*
- *Purchase of benches for the community hall*
- *Protection of a water source and*
- *Construction of a community health centre*

It became a heated debate, when the councillor vividly favoured the purchase of benches.

The moderator of the meeting was wise and bold. He counselled the members to use one of the demo-

cratic means in participatory budgeting. The symbols representing the four priorities were chosen, and four baskets were used as ballot boxes; the moderator, cum returning officer supervised the process where small, indivisible stones were used as ballots.

At the end of the secret voting, the community members prevailed over the councillor as victors, there was no rigging, it was a peaceful exercise; but most important, the councillor accepted the choice of the majority, and accordingly given priority for funding. The results are below:

Source: Patrick Mutabwire, commissioner of local councils, Ministry of Local Government, Uganda

Box 1.12: Prioritization of Demands: The Latin American Experience

In the smaller and more homogeneous municipalities of Latin America all the proposed projects - regardless of their content or orientation - are directly voted by the communities after verifying that the available resources will match their possible cost. Those with the greatest number of votes are selected for implementation as, for instance, is done in Bella Vista, Argentina.

However, most participatory budgeting processes in Latin America use diverse mechanisms for prioritization of demands. The entry point for the distribution of resources is an initial allocation of resources to any physical subdivision of the municipal territory. For instance, in Cotacachi, Ecuador, two-thirds of the participatory budget is allocated for the rural areas and one-third for the urban neighbourhoods. In addition, those resources should be used for projects aligned with the priorities adopted in the Municipal Development Plan (that is for sectors such as health, education and economic development), in order to avoid an excessive dispersion of the voted projects in terms of their thematic orientation.

In the same sense, projects are selected in the par-ticipatory budgeting process of Cordoba, Spain, using the following parameters: their importance for the city; their incidence in the poorer zones; their order of prioritization (that is, the number of votes obtained by each project in the assemblies); percentage of participation in the assemblies. In this and in other cases, the municipality takes into account the active interest of the citizens as part of the criteria for prioritization of their demands.

However, in most cases, the decision about the use of resources depends on the citizens or their delegates on the Participatory Budgeting Council or some similar grouping. The risk of confronting projects promoted by different neighbourhoods or by different groups of interest is avoided because of the "Prioritization Caravans", as applied in Belo Horizonte, Brazil, or by similar initiatives, conducted in other cities. After visiting the areas or sites and studying the nature of each requirement, participants are able to decide which project is more important and should be voted in the first place. This mechanism is considered a valuable resource of civic engagement and citizen qualification.

The priority matrix below contains in each row points from one district to the most demanded categories. The points are valued four (4) for the highest priority through one (1) for the lowest. The grey number display points to the full ranking of the districts

Table 1.1: Participatory Budgeting Priority Matrix for Porto Alerge in 2005

District \\ Category	01. Underground Engineering	02. Water and Sewage	03. Habitation	04. Asphalting	05. Education	06. Social Assis-tance	07. Health	08. Transport and Traffic	09. Areas of Leisure	10. Sports and Leisure	11. Street Lighting	12. Eco. Dev. Tax, Tourism	13. Culture	14. Environmental Reha.
01 HUMAITÁ	3	8	413	6	312	211	9	1	2	5	4	110	7	0
02 NOROESTE	5	211	413	1	9	8	312	3	2	7	4	110	6	0
03 LESTE	5	6	413	7	312	211	110	4	1	3	2	9	8	0
04 LOMBA DO PIN.	7	8	110	413	211	9	312	5	4	2	6	3	1	0
05 NORTE	9	312	413	8	211	7	110	2	0	6	4	5	3	1
06 NORDESTE	5	211	413	1	9	8	312	3	2	7	4	110	6	0
07 PARTENON	5	8	413	211	312	110	9	4	3	1	2	6	7	0
08 RESTINGA	2	6	211	9	413	312	8	3	4	5	1	110	7	0
09 GLORIA	9	8	312	7	413	110	211	3	1	5	2	0	4	6
10 CRUZEIRO	6	7	413	9	312	110	211	3	0	4	2	5	8	1
11 CRISTAL	5	9	413	6	7	8	110	3	0	2	1	312	211	4
12 CENTRO-SUL	6	7	413	110	312	211	9	2	4	8	1	5	3	0
13 EXTREMO –SUL	4	5	413	110	211	9	312	7	2	6	1	3	8	0
14 EIXO–BALTAZAR	5	9	413	8	312	110	211	4	1	6	3	7	2	0
15 SUL	110	9	211	312	413	7	8	5	4	6	3	1	0	2
16 CENTRO	2	7	413	6	312	110	8	4	3	5	1	211	9	0
TOTAL	88	131	200	124	181	151	162	56	33	78	48	107	90	14

Source: City of Porto Alegre

1.6 Creation of Alliances, Starting the Dialogue

Creation of alliances and opening up of dialogue with various stakeholders is an important element in the effort to successfully introduce and sustain participatory budgeting and to influence local government decisions. It refers to attempts to embrace representatives of the relevant constituencies. Alliance-building is vital to meaningful dialogue and galvanizing trust between local government and citizens. Talks with such constituencies ensures that participatory budgeting as an innovation can gain more legitimacy within the municipality faster than conventional "top-down" approaches.

Participatory budgeting requires that the local authority creates alliances with the various stakeholders in the comfort of the company and place they wish to be. At the local level, this means meeting and getting to know the various groups into which society divides itself normally.

The mayor needs to reach out to social gatherings like weddings, social clubs, churches, games. Furthermore, the dynamic mayor needs to work out a vision based on intimate knowledge of the community groupings, the managers' views as well as the constraints facing the local authority. Councillors, too, can create alliances with various groupings in their neighbourhood by becoming a member of these interest groups and getting to know their needs intimately. Visits to where events takes place is an effective method of building genuine relationships with the community. In some cases it is necessary for the councillor to donate to the poor so that they see a genuine and practical involvement in their issues.

Citizens have many incentives to participate in participatory budgeting namely:

- They enjoy increased access of public decision-making avenues;

- Public meetings and decision-making processes empower citizens because the public nature of meetings has the potential to encourage non-traditional actors to speak out;

- Empowerment of citizens is further strengthened when they see a direct link between their participation efforts and policy outcomes;

- Citizens gain access to information they would hitherto not get ;

- The linkage between participation and equality of services provided motivates citizens.

- A nongovernmental or civil society organization working in participatory governance and on social accountability can undertake to build coalitions and alliances if local authority officials lack that capacity. Civil society bodies have the capacity to galvanize citizens on various issues of development and, as working partners, they have a direct stake in participatory budgeting. Their plans are easily compared with those of the local governments to avoid duplication of work; the implementation of the community projects will be eased as the local government will boost community mobilization; and mainstreaming the of the civil society organizations' plans in those of the government brings about proper coordination and sustainability of community projects.
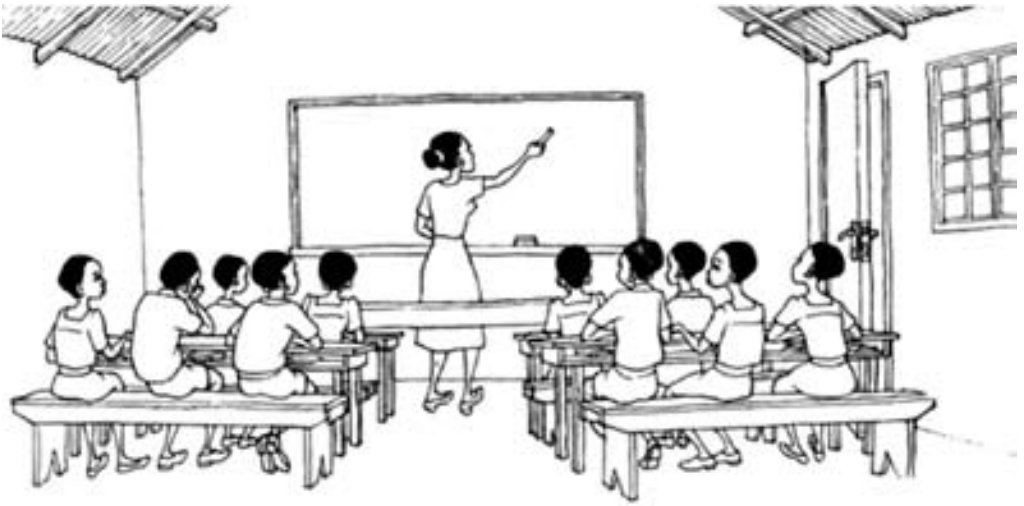
Participatory dialogue to identify fundable projects.

What Civil Society Organizations can do to Ensure Participation

- Participate in planning and budgeting meetings of local governments within their area of operation.
- Bring funds and logistics to the local council planning and budgeting process where possible.
- Bring their expertise to facilitate participatory planning.
- Make available their plans and budgets for integration into the local government plans and budgets.
- Build trust through dialogue with local governments.
- Inform people their rights and responsibilities.
- Mobilize people to participate in their own activities as well as those of local governments.
- Watch out for any corrupt tendencies in the implementation of community related development projects.

Beside NGOs and civil society organizations, there are other alliances that are equally vital for participatory budgeting. The **private businesspersons** are key partners in the development of local authorities and hence should also have input in public budgeting through their associations or organizations.

Alliances with **universities and research institutions** can provide scientific knowledge to enhance the capacity of local authorities to make informed decisions.

Development partners can also help tackle community problems such as education and health services. This can be mobilized through decentralized cooperation as well as voluntary services. At the same time, the **media** is another important partner; its ability to report on participatory budgeting activities and results is a key factor for success.

TIP 1 Mechanisms for Creating Coalitions; Outreach, Identification and Support of Change Agents

Coalitions for participatory budgeting can be established through various mechanisms. The local government can do that through face to face outreach efforts such as councillors visiting and addressing community groups or organized workshops. Positive newspapers articles can also help create an atmosphere of cooperation and community effort in local development. Various ways can be used to help build alliances beneficial to participatory budgeting; some are mentioned below:

Use of Neighbourhood and Community Associations: Neighbourhood associations may be a legal entity or informally organized. Membership is open to all residents, property owners, business licensees and representatives of non-profit organizations in that area. The council can establish an office with the local authority for coordinating and communicating with neighbourhood associations.

Ward Budget Committees: Ward Budget Committees comprising representatives of various organizations can be established with the responsibility of gathering input for needs identification and prioritization.

Some cities use personal notices, generated by the municipality, to call for neighbourhood and ward meetings to report back on budget performance and service delivery.

Public Hearing: Creating space for public hearings, especially for affected people or communities, enhances the positive attitudes toward the local authority. Often where there are disagreements on rates or fees, public hearings can avert riots and facilitate a mutually agreeable final decision.

Cultivation of a Shared Vision: Establishment of a shared vision through a Strategic Plan with the agreement of all key stakeholders.

Citizens Charter: A Citizen's Charter is a document that informs the public about:

- the service entitlements and obligations they have as users of a public service
- the standards they can expect for a service (time frame and quality)
- remedies available for non-adherence to standards
- procedures, costs and charges of a service

The charter aims to improve the quality of services by publishing standards that users can expect for each service they receive from the government. The charters entitle users to an explanation (and in some cases compensation) if the standards are not met. If citizens are well informed of their rights as clients of public services and about existing complaint mechanisms to voice grievances, they can exert considerable pressure on service providers to improve their performance.

Using the media as a tool for mobilizing citizen participating in the budgeting process, © USAID.

Community Radios: Community radios can play a crucial role in mobilizing citizens and providing them with the information they need on public services. For instance,

radio programmes and phone-ins are used in Malawi and Tanzania inviting citizens to comment on budget performance and service delivery. Participatory budgeting training is also conducted through this medium.

Drama has also been used as a vehicle to raise public awareness on participatory budgeting and to deepen debate on the benefits and necessity of such approaches.

The Press: The press plays an important part in information dissemination, analysis and comment, so the local government must invite the press to all participatory budgeting activities. This way the reporters get to understand what the local government seeks to achieve and publish reports that raise public awareness and interest.

"City Checks" in Zimbabwe, which are public observations on service delivery by the local authority, published in weekend newspapers, are useful information sources for citizens on service delivery and budget performance. The budgeted increases in local charges have also been published in newspapers, which have led to public objections in Kenya, Uganda, Tanzania, Zambia, Zimbabwe and South Africa at these hikes.

Service Delivery Surveys: Institutionalization of a service delivery survey to gather information and public perceptions of local government performance, transparency and integrity can enhance the spirit of unity.

Site visits organized by the local authority for the stakeholders to review project implementation can also be useful for budget performance reviews.

Citizen Liaison Office: This is a centralized clearinghouse that local government can be set up to receive and respond to public requests for help or information. The requests can be made by mail, telephone or in person.

Pamphlets on local budgets are also widely used to disseminate information on the budget. This is closely linked to public notices that are posted at municipal offices. Copies of the final budget are also sold to citizens for a nominal fee. Some local authorities use monthly bills to convey information on the budget and any significant developments.

Identification of Champions: The identification of reform-minded champions within the local government can be crucial in helping advance the concept of participatory budgeting, with government reformers and civil society organizations supporting each others' efforts. It is important, however, that such coalitions are not perceived as being co-opted by government officials.

Some local governments have used schools and junior councils to raise participatory budgeting awareness among the youth.

Box 1.13: Linking Budgets to Children's Right in South Africa

The Children's Budget Unit of IDASA is part of the Southern Africa Child Rights Budget Advocacy Network, also known as Imali Ye Mwana, which is a child rights budget advocacy network in the Southern African Development Community (SADC). The network advocates effective and efficient allocation and utilization of resources in state budgets to advance the rights of the child in SADC countries through coalition building, capacity-building and research.

The Budget Unit works with children in four partner organization to build the capacity of children to participate in governance by monitoring budgets for the realization of their rights in an urban and rural context on a local government level. The objectives of the initiative are:

- To create opportunities for children in South Africa to monitor government budgets

- To improve children's participation in and research monitoring for budgets and rights realization

that ultimately informs policy shaping

- To contribute to the alignment of government budgeting to rights realization

The children's organization include: the City of Cape Town's Youth Development Programme, the Disabled Children's Action Group, the Molo Songolo Group (a children's rights organization), and Children FIRST focus group. Among the activities they undertake are training children in linking budgets and rights, budget monitoring, budget analysis and monitoring as an advocacy tool.

Source: IDASA Web site

Box 1.14: Creation of Alliances: The Experience of Latin America

The list of alliances that can be created to support the participatory budgeting processes can be endless. However, some of them have a very strategic value and should be actively promoted by the local governments:

Local Media. Support provided by local newspapers, television and radio stations and similar instances allows setting up fluid channels of dissemination (single way) and in some cases of communication (two-way) between the local government and the community. This is obviously a key element for the success of the whole process.

Academia. When available, the presence of universities, research centres or other academic entities provide an excellent support for the participatory budgeting process. In some cases those institution conduct external research processes, assess and evaluates the results and also generate training and capacity building tools to improve the level of the participants. In smaller communities, secondary schools, churches and

other civic or social organizations can perform those tasks.

Volunteer organizations, local NGOs or community-based organizations are natural allies of the participatory budgeting processes, but all sorts of local organizations can also be taken on board. The involvement of the private sector organizations is more difficult to obtain, but it can also be considered. For instance, in Bella Vista, Argentina, the local chamber of commerce made an alliance with the local government to set up a local economic development entity, which is handling resources approved by participatory budgeting for promoting micro-enterprises within the city.

References to those and other alliances can be found in the document "The Role of Voluntarism in Participatory Budgeting Processes," published by the municipality of Diadema, Brazil, as the final result of a URB-AL Network 9 Project developed recently.

Source: CIGU - www.cigu.org

1.7 Action planning

When the budget has been approved, implementation starts. This must be done according to the work plan. The plan outlines the prioritized problem, and its corrective measure. It also shows the expected results of the action taken; this can be measured against the set progress indicators. The plan should be able to indicate the required inputs and their cost, as a budget. It also identifies who will do what task, and in a specified time frame.

Implementing the plan is time consuming and requires accomplishing several legal, technical and administrative procedures as prescribed by national regulations. For instance, this includes calling for bids, tendering and contracting. This always causes delays that must be explained to citizens to avoid disappointment and other negative effects. This is the reason why it is so important to insist in the participatory budgeting cycles. A sample work plan is presented below.

Action planning, © Urban Management Programme.

Table 1.2: A sample of a work plan Sheet

Key Activity Area or Service	Action to be taken /how to address the issue	Expected results	Process indicators	Required input	Budget /logistics required	Responsible person	Time frame
Example: Sewerage	Repairs and Construction	New System	Reduced complaints from citizens	Pipes Gravel Cement	US$ 30,000.00	Engineer	6 months

1.8 Monitoring & Evaluation

Monitoring is a process of examining whether a project is being implemented as planned. Monitoring is carried out on a continuous basis to provide management, stakeholders, and beneficiaries an ongoing intervention with early indications of progress, or lack thereof, in the achievement of results. Monitoring has three important elements:

- It is the systematic collection and analysis of information as a project, programme or policy progresses.
- It is based on targets set and activities planned during the planning phases of the work.
- The purpose is not to find fault, but to give advice and help so that the project can fulfil its objectives efficiently and effectively.

Who Monitors? Monitoring is mainly an internal process carried out by those implementing the project. Preferably, monitoring should involve all stakeholders. The results need to be shared with relevant stakeholders and fed back into implementation.

Evaluation, on the other hand, is looking at a project, a service or an organization to see if it achieved its intended goals and objectives,

Citizens putting their faith in participatory budgeting's capacity to deliver services; © Urban Management Programme

how efficient and effective it was, and the impact it made. It takes an objective look at what happened and identifies the reasons for success and failure, and how lessons can be learnt for future work. Evaluation is normally carried out at the end of the project. However, an evaluation can be carried out either at a specific time or, as is the case with a multiphase project, at the end of a phase. Equally, evaluation is a means by which those administering the project are held accountable to both beneficiaries and sponsors.

Who Evaluates? Common practice dictates that people external to the project with specialist skills carry out the evaluation. However, the current trend is towards the more participatory approach involving a broad cross-section of those involved in the project with or without the participation of external consultants.

In recent times citizens and development partners have called for participatory monitoring and evaluation to improve transparency in defining conclusions on progress and impact on ground. This monitoring and evaluation can help avoid interferences in the

A councilor being congratulated after bringing about positive service delivery and development outcomes, © MDP-ESA.

implementation process. Interference could be mismanagement, misuse of resources or political. So, there is need for the involvement of all stakeholders. At the same time monitoring and evaluation of this kind enhances political participation and sustainability of development programmes.

Table 1.3: Differences between conventional monitoring and evaluation approaches and participatory approach

	Conventional M&E	Participatory M&E
Who plans and manages the process:	Senior managers, or outside experts	Local people, project staff, managers, and other stakeholders, often helped by a facilitator
Role of 'primary stakeholders' (the intended beneficiaries):	Provide information only	Design and adapt the methodology, collect and analyse data, share findings and link them to action
How success is measured:	Externally-defined, mainly quantitative indicators	Internally-defined indicators, including more qualitative judgments
Approach:	Predetermined	Adaptive

Source: Irene Guijt and John Gaventa; Participatory Monitoring & Evaluation: Learning From Change, IDS Policy Brief, Issue 12, November, 1998.

Box 1.15: The Concept of Community Based Monitoring and Evaluation System in Uganda

The concept of community-based monitoring and evaluation aims to empower communities to articulate their development priorities, as well as efforts to mobilise communities in the local development planning, management, and evaluation process of service delivery. The initiative entails local communities to provide oversight to ensure that local governments perform their functions as expected and that they utilize resources responsibly, efficiently and to the benefit of the intended beneficiaries. This method offers the opportunity for tracking and monitoring government decision-making; involves constituencies in research, empowerment and building capacity to bring about significant change and facilitate in-depth learning by large numbers of people on issues which concern them.

An example of a Monitoring Tool of Community Based Monitoring and Evaluation System Pilot Project in Uganda

(To be administered to Communities)

District: Kamuli Sub-county: _____

Parish: _____ *Zone:* _____

Date: _____

Sector: _____

Indicator: _____

Person Responsible: _____

1. Successes (State in words and figures)

_____

2. Setbacks (State in words and figures) _____

_____

3. What was the situation like before? (Three years back)

_____

4. What change is there now? _____

_____

5. What is responsible for this change? _____

_____

6. What can be done about this issue? _____

_____

7. When should action be taken on this issue? _____

_____

8. Who has to take action on this issue? _____

_____

9. Who else should know about this issue? _____

_____

10. What else have you seen or heard about the monitored issue above? _____

_____

TIP 1   **Key Principles for Undertaking a Participatory Evaluation**

1. **The Evaluation Design.** Participatory evaluations must involve the stakeholders in the evaluation design. The stakeholder plays a central role in setting the objectives of the evaluation, in defining the key questions to be asked as well as the methodology and verifiable indicators to be used.

2. **Data Collection and Consolidation.** It is important that the stakeholders play a key role in the data collection and its analysis. Deciding on the appropriate methods will vary from one group to another and might include questionnaires, mapping, interviews, informal discussion meetings, sampling or case studies.

    Where groups have a low level of literacy, one may need to use other techniques than formal data collection methods such as mapping, folklore, songs, or theatre to evaluate activities so that stakeholders are included.

3. **Analysis.** While generally every stage of participatory evaluations involve some type of workshop, the analysis of the data collection and the findings are critical. It is important that the stakeholders are involved in the analysis of the data and have an understanding of the findings. The analysis and recommendations made by the participants can then be consolidated into the final evaluation report.

    Group meetings and workshops with all levels of the project staff are essential to validate the project design. Key staff members must participate throughout the different workshops to ensure the same information base and enable a better understanding of the project activities and its potential. These workshops should also be broad based and include any outside stakeholders such as NGOs and the private sector that are or will be part of the project.

4. **Feedback and Using Evaluation Findings.** Stakeholders must have an opportunity to comment on the final report. In fact, the report must be a reflection of the outcome of the various workshops: the key findings, recommendations and a future plan of action. A good evaluation should provide stakeholders with concrete tools and recommendations with which to reorient the project with or without donor funding.

Box 1.16: School Building Fund: Lessons on Community Mobilization in Uganda

Nearly ten years ago, the Ugandan government established the Universal Primary Education Programme. In less than a decade, student enrolled in primary schools rose from 2.9 million to 6.3 million.

"Consequently, there was a shortage of classrooms," reports Zie Gariyo of the Uganda Debt Network, a civil society organization that monitors local spending programmes.

Some pupils were studying under trees or in unfinished buildings. To accommodate this growing number for students, a School Facilities Grant was established in the national budget providing each district with the local equivalent of US $600,000 to build new schools and classrooms.

However, many community-level officials lacked the expertise to oversee such an ambitious building programme, and managing the construction and financial oversight turned into an educational process of its own. The potential for fraud was particularly troubling as rumours began to spread of graft, corrupt local politicians, and unsafe buildings.

In 2002, the network set up a web of community monitoring groups in districts outside the capital to monitor the new spending on schools, as well as other government services. The monitoring groups organized citizens, empowering them to ask local officials for information on expenditures and to monitor the quality of construction and new services. Community groups used the information at public hearings sponsored by the monitoring groups to raise concerns about poor quality renovation work, disappearing equipment and supplies, and other misspending.

"The Uganda Debt Network received information," Garivo recalls, "that a building contractor in Katakwi District in North Eastern Uganda had completed construction of three classroom blocks for primary schools without going through the normal tendering process and was demanding payment."

Local community groups investigated the project and found that the construction quality substandard. Since the contractor did not go through the proper procedures, the possibility of corruption could not be ruled out. The network petitioned the Office of the Prime Minister and the Ministry of Education and Sports to evaluate the company's work. They found the company's work substandard and that it had been involved in corruption with local government officials. The network its case and payment to the contractor was denied.

"When resources are not properly monitored" Gariyo says "the results can lead to government corruption, roofs being blown off the schools by storms, incomplete classrooms, and building with cracks in the walls and floor."

When the network began its efforts, many local officials resisted providing community groups with spending information; the officials were slow or unwilling to act on concerns brought to their attention. However, the work of the community groups has resulted in practices like displaying financial information on public notice board, restitution by government officials for misappropriated supplies and property, decreased teacher absenteeism, and improved quality of school buildings. At the national level, the information provided by the community groups also allowed the network to advocate effectively for strengthened procurement procedures and other measures to improve services.

Source: International Budget Project: Open Budget Initiative

Box 1.17: Budget Tracking in Uganda

In 1998, the Ugandan government established the Poverty Action Fund as a mechanism to target, protect and monitor funds released by the Highly Indebted Poor Countries initiative and donors for poverty programmes including water, health, education, roads, and agriculture. The fund is integrated into the budget and sent as fiscal transfers to local governments, hence the importance for local people to monitor its use. The government involves civil society organizations in monitoring the impact of fund's expenditures, by allocating 5 percent of the fund to monitoring activities. Monitoring is coordinated by the Uganda Debt Network, and is undertaken through quarterly field surveys in 12 districts by a team of researchers and community members through Poverty Action Fund Monitoring Committees .

The Fund Monitoring Committees are voluntary civil society groups participating in Action Fund monitoring, anti-corruption campaigns, and advocacy for accountability and transparency. The committees are diverse groups including women, youth, disabled people, religious leaders and the elderly. In order to make monitoring more participatory, Uganda Debt Network introduced a Community Based Monitoring and Evaluation System approach. Tthe communities are engaged in continuous monitoring and evaluation of government programmes using this system.

During the inception of a plot of this system in Tororo District in November 2002, the budget community monitors organized a meeting to present their findings to local leaders and community members. Particular concern was raised about poor management, procurement and control systems in the Mulanda Health System where 31 mattresses out of 40 had disappeared and 7 of 8 bicycles bought were also

missing in less than a year. The monitors found that there was no evidence of purchase of health materials; they could not ascertain the cost of drugs and other utensils. The local officials expressed a willingness to correct the situation. The chief administrative officer interrogated the health centre authorities and the stolen materials were recovered in less than a month.

The Uganda Debt Network's model of Poverty Action Fund monitoring has proved successful, judging by the requests by various stakeholders nationwide including the government. The initiative also tracks monthly expenditure releases from the central government to local governments and reconciles these with releases from the central bank. Quarterly progress reports are presented at multistakeholder meetings. In a relatively short period of time, this initiative has helped identify problems in funding to local government, increased funding to poverty relief programs, and shifted expenditures towards priority sectors.

Moreover, the Ministry of Finance, Planning, and Economic Development has opened its budget reference groups meeting to civil society consultations, which creates an entry point for civil society to join discussions previously reserved for policymakers and technocrats. This represents an additional opportunity to monitor government actions toward development obligations. In addition, by making information on the budget more accessible to civil society, the Uganda Development Network has strengthened the campaign for budgets that help the poor, by promoting collaboration between civil society and government officials and by enabling groups to lobby more effectively for resources to be channelled to previously overlooked areas.

Box 1.18: Monitoring South Africa Children's Budget

The Children's Budget Initiative at Idasa, was developed by the organization's Budget Information Service in 1997 to evaluate the impact of the South African budget on children. The project takes the United Nations Declaration on the Rights of the Child as a departure point and tracks government spending on children relative to the Declaration's commitments to protect the development of children. South Africa guarantees children's rights both in the constitution and as a signatory to the Convention on Rights for the Child. The Children's Budget Project seeks to determine whether these commitments to the children of South Africa are met by analyzing budget decisions.

Child friendly budgeting is key to building a strong and health nation, © USAID.

The research to develop the Children's Budget starts from a thorough understanding of children's socioeconomic rights, as these are the constitutionally prescribed goals of government policy. Secondly, it identifies a series of government programmes used as instruments for the achievement of these goals to determine whether these programmes reasonably meet government constitutional obligations to realize children's socioeconomic rights. In undertaking this analysis it is important to understand the dynamics of poverty among children and in particular the role government programmes and services can play in alleviating poverty.

South Africa has nine provinces with responsibility for spending on welfare services, but they are each dependent on funding from the central government. The Children's Budget Initiative developed a framework to assess the quality and impact of spending on children in each of the provinces. The study is based on the collection and analysis of data, policy documentation, and other information across all nine provinces. The study makes use of the framework to structure and interpret the vast body of data and information involved based in the following questions: How equitable or fair is public spending across the country? How does the allocation of public resources shape patterns of access to services? How do social service programs redress existing disparities? What social outcomes (for example, reduction in disease due to immunization

programmes) are achieved through public spending on social services?

The analysis tracks key public services relating to the rights and quality of life of children including education, welfare, health, justice and policing. It reviewed short and medium term budget documents including planning, implementation and service delivery. It also draws together existing data on child poverty and assesses the impact of current macroeconomic policy on South African children. Comparisons of resource allocation and service delivery between provinces can be helpful in analyzing the quality and efficiency of spending.

As a result the study shows, for example, that the proportion of the total provincial budgets dedicated to the education sector was high, although beyond this the data varied between provinces. It also shows that children are prioritized in the health sector but that there are a number of gaps in translating constitutional obligations into good quality child health services, as seen in the limited provision for the protection of the children's health rights in the National Health Act. Regarding the right to food it was found that the programmes to provide food – or the means to acquire food – are based on special population needs that exclude from its scope many South Africans who do not qualify for any of the special need-based programmes. The Primary School Feeding Scheme, for instance, only benefits school-going children on school days. The Children's Budget Initiative suggests that the

programme should function in cooperation with more extensive and regular ones providing direct access to food for children.

Finally, it is important to observe that meeting rights obligations – the right to education, for instance – is directly connected to the spending on the other socioeconomic rights of children and their parents.

As such, The Children's Budget Initiative highlights the interconnectedness between basic nutrition, social security, and education and the importance of a comprehensive system where parents, caregivers, and the community promote children's participation in development effectively and collectively.

Box 1.19: The Kampala Citizens' Report Card: Citizens' Response to Public Toilets Based on Focus Group Discussions.

The Kampala Citizens' Report Card was launched in order to provide feedback from service users to Kampala City Council and other service providers on the availability, reliability, and satisfaction with the quality of the essential public services such as: water and sanitation, health, education, roads and public transport, garbage disposal, public toilets, management of the city environment and infrastructure. The initiative builds on others like the Uganda Participatory Poverty Assessment Process (UPPAP I &II) that were aimed at bringing the voices of local communities into government policy formulation, review, implementation and monitoring.

The methodology employed in developing the report card combined quantitative research with qualitative findings obtained from interviews, focus group discussions and observations. A total of 498 households were interviewed for the survey. The methodology comprised (i) survey of the organization; (ii) designing and testing of survey instruments; (iii) sample design for the quantitative design; (iv) sample design for the qualitative survey; (v) data entry; (vi) data analysis; and (vii) sampling errors.

The findings confirmed significant progress in increasing access to services in the city of Kampala. This is especially the case with regard to piped water, education and public transport. At the same time, the exercise gave opportunity to citizens to express their concern about lack of performance in a number of areas. Below is a concern raised about access to public toilet facilities in Kampala.

Access to Toilet Facilities: "We cannot afford the 100 shilling user fee for public toilets in the city. This is forcing some people to help themselves in corridors and near garbage skips."

At the launch of the report, Kampala Mayor Ssebaana Kizito had this to say: "The Citizens' Report Card is an important process which outlines the roles and responsibilities for both providers of public services and the users. We, the providers, need to act appropriately on the feedback by taking remedial action where there are shortcomings and involving the community in planning and monitoring public service delivery. I also encourage [members of] the community, who are the users of these services, to support Kampala City Council and other agencies in improving the quality of services and to become more proactive and demand for better quality service delivery.

"The voices of the people in the form of feedback on services will continue to inform our budgetary allocation and policies on key aspects of public services delivery for poverty reduction. I encourage KCC, our partners in service delivery and all city residents to utilize the Kampala Citizens' Report Card process to increase transparency and accountability in the delivery of public services as we endeavour to transform Kampala into a truly modern and efficiently managed city. We in Kampala City Council are committed to continue listening to the priority concerns of Kampala citizens in order to respond to them in a timely, efficient and transparent manner".

TIP 2   Citizen Report Card

The Citizen Report Card is a cheaper and quicker method for holding service providers to account. Initiated by the Public Affairs Centre in the Indian city of Bangalore, and spreading rapidly in that country, this approach conducts systemic sampling of all sectors of the population in a given area on the quality of public services. From this it gathers citizens' proposals for improvements, and the resulting "report card" is presented to the service provider with the aim of meeting these requests. It is also widely publicized in the press, with the intention of informing citizens about civic rights and responsibilities but with the incidental effect of shaming poor performers.

THE PARTICIPATORY BUDGETING CYCLE IN SELECTED COUNTRIES

Participatory budgeting initiation has as many approaches as there are definitions. It can be initiated formally or informally, systematically or unsystematically. There is some common thread on the initiation of participatory budgeting in sub-Sahara Africa, owing to a common colonial history and similarity of cultures. Where participatory budgeting has been initiated formally, systematic policy processes shape and guide the budgeting process.

Formal participatory budgeting is initiated through laws and policies as in Mozambique, South Africa and Uganda. The informal initiation is in response to civic group pressures; practices shape the participatory budgeting process, as in Kenya, Tanzania and Zimbabwe. The following sections describe some of the participatory budgeting cycles as they operate throughout the year in Africa, Latin America and Europe.

2.1   The Case of Local Governments in Uganda

2.1.1 Consultations With Central Government

The budgets for local governments have to be harmonized with that of the central government following consultations.

These consultations start in September each year with the participation of district and municipal officials. These consultations determine:

i)   the allocation formulae for all grants

ii) recurrent and Development Transfer Budget formats

iii) the percentage of flexibility allowed on conditional grant allocations to recurrent sector budgets and sector budget lines

The consultations are carried out during the National Budget Conference held in October and the Regional Local Governments Budget Framework Paper workshops. During the regional workshops the revised indicative planning figures of sectors (minimum allocations) are disseminated and the Transfer Budget formats are explained further. These planning figures are used in the preparation of the annual budgets for local governments.

When the budget has been approved; implementation starts, and this must be done according to the work plan.

Stage One: Proposal of Policies - January/ February

A local council derives its budget from its policies. The policies need to concur with those of the central government (Section 78(2) of the Local Government Act. The policies of the central government will have been agreed and disseminated to the local governments at the Regional Local Government Budget Framework Paper Workshops. The indicative ceilings of Recurrent and Development Transfer Budget formats will be communicated to local governments, which will then incorporate them into their budget estimates.

Stakeholders attending a regional participatory budgeting meeting in Uganda, © MDP-ESA.

In January and February each local government must agree on its policies and activities for the next financial year. The policies are formulated by the Executive Committee of Council. Targets to be achieved for each activity are also spelt out.

It is important that policies support the mission of the local council otherwise funds will be spent on activities that will not benefit the district and municipality. If for example the policy of the council is to improve public health but the activities budgeted for include travel by councillors to visit farms in the neighbouring country, the visit will not help the district improve public health. The disparity between budgets and policies should be avoided because it prevents the council from achieving its mission and objectives and often results in misuse of its funds. Estimated expenditure must not exceed expected revenue collections and receipts.

Stage Two: Budget Conferences - February /March

After the Executive Committee proposes policies for the local council, the policies are presented at a budget conference held in February and March each year. The purpose of the Budget Conference is to review the past performance of the local government and of all the activities that may be considered for funding in the next financial year. The conference is be attended by councillors, chief executives, heads of departments, budget desk team, technical planning committee, agencies and civil society in general.

It considers the following:

i)   Review of past performance.

Ii)   proposed future development targets.

iii)   Review charges and rates.

iv)   Expected revenue collections from central government, local government, and NGOs.

vi)   National priority programme.

vii)   Review of plans.

viii) Prioritization and ranking of development programmes.

ix)   Status of budget programmes.

- Is the budget balanced?

- Is there room for new activities?

Stage Three: Costing of priorities - April

Having identified at the budget conference the programmes that the local government should implement in the coming year in order to achieve its objectives and relevant national objectives, it is necessary to determine the costs of the prioritized programmes that can be funded by the revenue that is estimated to be available.

Prioritization involves the ranking of the different activities. This is important because the activities compete for limited resources. This activity is carried out by budget desks of local governments and lower level local government (sub- counties and parishes). All local governments should hold planning meetings and agree on priorities in the different sectors for recurrent and development activities. The updated development plans for sub-counties and parishes are then forwarded to the districts and municipalities.

The local government budget desk will cost the agreed programmes and update the District Development Plan. This will involve:

i)   review sectoral performance

ii)   identification of sectoral priorities

iii)   detailed costing of activities

iv)   checking activities against national priority programmes

v)   make reductions in programmes if there are imbalances between the estimated revenues and expenditures

vi)   council and executives should be fair to all sectors when allocating funds

Women delegates at a participatory budgeting meeting in Uganda, © MDP-ESA.

Stage Four: Review of Costed priorities - May

The Local Governments Act requires that the budgets of all local governments be balanced. This means that the total expenditure must not exceed the total revenue for each local government. To ensure that this requirement is met, the Executive Committee must review all of a local council's programmes and rank them in order of priority. The order will depend on the contribution of the programme to the mission of the district and municipality. If, for example, it is agreed that education is more important to the district than, say, cattle immunization, and then education programmes will have to be ranked before the cattle immunization programmes.

In ranking, the council has to remember that if it is to receive conditional grants; those grants will have to be spent on the programmes for which they were remitted. This, therefore, means that conditional grants would not be part of the ranking process.

The cut-off point for the programmes that are to be rank-ordered are determined by the availability of revenue. Those programmes and projects that are not supported by revenue will have to be referred to the next financial year.

Programmes or projects that cannot be supported because of a lack of funds are also ranked because it is possible that surplus funds may become available during the financial year. The reserve ranking list of programmes and projects would then be used to determine the optimal use of the extra funds.

Rankings are based on technical and political considerations. The Budget Desk then prepares the draft budget after incorporating adjustments.

Stage Five: Budget Presentation Laying Before Council - by 15 June

After determining the local council's estimated revenues and the costing of the programmes, it is now possible to compile a proposed budget for the next financial year. The budget should be presented by the chairperson or a designated representative of the local council to the council for debate and approval. The budget must conform to the prescribed requirements both in format, content and codes. Budget estimates must show details of (i) revenue; (ii) expenditure; (iii) recurrent; and capital.

The recurrent and capital budgets should

bring out an aspect of the attainment of outputs. The budget should be linked to the attainment of the mission. Some of the measures of the achievement of education could be shown by the number of children of primary school age who are actually attending primary schools.

The chairperson shall not, later than 15 June, cause to be prepared and laid before the council the proposed budget for the next ensuing financial year. The budget may not necessarily be approved by 15th of June; it may require further scrutiny by the respective standing committees.

Stage Six: Budget Scrutiny - June/July

On receipt of the proposed budget estimates, council will refer them to its standing committees for scrutiny and recommendation for approval.

All members of the standing committees must report on time with their recommendations.

Stage Seven: Budget debate and approval - August

When the standing committees have reported back with their recommendations the council will then debate the budget proposal and have an opportunity to make amendments before it is finally approved. It must be balanced and must be presented for approval before expiry of the vote on account.

Stage Eight Publication and Communication - After approval

The budget estimates must be distributed to the stakeholders once the chairperson has signed the document. The stakeholders include the ministries of local government, and of finance; line ministries; and the Local Government Finance Commission. They may also be distributed to other local governments, NGOs, local governments' bodies, auditor general and civil society.

Stage Nine: Continuous Implementation, Monitoring

The administration of the local council has to ensure that the budget is used to achieve its objective. This means that its resources must be used economically.

After the budget approval the council's heads of departments must present detailed implementation work plans to the standing committees for approval, after which goods and services may be requisitioned.

To ensure that the budget achieves the objectives of the local council, a record of what has been received and spent has to be kept. The record must be in the same format and must use the same codes as in the budget.

If later in the financial year more money is needed for a project, programme or sub-programme than had been approved by council, supplementary estimates must be presented to council for endorsement before expenditure can be made and a warrant issued for their use in accordance with the Local Government Financial and Accounting Regulations. The additional estimates require council approval and authorization and should only be sought when funds are available and have not been committed to other purposes.

Stage Ten: Budget Evaluation

Once a budget has been passed, it is the responsibility of each local government to comply with it during the implementation of approved work plans and programmes. This means that all revenues due are actually collected and expenditure is limited to what has been authorized. If this is not done, the council would not be able to carry out its activities and this could result in the loss of external funding because of perceived financial indiscipline.

A vote book has to be kept and this should alert the council to the availability of funds for a programme or an item. Councils should not transfer money from approved programmes to those that they have not approved. If it is

deemed necessary to do that, an application should be made to council for such a transfer.

The transfer of funds between votes is known as remittance. An application for remittance is made by the vote controller to the chief executive and it should only be made if there are sufficient funds to cover the proposed expenditure.

Reallocation, on the other hand, involves transfer of funds between sub-programmes. The vote controller also submits applications for reallocation to the Executive Committee of Council for approval. A reallocation warrant is issued on approval; expenditure before approval is prohibited.

Neither remittance nor relocation should be used to implement new policy or principle, nor should they materially change the pattern of expenditure as approved by council.

In applying for reallocation of funds it may be necessary to seek the consent of sector ministries or donors if their funds are involved. Council should ensure that projects which were identified and specified when approval of the budget was being sought have been complied with. That will give an indication on how well the local government is performing toward achieving its mission and objectives.

Box 2.1 Institutional Arrangement of Budget Conference in Uganda

The 1997 Local Government Act requires each level to begin its budget process with a budget conference which is open to the public. The municipal and division budget conferences formulate proposals for resource use for the next financial year, as well as for the three-year rolling plan. At Local Council (LC)1, the budget conference is, effectively an annual public meeting of all citizens since at that level all adults are Councillors.

However, they do not always take place as they should in every village. At LC2 the budget conference is a meeting of the Executive Committee members from each LC1 within the ward. The LC3 (Division)

budget conference invites the chairpersons of the constituent LC1s and LC2s, together with the Councillors for LC3 and other interested stakeholders. At LC4 (Municipality) and LC5 (District), leaders of local stakeholder groups, business community, community organizations and NGOs are also invited. However, since invitations to the budget conference are in the hands of the local Executive Committee, it is unlikely that stakeholders who are not in the Committee's "good books" will be invited. Thus, participation in the budget conferences may be unrepresentative of important interests.

Source: Compiled by The Municipal Development Partnership for eastern & Southern Africa

Figure 2.1 Uganda Local Government Budget Cycle

STAGE 1: Proposal of policies (Jan-Feb)
Responsibility Centres: Executive Committee
Output: Local Government policies and activities for the next FY

STAGE 2: Budget Conference (Feb-Mar)
Responsibility centres: Councillors, Chief Executives, Heads of Departments, Central Agencies
Output: List of Political priorities/Guidelines for Sectoral Allocations

STAGE 3: Identification and costing of Priorities (April)
Responsibility Centres: Budget Desk with inputs from sectors and preliminary constitution with relevant Standing Committees
Output: Priorities ranked in order, Costed Sectoral Priorities

STAGE 10: Budget evaluation
Responsibility Centres: Executive Committee, Technical staff and Council
Output: Actual investments, performance reports, report on state of affairs by chairperson

STAGE 4: Review of costed Sectoral Priorities (May)
Responsibility:
Executive Committee
Chief Executive and Budget desk
Output: Examination of Committee proposal for constituency with policy resources
Local priorities and National priorities addressed
Sectoral Linkages
Draft Budget ready for presentation

The Local Government Budget Cycle

STAGE 9: Implementation & Monitoring
Responsibility
• Technical staff implement
• Executive Committee monitor overall
• Councillors monitor in their constituency
Output:
• Implementation plan

STAGE 4: Review of costed Sectoral Priorities (May)
Responsibility: Executive Committee, Chief Executive and Budget desk
Output: Examination of Committee proposal for constituency with policy resources, Local priorities and National priorities addressed, Sectoral Linkages, Draft Budget ready for presentation

STAGE 8: Publication and Communication (After approval)
Responsibility:
• Chairpersons
• Chief Executive
• Head of Finance
Output: Budget published and copies given to various stakeholders

STAGE 5: Budget presentation (by 15th June)
Responsibility: Chairperson or designated secretary, Chief Executive, Council (for consideration)
Output: Draft budget laid before council, Proposals draft Budget referred to respective standing committees for further scrutiny, Vote on Account passed by Council

STAGE 7: Budget debate and approval (August)
Responsibility:
• Chairpersons of Standing Committees present sector recommendations or Chairpersons present consolidated recommendations to council
Output: Approved budget and signing by Chairperson

STAGE 6: Budget scrutiny (June/July)
Responsibility: Council refer budget to Standing Committees for scrutiny and flexibility
Output: Final changes within ceiling unless flexed, Recommendation for proposal

Compiled by Patrick Mtabwire

Box 2.2 Budget Conferences in Uganda

Budget Outreach in Entebbe in Entebbe Municipality

The budget conference in the Entebbe municipality is preceded by an outreach programme. The budget Outreach Process was initiated by the mayor as a means of identifying the needs of the community, enlightening the community about its rights and obligations, and providing a meeting point between citizens and local politicians. It was originally envisaged as an annual exercise of visiting each of the 24 villages / sub-wards (LC1) in the municipality in order to ascertain local conditions, problems, needs and priorities, in the run-up to the annual budget process. Entebbe Municipal Council linked with the Municipal Development Partnership for Eastern and Southern Africa which provided extra funding for the council's budgetary process activities, with the objective of supporting the active participation of a wider cross-section of stakeholders in local government budgetary processes. The council hired a facilitator to guide these processes.

The budgetary process in Entebbe begins with the Budget Outreach, an intensive exercise involving the Mayor, councillors and heads of departments, and representatives of civil society organizations – altogether a group of 30-50 people – visiting each LC1 for a whole day. The visit involves a tour of the village, visiting homes, talking to people, identifying problems and needs. During the tour, the mayor and his entourage try to link taxes, fees, and charges and service provision. At the end of the visit, there is a public meeting with village residents, which is generally well attended, at which they can raise problems and needs. During the meeting, the mayor informs city residents about how the council is raising and using revenues. Officers of the council are then required to respond, and list of issues is compiled for further action. The proceedings are recorded on video for future reference, visiting all the villages in each division in a facilitated way to determine the priorities and concerns of the local population. In the municipality there is clear political commitment by its top leadership towards partici-

patory politics. This immensely assists the seriousness with which the exercise is carried out. One day is spent in each of the municipality's 24 villages, so the whole process takes a month. Although it involves a lot of effort and is time consuming, it has clear advantages, since the mayor, councilors and senior staffs are able to hear first hand information about local concerns, from people in their own localities. In turn, citizens feel they have a more involved relationship with the municipal council.

The findings from the outreach process are used to feed into a three-year rolling Strategic Plan for the Municipality, intended to guide development and budget priorities. Overall, the outreach process is seen as being an effective way for elected representatives and officials to come to much clearer – and shared - understanding of local problems and needs. The process is recorded in photographs and videos, for future reference, in order to increase transparency and avoid misunderstandings. The involvement of civic organizations helps to ensure a broader perspective and greater accountability of officers and councillors.

The provision of resources over the last two years meant that funds are available to implement some of the projects identified through the outreach process. However, the process has its problems:

- *It is costly, particularly in terms of staff time*
- *It tends to raise expectations that actions will be taken and facilities will be provided -immediately, whereas problems may be intractable and resources may not be available*
- *It is unclear how effective is the follow-up action, or the link to the budget process*

  some people perceive the exercise as political campaigning and public relations.

The Budget Conference: Jinja Municipal Council

The budget conference is held over one full day, with a lunch provided. The town clerk begins by making a general overview, and heads of department make their presentations on what has and has not been done. Discussion is then open to the floor for complaints and suggestions. People's contributions are guided by the technical staff within the framework of the three-year plan – in other words, discussions are guided by an agenda set before the conference starts. After the budget conference some proposals are included in the municipal budget, and others are forwarded to central government or communicated to the divisions.

The budget conference allows for direct accountability for lack of achievements in the previous budget year. In the words of the town clerk, 'It has helped to put houses in order."

This also enables discussions about problems with tax collections, and provides space for citizens to criticize government. There were discussions about roads and garbage collection at the last budget conference. The town clerk found there was some misunderstanding among people over the costs involved in providing services, which he was able to correct. The budget conference also gave him an opportunity to discuss with citizens the negative practices which affect service provision, such as improper disposal of waste. The council also used this opportunity to explain to citizens the difference in roles between the municipal and the division councils. This helps people to know where they are supposed to go over different issues.

The chairman of the Market Traders Association found the conference a useful platform where old plans and new ideas were discussed. For example, there was a move to buy a new generator for the municipality but people were against it as it was too expensive and there were more pressing needs. Accordingly, the idea was abandoned. In his opinion, the conference is a useful process: people are able to speak the language in which they feel comfortable, although mostly the discussion is in English. Despite some clear limitations, there is a positive feeling about the conference process: people are more aware of what is going on and the council feels more part of the community.

Budget conferences involve soliciting the views of individuals and organized stakeholders. However, it is a new concept that has not yet been developed to its full potential. In practice, participation is still quite limited, mainly involving people like LC1 chairpersons who are already part of the system. At LC3, LC4 and LC5 levels, the agenda for discussion and the form that the discussion takes is mostly driven by technocrats, conducted in English and couched in formal, budget language, which may not be conducive to participation by ordinary citizens, let alone the poor. Better educated people also often exert disproportionate influence.

However, there are attempts to make these conferences an effective mechanism for local accountability as well as participatory planning.

Making the Budget Conference More Inclusive

In Mukono, the town council allows citizens to contribute to the discussion in the budget conference. Participants make their contributions in whatever language they wish. The discussion is organized through small groups, each covering a particular sector. Each group elects its own chairperson and secretary. Participants may join whichever group they wish. People feel freer to make their contribution in a small group, especially since the council officials are not present, except when called upon to explain some point. The outcomes of the discussions are then refined by the technical staff into clear objectives, specific inputs and defined outputs with monetary values.

Source: Compiled by the Municipal Development Partnership for Eastern and Southern Africa

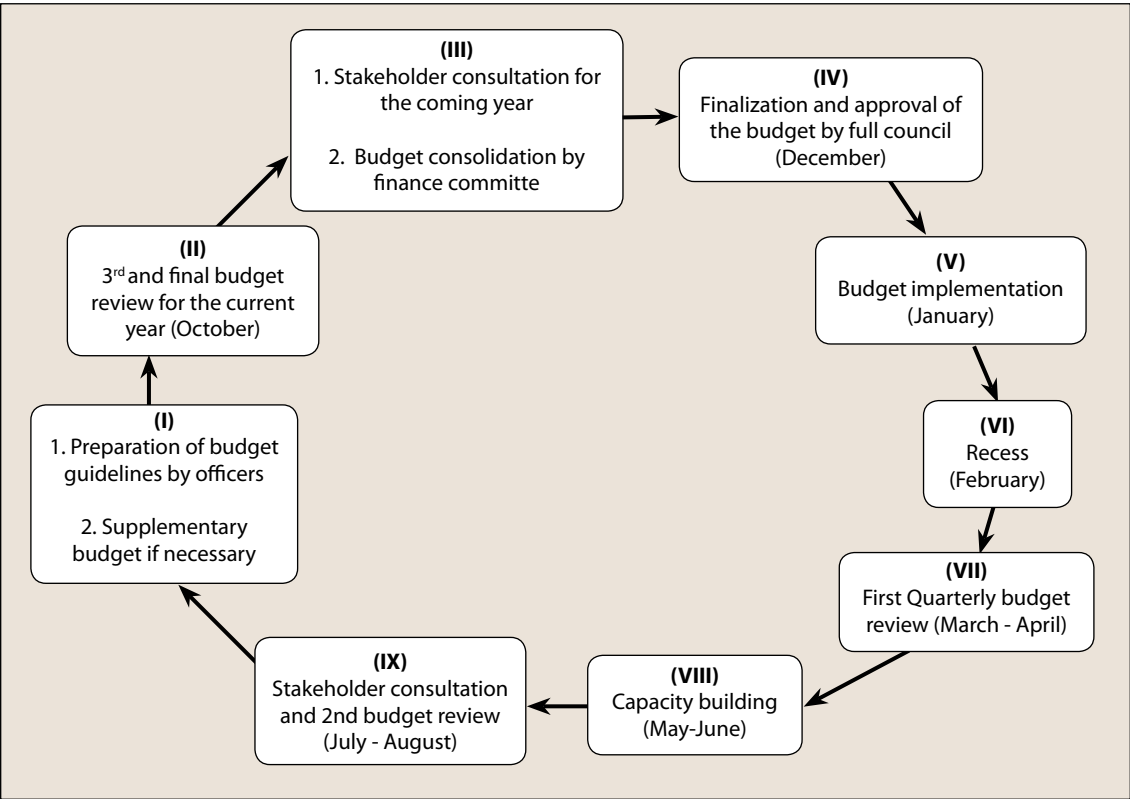## 2.2   The Case of Mutoko Rural District Council in Zimbabwe

Box 2.3: Participatory Budgeting Trigger

Prior to 2001, Mutoko Rural District Council faced continuous budget deficits. Whenever the council proposed or tried to raise tariffs and charges, there were demonstrations. Citizens argued that they did not see any justification for increases as the council was not providing any quality services. Various civic society organizations, under the influence of the Mutoko Citizens Association and the Informal Traders Association, took to the streets every year resisting and boycotting any increased charges from the local authority. Even *some of the council employees had difficulties getting along with some of the decisions. Whenever there were consultative meetings, the most vocal and powerful tended to dominate the meeting. As a result, many citizens did not have a chance to speak. The confrontational relationship forced Mutoko District Council to rethink the way they were doing business and the result was the idea to experiment with participatory governance. In particular, the council resolved to take a new approach to its annual budgeting process.*

Source: Chairman, Mutoko Rural District Council

Figure 2.2: Mutoko Rural District Council Budget Cycle

Source: Constructed by the Municipal Development Partnership for Eastern and Southern Africa

2.2.1 A Description of Mutoko Rural District Council Participatory Budgeting Stages

Stage One: Information Collection: Local authority staff collects information on previous year's audited results, budget performance for the half year and projected performance as well as capital projects implementation status and projections to year-end. Macroeconomic forecasts are also part of this exercise.

Stage Two: Councillors deliberate on budget performance and forecasts and using central budget government guidelines of national priorities, intergovernmental fiscal transfers, they prioritize projects by sector and debate these in the various council committees. The finance and executive committees give general local budget guidelines which the council adopts. The process comprises different activities by different persons.

Stage Three: Mobilization of Citizens: The starting point for consultative meetings is the village level. On average, a village comprises 200 people, which are roughly five households. For participatory budgeting purposes, families are mobilized to attend the respective village meetings at which villagers are encouraged to speak about their needs and priorities in preparation for the Village Development Committee meeting. In addition a messenger is sent by the village head to inform people about the meeting. The messages are sent through school children. In some cases, a drum-beat is used to advise citizens that the meeting will take place the next morning.

Stage Four: The Village Development Committee Participatory Budgeting Consultative Meeting: This meeting comprises a cluster of four to six villages; that is roughly 800 to 1,200 people. Everyone in the cluster is free to attend. The village head is expected to facilitate the identification and prioritization

of the needs. Usually, the areas of consultation cover essentials such as water, health, education and roads. Every villager is encouraged to attend the meeting. Prioritized areas are prepared for onward presentation to the Ward Development Committee.

Stage Five: The Ward Development Committee Participatory Budgeting Consultative Meeting: On average there are about 30 villages within a ward. In this case a ward would have on average about 6,000 citizens. However, on average about 500 attend the committee meeting for the whole ward. Participants include representatives of line ministries, civil society organizations and NGOs, traditional leaders and political parties. The principal person in the meetings is the chairperson of the Village Development Committee whose primary role is to present the needs and priorities of this committee. The person is accompanied by all the members of this committee. These participants are expected to assist in the lobbying of their choices. The Ward Committee is chaired by the ward councillor who gives direction to the meeting. At this stage there is trading of interests between.

Stage Six: Stakeholder Budget Consultation Meetings: At this stage, the local authority sends out invitations and budget performance and guidelines to all the registered stakeholders for a broad consultative meeting on the budget. Councillors also use the same to make consultation with ward and village development committees. The various civil society organizations are given a chance to consult their varied constituencies prior to the meeting. At the meeting, the local authority staffers give feedback on budget performance and project implementation. This leads to a review of the previous budget performance. Inputs from the development committees are also reviewed. Stakeholders also give indications of the ranges of affordable tariff increases. The stakeholders also elect the Participatory Bud-

Stakeholders at a village development committee participatory budgeting consultative meeting in Mutoko, © MDP-ESA.

geting Action Committee from among themselves to finalize the budget.

Stage Seven: Participatory Budgeting Action Committee meeting: The Budget Action Committee comprises six members of the management team; five councillors; four representatives of civil society organizations; two from banking institutions; two from the private sector; one district administrator, one council chairman (by virtue of the person's office); one traditional chief; and one chief executive officer All together, there are 23 members.

The criterion for getting on this committee is the capacity to understand budget issues. The committee works with the chief finance officer and the chairman of Finance Committee to craft the finer details of the budget, including priorities for capital development and their financing, as well as the operating expenditure requirements and the resultant tariff and charges increases. They may also propose different options of the first draft of the budget as well as the budget timetable.

Stage Eight: Internal Budget Review

– Policy-fit Meeting: The first draft budget is presented to the full council so that they also scrutinize it to see whether priorities are in line with national and local budget guidelines, as well as the local authority's strategic plan. The local authority then calls for the budget meeting of all stakeholders. The full council meeting is open to the public. All the four traditional leaders and line ministries also attend the full council meetings including representatives of various NGOs and civil society organizations.

Stage Nine: Stakeholder Consultation Meetings: The Participatory Budgeting Action Committee presents and defends the draft budget to the broad stakeholder meeting. Following discussions, the year's budget is produced.

Stage Ten: Neighbourhood Budget Consultations and Priority Setting: Using the agreed budget, village consultation meetings are arranged where the members of the Participatory Budgeting Action Committee assist ward councillors to present budget proposals for discussion, suggestions and amendments.

The minutes of these meetings are recorded for use in budget finalizations. The Participatory Budgeting Council meets to consider in inputs from village Participatory Budgeting meetings, and produce the final budget draft.

Stage Eleven: Finalization and Budget Approval: The Participatory Budgeting Action Committee then presents the amended final budget to full council for final approval through the Management Committee.

Stage Twelve: Budget Advertisement: The local authority places the final budget in at least two issues of the local or national newspapers, calling for objections or further inputs from the general public. Once the notice period is over, the council considers the objections and produces the final budget.

Stage Thirteen: Policy Reconsideration and Budget Approval: Once the advertisement objection period is over, the council considers the objections and produces the final budget.

Stage Fourteen: Ministerial Formalities: The final budget is sent to the minister of local government for information and approval in certain instances, as well as for legalizing the budget through a statutory instrument published in the Government Gazette.

Stage Fifteen: Budget Implementation: Once the statutory instrument is received new charges are billed, and statements sent out to ratepayers and citizens for settlement. Finance for new projects is arranged, contracts awarded, accounting records kept, purchases made and services provided to the citizens for the whole year.

Stage Sixteen: Budget Monitoring and Reviews: Through predetermined report back meetings, first at local authority level and cascaded toward and villages, periodic budget performance reports (variance analysis and explanations) are given by the local authority to the citizens. These reports also state project implementation status and problems encountered. Organized periodic inspections of projects are also a way used to monitor project implementation as in Masvingo City Council in Zimbabwe where the local authority hires buses for citizens to inspect project implementation.

The Table below shows the times, activities, techniques used, the purpose served and the actors and outputs in the various stages of the participatory budgeting cycle of Mutoko District Council (Zimbabwe).

The way the participatory budgeting process is organized and executed in Mutoko Rural District Council is depicted in figure 2.3 below

Figure 2.3: The Participatory Budgeting Governance Structure in Mutoko District Council
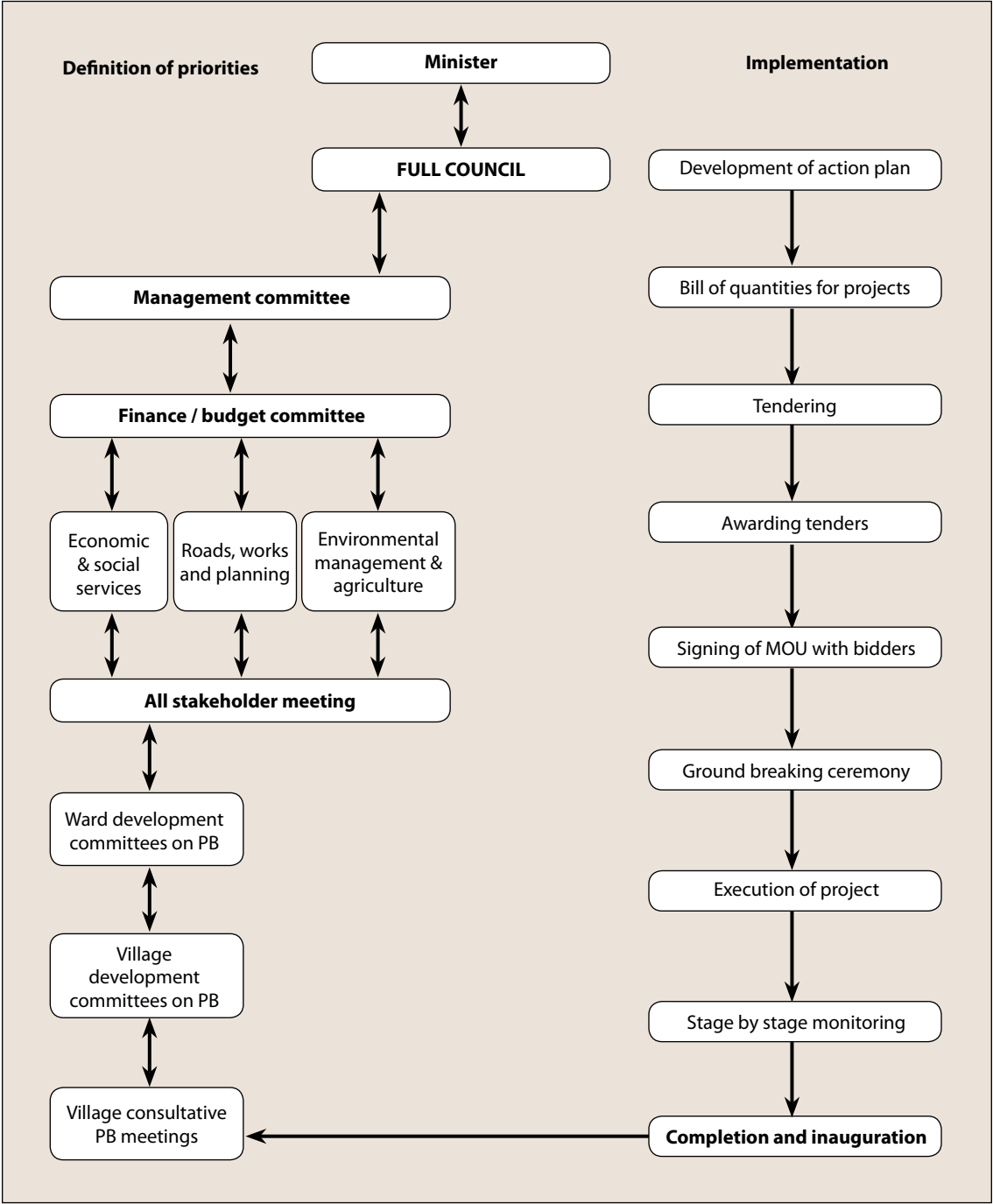
Source: Constructed by the Municipal Development Partnership for Eastern and Southern Africa

Table 2.1 Mutoko District Council Participatory Budgeting Matrix

Phase	Date	Activity	Technique	Purpose	Actors	Output
I	September	• Preparation of budget guidelines by the officers • Consultative meetings with citizens • Needs identification	• Committee meetings	• Prepare committee budgets	• Councillors • Staff	• Councillors • Staff
II	October	• Final review of the current year	• Council meetings • Public meeting/ workshops • Distribution of hard copies of draft budget	• Consensus on the consolidated budget	• Councillors • Staff • Stakeholders • Community	• Participatory draft budget • Agreement on rates, levies and charges
III	November	• Stakeholder consultation for the coming year • Priority setting • Budget consolidation by the Finance Committee • Advertising of participatory draft budget calling for objections/ petitions	• Media • Public notices	• Acceptance by citizens	• Councillors • Staff • Community	• Citizens • Consensus, ownership and support.
IV	December	• Finalization and approval of the budget by full council • Forward budget to minister	• Full council meeting • Government gazette	• Approval of budget	• Council • Staff • Community • Central Government	• Approved budget
V	January / December	• Budget implementation	• Initiation • Monitoring • Reviews	• Service delivery • Growth • Development	• Council • Staff • Community	• Programmes • Projects • Activities
VII	March/ April	• First quarterly budget review	• Citizens/ • Public meetings	• Feedback • Evaluations • Sensitization	• Stakeholders • Councillors • Members of Parliament	• Sensitized stakeholders • Preliminary contributions to next budget

Phase	Date	Activity	Technique	Purpose	Actors	Output
VIII	May / June	• Capacity building	• Pre-budget workshops • Seminars	• Improving competencies • Awareness of civic rights/ obligations • Conscientizing citizens	• Councillors • Staff • Community leaders • Facilitators	• Trained staff • Trained actors on budget cycle
IX	July/ August	• Stakeholder consultation and 2nd budget review	• Town hall meetings • Ward meetings • Village meetings • Media • Road shows	• Review needs and priorities • Receive additional contributions from stakeholders • Consensus-building on needs and priorities	• Councillors • Staff • Community • Stakeholders	• Adjusted needs and priorities • Community pledges and contributions

2.3   The Case of City of Johannesburg in South Africa

Box 2.4: The Case of the City of Johannesburg (COJ)

Initiator and Source of Funding: Johannesburg has been practicing participatory budgeting for several years now and, under the Local Government Act, the mayor heads the effort. The mayor then delegates this process to the office of the Speaker. This whole process is funded by the Budgets Office which is under the local government.

Goals and Objectives: The city's goals and objectives of participatory budgeting are transparent. There is a clear mandate to give the people a chance to decide what they want vis-à-vis development in their areas. It also aims to make them knowledgeable about the budgeting process, the cost and who funds it. The participation process also seeks "to demonstrate the public participatory nature of the budget process and to make the budget issues relevant to the citizens of the COJ; to make the integrated development plan accessible to the citizens of COJ and to promote the COJ as a people-centred council..." (Joburg GDS & IDP 2006/11).

Participation: Various people from all walks of life participate in this process. These include the rate payers' association, civic organizations, NGOs, community based organizations, the business sector and the general public.

The Participation Process and Institutional Mechanisms: The participatory budgeting process is governed by the Local Government Transition Act (section 10G), the Systems Act and the Municipal Finance Management Act.

To highlight the extent of involvement in the process, an example is drawn from the latest budget. The following logical events took place:

i. March: In this month, citizens were sent leaflets attached to their invoices informing them of the consultation process. These had short explanations on what the Growth and Development Strategy, the Integrated Development Plan is and where they could get copies of these drafts. They were also informed that the road show on these two drafts would take place the following month of April.

ii. April: During this month, a short summary of Growth Development Strategies and draft Integrated Development Plan was attached to that month's invoices of all account holders and circulated to them. A request for their comments was also made and they were given the mechanisms for comments. This ran from April to 10 May. Circulation was also by knock and drop to other households. Copies of the draft of these two documents were also made available at all city facilities including the Web site. The other events that took place during this month are listed below:

- First week – detailed media pack and distribution to media
- Road show in April at various appropriate venues
- Councillors also met with ward committees and evaluated and amended existing priorities

iii. April / May: Councillor liaison input comments on the existing ward priorities and Integrated Development Plan

iv. May: Growth and development conference was hosted on 12 May.

The participation process in participatory budgeting is quite extensive. The Department of Development and Planning carries out a needs assessment and land use planning. In this process an inventory of the amenities and land available is carried out and then the communities are invited to present the developmental projects they want. A pre-needs analysis

research carried out by the Department of Development and Planning will backstop the decision making in terms of prioritizing projects. The department uses a system to analyse whether the projects demanded by the communities are within their jurisdiction. After this process, the projects are then ranked according to priority. Various departments then have to cost the priorities. Local government also has its own priorities and these priorities have to tally. The next thing, then, is to do an indicative allocation of the money to the prioritized projects.

After the prioritized projects have been costed, a preliminary report is compiled by the politicians, who are the guardians of the political side, whereas the budget office is the guardian of the business side of participatory budgeting. The report goes to the mayoral cabinet and to the councillors. After the politicians have reviewed the report, it is also open for public review and evaluation.

Enabling Environment/Critical Success Factors: *One of the critical success factors for participatory budgeting is the need to ensure that information is readily available to the public. As such, the city has made use of its people centres and local radio stations (local to the regions), print and electronic media to avail this information. Since all are openly invited to participate, no one can really say they were not given a chance to make contributions to the development of their areas.*

Another critical success factor is the political will that exists right from the mayor's office down to the ward level, where ward committees and ward councillors actively play a role.

Constraints / Problems: *The consultation process, though a huge success, has faced challenges:*

- *People expect all their comments to be considered and if they are not, they get disappointed:*
- *As is common with any political process, there is also a lot of political point-scoring in the process with some people trying to gain political mileage at the expense of sustainable development issues*
- *In predominantly white areas, public meetings*

are not highly supported and the opposite is true for predominantly black areas.

Results: *The whole process of participatory budgeting in Johannesburg has been going on for several years and it is yielding good results. Robust comments are coming in from the business sector, the NGOs etc, and this has helped shape the planning process to ensure that good, sustainable projects are implemented. The process has also resulted in provision of social benefits services for people earning below a certain level of income, who get certain services, such as water and electricity, free of charge.*

Sustainability: *This is a sustainable process since the city has also introduced community budgeting where they give a community a certain amount of money and ask them to decide on how they would want to use it. The fact that there is an open invitation to everyone to participate and get involved means that ownership is enhanced thereby ensuring sustainability. However, since the process is wholly local government funded the city may be forced to choose projects that are income generating and may tend to be run like a business at the expense of provision of basic services to the community. This could deter participation in the long run.*

Basic Conditions for Participatory Budgeting: *A set of conditions ranging from political, legal, regulatory and policy frameworks are necessary for the effective engagement of civil society for participation. Political will is also an important condition for the success of the consultative process.*

Johannesburg has demonstrated to a great extent that there is much political will in this whole process. The process is driven from the mayor's office. The mayor delegates this to the office of the Speaker who then allocates and mandates councillors to go to the people. The Speaker is responsible for making sure that council meetings take place and they are conducted within the orders and rules of the city

The municipality also has clear rules of participation. The whole process is governed by a well structured policy. The three Acts mentioned earlier on in

this document ensure that participation is free and fair and it goes down to the household level.

The mayor's office also ensures that citizens are capacity-built for participation. By law, every ward should have ward committees, elected by the citizens themselves. These ward committees act as support structures to the ward councillor. The ward committees are trained on how local government is formed, its role, and rules of participation and so on. These committees will then guide the ward councillors during the participation process. The department of local government has developed the training facilities and makes use of external experts to conduct the training. Sometimes, they make use of other partners like NGOs and community based organizations which train free of charge. They conduct training of trainer's sessions, which means that the training will have ripple effects. They also have agreements with some universities who are willing to train ward councillors on specific issues. However, one of the challenges of training for capacity building is that once people have been trained, they expect jobs immediately.

Participation Trends: *Participation figures in the city were not readily available. However, figures have been on the declining side over the past years. The reasons for this are not quite clear as no study has been taken to verify why this is so. One reason could be that the people are pleased with the results of the public participation process as their comments are considered, or it could be as a result of some of the social issues that have been resolved. For example, when backyard shacks were abolished, it meant fewer people staying in a particular household, hence the reduction in participation numbers. Yet another reason could be that people are simply fed up with the process.*

Lessons Learnt and Conclusion: *Participatory budgeting in the Johannesburg has proved worthwhile as it has enhanced the city's public accountability profile. The capacity building programme for participation has benefited the citizens and has seen increasingly robust comments in the budget-making process. However, the need still remains for a survey to establish the causes of the declining participation figures.*

Sources: Compiled by the Municipal Development Partnership for Eastern and Southern Africa

2.4   The Case of Local Government Administrative Areas in The Gambia

The Pro-Poor Advocacy Group initiated the participatory budget process through a pilot of eight local government administrative areas. The selected administrative areas were those that had benefited from a European Commission-funded Support to Decentralized Rural Development programme. This programme uses the Participatory Rapid Appraisal approach to develop Community Action Plans (CAPs) and Ward Action Plans (WAPs) in all the communities in these local government areas.

The participatory budget process in the Gambia, as indicated in figure 2.4 below, consists mainly of four stages:

- budget consultation process
- interface meeting or dialogue forum
- capacity building
- the budget brief

Figure 2.4: Participatory Budgeting Stages in The Gambia
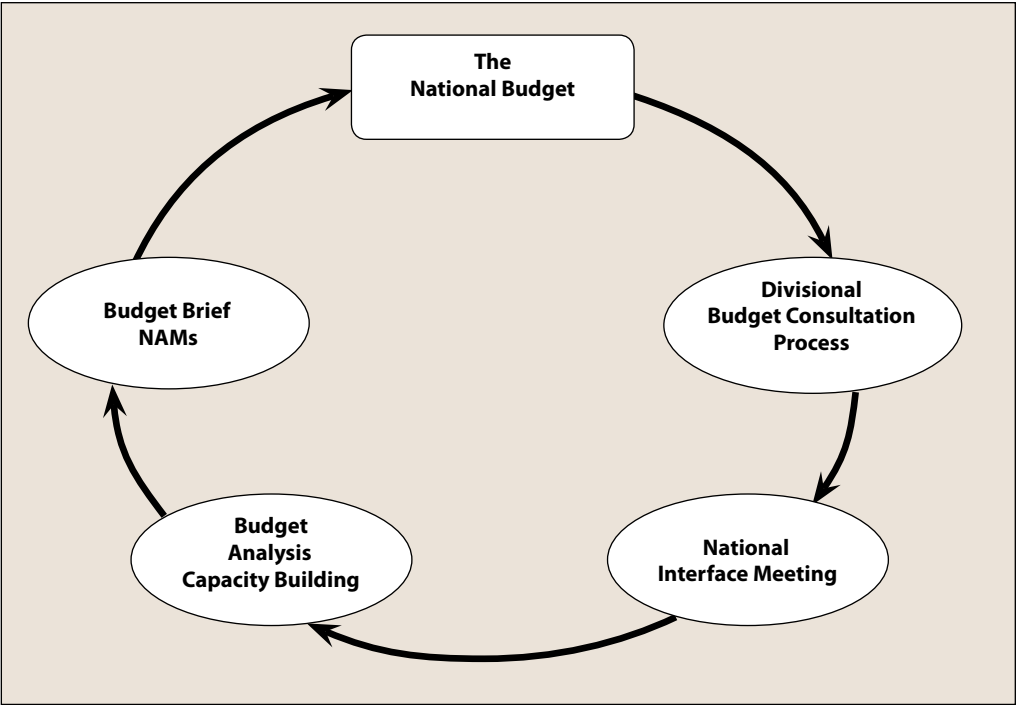
Budget Consultation Process Stage

The Pro-Poor Advocacy Group convened a series of consultation workshops in each of the three pilot areas. Each workshop had a good mix of participants, consisting of all the elected local councillors, elected National Assembly Members (NAMs), local government administrative staff, multidisciplinary facilitation teams, representatives of NGOs and community groups (religious, youth, women) and other stakeholder operating within each local government area.

The agenda for the consultation included:

- review of the Poverty Reduction Strategy Paper strategies and targets
- Review of government expenditure by sector and functional classification
- Review of CAP and WAP priorities
- Group work to prioritise constituency needs for the next fiscal year
- Plenary discussion on constituency priorities
- Plenary consensus building on local government administrative priorities by sector
- Identification of local government administrative representatives (from participants) for the interface meeting

In a bid to forge partnership and create ownership, the facilitation teams for these consultative budget process workshops comprised staff from the Department of State for Finance and Economic Affairs including the director of budgeting and an economist, the coordinator of the Strategy for Poverty Alleviation Co-ordinating Office and the group's technical team (including the programme coordinator). The group funded all the consultative budget sessions.

Interface meeting or dialogue Stage

Following the budget consultation in the various pilot areas, the Advocacy Group compiled the local government's priorities and convened the interface meeting. Jointly facilitated by the group and the department, the meeting brought together planning and budget officials from all social sectors and local government to discuss the priorities that could be financed in the next budget estimates.

The dialogue is structured according to:

- Brief outline of the objectives of the session and the expected outputs by the Pro-Poor Advocacy Group
- Presentation of the local government's priorities
- Breakaway dialogue cum working session by sector
- Plenary discussion on agreements reached for budget inclusions
- Outline of follow-up activities.

The interface is held prior to the sector bilateral meetings with the department, so that these agreements can be included in the final submissions. The group is invited to these bilateral meetings to observe any omission in the agreements reached by sectors.

Capacity Building Stage

While the budget consultation process is going on, the group simultaneously conducts a series of capacity building and sensitization workshops and seminars for civil society members and parliamentarians on basic budget literacy and analysis. The key partner in these capacity-building sessions is the National Assembly.

The budgetary influence of the legislature is to a large extent a function of the system of government and other dynamics including its research capacity, the availability of technical support and access to information. The group endeavours to provide technical support to the National Assembly on budget matters, making members aware of the importance of legislative oversight of the budget in poverty reduction.

Budget Brief Stage

The partnership between the group and the department is such that the former receives the classified draft Cabinet copy of the budget estimates for analysis. Upon receipt, the group analyses and releases a budget brief, a copy of which is officially shared with the department. Once the budget is submitted to the National Assembly, and before it is debated, the group convenes a budget brief sensitization session in the first week of December for parliamentarians to share key observations on the draft estimates. The legislative stage of the budget process is a primary opportunity to influence decision-making and, hence, accountability.

Lessons Learnt

Following the promulgation of The Gambia's Poverty Reduction Strategy Paper, the department initiated a consultative budget process in which sectors and some resident donors were invited to a one-day session. The session focused on the call circular and sectors were given a brief on the macroeconomic situation and urged to comply with the budget ceilings provided. The group observed that this was "too little, too late" and that the process needed to be opened up for greater participation by stakeholders and civil society organizations. The department accepted this and the annual one-day session have since de-

The participatory budgeting councilors analyzing the municipal budget revenue source breakdown, © MDP-ESA.

veloped into the group's budget consultative initiative. The interface meeting now brings together a wider spectrum of society and the session has more participatory dimensions involving local representatives and parliamentarians.

The invitation of the group to attend the budget bilateral meetings between sectors and the department has opened-up the drafting process beyond technocrats. The group is able to draw up reminders and observations, at this stage, on commitments and agreements reached between sectors, and communicate them for inclusion in the budget.

The partnership between the group and the department is based on the latter's appreciation of the constructive and professionally researched observation that the former makes. This has created enough trust within the department to enable it to give the group a copy of the classified draft budget, which used to be earmarked for the exclusive attention of the Cabinet and parliamentarians, for an analysis to inform the department of activities that are not compliant with public policy pronouncement or the expressed needs of citizens, as contained in the Poverty Reduction Strategy Paper.

NGOs, grassroots communities, and es-

pecially parliamentarians, have received the capacity building sessions well. They have showed much enthusiasm during the training and have acknowledgement that they had actually been rubberstamping budget submissions. The Pro-Poor Advocacy Group is now officially invited to attend budget debates in parliament and the staff members of Department of State for Finance and Economic Affairs have agreed that the level scrutiny to which the budget is now subjected is unprecedented. As a result of the group's contribution to the budget process, parliamentarians can now relate expenditure to policy goals and targets and raise appropriate questions.

Constraints and Challenges

Gambians want an opportunity to voices their concerns in appropriate quarters; they want to do so in a timely manner to influence decision-making. Expectations have been raised by the opening up of the budget-making process. Some positive inroads have been made but much more remains to be done. Identifying community needs and capturing them in the public budget is just the beginning of the process; what is critical is the tracking of expenditure, thereafter, to ensure that allocations reach intended beneficiaries. The group must now begin preparing communities to monitor the expenditure intended for their localities, objectively.

The strides made so far are registered within the three pilot local government administrative areas. The remaining local governments have expressed eagerness for the Pro-Poor Advocacy Group to operate in their localities. Bringing them to join the process is critical as it would create a level playing field for all local governments. The outcome of the participatory budget process in the pilot local government areas cannot be logically extrapolated to apply nationally. Results from the 2004 and 2005 consultation process for the three local government areas show that priorities differ by locality. The human and financial capacity to undertake full coverage of all these areas remains a constraint and a challenge. To begin with, the pilot local government areas developed capacity building plans based on the communities' needs. To expand, all the communities in the other local government areas would need a participatory rapid appraisal survey to identify their own development priorities. This process is lengthy and requires extensive resources.

The secretariat of the Pro-Poor Advocacy Group needs to expand its current professional staff complement (of a co-ordinator, a budget and policy analyst, a researcher, an accountant and a person from the British Voluntary Service Overseas) to cater for the growing demand on its services. However, increasing the secretariat's overhead costs and opening up other strategic programmes would call for additional money. The secretariat has thus embarked on an aggressive fundraising effort.

Maintaining the current "honeymoon" with the Department of State for Finance and Economic Affairs, and with other government sectors that facilitate timely access to key documents such as those of the budget, needs to be managed and maintained.

2.5   The Case of Dondo in Mozambique

Box 2.5: Participatory Budgeting in Dondo Municipal Council, Mozambique

Background

The municipality of Dondo in Mozambique's Sofala Province occupies 382 km² and has a population of about 71, 644.

Dondo's participatory budgeting process started in 1999, during its first municipal term. The motivation for this was the request by town citizens to realize their interests. The Dondo Municipal Council agreed because it realized the following benefits:

- It improves efficiency and efficacy in the use of public resources
- It promotes sustainable allocation of resources
- It promotes socioeconomic growth of the communities themselves
- Citizens should always be part of the decision-making process because they are active in municipal development and are responsible for its success

Modalities of Participation in Dondo

- Provision of services by the private sector, for example education, health and water supply.
- Monetary or in-kind contribution for construction, maintenance and operations of public infrastructure by the communities, NGOs and the private sector
- Payment of the municipal property taxes
- Contribution for the cost of maintaining public services

In order to provide sound and rational solutions for the needs of the citizens, the following institutional and community measures were taken:
- At Institutional Level: Establishment of an advi-

sory and studies office,
- At Neighbourhood Level: Set up Neighbourhoods Development Nucleus and the Association of Community Services – local non-governmental organization

The main bodies in the process of participatory budgeting include

- The civil society
- Nongovernmental organizations
- The private sector

Organization of the participatory budgeting process in Dondo – 2007
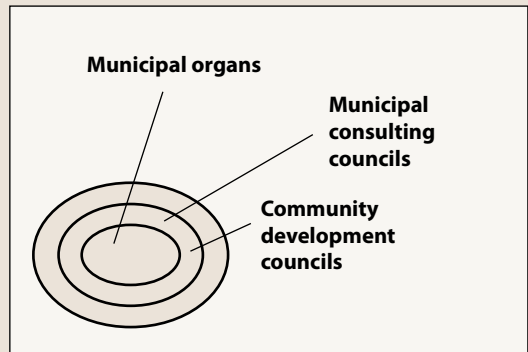
Participatory budgeting in Dondo takes the following phases:

- Organizational activities of the population on territorial or thematic basis
- Assessment of the activities undertaken by the municipality
- Municipal diagnostic
- Preparation of the proposals
- Discussion of the proposals at the municipal

council.

- *Final drafting of the proposals*
- *Submission of the proposals to the Municipal Assembly*

Advantages of Participatory Budgeting and Planning in Dondo

- *More investment initiatives mainly in the area of socioeconomic development*
- *More flexibility in the response to citizens's concerns*
- *More involvement of the citizens in finding local solutions for local problems*

Constraints

- *Weak representation of the various concerned groups*
- *Weak understanding of the main issues to be tackled in the process,*
- *Use of the same methodology for different type of problems and target population*

The municipality has the following challenges:

- *Spread the concept of participatory budgeting*
- *Promote public awareness on the role of the municipalities*
- *Involvement of the citizens in Participatory Budgeting*
- *Establishment of civic education processes using*

the media

- *Capacity building of the members of the municipal council and Assembly as well as the communities*

How to overcome the challenges:

- *Production of manuals, brochures and other instruments to be used in spreading the concept of participatory budgeting;*
- *Involvement of community radio and other social communication means in dissemination and increasing of the awareness of the communities and the members of the municipal council and Assembly on participatory budgeting*
- *Mobilize internal and external resources to support the implementation of the municipal participatory budgeting*
- *Use part of the municipal revenues for technical capacity building*
- *Liaise with the local government and other partners in order to improve the municipal model on participatory budgeting*

Perspectives

- *With participatory budgeting we aim to improve transparency in municipal management*
- *Democratize the decision-making process*
- *Share the responsibility for municipal management (Municipal government and citizens)*

Source: By. Manuel Cambezo (Presidente do CMD)

2.6 The Case of Porto Alegre in Brazil

In Porto Alegre, the participatory budgeting process is driven by regional and thematic plenary assemblies, the Fora of Delegates and the Participatory Budget Council. There are two rounds of plenary assemblies in each of the sixteen regions and on each of the five thematic areas. Between the two rounds there are preparatory meetings in the micro-regions and on the thematic areas. The assemblies and the meetings have a triple goal: to define and rank regional or thematic demands and priorities, to elect the delegates to the Fora of Delegates and the councillors of the Budget Council and to evaluate the executive's performance.

The delegates function as intermediaries between the Budget Council and citizens, individually, or as participants in community or thematic organizations. They also supervise the implementation of the budget. The councillors define the general criteria that preside over the ranking of the demands and the allocation of funds and vote on the investment plan proposal presented by the executive. The one-year cycle of discussion, negotiation and elaboration of the participatory budget is normally made up of the following stages:

- **Stage one:** The initial preparatory cycle takes place in March and April; the executive reports and accounts for the previous budget and presents the budget of the current year at the first section of the sectoral and thematic plenary assemblies. Some of the delegates are elected at this time.

- **Stage two:** The second intermediary cycle takes place between March and June; this is self-managed by the participatory structure. The neighbourhood meetings in which citizens express their views are held at this time; priorities are then set in the forums and presented to the Budget Council. This is the high point of the popular participation process.

- **Stage three:** In June and July a second round of sectoral and thematic assemblies, which are the same as the second cycle, are held. During the first three cycles, special buses to inform and involve children, and various cultural and theatrical information sessions are organized to promote the process and stimulate popular interest in a festive atmosphere.

- **Stage four:** The fourth cycle lasts from July to September; it involves the start up of the participatory budget council, and a discussion of the budget to be presented on the basis of the priorities established and evaluated by the council.

- **Stage five:** The fifth and last cycle from October to December; it involves a regular discussion of the budget by the municipal assembly, and the preparation of investment planning and of the following year's budget cycle by the council.

The cycle of discussion, negotiation and elaboration of the participatory budget takes one year. This annual cycle of the Porto Alegre Participatory Budgeting Process is summarized in Box 2.6 below

Box 2.6: Annual Cycle of the Porto Alegre Participatory Budgeting Process

March-April: Preparatory District and Thematic Meetings

- *The executive assesses the previous year's investment plan and presents its plan for the current year.*
- *The executive presents the internal rules of the participatory structure for the current year, together with the criteria for investment repartition and technical issues.*
- *This is followed by discussions on thematic priorities.*
- *Proposals of actions are further introduced via the Internet.*

Second half of April-May: District and Thematic Plenary Assemblies

- *Thematic priorities are ranked in order of priority.*
- *Election of the delegates to the District or Thematic Participatory Budget*
- *Fora take place, according to attendance at the plenary assemblies.*

May-June-July: District and Plenary Meetings Taking Place

- *Election of the forum delegates.*
- *The delegates visit the other neighbourhoods and districts to counter the "NIMBY" (not in my backyard) effect.*
- *Citizens establish their priorities of demands and work to be undertaken.*
- *The Fora discuss the proposals made via the Internet.*

First half of July: Festive Plenary Meeting

The new councillors enter into office. A final selection of works and services takes place.
- *Discussion of general topics (2002: City Conference).*

July-August-September: Analysis of Demands, Elaboration of Budget

- *The executive analyses the demands with regard to technical and financial dimensions.*
- *The executive elaborates the budget.*

August-September: Approval of First Draft Budget

- *The Budgeting Council discusses and adopts the first budget draft that distributes resources according to spheres of activity and districts.*

October-November: Approval of the Final Budget

- *Detailing of the plan of investments and services.*
- *Approval of the final budget.*
- *The budget bill is submitted to the legislature.*

November-December-January: The Budgeting Council Debates; Votes on the Investment Plan

- *Meetings of the Budgeting Council and municipal bodies to debate and put together the investment plan for the following year, which the Budgeting Council votes on.*
- *The Budgeting Council and the Fora discuss and vote on the internal rules of the participatory structure, the criteria of investment repartition, and technical issues.*

Source: Y. Sintomer, C. Herzberd, A. Rocke (eds): Participatory Budgets in a European Comparative Approach, Perspectives and Chances of Cooperative State at Municipal Level in German and Europe, November 2005, wwwbuergerhaushalt-europa.de

2.7   The Case of Rosario in Argentine

Box 2.7: The Municipality of Rosario, Argentine

The Municipality of Rosario initiated a participatory budget in 2002. The process consists of an annual cycle in which over 4,000 city citizens decide how to allocate 8 million US dollars of the municipal budget. The process begins with a round of neighbourhood assemblies throughout the six city districts. At these assemblies, citizens identify local needs and potential projects to satisfy these needs, and elect budget delegates to represent them in their district's Participatory Budgeting Council. During the following three to four months, each Budgeting Council meets on a weekly basis to develop projects that respond to the identified community needs, in consultation with city staff. Outside of these official sessions, delegates often participate in tours of community projects and informal feedback meetings with neighbourhood citizens. Finally, the Councils present project proposals at a round of district assemblies, where community citizens vote on which projects to approve. During the rest of the year, delegates are responsible for monitoring the implementation of approved projects.

2.8 Community Development Model of Participatory Budgeting

This model is most common in Great Britain. The participatory budget process is largely dissociated from local government and politicization is weak. Community organizations (instead of local administration) implement the projects. Civil society has real autonomy, it is to some degree a bottom–up approach and the participatory budget is a joint-decision process. A concrete example closely corresponding to this model has taken place in Bradford, Britain.

Box 2.8: Bradford (Great Britain)

Bradford is a post-industrial city in West Yorkshire and has 474,000 inhabitants. Politics have been unstable in Bradford with power repeatedly shifting between coalitions and marginal majorities over the last 15 years. There is no overall control in the current council, but the executive (consisting of six leading councillors) is conservative. The recent history of Bradford has seen a rise of far right politics, social tension and inter-racial violence between the majority white population and the minority Pakistani communities.

The neighbourhood renewal team (a national programme aiming at the social, economic, and political development of the poorest areas in the United Kingdom) within the Bradford Local Strategic Partnership (a structure linking representatives of private business, community and voluntary sectors) initiated the participatory budgeting process in 2004. This was based on experiments with local community group funding.

A vote of 700,000 pounds was available for local improvement works destined for the poorest areas of Bradford. Local communities were encouraged to apply for small sums between 1,000 and 10,000 pounds. Projects could only be selected if they were linked to established local priorities, and if they had been discussed in the locality.

Bradford Vision coordinated and facilitated the process during the two "Participatory Budgeting Days", distributing 300,000 pounds in early 2004 and a further 314,000 pounds in November 2004. Each day consisted of two sessions, during which two representatives from each of the 30 pre-selected projects introduced their project. All participants were delegates of local communities, with high attendance from the main immigrant groups. They had to give each project (except their own) a score from 1 to 10, with 1 being the lowest.

After 10 presentations, the score sheets were collected, transferred to a computer and the final scores displayed on a projection screen. At the end of each scoring session, those projects without funding were given a second chance, as successful participants could return a small part of their funding towards supporting them. This process worked out very successfully, as approximately 60 percent to 70 percent of the successful groups gave some money back (on average around 250 to 500 pounds).

2.9 Neo-Corporatist Model of Participatory Budgeting

Neo-corporatism describes a generalized system of making and implementing public policy in formalized consultation between the state and interest groups. The local government organizes the participatory budget process.

The process is open to NGOs and institutions such as churches, universities, trade unions and business associations (but business is only one group participant among others). The process may be deliberative or consultative only.

In Europe, neo-corporatist institutions are quite developed in the area of social security, social and economic councils, strategic planning or in Local Agenda 21. Until now, European participatory budgets have not been influenced much by this model, even though there are clear indications of interests. Albacore (Spain) is a mixed experiment – having features of neo-corporatist participation and participatory democracy version of participatory budgeting.

Box 2.9: Albacore (Spain)

Albacore is a city of 150,000 inhabitants in the Spanish region of Castillo de la Manchu. The city has a strong network of NGOs and neighbourhood associations traditionally play an important role in local politics.

The participation of associations is mentioned in an official council resolution, which offers them material and financial support. More than 20 socio-cultural centres offer various facilities to citizens that care to engage in an activity. The participatory budget is focused on associations. They discuss proposals of investments or the orientation of local public policies on education, transport, housing and so forth. Every association as well as individual citizens are invited to send proposals to the participatory budget office.

The proposals are presented in an open central assembly, but associations may only vote on the final list of proposals (worked out by a commission) and few citizens take part in the process individually. The hierarchy of the projects is determined by a set of criteria attributing marks and points to four main domains (participation, social politics, mobility and urban infrastructure) and relating subcategories. The commission then negotiates the realization of the projects with the local administration, which will be in charge of implementing the projects.

The commission is the permanent organ of the participatory budgeting process. It also prepares the assemblies and discusses all questions concerning the participatory budget. It meets every week for two hours and is composed mostly of NGO delegates chosen in assemblies for the period of one year. Every sphere of activity (youth, sport, etc.) can only propose two to three delegates, so that the associations active in a particular sphere have to negotiate an agreement. Two municipal employees are devoted to support the process technically.

The Essentials of Participatory Budget

If you like to start or qualify a participatory budget process, you should accept the following presumptions, share the following objectives and take into account the eight recommendations.

Presumptions

- *The distribution of public funds is of utmost importance to the lives of citizens.*

- *Citizens are qualified to take decisions because they are experts in everyday life and dispose of precious local knowledge.*

- *Participation is a voluntary political action for everyone.*
- *Participatory budgeting is a costly engagement, but it saves a lot of money in the long run.*

Objectives

- *The participatory budget will improve the efficiency of the utilization of tax.*
- *The participatory budget shall be a dynamic, growing process and become a strong public endeavour in the community.*
- *The participatory budget must make every effort to satisfy the needs of most people.*

Recommendations

1. *Relevant stakeholders need to get involved. Ensure that there is a balanced representation of the community in the process.*
2. *Citizens need to be aroused so that they get involved in the process. Motivate them by using creative methods and techniques.*
3. *Citizens need to be sufficiently informed by the administrative bodies that naturally dispose of the*

   financial and technical information. Make it easy for everyone – reduce complexity.
4. *Issues have to be well defined in advance. Clarify the terms of reference for the process in advance.*
5. *Give special attention to disadvantaged groups of the community. Migrants, poor people and handicapped people – their voices are important. Make them heard.*
6. *Establish a collective spirit by favouring cooperation on common projects.*
7. *Pay attention to the development of soft skills. Help develop a culture of mutual esteem. Deconstruct prejudices between town council, citizenry and administration.*
8. *Produce some short-term outcomes and avoid symbolic actions. Keeping in mind the legitimacy of participation increases its effectiveness.*

2.10 Self Assessment Questions

i.   Why is it important to involve citizens in the identification of needs and the priority setting processes?

ii. Describe the participatory budgeting stages and process in Porto Alegre and in your opinion what are the advantages derived from organizing participatory budgeting this way?

iii. Using the Mutoko Rural District Council and Dodo Municipality case studies from Zimbabwe and Mozambique respectively, identify the drivers of participatory budgeting in these local authorities.

iv. What are the challenges and capacity building needs that can be deduced out of the above case studies and how could they be addressed?

Chapter 3

KEY CONSTRAINTS TO PRACTICING PARTICIPATORY BUDGETING IN AFRICA AND PROPOSED ACTIONS

In this section we list some of the key constraints to the initiation and further deepening of the practice of participatory budgeting in Africa. A majority of these constraints were raised by the participants who took part in the pilot training exercise of this companion in Rowan (Zimbabwe), Asana (Uganda), Kobe (Zambia) and Meyer (Tanzania). Some of the proposed actions and who should be responsible for taking the action (s) as was indicated by the participants are summarized in Table 8.1 below. The list of some of constrains that were identified during the pilot training workshop deliberations includes:

- Poor communication strategies and inadequate information sharing

- Poor political mobilization

- Limited involvement of stakeholders

- Inadequate skills in budgeting

- Limited knowledge about participatory budgeting

- Inability by local politicians to separate politics from civic/development issues

- Lack of appropriate venue for undertaking participatory budgeting meetings

- Poor timing of participatory budgeting meetings

- Lack of durable partnership between civil society organizations and the council

- Monopolization of budget information and work by a few people

- Negative political pronouncements that have the effect of discouraging people from participating in the budgeting process

- Lack of awareness among the various stakeholders

- Negative attitudes towards participation by members of the community

- Role conflicts between elected councillors and civic leaders

- Mixing civic and political issues

- Traditional norms and values limiting women participation

- The high costs of organizing the participatory budgeting process

What ought to be emphasized here is that the problems of politicking and inability to separate political issues from civic ones were singled out as the most serious constraints to the initiation and further deepening of the participatory budgeting process in Africa. It was pointed out that in most situations whilst the council will be busy mobilizing citizens for participation, the local politicians will be busy demobilizing the same citizens not to participate and this is often done along political party lines, a trend that was attributed to the emergence of opposition politics on the African landscape.

Table 3.1: Key Constraints to Practicing PB in Africa and Proposed Strategies

	CONSTRAINT	ACTION(S)	BY WHOM (RESPONSIBLE PERSONS)
1	Lack of communication and information flow.	Make extensive use of newsletter, community radios, cell meetings, school and church announcements, posters, cell meetings.	Mayor, civic leaders, civil society organization representatives, councillors
2	Lack of political mobilization Hold consultative meetings,	Sensitization of councillors and other stakeholders on resource mobilization	Cultural leaders, councillors, religious and political leaders
3	Inadequate or lack of skills in budgeting	raining and capacity building for all stakeholders	Council, Participatory Budgeting Committee, donors, civil society organizations
4	Lack of awareness by citizens of participatory budgeting	Training and capacity building, protracted sensitization of the community about the subject	Councillors, mayor, civil society organizations, local and regional NGOs, International organizations
5	Political uncertainty due to short term of office for councillors	Sensitize the political leadership through open debates about participatory budgeting and on the need to have reasonable office tenures.	Mayor, party leaders, Ministry of Local Government, councillors
6	Negative community attitudes	Sensitization, strengthening feedback mechanisms about the importance of participatory budgeting.	Councillors, civil society organizations, political party leaders, Ministry of Local Government, local and regional NGOs.
7	Monopolization of the budgeting process by a few select or elite people	Capacity building of all stakeholders including municipal staff and leadership, civil society organizations and NGOs	Councillors, mayor, civil society organizations, local and regional NGOs
8	Negative pronouncements which affect government programmes	Capacity building, sensitization of ruling party and opposition politicians and all stakeholders	Mayor, councillors, party chiefs, Civil society organizations and NGOs, Members of Parliament, line ministries
9	Lack of community ownership of the budgeting process	Sensitize the community and involve them in the participatory budgeting processes.	Mayor, councillors, civil society organizations, local and regional NGOs, Members of Parliament
10	Limited sources of revenue to finance participatory budgeting projects	Create smart partnership with the private sector to raise funding for projects; create a conducive climate for private	Mayor and council management team, councillors
11	Lack of set criteria for selecting citizen representatives in the participatory budgeting process	Come up with a democratic system of selecting representatives and clear terms of reference	Mayor, councillors, Participatory Budgeting Committee
12	Lack of appropriate venues for participatory budgeting meetings	Use the town hall, school or church halls which people are familiar with and feel comfortable	Mayor, councillors, Participatory Budgeting Committee

13	Poor timing in calling for participatory budgeting meetings	Meetings should be held during the evenings or weekends when most people are not at work	Mayor, councillors, Participatory Budgeting Committee
14	Role conflicts between elected councillors and civic leaders	capacity building for all stakeholders, clear specification or definition of roles and responsibilities	Mayor, councillors, Participatory Budgeting Committee, civil society organizations, local and regional NGOs
15	Mixing of civic and political issues	Capacity building and training of ruling party and opposition politicians and all stakeholders	Mayor, councillors, Participatory Budgeting Committee, civil society organizations, local and regional NGOs
16	Participatory budgeting is a costly undertaking	To meet some of the costs of organizing meetings the costs must be in-built in the council budget, fund raise from private sector well wishers and community members	Mayor, councillors, citizens and civil society organizations
17	Limited participation of women due to traditional norms and values	Training and capacity building, open discussion and lobbying for the elimination of these cultural traditions	Councillors, women groups, Members of Parliament, civil society organizations, local and regional NGOs

3.1 Self Assessment Questions

i.   List some of the key constraints confronting the initiation or practice of participatory budgeting in your local authority.

ii. What strategies do you propose to overcome them and who should do it?

iii. What capacity building needs are needed and how can they be met and who should do it?

iv. Overall what deficiencies exist in your local authority regarding participatory budgeting system?

Chapter 4

CONCLUSIONS

Participatory budgeting, although still at its infancy in many African countries, is fast gaining ground. One important observation that gained from the participatory budgeting pilot training exercise of this Companion is that many municipalities, citizens and key participatory budgeting stakeholders are more than willing to practice participatory budgeting as long as complimentary legal frameworks and policy reforms to deal with some of the identified constraints are put in motion. These would create an enabling environment for the adoption and implementation of participatory budgeting.

Indications are that there is also a huge demand for building skills in participatory budgeting, which implies the need for implementing intensive training and capacity building initiatives. For a start, this Companion will be a very useful tool to fulfil the latter purpose using indigenous languages where appropriate.

However, later, it needs to be complimented by other training and capacity building tools such as Internet based self learning programmes, community radio programmes, peer-to-peer learning and exchange visits. In addition, some resources must to be set aside to carry out, further, action-oriented research and to document, continuously, good practice on participatory budgeting in Africa, all of which will be used in the training and capacity building initiatives.

Overall, it seems, citizens and their local leaders in Africa have much faith in the ability of participatory budgeting to deliver the much needed quality services and local economic development. It is, therefore, logical to predict that participatory budgeting will spread rapidly in Africa and will be a permanent feature of municipal governments' planning tool.

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Introduction of participatory budgeting can be a sound vehicle in realizing good governance and fighting poverty. It is a mechanism that involves elected leaders, public officials, service providers, and non-state actors - civil society, private sector and development partners.

This Training Companion is part of the effort to build capacity of local government practitioners in introducing participatory budgeting in local government in Africa. The Companion was developed with a view to providing users with information, tool, methodologies, case studies and tips on how participatory budgeting can be introduced. The materials in the Companion were collected from various local governments in Africa and beyond that are already practicing participatory budgeting. Users are encouraged to adopt the material to their local condition.

Volume 1: Concepts and Principles, introduces participatory budgeting, outlines key tenets of the traditional budget cycle, and looks at the cycle, dimensions and conditions for participatory budgeting. Volume 2: Facilitation Methods, covers introduction and implementation of participatory budgeting with examples and experiences from eastern and southern Africa, Latin America and Europe. It also discusses the main constraints to implementing participatory budgeting in Africa.