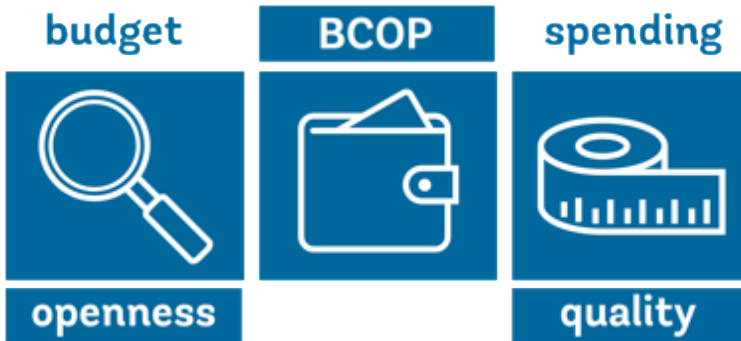




PARTICIPATORY BUDGETING



PEMPAL Budget Community of Practice (BCOP)
Budget Literacy and Transparency Working Group (BLTWG)
November 12, 2020 Videoconference Discussion Summary

NOVEMBER 2020

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Contents

| | |
|---|-----------|
| WHO ARE PEMPAL, BCOP, AND BLTWG? | 4 |
| INTRODUCTIONS | 5 |
| 1. OVERVIEW OF THE DRAFT KNOWLEDGE PRODUCT ON MECHANISMS FOR THE NATIONAL MINISTRIES OF FINANCE TO FACILITATE PARTICIPATORY BUDGETING AT SUBNATIONAL LEVEL AND DESIGN PARTICIPATORY BUDGETING INITIATIVES AT THE NATIONAL LEVEL..... | 6 |
| 2. THE WORLD BANK COMMENTER'S COMMENTS | 13 |
| 3. BLTWG ROUNDTABLE DISCUSSION, COMMENTS, AND NEXT STEPS..... | 15 |



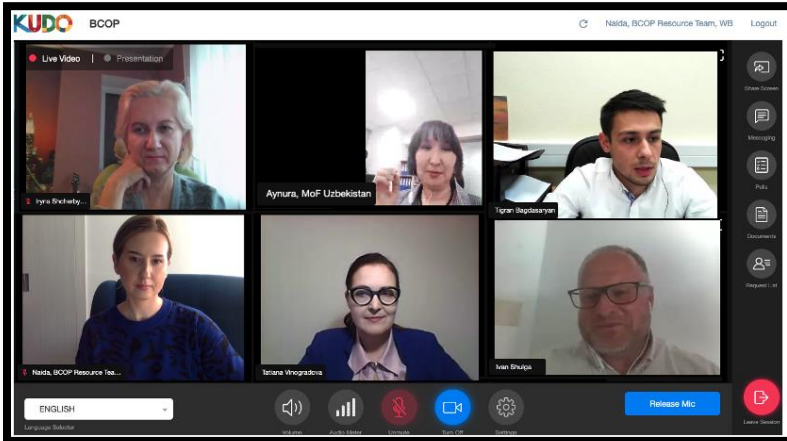
Who are PEMPAL, BCOP, and BLTWG?

Public Expenditure Management Peer Assisted Learning (PEMPAL) network is a multilateral effort to facilitate exchange of professional experience and knowledge transfer among public financial management practitioners in countries across the Europe and Central Asia (ECA) region. The PEMPAL has three thematic communities of practice (COP): 1) Budget Community of Practice (BCOP), 2) Treasury Community of Practice (TCOP), and 3) Internal Audit Community of Practice (IACOP), and its key donors and development partners are the Swiss State Secretariat for Economic Affairs (SECO), the Ministry of Finance of the Russian Federation, the European Commission (EC), and the World Bank (WB).

The BCOP main objective is to support member countries' ministries of finance (MOF) in reforms to improve budget effectiveness and accountability. Budget Literacy and Transparency Working Group (BLTWG), active since 2015, studies international experiences in budget literacy, openness, and access to citizens, public participation and engagement in budget process. The group's membership includes 18 of 21 BCOP countries: Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Belarus, Croatia, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, North Macedonia, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan.

After completing the work on its comprehensive knowledge product covering the broad topic of public participation in mid-2020 ([*Public Participation in Fiscal Policy and the Budget Process*](#)), the BLTWG has moved to developing knowledge notes on narrowly targeted subtopics. Two of such products are to be developed in FY21: 1) *Mechanisms for the National Ministries of Finance to Facilitate Participatory Budgeting at Subnational Level and Design Participatory Budgeting Initiatives at the National Level*, and 2) *Mechanisms for Engaging Children/Youth in Participatory Budgeting*.

Introductions



PEMPAL Budget Community of Practice (BCOP) Budget Literacy and Transparency Working Group (BLTWG)

VC Workshop on Developing Knowledge Product (KP) Mechanisms for the National Ministries of Finance to Facilitate Participatory Budgeting at Subnational Level and Design Participatory budgeting Initiatives at the National Level

November 12, 2020

Summary

On November 12, the BLTWG convened to present a first draft of the knowledge product on *Mechanisms for the National Ministries of Finance to Facilitate Participatory Budgeting at Subnational Level and Design Participatory budgeting Initiatives at the National Level*. The meeting was held via videoconference, and it was chaired by Ms. Iryna Shcherbyna, BCOP Resource Team Coordinator and WB Senior Public Sector Specialist. The objectives of the meeting were i) to present a first draft of the BLTWG knowledge product (KP) *Mechanisms for the National Ministries of Finance to Facilitate Participatory Budgeting at Subnational Level and Design Participatory budgeting Initiatives at the National Level*, and ii) to gather feedback and comments on the draft product, based on which it will be finalized. The presentations are available on the [website](#).

In her opening remarks, the Chair welcomed the participants, noting that 23 participants attended, of which 15 representatives were from 9 BCOP member

countries (Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Russia, Turkey, Ukraine, and Uzbekistan) and introduced Ms. Tatiana Vinogradova, leader of the BLTWG KP preparation and presenter.

The agenda consisted of three main sections. During the first section, Ms. Vinogradova provided an overview of the draft knowledge product. During the second session, Mr. Ivan Shulga, WB Senior Social Protection Specialist, provided his initial comments on the draft knowledge product and his recommendations. Finally, a roundtable was held for participants to ask questions arising from the presentations and provide feedback, comments, and suggestions for the draft knowledge product, which will be taken into account in its finalization.

1. Overview of the Draft Knowledge Product on Mechanisms for the National Ministries of Finance to Facilitate Participatory Budgeting at Subnational Level and Design Participatory Budgeting Initiatives at the National Level

The first session of the meeting provided an overview of the first BLTWG KP draft. Ms. Vinogradova outlined the overview in four main broad blocks of the knowledge product's structure: i) conceptual framework on participatory budgeting (PB), ii) PB in PEMPAL countries, and iii) recommendations for national MoFs of the PEMPAL countries to design PB at the national level and facilitate PB at subnational level.

PB Conceptual Framework

PB is defined by the United Nations as a mechanism or a process through which people make decisions on the destination of all or part of the available public resources and it is recognized globally as a good practice of participatory governance. While the best practices in budgeting usually originate from the most developed countries, participatory budgeting practice was first developed in the developing world, specifically in Brazil. The [2019 Participatory Budgeting World Atlas](#) estimates that there have been over 11,000 participatory budgeting experiences worldwide. Participatory budgeting is used for various purposes, such as to strengthen democratic processes and civil society, increase trust in government, and increase overall budget transparency. It is a tool for educating, engaging, and empowering citizens and strengthening demand for good

governance. Although participatory budgeting has become conventional, it is still considered innovative; one of the most successful democratic and social innovations of the recent decades with a capacity of being spread and replicated. Participatory budgeting is also a tool for contributing to Sustainable Development Goals (SDGs). As discussed recently within the [UN-Habitat World Urban Forum](#), participatory budgeting can contribute to 7 of the 17 SDGs in a cross-cutting manner. Most notably, participatory budgeting processes can contribute to attaining SDG 16 - promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. When designing and implementing participatory budgeting initiatives, countries come up with their own specific versions; however typically initiatives follow to a greater or a lesser extent the model pioneered in Porto Alegre, Brazil in 1989-2004. Participatory budgeting typically has an annual character and is held in rounds composed of a year-long series of meetings, forming a cycle divided into the 5 key phases. Exhibit 1 shows the usual main stages of a participatory budgeting process, from design to implementation stages.

Exhibit 1: Elements of a Participatory Budgeting Process



PARTICIPATORY BUDGETING TYPICAL CYCLE

1. **Design the process.** A steering committee, representative of the community, creates the rules in partnership with government officials to ensure the process is inclusive and meets local needs.
2. **Brainstorm ideas.** Through meetings and online tools, residents share and discuss ideas for projects. That is engaging the wider community to secure their involvement in these decisions.
3. **Develop proposals.** Volunteers, usually called budget delegates, develop the ideas into feasible proposals, which are then vetted by experts.
4. **Vote.** Residents vote to divide the available budget between the proposals. It's a direct, democratic voice in their community's future.
5. **Fund winning projects.** The government implements the winning projects. The government and residents track and monitor implementation.

Participatory Budgeting Project
<https://www.participatorybudgeting.org>

PB in PEMPAL Countries

Based on the information collected through a mini survey conducted by BLWTG in October 2020 and other desk researches, several PEMPAL countries have implemented participatory budgeting initiatives. This includes Armenia, Bulgaria, Croatia, Georgia, Kazakhstan, Moldova, Romania, Russian Federation, Turkey (Çanakkale municipality), Ukraine, and Uzbekistan. Particularly notable are

examples from Russia and Ukraine, which were presented in the meeting. In both, there is an involvement of national level in promotion and co-financing of the subnational initiatives. There are no known examples of participatory budgeting initiatives being implemented by the national level in PEMPAL countries; in fact, there are only two well-known global cases of such practices: Portugal and South Korea. (See Box 1.)

Box 1. Examples of Participatory Budgeting Initiatives at National Government Level

Portugal implemented three small initiatives in 2017, one general, one for youth, and one for schools. Expenditure areas covered in these national level initiatives included culture, science, education and adult learning, agriculture, justice and public administration. There was also a strong visibility component in promotion of the participatory budgeting by the national level.

The South Korean national government has launched participatory budgeting at the national level in 2018. Through this mechanism, citizens can propose projects online, by post, or in person. Line ministries then review the proposals and submit a list of proposed projects to a National Participatory Budgeting (NPB) Committee, which hold the discussion on the proposals for further selection. Within the 2020 participatory budgeting competition 1399 applications were received from citizens, of which 38 projects were selected. Among the selected projects, 23 projects valued at USD 46.6 million were in the areas of contamination, public safety, employment and environment, while 15 projects valued at USD 46.4 million were supporting socially vulnerable groups, disabled persons, women, military personnel, children and adolescents. The Korean national participatory budgeting is organized and maintained by the Ministry of Economics and Finance (MoEF). For this purpose, the MoEF has established a new division responsible only for managing the participatory budgeting process at the national level. All line ministries are also participating in the process. The Experts' Support Council, comprising 68 experts nominated by line ministries, provides assistance to the line ministries in analyzing and sorting proposals and to the NPB Committee in the process of discussing the proposals submitted to the NPB Committee by the line ministries. The timeline of this process in South Korea coincides with the regular Executive's budget (i.e., the budget proposal prepared and adopted by the Government to be submitted to the Parliament) formulation schedule. Citizens submit project proposals by April. In April-May, relevant ministries review proposals (screening). In June-July, the NPB Committee discusses the project proposals vetted by line ministries. July is devoted to prioritization; prioritization is done based on 50%-50% shares for the NPB Committee vote and the online vote. The MoEF incorporates the selected projects into the budget proposal in August. In 2019, the national government of the South Korea offered opportunities for more inclusive national participatory budgeting - 50 members from the socially disadvantaged groups were added into the NPB Committee (comprising of total 400

members).

Source: Dias, N., ed. (2018). [Hope for Democracy 30 Years of Participatory Budgeting Worldwide](#). Epopeia Records, Oficina; [14th "Best Practice in Citizens' Participation" Award](#), The International Observatory on Participatory Democracy (IOPD); [Presentation of the PB Division of the South Korea Ministry of Economy and Finance](#)

Recommendations on Designing PB

Before discussing recommendations, Ms. Vinogradova shared ideas on designing participatory budgeting initiatives following the questions as shown in Exhibit 2.

Exhibit 2: General Questions Guiding Participatory Budgeting



GENERAL FRAME QUESTIONS TO DESIGN PB MECHANISM

- 1. What is the goal the governments put before themselves?** (institutional, public governance, economic or social?)
- 2. What is the scale of the PB process?** (e.g. small grant allocation for citizen's projects, or setting budget priorities? linked to a specific theme or to any of the areas)
- 3. How opportunities for participation in the PB will be provided for the citizens of the country without restrictions?**
- 4. At what stage will people be involved?** (preparation of the procedure, budget priorities setting or project ideas, implementation, monitoring?)
- 5. What is the method of involvement?** (offline, online deliberation or both)

(Williams E., Denny E. St., Bristow D., 2017)

Goal. The intended goal of participatory budgeting shapes the development of whole process (defining the model, procedure, timeline, and infrastructure). Participatory budgeting procedures are shaped by the primary objective of government—whether a government primarily wishes to increase trust, focus on public services efficiency, improve budget transparency, or engage disenfranchised and traditionally marginalized stakeholders.

Scale. Scale determines the type of participatory budgeting initiative, financing amounts, and coverage (i.e. whether it will be linked to a specific sector, such as culture, environment, education, or regional development, or to multiple sectors).

Access/Opportunity for Participation. Access to citizens determines the targeted groups of citizens depending on territory in which such a participatory budgeting initiative is being implemented. For example, if on the one hand, the initiative is planned at a municipal level, efforts should be made to reach out and engage residents from that whole municipality; if on the other hand, it is a national level participatory budgeting initiative, targeted citizens should span the country territory. However, it should also be noted that the principle of inclusiveness should be implemented, with special opportunities created for underrepresented groups of people (e.g. migrants, marginalized, disabled, and so on).

When to Engage. The fourth question determines the stage(s) of citizens' engagement in terms of budget cycle. This could include budget formulation stage (as in South Korea), implementation stage, or both. Citizens can also become a part of the project's implementation monitoring and assessment.

How to engage. Finally, the fifth question is on method of involving the citizens. There is wide consensus that participatory budgeting in its best form is a deliberative process in which participants can discuss and debate the merits of differing proposals before voting. The proposals can be submitted and debated through online platforms, and this can also be supplemented with direct community meetings. Indirect participation (through delegates or representatives) is less common in participatory budgeting.

Thereafter, Ms. Vinogradova proposed an ecosystem approach to be applied to participatory budgeting. The ecosystem approach is a biological metaphor applied in economic and governance studies, widely used in innovation spreading, due to the association of ecosystems with sustainability and primary motivation to exploit self-organizing properties of natural ecosystems. This approach has been recently used, notably by the OECD, as a theoretical approach for scaling social innovations up and out. As participatory budgeting can be viewed as a social innovation, this approach could be applied. It allows grouping of different mechanisms and looking at them in a systematic way. Applying this approach to participatory budgeting in terms of a managerial model, governments would create a framework structured around six systemically linked together elements: i) awareness and public support, ii) legislation and regulation, iii) financial sources, iv) human capital, v) infrastructure, and vi) monitoring and evaluation.

After sharing theoretical considerations, discussions focused on the preliminary recommendations for national Ministries of Finance to consider when designing participatory budgeting initiatives at the national level and facilitating at the subnational level. Key recommendations for initiatives included: i) recognizing linkages of the participatory budgeting with increasing citizens' trust in government and increasing efficiency of public services; ii) setting concrete desired objectives for national participatory budgeting mechanism based on specific country needs, and accordingly, adopting a holistic approach; and iii) recognizing the need to provide unrestrictive access to participatory budgeting initiatives, including to marginalized and underrepresented groups.

Additional recommendations for the national level for building awareness and public support include developing awareness-raising strategy, coordinating strategic communication and public outreach, creating a national web portal, organizing public events/exhibitions, publishing and disseminating materials, organizing media promotion, communicating directly with targeted constituencies to involve them into participatory budgeting infrastructure, and using major PR tools to disseminate information on participatory budgeting launch. The presenter recommended to develop a regulatory framework for integrating participatory budgeting into budgeting process and to encourage integration participatory budgeting into line ministries' work plans.

In terms of financing participatory budgeting initiatives, specific funds should be set aside for participatory budgeting from the national budget through line ministries' budgets, with considerations for potential co-financing from budgets of different levels or from citizens, private sector, international development organizations, and/or NGOs.

Strengthening human resource capacities for participatory budgeting should be done through studying best global practices, organizing training of public officials in specific technical skills (engagement, moderation, projects expertise, participatory budgeting procedure), developing e-learning tools, and providing methodological and technical assistance for sector-specific initiatives.

Specific infrastructure for planning and implementing participatory budgeting at the national level should be established. Possible options include a national participatory budgeting focal office (acting as a resource center, providing capacity building and technical assistance, performing monitoring, and reporting to the ministry of finance on overall participatory budgeting), a national participatory budgeting working committee (with representatives of line ministries and budget authorities), and a

standing expert group (with technical experts for monitoring, evaluation, policy design, participatory budgeting procedures, as well as development of legal and regulatory basis and guidelines for participatory budgeting). Additional bodies may include national participatory budgeting council, internal ministerial working groups, sector councils, and network of research centers/civil society groups/practitioners/experts. These infrastructure elements are optional, and their composition should be defined based of specific participatory budgeting scale. For example, if emphasis is made on the underrepresented population, marginalized or vulnerable, a specific Expert Working group may be set. Finally, it is important to monitor and evaluate participatory budgeting through performance indicators and impact evaluations.

Additional recommendations were provided for national ministries of finance facilitating participatory budgeting at the subnational level. In terms of building awareness and public support, national ministries of finance can encourage subnational governments to build wide awareness and public support for the subnational participatory budgeting through their awareness-raising strategies, web portals or other instruments. The MoFs' support may include developing a dedicated page at the national level web portal, participating in public events of the subnational levels, publishing, and distributing materials, and providing national media promotion for the practices at the subnational levels.

It is recommended that the national level ministries of finance develop standards/guidelines for implementing participatory budgeting initiatives at the subnational level and facilitate the subnational regulatory framework development. Options for setting aside subnational funds for participatory budgeting can also be provided. In developing human capacity at subnational level, similar activities as for the national level can be implemented. Development of the subnational infrastructure for planning and implementing participatory budgeting should be endorsed, mirroring those at national level mentioned above.

Finally, when it comes to monitoring and evaluation of the participatory budgeting initiatives at the subnational level, a common methodology for assessing the quality of participatory budgeting initiatives should be developed, with indicators and evaluation mechanisms and transparent reporting. If the national ministries of finance have a program of participatory budgeting development and spend government funds on, it is recommended that a single national monitoring system is established, integrating data from all subnational units.

2. The World Bank Commenter's Comments

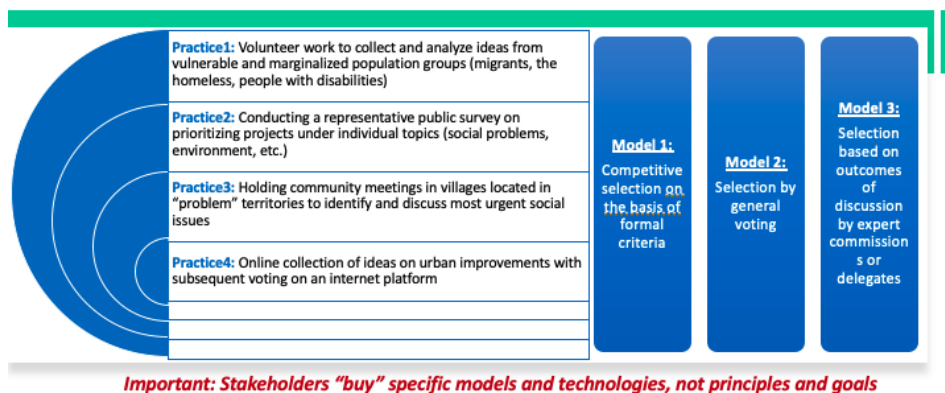
Mr. Ivan Shulga, WB Senior Social Protection Specialist provided his comments, noting that the first draft of the KP represents a solid work with a large volume of useful information. In his presentation, he focused on providing comments from a practitioner's standpoint on proposed parts to be added to the draft knowledge product, including to make a convincing case for introduction of participatory budgeting to high-level decision makers, who traditionally can be skeptical about such initiatives. The presentation was divided into four main parts: i) factors for participatory budgeting promotion strategy, ii) prioritization and sequence of participatory budgeting promotion instruments; iii) some implementation aspects, iv) proposed further work.

The KP should be clear on why participatory budgeting is being promoted and what specific model of participatory budgeting is being promoted/designed.

There are many different variations of participatory budgeting; it is important to explain and distinguish among these different versions and to systematize and operationalize all existing approaches and models within the knowledge product in order to ensure its practical usability for PEMPAL members. Exhibit 3 shows some examples of participatory budgeting versions from the US, S. Korea, Russia, and Armenia cases. They include direct collection of ideas from targeted marginalized groups, conducting surveys on prioritizing projects in a targeted expenditure sectors, holding community meetings to identify projects, to online collection of proposals for large urban projects. These approaches vary widely not only conceptually, but also technically and in terms of selection and voting processes. At the same time, different types of motivation for introducing participatory budgeting must be considered. For example, in Russia, different government levels have participated in the participatory budgeting initiatives, and different levels had different primary motivation. The Ministry of Finance might want to engage the public in the discussion of budget matters; regional governors may want to enhance public trust in government, while at the local level a mayor may want to use the possibility to get access to additional funding from higher levels which set aside resources for participatory budgeting and/or to strengthen the civil society through such initiatives. Improvements of social integration and inclusion can also be a motivation for participatory budgeting. In Russia, participatory budgeting initiatives were framed within the content of the local self-government reform. Thus, it is important to demonstrate different benefits of participatory budgeting to different stakeholders, as participatory budgeting can be targeted to specific groups.

Exhibit 3: Examples of Different Participatory Budgeting Models

Diversity of participatory budgeting practices and models



Another important element in participatory budgeting design is the cost. If costs are not carefully considered, participatory budgeting runs the risk of becoming a box-ticking exercise. It is important to identify financing needs and sources at the start, as well as to identify executive bodies. Processes for which costs should be planned include developing a design/methodology and revising them after each cycle; planning and running an awareness campaign; organizing and delivering workshops and trainings for various groups of participants; preparing and moderating discussions; conducting technical reviews of proposals; monitoring and analysis of results, etc.

Promotion of participatory budgeting is essential and different options for approaches should be prioritized within the knowledge product. Exhibit 4 illustrates different promotion elements/stages. Mr. Shulga presented in detail an example of the model used in Russia, where, under cooperation of the Ministry of Finance and the WB team, a five-member team was formed and travelled around the country over a two-year period to promote, consult and develop a model for PB. The team spoke directly to hundreds of officials in each locality from both the regional and the municipal level. A specific model was developed with a standard form and a standard set of regulation provided to all units to use in their participatory budgeting design and implementation. After this round of advocacy visits, around two thirds of Russian regions decided to test participatory budgeting. Following the advocacy stage, awareness raising campaigns were implemented, within which specific advisory services were provided for design and implementation. Finally, after several

years of experiences, a wide network of interested stakeholders has been developed and expanded across the country, with a dedicated web portal.

Another example presented in the meeting is Portugal, in which a different approach to promotion was implemented. This was a bottom-up approach, in which municipalities that first piloted participatory budgeting came together to motivate and engage the remaining municipalities. This approach may not be applicable to PEMPAL countries, as it may take too long. National participatory budgeting program in Portugal also contributed to promoting participatory budgeting countrywide (including through a campaign in which a promotion bus traveled around the country with a strong media coverage); however it should be noted that this was implemented after hundreds of participatory budgeting initiatives had already been implemented at the subnational level.

In the example of Scotland, the national level motivated the subnational units to introduce participatory budgeting by providing high initial co-financing of 50 percent; such high co-financing may not be sustainable over longer period but may be useful to kick start the efforts. Overall, it is important to strike a balance in motivation instruments and roles of the different government levels, to try to secure a natural process of initiative developing.

Exhibit 4: Participatory Budgeting Promotion Instruments: Prioritizing and Sequencing



Participatory budgeting infrastructure to be created in parallel

Several aspects of implementation of participatory budgeting initiatives are important to consider. When it comes to legislation, it would be an oversimplification to claim that it would be appropriate or sufficient for a national/regional legislation to be adopted prescribing participatory budgeting for local level early in the process. Such legislation cannot simply be copied from another country, as it must be custom made to each country's specific circumstances, capacity, set-up, specific chosen model, and motivations for introducing participatory budgeting. Most importantly, the status and understanding of participatory budgeting must be sufficiently mature on the ground. In Russia, the legislation was developed only twelve years after the first

participatory budgeting initiative was implemented. It is only possible to do so after the process has been thoroughly tested on the ground and the terminology used has become accustomed. In addition, public scrutiny is an important element, and this takes time to develop. It is also important to ensure enough flexibility in the legislation so that the most applicable model can be chosen by each implementing unit.

Another important element is co-financing. In Russia, participatory budgeting started in very remote areas aimed to address basic socio-economic issues of the most vulnerable groups. Voluntary co-financing by local communities played an important role as a criterion for prioritizing issues that should be addressed through participatory projects. Importantly, the community co-financing was not mandatory, and the amounts were relatively small. Later the co-financing element was cut in many Russian participatory budgeting practices. A general lesson learned is that if not introduced at the beginning, co-financing is difficult to introduce at later stages, while if it is introduced in early stages, it is relatively easy to drop it later.

When it comes to the national level participatory budgeting practices, careful considerations must be given to deciding whether top-down or bottom-up approach is more applicable in every specific country. However, the national level participatory budgeting practice in any case can play an important role in awareness building/PR campaign. A final element of implementation of participatory budgeting usually used is school participatory budgeting. It is a relatively inexpensive and effective investment in participatory budgeting and is mostly focused on high-school level.

In concluding his presentation, Mr. Shulga noted that the knowledge product can serve as a great motivation tool to learn about the participatory budgeting.

As the next step, he reiterated that the next draft of the product should focus on operationalizing and systematizing participatory budgeting models. Toolboxes for designing different specific different participatory budgeting could also be developed, with deadlines and sequences to promote participatory budgeting in a general framework approach based on which different PEMPAL countries could choose options applicable to them, including methodological packages. Finally, looking forward, BLWTG could organize specific information workshop/trainings and potential study tours, for example to Russia, given its plethora of participatory budgeting experiences.

3. BLTWG Roundtable Discussion, Comments, and Agreed Next Steps

This final session of the meeting included roundtable discussions during which attending representatives of the member countries and the BCOP Resource Team posed questions to the speakers, provided feedback and shared their suggestions for the next version of this knowledge product.

The representatives engaged in an extensive discussion on the most recent participatory budgeting developments in Russia. The representative from the MoF of Russia shared that the recently adopted national level participatory budgeting legislation in Russia, inter alia, enables the local governances to implement wider participatory budgeting initiatives and strengthens accountability mechanisms for the co-financed funds transferred from the higher levels. While the subnational level authorities have always reported on their participatory budgeting initiatives, with the new legislation, MoF receives more exact data for both financial and accounting reporting. In addition, participatory budgeting is being taken into account in monitoring performance of specific projects through performance budgeting monitoring mechanism. The MoF of Russia is also working on introducing one participatory budgeting initiative at the national level and is considering a potential larger scale-up by introducing participatory budgeting mechanisms in national projects within a general budget planning process. As the first step, planned initiative includes Comfortable Urban Space projects. The citizens are planned to be involved through participatory budgeting process in the selection stage via voting.

A discussion was also held on distinguishing between the national level and subnational level participatory budgeting. Several participants noted that this is not clear, given that the presentations mostly focused on the national level from the perspective of co-financing subnational initiatives. The presenter, Ms. Vinogradova, noted that only Portugal and South Korea examples of participatory budgeting initiatives at the national level were identified so far; while in some other cases, such as Ukraine, implemented practices are at the subnational level, despite some roles of the national level in co-financing and promotion. Mr. Shulga explained that the national and subnational participatory budgeting differs greatly. At the national level, usually a specific expenditure area is selected, and some elements of participatory budgeting applied. For example, in areas such as culture, road construction, or safety, citizens vote on project prioritization. In addition, the national level has a role to play in overall country-wide promotion of participatory budgeting. The chair added that the motivation of enhancing the trust of citizens in the central government can be an important element in participatory budgeting introduction and promotion at the

national level.

Participants from Uzbekistan and Croatia provided some information on participatory budgeting in their countries. Ministry of Finance of Uzbekistan praised the experiences shared by the Ministry of Finance of Russia with the Uzbek colleagues in a previous study visit. The knowledge gained from that exchange was used in promoting participatory budgeting in Uzbekistan. In Croatia, for several years now there have been innovative public participation initiatives introduced by several advanced cities/municipalities, including specific participatory budgeting practices¹. Most recently, an increased number of subnational units implement participatory budgeting, and further increase in awareness and interest among citizens have been reported. There seems to be a bottom-up approach, in which some very active subnational level units are working on amendments to local self-governance legislation to prescribe public participation mechanisms, including participatory budgeting mechanisms.

Participants from member countries and the Resource Team provided further proposals for additions/adjustments to the BLTWG KP. This includes examples or methodological frameworks, as well as detailed descriptions of the systems in best practice countries, including their online resources. Mr. Shulga noted that there is an active participatory budgeting expert community and links to their resources can be provided, as well as resources from [People Powered Hub](#), [Participatory Budgeting Project](#), and [Participatory Budgeting Observatory](#) and some social media groups on this topic. It was also proposed that some of the most advanced countries can be invited to present their experience to BLTWG in detail next year.

The meeting conclusions and recommendations are:

- revise the draft report to incorporate comments from today's discussion, as well as further written comments from the Resource Team and Mr. Shulga;
- the next version of the report should be more practice oriented and focus on design and implementation on participatory budgeting with the concrete advice for the roles of the national Ministries of Finance;
- the available information should be refocused on key success criteria; prioritization and systematization of different participatory budgeting approaches models; and sequencing of design and implementation stage;
- risk analyses should be included, as well as reviews of available tools with the clear indication on what should be the focus on national versus

¹ Some of Croatian practices were shared with the BLTWG countries in the 2015 [learning visit to Croatia](#) and in the presentation delivered by Croatia in the 2019 [BCOP plenary meeting](#).

subnational level in terms of both promotion and implementation of participatory budgeting;

- it is important to define roles and processes (WHO and HOW), and suggest specific templates and standardized tools, legislative/regulation options, to be used by different types of participatory budgeting models;
- consideration should also be given in integrating participatory budgeting mechanisms in other budgeting tools, such as program and performance budgeting and evaluation of implementation costs.
- consider organizing a potential learning visit/event for PEMPAL countries on the experiences in participatory budgeting in Russia.
- Members from the Ministry of Finance of Russia will share with the BLWTG an upcoming report on participatory budgeting initiatives at the municipal level in Russia, once finalized.

Before adjourning the meeting, Ms. Shcherbyna, the Chair, thanked Ms. Vinogradova for the thorough information collected and presented, which created a great basis for the discussion, as well as to Mr. Shulga for his excellent contributions and suggestions.

The next version of the report will be reviewed by the Resource Team and Mr. Shulga and will be sent to the BLWTG members for comments. The Resource Team will consider the need and date of additional virtual meeting to present the next version before finalization of the product and inform members accordingly.

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