

PARTICIPATORY BUDGETING  
TOOLKIT FOR BRITISH COLUMBIA'S  
LOCAL GOVERNMENTS

**A RESOURCE FOR FINANCIAL OFFICERS**

JUNE 2016

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PARTICIPATORY BUDGETING TOOLKIT FOR BRITISH COLUMBIA'S LOCAL GOVERNMENTS  
A RESOURCE FOR FINANCIAL OFFICERS

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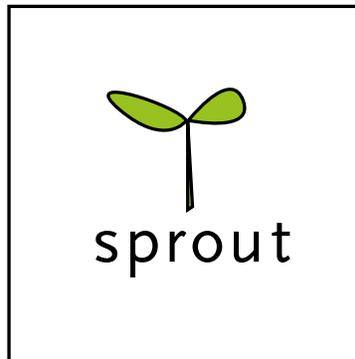
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## resources for social change

As SPARC BC's ongoing knowledge transfer initiative, Sprout resources are designed to facilitate learning about and the practice of community-based research methods and community development strategies.

Sprout is a symbol of growth and innovation and can be found on all SPARC BC resource guides and workbooks that have been developed for you to use with groups of committed people who care about community well being. By nature, Sprout resources are fusions of theory and practice — mixtures of big ideas and small steps for cultivating positive change in your community. Each year, we will add new publications to Sprout based on your input. Let us know what you would like to see in Sprout!

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# 1. About the Participatory Budgeting Toolkit for British Columbia's Local Governments

Voter turnout is low in most communities across BC. At the same time, locally resourced community development activity happens each year, with many residents reporting a lack of awareness about how decisions have been made. Participatory budgeting aims to address these issues by empowering residents to decide on, or contribute to decisions made on, the destination of all or part of the available public resources (United Nations Human Settlements Programme, 2004). This toolkit includes information that can assist local governments in BC use participatory budgeting.

The Participatory Budgeting Toolkit for Financial Officers consists of four sections. Section 1, *Definitions of Participatory Budgeting and Useful Links*, provides an overview of what participatory budgeting means and where information can be found about how it is and has been used around the world. Section 2, *Examples of Participatory Budgeting in Action*, offers two summaries of how local governments (one in Brazil and one in the USA) have used participatory budgeting. Section 3, *Participatory Budgeting in Tofino*, presents an overview of how the District of Tofino used participatory budgeting in their Grant process. Section 4, *Practical Steps for Implementation*, outlines a simple place to start this process and lays out a step by step process for making Participatory Budgeting work in your community.

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## 2. Definitions of Participatory Budgeting and Useful Links

### What is Participatory Budgeting?

Participatory Budgeting (PB) is a democratic process in which community members directly decide how to spend public budgets. PB allows citizens to identify, discuss, and prioritize public spending projects, and gives them the power to make real decisions about how money is spent. In short, PB enables taxpayers to work with government to make the budget decisions that affect their lives. PB generally involves a few steps (a) Community members identify spending priorities and select budget delegates; (b) Budget delegates develop specific spending proposals, with help from experts where applicable; (c) Community members vote on spending proposals; (d) The city implements the top proposals as budget allows.

### What Are Useful Links?

***Participatory Budgeting Project:***  
<http://www.participatorybudgeting.org/>

The Participatory Budgeting Project (PBP) is a non-profit organization that empowers people to decide together how to spend public money, primarily in the US and Canada. The PBP creates and supports participatory budgeting processes that deepen democracy, build stronger communities, and make public budgets more equitable and effective. The PBP grew out of informal collaboration between PB activists and researchers in the US and Canada, starting in 2005 at the World Social Forum in Porto Alegre, Brazil. At the Social Forum, Josh Lerner, Mike Menser, Gianpaolo Baiocchi, and Daniel Schugurensky connected while organizing a session on PB in the Global North. Afterward, Josh and Gianpaolo launched a PB resource website (ParticipatoryBudgeting.org) and listserv. Over the next three years, they worked with a growing group of activists to organize conference sessions and workshops, publish articles, and put PB on the radar in North America.

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### ***PB Network:***

<http://pbnetwork.org.uk/>

The PB Network is the independent body advocating for learning and innovation in Participatory Budgeting in the UK. The PB Network puts on learning events, publishes policy related papers and stimulates debate on where Participatory Budgeting (PB) might go next. The goal of the new PB Network for the next five years is for PB to move beyond its predominant model of allocating small pots of money to voluntary and community groups, towards repeatedly distributing mainstream public budgets, in line with international best practise. It is hoped that public services routinely offer some form of PB for mainstream budget choices and that as a norm citizens will expect it to be offered. The aim of the network is for PB to be recognised as a key and effective tool for: addressing inequalities in service provision and resource allocation; engaging and empowering citizens in discussions on public budgets; and, stimulating co-production and mutual responsibility between citizens and the state.

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### 3. International Examples of Participatory Budgeting in Action

The number of municipalities using PB appears to be growing around the world. This section presents two summaries of examples of PB led by local government.

#### Case Study 1: Participatory Budgeting in Porto Alegre, Brazil

Porto Alegre, Brazil, is one of the most widely discussed examples of PB at the local level. Schneider and Goldfrank (2001) have explained how the PB work in Porto Alegre has been successfully scaled-up from municipal to state level in Brazil, with the direct participation of hundreds of thousands of people.<sup>1</sup> The model is widely viewed as a successful experiment in participatory democracy that has contributed to the goals of poverty reduction while increasing confidence in public institutions.<sup>2</sup> Under Porto Alegre style participatory budgeting, citizens and civil society organisations directly participate in making budget decisions through a yearlong cycle of mass citizen forums, thematic assemblies addressing specific issues such as health and education, and the election of dedicated citizen-delegates who form a Participatory Budgeting Council which reviews the final budget proposal. The process is used to allocate budget resources (using a quantitative scheme to prioritise spending according to need and preferences), set broad social and economic policy priorities and monitor public expenditure.<sup>3</sup>

For more information about the Porto Alegre PB model, see:  
<http://www.unesco.org/most/southa13.htm>

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<sup>1</sup> Schneider, A. and B. Goldfrank (2001), "Budgets and Ballots in Brazil: Participatory Budgeting from the City to the State", paper prepared for delivery at the Annual Meeting of the American Political Science Association, August 30 — September 2.

<sup>2</sup> OECD Development Centre (Policy Brief no. 22) (2002) by Jeremy Heimans (Strengthening Participation in Public Expenditure Management: Policy Recommendations for Key Stakeholders).

<sup>3</sup> Ibid.

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## Case Study 2: Participatory Budgeting in the City of Vallejo, California

The City of Vallejo made history by becoming the first U.S. municipality to approve participatory budgeting (PB) city-wide. Through PB, Vallejo residents and stakeholders share ideas, develop project proposals, residents vote on projects, and the approved list of projects that receive the most votes are submitted to City Council for consideration. In Year 1, Vallejo residents created and approved 12 public projects, from community gardens to youth scholarships to park rehabilitation. Recently, the Office of the City Manager, City of Vallejo, released a summary report of Year 1 that addresses the background, participation, representation of Vallejo's diverse community, and outcomes. In Year 2, Vallejo residents created and approved 8 public projects, from housing to school bands to public art. At the time of developing this toolkit, the City of Vallejo is in its 3rd year of PB.

For more information about the City of Vallejo, see:  
[http://www.ci.vallejo.ca.us/city\\_hall/departments\\_divisions/city\\_manager/participatory\\_budgeting//](http://www.ci.vallejo.ca.us/city_hall/departments_divisions/city_manager/participatory_budgeting//)

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## 4. Local Example of Participatory Budgeting in Action: The District of Tofino

In 2014, the District of Tofino Council approved a participatory budgeting process for their 2015 Council Grants (aka Grants-in-Aid, Community Grants), a \$21,000 funding program for not-for-profit community organizations. Previously, grant decisions were made entirely by a seven-member council based on a Council policy. The participatory budgeting process was intended to empower the community by placing decision making power in the hands of community residents and was based on successful PB processes implemented in municipalities around the world.

The Participatory Budgeting process turned Council Grant decision-making entirely over to the community. Council repealed their overarching goals and criteria for these grants, and interested community members worked with staff and a third-party facilitator to design the process.

Proponents submitted a one page 'letter of intent' describing their project and then developed a visual storyboard. These were displayed at a one-day "Community Voting Expo," in which community members came to meet proponents, learn about their projects, and vote on preferred projects.

In 2015, the initiative was refined based on an evaluation process and in 2016 the process was applied to support decision making for Arts and Culture Grants.

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## 12 Lessons Learned from Tofino's first year of Participatory Budgeting

1. **Identify a champion** amongst your elected officials or staff – someone with the passion, interest and patience to help others understand the pros, cons, and potential for participatory budgeting in your community.
2. **Work to get both political and staff support.** Just as it is with many initiatives in the local government world, those with both strong political and staff support can succeed more easily, and more quickly.
3. **Have patience.** It took a year for Tofino's Council to fully endorse trying the concept, and it took a further six months to design and deliver the process for the first time. Listen carefully to fence-sitters and opponents: they have good questions and advice that will improve the likelihood of success if you acknowledge and consider their concerns, and incorporate them into decision-making.
4. **Communicate.** If you contemplate changing an existing program, e.g., Grants in Aid, **host one or more information sessions or roundtables** with past recipients or participants and give them plenty of advance notice that the program is changing. Even if you are introducing a brand new budgeting program, host one or more information sessions or roundtables with the general community!
5. **Determine overarching goals or criteria before developing the details of your Participatory Budgeting process.** For example, Tofino Council established goals for a Participatory Budgeting process, and they set a maximum funding amount for the year. This level of guidance was appropriate for the elected body to provide and gave structure to community participants who designed the process details.

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6. **Ask community members to help design the Participatory Budgeting process** – allow the community to design the process entirely with a staff member or with a third party facilitator. This gives the community ownership and confidence in the process.
  7. **Resist the temptation to have elected officials assist in designing or taking part in your Participatory Budgeting process.** A hands-off approach demonstrates trust and confidence in your community members. Just as Council decisions are made after some considerable thought and debate around the Council table, part of the participatory democracy process is having community members get their own experience in policy-making by participating in the participatory budgeting process design.
  8. **Partner with another organization that can help design and facilitate the process.** A neutral third party with no vested interest can help smooth the bumps you will invariably face.
  9. Ask your Council or Board to commit to a **minimum of two or three years** to allow for changes and tweaks that will make the program more successful. It could be too tempting to write off the program after one year if it doesn't meet everyone's expectations the first time. (SEE #3 ABOVE RE: PATIENCE!)
  10. **Brand your participatory budgeting process** with your own name ("Participatory Budgeting" is a bit dull!).
  11. **Work with your staff to ensure proper policy and guidelines are in place.** For Tofino's Participatory Budgeting process, a guideline document was developed to ensure clarity for project proponents, the community (i.e., the Participatory Budgeting 'electorate').
  12. **Do not forget to evaluate!** Document the process and undertake a "before and after" evaluation approach. Consider interviews and/or questionnaires immediately after your first participatory budgeting program. Check in a year later with project recipients or community neighbourhoods that benefited from participatory budgeting funding.

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## 5. Practical Steps for Implementation

This section provides an outline of the participatory budgeting process, including sample guidelines, timelines and other procedures, based on the process utilized in Tofino, British Columbia.

The participatory budgeting process shifts decision-making authority from elected officials to members of a community. This means community members will have the opportunity to vote on the community-based projects that they think will best enhance the lives of local citizens and visitors. The result of the voting exercise is binding in that what the residents choose is what receives funding.

The following diagram illustrates the four step process used in Tofino as a sample participatory budgeting process. The diagram is followed by a brief description of each phase.

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**Figure 1: Participatory Budgeting Process Outline**



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## 1. Community Workshops and Idea Collection

- The local government hosts a short community meeting to present information on participatory budgeting.
- The local government hosts workshops to facilitate the development of guidelines for the participatory budgeting process.
- Community members take the lead in development of the participatory budgeting guidelines for the budgeting process.
- The local government works to ensure that everyone in the community is welcome to learn about the process and participate in developing the guidelines.

## 2. Proposal Development

Not-for-profit community organizations, or individuals or groups sponsored or supported by a not-for-profit community organization can take the lead in developing a proposal for a program, service or event.

Proposals will be communicated to the community in the following ways:

- a) **Project summary** (form to be provided by the local government)  
– A project summary will be posted on the local government website for the community to view.
- b) **Proposal Expo** – A proposal board using the following formatting guidelines will be prepared by each participant for a Proposal Expo:
  - Tri-fold presentation board (available for purchase through local government).
  - Font should be 70 points wherever possible.

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- Colorful and visual presentations are encouraged.
  - Participants must stay within the confines of the tri-fold board however additional materials such as brochures and handouts are allowable.
  - No technology is permitted.

Project proposal boards should answer the following questions:

- a) **Who** is providing the program, service or event?
- b) **What** is the program, service or event?
- c) **When** is the program, service or event?
- d) **Where** will the program, service or event be?
- e) **Why** is the program, service or event occurring?
- f) **How** will the program, service or event occur and by what means (i.e., Budget information)? Local government to specify minimum and maximum request amounts.

### 3. Proposal Expo and Voting

Individuals and organizations interested in participating in the proposal expo will be required to complete the following three part process:

1. **Submit a letter of intent:** A letter of intent to take part in this three part process must be submitted to the local government (local government to specify minimum and maximum request amounts). The format for the letter is provided by the local government. An individual submitting a letter of intent is asked to also attach an official letter of sponsorship from a not-for-

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profit organization, by an authorized signatory that confirms sponsorship or support of the program, service or event. No extensions will be granted and all late or incomplete submissions will result in individuals or organizations not being able to participate in the Proposal Expo. Letters of intent are due at a date and time specified by the local government.

2. **Submit a project summary:** A project summary must be completed and submitted to the local government. The format of the project summary is provided by the local government. The local government will specify in advance the due date and time for project summaries as well as the date and time when project summaries will be posted on the local government website.
3. **Participate in the Proposal Expo:** The local government will hold one Proposal Expo for the display of project proposals by community organizations or individuals. There is an expectation that each Poster Board Proposal be attended by a representative who can speak to the organization's submission. The Proposal Expo will be held at a date, time and location that is accessible to majority of community residents (e.g., weekend, shopping mall, etc.).

**Appendix A** provides an example of the Eligibility criteria utilized in the Tofino participatory budgeting process.

There will be two opportunities to vote:

1. Community members can view the project summaries on the District's website during a time period specified in advance and can vote in advance of the Proposal Expo by coming into the Municipal Hall during office hours during a time frame specified in advance by the local government.
2. Community members can attend and vote in person at the Proposal Expo which is held at a time and place specified in advance by the local government.

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- Community members may only vote once but can vote for up to 10 projects.
  - Voters will sign in at the Proposal Expo where they will be issued a voter card. Verbal confirmation will be accepted as proof of residency.
  - Voters will submit a voting ballot listing all the projects after they have had the opportunity to view all proposals.
  - The Proposal Expo will follow a science fair format.

## 4. Funding

Council will announce the successful projects in the local paper and send an award letter to the recipients. See Appendix B for a sample evaluation form for grant recipients required to be filled out upon completion of the program or project and prior to receiving any further grant funding from the municipality.

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## Appendix A: Intention of and Eligibility for Arts and Culture Grants in Tofino (Sample Guidelines)

Grants are intended for the use of enhancing the lives of local citizens and visitors in recognition that a healthy community involves arts and culture.

In keeping with the community vision in the Arts and Culture Masterplan proposals for arts and culture grants must involve programs, services and events such as:

- Live events such as plays, music, dance and other live performances
- Classes and workshops including theatre, music, dance, written and visual arts
- Festivals that showcase music, dance, visual, written and/or performing arts
- Public art that is created locally

Eligible entries are as follows:

- Not-for-profit community organizations operating within boundaries specified by the local government
- Individuals artists or small groups sponsored/supported by a not-for-profit community organization operating within boundaries specified by the local government

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Ineligible proposals are as follows:

- Funds for individual artists or small groups who are not sponsored/supported by a not-for-profit community organization
- Proposals from organizations that have not submitted final reports from grants received in previous years that are beyond 12 months of receipt

Other considerations for applicants are as follows:

- Proposals must be completed within 12 months of receipt of the grant

Additional information for applicants:

- Staff will post a list of successful applicants and project titles on the local government website.
- Organizations can apply for assistance for up to two projects, programs, services, events or initiatives in a given year.
- All successful applicants will be expected to complete and submit an evaluation report upon project completion.
- Further assistance under this program will not be released to the applicant until the evaluation report has been received. The evaluation report is due one month after the project completion date as set out in the timeline in your application.
- If the project is not complete before applying for the following year's grant conditional approval may be given, however, monies will not be released until an evaluation report is received.
- Any surplus funds from the District contribution must be returned with the evaluation report.



# Appendix B: Grant Evaluation Report (Sample Form)

Amount Granted: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Name of organization/individual: \_\_\_\_\_

Name of sponsoring organization, if individual: \_\_\_\_\_

Project title: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_



**To complete the Grant Evaluation, please follow the instructions below:**

- Respond to questions 1-9. Keep your answers brief and concise.
- If separate paper is used, clearly note the question being answered by using the question as a heading.
- Ensure that the required documents are attached.

Please answer the following questions:

1. Date and venue of your activity(ies).

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2. List the specific activity(ies) to which the grant was applied.

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3. How did this proposal benefit the community?

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4. Please list any community partners/collaborators.

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5. How did you evaluate the success of the program?

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6. Were there any lessons learned? What could be improved if you were to do this project again?

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7. How did you inform the community of this initiative?

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8. How did you recognize the local government that provided funds for four project?

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9. Project Budget

Item & Description	Local Government Funding	Revenue from Other Sources	Expenses
<i>Example: Grant from LG</i>	\$2,000		
<i>Example: Own Source Revenue</i>		\$5,000	
<i>Example: Administration</i>			\$2,000
<i>Example: Other Project Expenses</i>			\$5,000
<b>Total</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$7,000</b>

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please return the completed evaluation to:  
[Add Return Information]