

ELECTED MEMBERS BRIEFING NOTE

PARTICIPATORY BUDGETING



ABOUT THIS BRIEFING NOTE

The Kenya Accountable Devolution Program (KADP) works with government both at national and county level to address key capacity gaps to ensure devolution responds to citizen needs. KADP has developed this County leader's briefing note on Participatory Budgeting (PB) to support leaders to understand PB, why it is important, its pros and cons, as well as highlight a few successful case studies. Ultimately, this briefing note will support leaders as they fulfil their constitutional and legal requirement of involving citizens in decision making on policies, plans, budgets and monitoring of service delivery.

WHAT IS PARTICIPATORY BUDGETING?

PB directly involves local citizens in making decisions on spending priorities for a defined public budget. PB involves several stages which ensure meaningful participation. The stages include; diagnosis, deliberation, collective decision-making sometimes via a vote; successful projects are then executed, and monitored. PB is viewed as a meaningful and in-depth way of involving citizens in decision-making compared to traditional consultative processes.

PB is internationally recognized for its role in improving governance in a fair, effective and equitable manner. PB has been implemented in over 3,000 large and small, publicly governed authorities. PB empowers citizens, builds their trust in democracy and improves

spending of public money. Studies have shown that PB leads to increased pro-poor spending in health services, specifically reducing infant mortality rates.

WHY USE PARTICIPATORY BUDGETING?

Article 174 of Kenya's Constitution states that the objective of the devolved government is:

(a) to promote democratic and accountable exercise of power; (c) to give powers of self-governance to the people and enhance the participation of the people in the exercise of the powers of the State and in making decisions affecting them; (d) To recognize the right of communities to manage their own affairs and to further their development"



Further; the Constitution states in article 196 (1) that a county assembly shall—

(a) conduct its business in an open manner, and hold its sittings and those of its committees, in public; and (b) facilitate public participation and involvement in the legislative and other business of the assembly and its committees.

(Kenya's Constitution 2010)

The legal framework on devolution mandates Counties to allow reasonable access to citizens, to the process of formulating and implementing policies, laws including budgets, projects, and development proposals. This should be done by facilitating the establishment of structures for citizen engagement including ICT based platforms, town hall meetings, budget preparation, validation and citizen forums. PB thus supports the good governance principle, and the right for all citizens to participate in decision-making.

A key challenge for counties has been how to engage citizens in a structured and meaningful manner while at the same time addressing numerous proposals from budget meetings.

A key advantage of PB is that it provides clear rules for identification; selection, prioritization and validation of project proposals. A PB process at its most basic involves: -

1. *Wananchi* at the local level (Sub-location/village) discussing their needs and making proposals on how a proportion of the budget should be spent.
2. Prioritization of the proposals through voting or other verifiable and transparent means.
3. Selected proposals progressing to the next stage of decision-making, ultimately for inclusion into the annual county budget.

4. Technical analysis prior to *Wananchi's* final decisions, verifying project feasibility, and efficacy.

By tying selected projects to a specific percentage of the development budget (approximately 30%), PB helps manage citizen expectations and enhances the overall credibility of the budget process. PB fosters citizen understanding of the budget limitations and budgeting exercise, ultimately taking the pressure off the County government. PB helps to efficiently deliver community development, as service delivery programs are based on *Wananchi's* needs and priorities.

Advantages of adopting a PB approach:

1. **Harmonisation of priorities:** PB improves citizens' understanding of the choices that need to be made when spending public money. When budgets are tight, public debate on the budget can foster consensus about what needs to be done. It also increases citizens' understanding of the complex interactions between services, the role of public bodies, and what communities and families are better placed to do for themselves.
2. **Integrating citizens' knowledge makes government more efficient:** The input shared by citizens can be used to improve use of scarce resources.
3. **Increasing problem-solving capabilities:** It is more likely for citizens, politicians and county staff to consider the interests of others. It is possible to reduce conflicts of interest.
4. **Greater cost awareness:** Discussing different expenditure options creates awareness among citizens about budget limitations, and the cost of various items.
5. **Mobilising citizen engagement:** PB leads to citizens identifying more strongly with their county. As they gain opportunities to shape budgets, citizens

are also more willing to contribute their labour and resources such as land for building of government projects. The result may be greater engagement with the budget process, as well as feelings of ownership and empowerment about county governance. This is crucial for the sustainability of county investments.

6. **Reducing political disenchantment and disillusionment with political parties:** Citizens' preconceptions can be challenged. PB gives politicians an opportunity to become familiar with citizens' interests, and develop personal contacts. Political disenchantment can be reduced.
7. **Fostering of democracy:** Citizens enter mutual dialogue with each other and with their county. PB entails a learning process on how democratic institutions work and about democracy itself. Anyone wishing to achieve something must peacefully persuade others, and seek working majorities.
8. **Improved image of and trust in County Government:** PB creates opportunities for promoting the credibility and profile of County Government amongst citizens. PB increases trust between citizens, elected representatives and officials who give them opportunity to make decisions. Ultimately it will lead to a vibrant, cohesive and united community. A county can improve its image when creative forms of participation attract regional or country-wide attention.
9. **PB can play an essential role in redressing the inequalities that exist within the society:** Evidence suggests that participatory budgeting leads to significant shifts in priorities and policies, towards expenditures that directly benefit the poor.

10. **Increase in tax revenues:** Empirical studies undertaken in Brazil, Sweden and other countries where PB has been implemented, have shown that there is a correlation between PB and tax compliance. Citizens are more willing to pay taxes when they perceive that their preferences are considered by public institutions.

THE ROLE OF ELECTED MEMBERS IN PB

The role of elected leaders to provide leadership and enable those living within a county, to express their needs, is enhanced through PB. PB complements and supports representative democracy, and any public budget setting process needs to be formally mandated and approved by an accountable body. This means the primary role of elected leaders to set the budget, approve, and hold Government staff to account on behalf of the *Wananchi* is largely unchanged.

Elected County leaders and PB Processes:

- i. **Make sure that resources to run effective PB process are in place.** Leaders approve resources to be spent in carrying out and implementing PB activities. The Governors in counties are the custodians of the county resources and the members of the County Assembly play an important role in approving the Governor's team spending proposals.
- ii. **Ensure the process is inclusive and local people can participate in all stages of the process.** County leaders are the custodians of community interest. In exercising their essential oversight role, they can pin point areas where inclusion and participation falls short of what could be achieved.

- iii. Provide clarity towards furthering citizens' understanding of and engagement in the process. Leaders are trusted by community members and play a key role in mobilizing and influencing the community to engage in the planning and budget process.
- iv. Approve decisions made by community members in the allocation of funding, through the most appropriate decision-making body such as county executive committees and assemblies.
- v. Provide oversight in the implementation of proposed projects, thereby ensuring that the executive is held accountable and, where appropriate seeing that project management committees are created to monitor the execution of projects.
- vi. Develop laws and legislation that support the implementation of PB processes.

WHAT DOES GOOD PRACTICE LOOK LIKE?

There are many good practices of PB across the globe, that have been documented and are available online. In Kenya, the World Bank through the KADP has been providing training and technical assistance to a few counties to implement PB. There are a growing number of counties participating in the Kenya PB Initiative and employing participatory budgeting models in their budget preparations.

The support provided to counties is through a two-tier training. The first training targets a small team of policy makers and implementers from the budget and planning offices, as well as the office in charge of public administration. The 2nd tier training is for a broader team of county officials that are involved in budget meetings and this also includes the Assembly members. Mentoring and documentary support is provided during the implementation of actual budget meetings. By design the training and mentoring seeks to foster a county-owned process with each county carrying out its own unique activities.



Counties must show interest by committing a percentage of their development budget to fund projects directly proposed by citizens. Though PB is a relatively new way of enhancing planning and budgeting in Kenya; there are good practices that have already emerged from several counties from which lessons can be derived.

Below are some of the Kenyan examples:

Makueni County

Makueni County has established an elaborate framework for citizen engagement. Participatory Budget meetings start at the village level; where problems are discussed and project proposals to address them

identified; these project proposals are subsequently escalated for deliberation and prioritization at the village cluster level; sub-ward level and the ward level respectively. At each of these stages, a team of 11 delegates are selected to present the community's views at the

subsequent meeting. Community members also accompany their representatives. At every stage prioritization is carried out to identify projects that progress to the next level. The final projects are included in the budget for approval by the Assembly. Prior to the implementation of the successful projects, the County convenes community gatherings, where the community select the project management committees that will work with the County, offering community oversight.

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Makueni County has also taken steps to ensure voices of marginalized groups are heard during the budget meetings. Thematic group sessions are organized for youth, persons with disabilities, persons living with HIV/AIDs, and representatives of orphans and vulnerable children. PB meetings have also been held for Urban Planning whose specific needs (*development of market and town centres*) cannot be adequately addressed through the ward development funds.

Makueni was amongst the first counties to adapt technical evaluation of projects before the final decisions are made by citizens. Projects proposed during the sub-ward forums are assessed by a team of county officials, and that assessment involves community representatives. Findings of the technical evaluation (*viability, location, financial requirements*) are presented during Ward meetings enabling communities to retain direct say over selected projects.

Makueni continues to innovate its PB processes through improving its mapping techniques, by using GIS to inform future identification of projects and enhance oversight. The County adapted PB principles during the formulation of the CIDP 2018-2022. One of the key highlights was the presentation of projects by the Ward Development Committees representing the citizens. The presentations were made to the governor and MCAs during the County People's Forum, which is the culmination of the citizen CIDP meetings. Since adoption of PB, Makueni allocated between 30-37% of the development budget to PB with a progressive increase each year.

Baringo County

Baringo County has a delegates' framework of representation. Community members from the sub location level discuss and propose projects within their regions. During public consultative exercises, a status report of previous projects is distributed and presented to the public for confirmation and to inform their project selections. The County budget officer then shares the resource envelope indicating the amount of money approved by the county assembly. The community then retreat to their groups to propose projects. A long list is generated in order of priority and a team of seven delegates is elected to present and lobby for adoption at the ward level. Deliberate measures are put in place to ensure gender and regional balance among elected delegates. Apart from the delegates, other interested parties or members of the public are free to participate in the meetings. Final priorities are arrived at through dialogue, deliberation, consensus and voting. In many cases the delegates share the ward allocation equally among the sub- locations. The county technical team will review and cost these projects before coming back to the people for validation.

Baringo County has also focused on inclusivity of marginalized groups through the provision of platforms to facilitate their engagement such as sign language interpretation. A notable feature is the executive's collaboration with civil society (Center for Enhancing Democracy and Good Governance – CEDGG) in undertaking social audits of county government projects. The findings of these projects are usually presented in a report to the County. Following deliberations a final presentation of the social audit report is made to the community for residents to give their input and raise questions for County technical staff to respond to.

Other Counties making strides in improving their participation are:

Laikipia County

Laikipia County, a recent entrant into the KPBI, allocates a total of Kshs. 2 million to fund one project per sub-location. Community members propose several projects and in cases where there is no consensus, voting is carried out to identify the final project for funding. Upon assessing the various projects selected at sub-location level; the County determined that their cost was much higher than the originally allocated Kshs. 2 million and increased the resources accordingly.

West Pokot County

During the consultative process for the formulation of the 2016/17 budget; the County held budget forums at the sub-location level, resulting in an increase from 20 forums in the previous year, held at ward level; to 168 forums. The outcome was more inclusivity with 11,549 participants compared to 4,779 in 2015/16. Women representation also tripled from 11% to 35% when meetings were held closer to their homesteads at sub-location level. Similarly, during the preparation of the budget 2017/18; the county held meetings at 222 sub-locations increasing number of participants further. Whilst in the last consultative process for the budget 2018/19, the county reverted to ward level engagement to allow for an audit of the status of implementation of previously selected projects; they hope to resume meetings at sub-location level to preserve inclusivity of the engagement process.

Kwale County

Kwale holds meetings at the village level and has a strong collaboration with civil society organizations, through their engagement in the CBEF. Civil society facilitates the county

budget meetings and county officials are available to provide technical guidance and respond to citizen queries.

The Kenyan cases have been documented by the KADP and are also available online via links below:

<http://documents.worldbank.org/curated/en/231501494574792952/Inclusive-and-effective-citizen-engagement-participatory-budgeting-Makueni-and-West-Pokot-counties>

<http://www.worldbank.org/en/news/feature/2017/06/20/how-citizens-are-shaping-budget-priorities-in-a-kenyan-county>

KEY CHALLENGES FOR CONSIDERATION

Risks exist, but they can be successfully managed. The risks include: -

- » Cost of engaging citizens are too high in relation to the actual improvement in quality of investments;
- » Expectations are created among citizens that cannot be met;
- » With limited resources and great need, there is concern that vested interests will try to unfairly influence the decision-making process;
- » Questions on whether the voting process will be fair or open to manipulation by people with hidden agenda, such as contractors influencing the selection of projects.

These risks can be mitigated through adopting principles of good governance,

by using transparent voting mechanisms and trained facilitation at meetings to make activity accessible and representative of communities. Elected leaders are crucial in encouraging new ways that reach out to the people who often do not have voice. PB is not about changing all responsibilities, it is about ensuring *Wananchi* help shape decisions. Allocation of resources needs to bear in mind that reducing long term social inequality, alleviating poverty or raising basic standards of living takes time. Having support of the leadership makes it more likely PB will continue long enough for positive impact to manifest.

ACTIONS TO TAKE AS AN ELECTED LEADER

We hope this briefing is a useful introduction to a new technique for public participation that is taking root across Kenya.

Below are some follow-up actions you may consider:

- » Read and research more about participatory budgeting
- » Talk to senior officers and other elected leaders about participatory budgeting and how to create opportunities for citizens to participate in PB
- » Contact elected leaders from other Counties undertaking PB and seek to learn from them.
- » Support legislation and policies to entrench the practice of PB within your counties
- » Inform, empower and support ordinary citizens in carrying out participatory budgeting and being involved in the implementation of identified projects.

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