



The Challenges and Constraints of Introducing Participatory Budgeting as a Tool for Resource Mobilization and Allocation and Realizing Good Governance in Africa

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“People want to be citizens, not merely voters and consumers. As citizens, they have rights and obligations. They want their rights to be respected and they also want to fulfil their obligations. Citizens now demand a greater say in shaping their lives. They are asking for a fuller, active, and enlarged role in decision-making. They want to participate in discussions and decisions. They want to know why some policies are not implemented. They want to know why some people (political leaders and public officials) are above the law. They demand information and transparency from the government. This is, in short, a demand for participatory and responsive governance by citizens ...”

--Rajesh Tandon

1.0 REFLECTIONS ON GOVERNANCE

Current studies on local government in Africa reveal that considerable progress has been made towards implementing decentralization. The attention has now moved to issues related to governance and the quality of livelihood of local populations. The debate on governance seeks to empower local entities to enable citizens, individually and collectively to participate in and benefit from their own governance institutions and development services. The 2005 Africa Governance Report rightly points out that participatory governance is at the heart of sustainable development and poverty reduction.¹ It is good for economic growth and productivity. It augments production inputs such as labour and capital, and enhances productivity of these inputs. It can also influence the distribution of the benefits of economic growth². It is through participatory governance that emerging nations can improve their democratic processes, promote responsive public administration, and exert accountability, transparency and integrity. Participatory governance can provide a strong foundation for establishing good governance.

Professor Apollo Nsibambi (1998) defines good governance as the establishment of a meaningful relationship between civil society and the state or between the governed and the government with the aim of promoting efficient delivery of public services. Professor Suleiman Ngware (2000) goes on to elaborate that whatever the form the definition takes, good governance is about creating space for sharing of: (i) ideas and information, (ii) power, (iii) authority, (iv) responsibility, and in the process, create a culture of (i) ownership (ii) accountability, (ii) transparency, (iii) rule of law and respect for human rights, (iv) openness (v) ethics and integrity,

¹ Economic Commission for Africa (ECA) 2005. Striving for Good Governance in Africa: Synopsis of the 2005 Africa Governance Report, p. 1

² Within the context of urban management, UNHABITAI defines governance “as the sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens”. (Source: *Urban Governance Index (UGI) A tool to measure progress in achieving good urban governance*)



and (vi) honesty. For these tenets to work good governance need to observe to following seven principles namely: (i) sustainability; (ii) subsidiarity; (iii) equity; (iv) efficiency; (v) transparency and accountability; (vi) civic engagement and (vii) secure citizenship.

What is common however is the belief that some form of stakeholder involvement in decision making is necessary in planning on issues that affect people's daily lives. As observed by Seana Nkahlle et.al.³, government decisions in many parts of the world have historically not responded adequately to the needs and values of communities, especially the poor and disadvantaged sectors of the community. As a result, development plans do not sufficiently reflect the needs of the poor.

With increased awareness of human rights, citizens are increasingly demanding a governance scheme free of bureaucratic / administrative corruption, clientalism, patronage, nepotism, diversion of public funds, and outright stealing of public asset. Instead, they demand a governance scheme that promotes development, access to justice, access to markets, quality livelihood and equity. Citizens are demanding more direct participation in the decision-making process of public policies, as well as their implementation, monitoring and evaluation. The World Bank Institute publication The Quality of Growth 2000, argue that civil society supervision and involvement in decision-making and functioning of the public sector is a crucial counterweight and instrument to improve governance (2000, p. 165).

This paper aims at throwing light on the challenges of initiating participatory budgeting in Africa. The paper is supplemented by a case study from Mutoko Rural District Council in Zimbabwe. Mutoko has been at the forefront of applying participatory budgeting since 2000 with technical support from the Urban Institute.

2.0 FACTORS THAT LEAD TO PARTICIPATORY GOVERNANCE

To start with, let us briefly discuss three important factors that might explain why participatory planning and budgeting have taken a centre stage in promoting decentralized governance.

- 1) **Urbanization:** Like in other regions of the world, cities in Africa are steadfastly becoming the home of human habitation as a strategy to escape rural poverty, among other factors. It is estimated that by 2030 African cities south of the Sahara will be experiencing a turning point. Africa will have 11 cities having more that 5 million inhabitants and more than 3000 cities with population in excess of 20,000 (an increase of almost 300% from 1990). This means that more than half of the population in Africa will be urban. The downside of urbanization is that it brings about conditions of social exclusion and marginalization of the poor and vulnerable groups. The conditions are normally met with resistance and popular movements as well as community cooping mechanisms that are intended to open space for participation. The UN-HABITATS's State of the World Cities Report 2006/7 warns that whilst cities are becoming engines of economic growth and centres of opportunities, the problems created outweigh their attractiveness and *significantly* lower the quality of life for residents to a level below that enjoyed by their rural counterparts. Thus the need for city development strategies to counteract such outcome.

³ Seana Nkahlle, Basang Moilola, and Becky Himlin (2004). Partricipatory Governance – the Need for Inclusive Strategies at Local Level



The Urban Story

Over 70 per cent of the urban population live in slums where there is no water and sewerage connection, and without electricity. Given these conditions, slum dwellers are more likely to die earlier, experience more hunger and diseases and attain less education than their rural counterparts. The situation of urbanization will continue to be exacerbated by the HIV/AIDS pandemic and other endemic diseases such as malaria and tuberculosis. With just over 10% of the world's population, Sub-Saharan Africa is however home to 70% (25.4 million in 2004 up from 24.4 in 2002) of all people living with HIV/AIDS. The number of orphaned children is counted to be over 12 million and many are turning to streets for survival. Despite massive investments in water resources, there is a continuous lack of access to safe and affordable water and sanitation. As a result, many urban dwellers particularly the poor who live in slums are exposed to diarrhoeal diseases in which 80 – 90% children under the age of five die.

- 2) **MDGs:** The world today is following the Millennium Development Goals (MDGs), which were adopted in the special UN General Assembly in 2000. The MDGs consist of eight goals, seventeen indicators and forty seven action areas. The primary goal of the MDGs is to halve poverty by the year 2015 from the level of 1990. While East Asia, is likely to attain the poverty reduction goal before 2015, prospects for Africa remain grim. Jeffrey Sach's report entitled UN Millennium Project (2005), points out that whilst some countries in Sub-Saharan Africa seem to be making some progress towards achieving the millennium goals, overall, the MDGs will not be achieved in Africa as planned⁴. He states that primary education seems to be off track with most children learning very little and dropping out; child and maternal mortality remain high; the HIV/AIDS pandemic continues unabated; access to improved drinking water supply and sanitation has not increased significantly; the number of slum dwellers is on the increase; and environmental degradation seems to be worsening.
- 3) **Resurgence of Apathy:** In recent years, there has been a resurgence of the culture of apathy⁵ manifested in various ways such as: attitudes of despair and depression, non-involvement in important issues that affect community life, lack of interest in public affairs, an attitude of resignation, withdrawal and despair and a state of hopelessness. Apathy is caused by a number of factors that include imposed decisions, corruption, and unfulfilled promises.

3.0 WHAT IS PARTICIPATORY BUDGETING?

There is no single definition of participatory budgeting. The definition differs greatly from one place to the other depending on the local context and conditions. On a local government level, participatory budgeting could be defined as a process whereby communities work together with elected representatives (councilors) and officials to develop policies and budgets in order to meet the needs of the community. (Economic Justice Update July 2001).

At an expert group meeting on participatory budgeting organized by MDP-ESA in November 2005, participants defined participatory budgeting as “a cyclical process by which citizens and sub-national governments widen mechanisms for promoting civic engagement in identifying local

⁴ The same view was expressed by Mrs. Anna Kajumulo Tibaijuka, Under Secretary General of the United Nations and Executive Director of UN-HABITAT at the CLGF Commonwealth Secretariat African Regional Symposium on: Strengthening Local Democracy and Good Governance: Realizing the Millennium Development Goals, Kampala, 26-28 April, 2006, p. 3.

⁵ Apathy by definition is reluctance by citizens to participate in civic obligations.



needs, deciding preferences as well as the implementation, monitoring and evaluation of the budget taking into account expenditure requirements and the available income resources”.

4.0 ORIGIN

Participatory budgeting was first introduced in Porto Alegre, in Brazil in 1989 by a Workers Party. Brazil was known to be one of the most unjust societies in the world where the level of poverty was well above the norm for a middle income country.⁶ It is now applied in six states of Brazil and has been embraced in Africa, Asia, and Europe. Wherever it has been implemented, participatory budgeting has expanded citizenship, empowered excluded members of society, redefined rights, deepened democracy and stimulated civil society.

5.0 PERSPECTIVES

Expectations from participation in budget formulation of governance as a whole do vary from person to person. For some, participation increases public accountability, reduces corruption and bureaucratic sclerosis, and provides better (local) inputs to public policy (World Bank 1997 and 2001). For others, participation is a fundamental right that stands at the centre of democratic governance and human development (UNDP 2002: 51). And yet others see empowered participation as part of a new inclusionary and redistributive project that presents an alternative to both market and statist model of development. It is indeed right to conclude that participation, direct or indirect through community is key in democratizing the state, rationalizing decision making, and it helps to provide space and a voice for socially, economically and politically marginalised populations in policy making.

One of the most beneficial aspects from the implementation of Participatory Budgeting is the synergy it creates with the strategic plan of a local authority. The integration of these two processes is key for achieving a proper and effective coordination between the strategic goals and long-term investment objectives for locality. Once it is institutionalized, it becomes an effective instrument to guarantee the implementation of the overall strategy.

6.0 BENEFITS OF PARTICIPATORY BUDGETING

Research is still underway to fully understand the benefits and impact of participatory budgeting. What is known is that it has the potential to benefit various stakeholders and public administration as a whole. In Singida District Council in Tanzania, the following benefits have been recorded ever since participatory budgeting was introduced:

⁶ Boaventura de Sousa Santos in *Politics and Society*, Vol. 26 No. 4, December 1998, p.463



Benefits of PB as outlined by Singida District Council, Tanzania

- The numbers of projects suggested by ordinary citizens that have been implemented has increased.
- Sense of ownership is high for projects and security from the community has increased.
- Capital budgets have now been separated from operating budgets giving greater transparency in the budgetary process.
- Good rapport between the council and stakeholders through improved dialogue that used not to exist.
- City council staff are now more accessible to citizens
- Grass root communities are now involved in the identification of development projects.
- Services are more responsive to citizens' needs
- Inequality and exclusion has been addressed through the involvement of many stakeholders like women and slum dwellers.
- Poverty reduction has been addressed through projects that improve the status of the poor.
- Revenue collection has improved.

Source: Research by John Lubuva

There are also specific benefits that accrue to citizens, local government, the private sector and civil society which are discussed below.

6.1 Benefits to Citizens

- **Improved governance:** Participatory budgeting is an effective tool for improving and strengthening decentralized governance. It is likely to improved accessibility of councils to citizens and to have their problems attended to in a timely fashion. It further enhances accountability and transparency in public finance management.
- **Empowerment of citizens:** Citizens, including the vulnerable and marginalized groups will be empowered with vital information. Thus, they will be able to meaningfully participate in decision and budgetary making processes including the identification of development projects.
- **Enhances communication and information sharing:** Channels of communication are enhanced through feedback meetings. Councilors take information from communities to the council. Information is also shared through outreach programs, newsletters, suggestion boxes, periodic budget reviews.
- **Increased solidarity and community spirit:** Participatory budgeting has inbuilt mechanisms that lead to formation of social capital and increases networking.
- **Deepening local democracy:** It gets citizens beyond votes. Citizens no longer have to wait for the voting day. With participatory budgeting, they are able to participate in the entire cycle of budgeting and implementation, monitoring and evaluation of development projects.



6.2 Benefits to Local Government

- ***Increases public ownership:*** Enhances the spirit of oneness and public ownership of development programs and projects. Citizens begin to openly demonstrate a sense of ownership and care for public investments. The results include: reduction in vandalism, increase in voluntary support and services, willingness to pay charge fees, and timely payment of tax dues. This will result into development of positive attitudes towards local government and improved revenue collection;
- ***Leads to the creation of a common vision:*** Promotes the creation of a common vision and understanding which in turn leads to the appreciation of community challenges, based on the development of a shared vision and unity of purpose. By having unity of purpose the council can therefore concentrate on the long-term development of its locality.
- ***Facilitates Capacity Building:*** Citizens will begin to understand how their local government works since they will be exposed to the skills and knowledge related to budgets and budgeting. They will also get to know their rights and obligations as citizens.
- ***Enhances Legitimacy:*** The engagement of citizens in the decision making process enables the council to respond to needs that are relevant to communities. The citizens are in a position to understand the capacity and constraints of the council with regard to provision of services and development. This reduces demonstrations and payment boycotts. Increased legitimacy also enhances the possibilities of the creation of lasting partnerships between the council and stakeholders that leads to good rapport and working relationships between council and stakeholders. In other words it helps to establish an atmosphere of trust and confidence between the local government and its citizens.
- ***Increased interest in monitoring and evaluation of development projects:*** Where citizens are not part of the decision making process, they often lack interest in getting to know the results. Where they are involved, they will be the ‘eyes and ears of government’ with regard to progress and results of development programs. This ensures that: (a) project implementation is on target, (b) resources are applied in accordance with agreements, and (c) quality control is in place. This ultimately assists in guarding against abuse of public office and resources.
- ***Building Coalitions:*** It helps the local government to build joint action around issues among people of different groupings. In this regard, it helps the council to avoid unnecessary arguments within the council chambers and between the council and key stakeholders. This will contribute towards reducing voter apathy.

6.3 Benefits to Private Sector and Civil Society

- ***Reduction of Corruption:*** Given the openness that emerges from the participatory budgeting process, the room to engage in corruption is reduced. Investors will feel encouraged to participate in local development and pay their taxes without some hesitations.



- **Improvement in Services Delivery:** Through the participatory budgeting process, the NGO networks and private sector are encouraged to partner with local government in improving the livelihood of citizens and the delivery of public services.

6.4 Benefits to Municipal Councilors

- **Build a base of political support:** In situations where participatory budgeting succeeds and results in immediate tangible benefits to communities, it enhances the chances of re-election of the councilor thereby directly prolonging his or her stay in political office.
- **Enhances accountability in budget formulation and implementation:** By directly interacting with the citizens in the budget formulation and implementation processes, it gives the councilor an opportunity to be transparent with the budgetary process that further enhances his or her credibility and legitimacy in the eyes of the citizens. This has a tendency to also greatly increase his or her social and political capital.
- **Narrowing the mistrust gap:** Another direct benefit to councilors of embracing participatory budgeting is that the open and transparent way of sharing well defined roles and responsibilities during the participatory budgeting process between them and civil society players enhances trust between the two often antagonistic camps.

The Pioneer in Participatory Budgeting – Porto Alegre, Brazil

The City of Porto Alegre in Brazil pioneered the concept of participatory budgeting more than a dozen years ago. It was a conscious effort by a new political administration in 1989 to incorporate citizens directly into the decision-making process and to break away from the old way of doing things. It was intended to be a comprehensive management practice that brought the population directly into the formulation and execution of the city's capital projects budget.

The process of participatory budgeting relied heavily on the involvement of local neighbourhood associations, NGOs, and labour unions, and it also required the city administration to dedicate human and financial resources to ensure that it would work. The essence of the practice involves the establishment of citizens' commissions or forums that help formulate budget priorities and then continue to help to oversee the works that are being carried out. Since in the beginning the city had relatively little money for capital projects, the system started slowly. However, once the neighbourhoods could notice the tangible benefits of participation, more and more citizens and neighbourhoods have become involved. From an initial level of 1,500 participants, there are now more than 45,000 residents who take part in this process on an annual basis. Furthermore, the concept of participation has now been extended from budgetary matters to many more aspects of local government management, including policy planning.

One issue that surfaced was the need to ensure that regional planning and regional concerns were incorporated into the planning process. This was accomplished through the establishment of thematic plenary assemblies that have addressed, again with citizen participation, the different concerns. A second issue that immediately arose concerned the relationship between the elected representatives, the councillors and the municipal parliament, and the local forums. In spite of tensions, there has been successful dialogue and the municipal executive has been able to accomplish its objectives.

In Porto Alegre, 100% of the budget is regarded as participatory. The Participatory Budget Council (COP in Portuguese), made up of delegates elected in the process, examine and influence the overall budget before it is sent to the Camara de Vereadores (City Council). The portion discussed in assemblies in which all citizens can participate corresponds to 100% of the resources for investment, which vary every year and represents more than 10% of the overall budget.



Numerous other towns in Brazil have adopted some form of participatory budgeting. There appear to be two important requirements for the process to succeed – a real and sustained commitment by the city management to transparency and changing the ways in which things are done, and continuous publicity and education of the citizens who are being asked to participate.

Source <http://www.bestpractices.org>

Porto Alegre – Results achieved in 15 year of Participatory Budgeting (1989-2003)

Housing: It was possible to expand the average number of units produced locally, from 493 per year in the period 1973-1988, to 1,000 per year from 1989-2003, which allowed Porto Alegre, for the first time to contain the growth of the housing deficit.

Street paving: The existing deficit of paved roadways was reduced from 690 km in 1998 to 390 km. In 2003 the PB helped to improve access to collective transportation and public infrastructure in the poorest areas of Porto Alegre.

Access to water and basic sanitation: The percentage of dwellings with access to treated water rose from 94.7 per cent in 1989 to 99.5 per cent in 2002; the population with access to municipal sewer network grew from 46 per cent in 1989 to 84 per cent in 2002; and the percentage of liquid waste that is treated went from 2 per cent in 1989 to 27.5 per cent in 2002.

Education: The number of public schools rose from 29 in 1988, to 84 in 2002, with a corresponding increase in enrolment from 17,862 students to 55,741 students. In addition, the range of educational services offered was broadened to include Adult Literacy and Youth Education, which were integrated into the public education system. Also through the PB the Child Care Compact was created, which today reaches 126 child care institutions, serving 10,000 children.

Health: Although health only appears since 2000 as one of the three priorities of the PB, public health management is an integral responsibility of the municipal government. This is in spite of the virtual freeze in the amount of the annual transfers from central government. The Mayor today commits close to 18 per cent of the expenditure of the central administration for health, compared to an annual average of less than 10 per cent during the decade of the 1980's.

Social Welfare: This area was only included in PB priorities from 1997 onwards. The various activities currently underway address a number of groups, such as people with special needs, children and youth at risk, homeless people, victims of violence, elderly in situations of abandonment, low-income families and others.

Source: Baiera, S. in Base Document, as cited by the UN-HABITAT, Global Campaign on Good Governance Toolkit, p. 24



City of Johannesburg: Results Achieved through a participative budget

Roads: the following townships are now fully tarred: Orlando East; Pimville; Maroka; Dlamini; Chiawelo; and Diepkloof; Molapo; Senaoane; Phiri/Mapetla; Jabavu; Mofolo; Dube; Orlando West and Meadowlands.

Electrification: 2000 new connections in the Golden Triangle area and 5000 connections in Alexandra Township. Public lighting was installed in Slovoville, Vlakfontein, Soweto, Orange Farm and Golden Highway.

Water: Completed construction of the Linbro Reservoir and Ivory Park water and sewer.

Source: Mayoral Budget Speech 2004/2005

7.0 CHALLENGES OF INSTITUTIONALISATION

7.1 Establishing the right conditions for Participatory Budgeting

There are many elements that can make participatory budgeting succeed or fail. The following are some of them:

- **Political will:** There are a number of basic preconditions for the implementation of a Participatory Budget. The first is a clear political will of the Mayor and the other municipal decision-makers. Political will is necessary to sustain the entire process. The most visible manifestation of this will be in the implementation phase, when commitments are concretized into tangible investments.
- **Interest of civil society:** The second is the presence and interest of civil society organizations and better still, of the citizenry in general. This condition is decisive for the sustainability of the exercise.
- **Utilization of traditional structures or leaders:** It provides easy mechanism for mobilization of support and cooperation
- **Strategic Plan:** The presence of a strategic plan is extremely important as it provides a shared vision and strategy for investment decisions.
- **Knowledge of operational budget:** Basic knowledge of budget and budgeting by key actors – the public, the media, etc, can enhance the process of PB.
- **Resources or investment:** Availability of resources for investment is key to avoid frustration over decisions.
- **Clear rules:** The third is a clear and shared definition of the rules of the game. These rules refer to the amounts to be discussed, the stages and their respective time periods, the rules for decision making (and in the case of disagreement, the responsibility and decision-making authority of each actor), the method of distributing responsibility, authority and resources among the different districts and neighborhoods of the city, and/or rural communities and the composition of the Participatory Budget Council. These rules cannot



be decided unilaterally. They must be determined with full participation of the population; and subsequently adjusted each year, based on the results and functioning of the process.

- **Capacity building:** The fourth precondition is the will to build the capacity of the population and the municipal officials, on public budgeting in general as well as the Participatory Budget in particular. This entails explaining the amounts, sources of funds and current system of expenditures. It is also important to clarify which areas of public spending are the municipality's responsibility and which rest beyond the local authority.
- **Strong budget oversight and monitoring capacities:**
- **Information sharing:** A fifth condition is the widespread dissemination of information through all possible means. Dates and venues of meetings, and the rules of the game which have been decided upon, must be shared with the population.
- **Prioritization of needs and demands:** Finally, the sixth precondition is the prioritization of demands, set by the population and linked to technical criteria that include an analysis of the existing shortfalls in infrastructure and public services. This is important in order to facilitate a fairer distribution of resources

7.2 Obtaining the appropriate legislative frameworks for participation

In many countries, rigid conventional approaches to planning are being discarded and laws are being put in place to facilitate community participation in local governance. In Kenya, Mozambique, South Africa, Tanzania and Uganda, the laws mention explicitly that people have a right to participate and be consulted in various matters of local governance including resource mobilization, allocation and expenditure.

- **Kenya:** In Kenya, the Local Authorities Transfer Fund (LATF) under the Local Authorities Act No. 8 of 1998 seeks to strengthen participatory development by involving stakeholder participation in local authority activities.
- **Mozambique:** In Mozambique, Article 186 of the Constitution allows for the organisation of local communities to participate in local planning and governance.
- **South Africa:** Within the framework of co-operative governance, the South African Government has passed several pieces of legislations on Local Government that demands community participation. These include:
 - **South African Constitution Section 152 (1) (e)** “to encourage the involvement of communities and community organization in the matters of local government”
 - **Municipal Systems Act (Act 32 of 2000) section 16 (1)** “A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for the local community to participate in the affairs of the municipality. Section 5(1) of the Act provides the following rights for members of a local community
 - ⇒ To submit written or oral recommendations to the municipal council or a political office bearer or to the administration of the municipality



- ⇒ The right to be informed of the decision of the municipal councils or another political structure or any political office bearer of the municipality, on matters affecting their rights, property and reasonable expectations
 - ⇒ To have access to information on the state of affairs of a municipality including its finances
 - ⇒ To access municipal council and committees except when it is not reasonable to do so.
- ***Municipal Structures Act (Act 117 of 1998) Section 73 (3).*** This act provides for the setting up of Ward Committees. The function of Ward Committees will be to consult with various sectors from the community and to provide input to municipalities. Ward Committees must be elected with equal representation of women and other interest groups in the community.
 - ***Municipal Finance Management Act 2002.*** This Act encourages the involvement of communities in the finances of municipalities including development budgets.
 - ***By-laws on participation*** Municipalities are required to develop by-laws on community participation that is suitable to their context and needs.
- ***Tanzania:*** In Tanzania the Local Government (Urban Authorities) Act of 1982 and its amendment Local Government (Miscellaneous) Act of 1998 and Regional Administration Acts of 1997(URT 1997, 1998) provides for the establishment of Mtaaa, a structure of local governance that is intended to facilitate community participation in local planning and governance.
 - ***Uganda:*** Chapter Eleven of the Constitution of Uganda stipulates, amongst others, that “*decentralization shall be a principle applying to all levels of local government and in particular, from higher to lower local government units to ensure peoples' participation and democratic control in decision making*”. The Local Government (Amendment) Act 1997 gives effect to the decentralization and devolution of powers, functions and services to Local Government and administrative units. Section 78 of the Act exclusively defines the Local Government budgetary powers and procedures. Section 36 of the Act provides that the District Council shall prepare a comprehensive and integrated development plan incorporating plans of lower level Local Governments for submission to the National Planning Authority, and lower level Local Governments shall prepare plans incorporating plans of lower councils in their respective areas of jurisdiction.
 - ***Zimbabwe:*** In Zimbabwe, whilst there is no specific enforcing community participation in budget processes, there is a ministerial directive to local authorities requiring proof that residents were consulted by the local authorities in coming up with the annual budget. This requires a mayoral certificate certifying that residents were in fact consulted and consented to increases in rates, tariffs, and fees.

South Africa provides a good example of an effective legislation which clearly stipulates the rights of citizens in the participation process. This is not the case in many countries. In the case of Uganda for example, whilst civic organizations are anxious to participate in budget meetings, the culture of suspicion and confrontation between them and local authorities force local authorities to sideline them. The councils are able to get away with this because the legislative framework is



not definitive on what the involvement of civic organizations entail. As a result, civic organizations find it difficult to sue the councils for excluding them in various meetings.

7.3 Establishing the right Gender Mix

As a result of the 1995 Fourth World Conference on Women in Beijing, China, ‘— nearly three-quarters of all states have established some form of national machinery responsible for the advancement of women. One key public policy area that has attracted involvement is budget preparation, implementation and monitoring and evaluation. Civil society organizations are playing an active role in making governments accountable to gender issues and to ensure that central and local governments provide space for gender consideration in the budget process. In Africa, countries such as Malawi, Mozambique, Namibia, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe have gender budget analysis inside government while civil society coalitions undertake gender budget initiatives focusing on such areas as education, health and agriculture regarding poor women.

The Gender Dimension of Budget: The Case of Uganda

The Forum for Women in Democracy (FOWODE) is a women's non-governmental organization (NGO) founded in 1995. Its mission is to promote gender equality in all decision making through advocacy, training, research and publishing.

In Uganda, Forum for Women in Democracy (FOWODE) has been implementing a gender budget project since 2002. The Gender budget initiative was launched in 2002 at a National Gender budget consultative workshop. This involved bringing together several civil society organizations in Uganda in order to create synergy and build awareness about gender budgeting. In this meeting, the participants developed an Action plan that identified the focus of the work to be at the local level in two districts namely: Kabale and Luwero. The goal of the project is to achieve gender-balanced national and district budgets that address the needs of women and men, girls and boys equitably and give full attention to other marginalised groups like people with disabilities especially through the Poverty Eradication Action Plan (PEAP). The stakeholders include: the Ministry of Finance, The Ministry of Gender and Social Development, local governments, national and district NGOs, the media, academicians and researchers with interest in gender budgeting, and members of parliament.

Source: FOWODE website

7.4 Establishing the appropriate Participatory Budgeting Cycle Process

As stated in the definition, a participative budget system can only function if there is a mechanism which can facilitate free interaction between local government functionaries and the community and effectively handle both the successes, limitations, and challenges associated with the introduction of participatory budgeting. The local government should have the capacity to establish a framework and a process that can effectively address participatory issues such as: forms of participation, budgetary and fiscal dimensions, tax issues, territorial and thematic issues as well as legal, cultural and gender issues.

There is need to carefully think through the participatory budgeting cycle to ensure that all the stages are carefully planned and executed. For example, how many rounds of meetings need to be organized and what are the criteria for participation. What are the rules of procedure and how are they established?

Local authorities should strive to facilitate establishment of credible social movements to enable organized participation. These could be advocacy NGOs and CBOs, neighborhood associations, local government associations, religious groups, women groups, professional associations, union



movements, youth groups, disabled groups or political parties etc. Citizens who belong to such organizations have a far greater propensity to participate than participation as individual ordinary citizens.

Structures must be designed in such a way that they encourage increase in community participation. Such institutions should have inbuilt mechanisms to encourage information sharing, deliberations on priorities and projects, oversight of projects being implemented, and selection of delegates to city-wide budget council.

The process might require realignment of the local authority to better manage the participatory process. For example, it might require establishment of a community relations office (CRO) to facilitate participatory budgeting meetings.

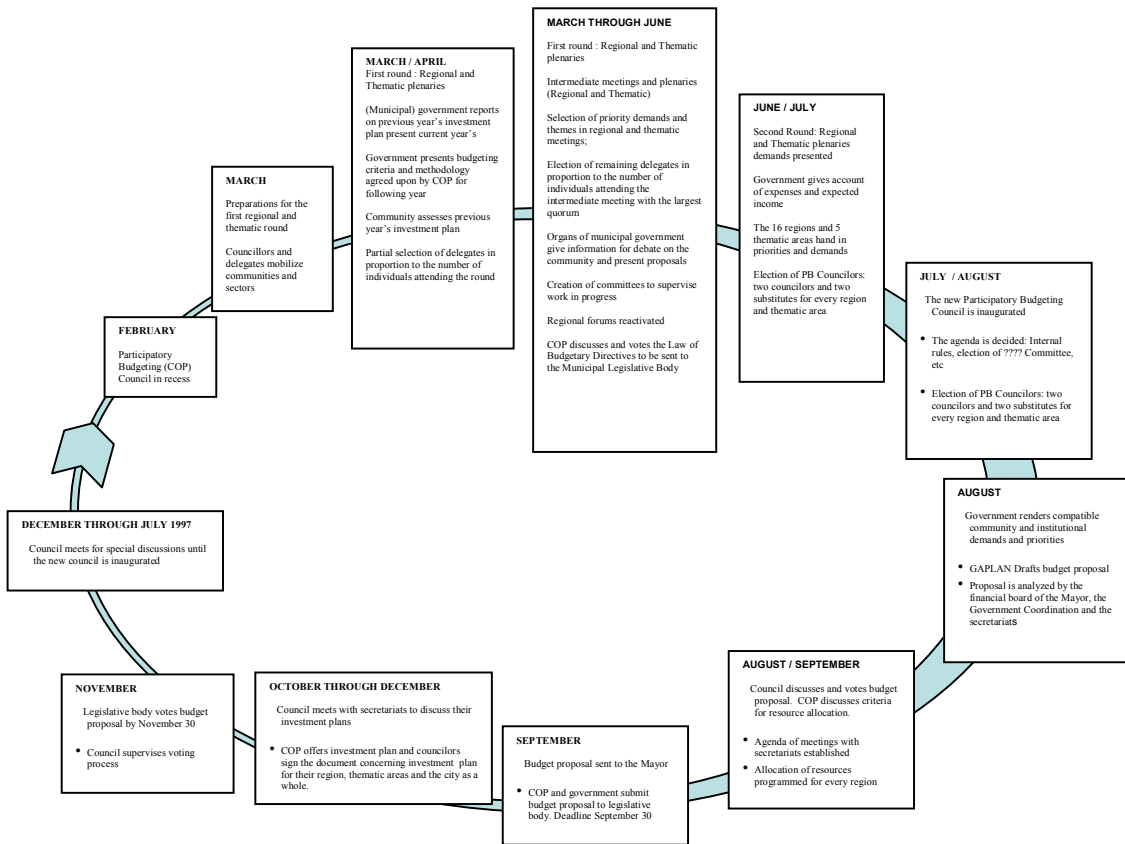
As alluded to above, there are various actors who are organized into meetings. Inside all meetings there are roles to be accomplished by government and roles to be accomplished by citizens. In Porto Alegre, there are three main levels:

- The first level is the local one and covers individuals, small associations among people, and it functions as space of common discussion in which basic needs and priorities and other issues are developed.
- The second level involves regions and topics which vary in number according to the size of the local authority. Here the municipality is divided in regions, each one with a certain amount of neighbourhoods. This facilitates debates, and definition of priorities by region. Parallel to the regional meetings are thematic meetings which focus on services such as housing, education, health, roads, water, and crime.
- The third level is the municipal council itself which is charged with the responsibility of producing and approving a participative budget. Once the budget is approved, it is submitted to the Minister of Local Government for final approval.

There are different stages to be accomplished in a participatory budget cycle. Such stages vary from place to place. Below, is an example from Porto Alegre.

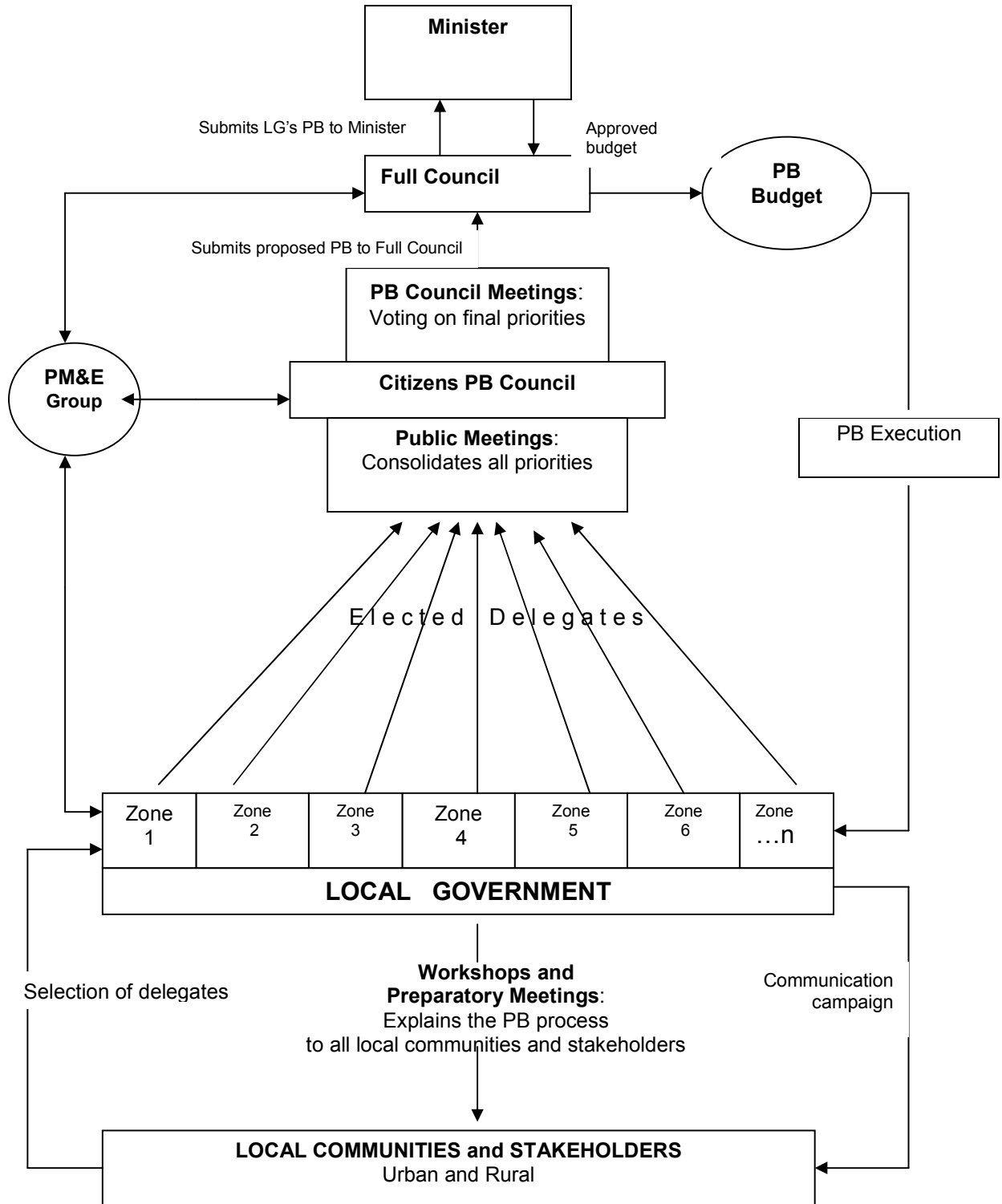


Participatory Budget Cycle





Conceptual Framework of Participatory Budgeting and Relationships





7.5 Establishing effective Tracking, Monitoring and Evaluation

In recent times citizens and development partners have called for Participatory Monitoring and Evaluation (PME) to facilitate transparency in defining conclusions on progress and impact on ground. Identifying community needs and capturing them in the public budget is the beginning of a long process; what is critical in monitoring performance and expenditure tracking to ensure that allocations reach intended beneficiaries. Monitoring can help to detect abuses in procurement processes or the quality of public works or outright corruption. In countries like Uganda, India, and Philippines, score cards, have also been used to establish whether budget allocations are resulting into improved services. Local governments need to prepare communities to objectively monitor the public expenditure intended for their localities.

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.

Sufficient time and resources will be required to prepare and made available for defining the terms of reference, collecting and analyzing the data, organizing workshops with staff and the communities and preparing the report.

The Public Expenditure Tracking Survey (PETS), Uganda

The PETS is a quantitative survey done by Uganda Government, complementary to a qualitative survey on the perception of consumers about service delivery. It has been very useful to highlight the uses and abuses of public money. Among other findings, this survey revealed that less than 30 percent of allocated capitation revenue was reaching the schools on average at the end of 1995. The government acted immediately to improve the flow of information and make budget allocation transparent by:

- Publishing the amounts of money transferred to the districts in newspapers and radio broadcasts
- Requiring schools to maintain public boards to post monthly transfers of funds
- Legally provisioning for accountability and information dissemination in the 1997 Local Government Act
- Requiring districts to deposit all grants to school in their own accounts, and delegating authority for procurement from the centre to the schools

By 1999, the capitation grants received by the schools had reached 100 percent

Source: *Wagle and Shah 200*



Monitoring South Africa Children's Budget

The Children's Budget Initiative at Idasa, was developed by Idasa'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 signer of 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.

The research to develop the Children's Budget starts from a thorough understanding of children's socio-economic rights, as these are the constitutionally prescribed goals of government policy. Secondly, it identifies a series of government programs used as instruments for the achievement of these goals to determine whether these programs reasonably meet government constitutional obligations to realize children's socio-economic rights. In undertaking this analysis it is important to understand the dynamics of poverty among children and in particular the role government programs 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 (e.g., reduction in disease due to immunization programs) 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 reviews 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 macro-economic 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 programs 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 programs. The *Primary School Feeding Scheme* for instance only benefits school-going children on school days. The Children's Budget Initiative suggests that the program should function in cooperation with more extensive and regular programs 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 socio-economic 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.



8.0 OPERATIONAL CHALLENGES ON GROUND

In practicing participatory budgeting in Africa there are a myriad of constraints and challenges that are likely to be encountered. The following are some of them.

- ***Securing ruling party and government ownership:*** Multi-partyism is an emerging political set-up and so programs outside ruling party structures are perceived negatively and with suspicion by government. Sometimes it is sheer lack of political will that presents a great constraint to government for it to meaningfully engage itself in participatory budgeting processes. Indeed any resistance from politicians and bureaucratic weakness or malaise may derail the participatory budgeting process at an early stage. Hence successful participatory budgeting might require securing ruling party and the political leadership's acceptance for it to be initiated and be sustainable.
- ***Politicization of participation:*** In Africa, the grass root development structures are heavily partisan with members often being strong members of the ruling party, with little room for members for the opposition parties or if they are from the opposition, they will not allow ruling party members to be part of the structures. There is a need to make the participatory budgeting fora apolitical and truly civic to permit participation in budgeting across political divide. This situation pervades Anglophone, Lusophone and Francophone countries. Where systems have advanced, these structures are used not only to identify and set local needs but to build up a global locally comprehensive vision and mission or strategic plan from which key result areas or strategic objectives flow. Annual capital and revenue budgets may then flow from this strategic plan.
- ***Lack of confidence of marginalized groups:*** With the majority of the population having been disadvantaged and marginalized in governance for decades and struggled to get it, political rights and freedoms as envisaged in democracies are still being learnt. Participatory budgeting needs to build capacities of the marginalized so that they freely and willingly participate beyond elections of representatives in local governments.
- ***Resistance from local politicians:*** Participatory budgeting implies the sharing of power between local politicians, municipal officials and citizens. This is always a threat to local politicians who see it as a way of cutting down on their legal functions and powers. To overcome this, participatory budgeting capacity building induction courses for the local politicians must be carried out from time to time that clearly specifies the importance and benefits of participatory budgeting as well as the role and responsibilities of each key player in the process.
- ***Multi-ethnicity and diversity:*** There is great diversity of ethnic languages calling for sensitivity to the diversity of languages and cultures even within one country. This has serious cost implications in translating information into these ethnic languages and using oral and visual means of communication. On the other hand in multi-ethnic communities the resultant diversity may create some potential conflict of interest between various vested interests or actors, if not properly managed which can block the initiation and successful implementation of the participatory budgeting exercise.
- ***Poor Communication and mobilization:*** Poverty and illiteracy levels are high in the Sub-Saharan Africa region, but for participatory budgeting to happen it requires enough mobilization and communication capacity. The implication on communication strategy is



therefore that low cost or free means of communication is required. Furthermore while the official language is foreign if it is one, the multiplicity of ethnic languages and low education levels poses serious challenges for sending messages across.

- **Capacity constraints:** In situations where political will is not a major barrier to government engagement with participatory budgeting, capacity issues (financial, intellectual and political) tend to be real big problems. In situations where local or national personnel with the requisite skills is lacking, initiating and successfully practicing participatory budgeting may become an uphill task. Therefore in situations where lack of capacity within both the civil society fraternity and local government itself may militate against the successful initiation and implementation of participatory budgeting.
- **High expectations:** Lastly, potential conflict and citizen apathy that may arise as a result of failure to satisfy the scaled up expectations is a potential challenge to the success of the participatory budgeting process.

9.0 THE PARTICIPATORY BUDGETING KNOWLEDGE AND ACTION SUPPORT FACILITY AT MDP-ESA

Since 2005, MDP-ESA has been working closely with the World Bank and UNHABITAT to put in place a Participatory Budgeting Knowledge and Action Support Facility supported by: a Help Desk, a website (www.asaaf.org.zw) on-line learning course (www.asaaf.org.zw/pb-course1), a discussion forum (www.mdpafrica-pb.org.zw) and on-line news magazine (www.mdpafrica.org.zw) and the development of a Training Companion for Participatory Budgeting in Africa respectively.

The overall objective of the Facility is to enhance governance and accountability mechanisms by means of empowering citizens, particularly the poor, to actively participate in the formulation, execution and evaluation of public policies and budgets.

The Facility is implemented under the following five components:

- Networking
- Knowledge Development
- Knowledge Dissemination
- Learning Events and
- Action Support

The beneficiaries of the initiative were planned to include: elected officials, civil servants, technical professionals, universities, NGOs, local government associations, civic groups, and other organizations involved in participatory budgeting in Africa.

MDP-ESA has develop a web-based e-learning course on participatory budgeting. The course can be accessed through www.asaaf.org.zw/pb-corse1. MDP-ESA is also compiling a Training Companion on Participatory Budgeting in Africa with financial support from UN-HABITAT.



10.0 Concluding Remarks

It has emerged from this paper that participatory governance in general and participatory budgeting in particular can be a panacea to most developmental problems faced by African countries. Benefits of participatory budgeting include, among others, improved governance; empowerment of citizens; improved information sharing; deepening local democracy; increased public ownership of development projects and reduced corruption; all of which lead to improved services delivery. However for the benefits of participatory budgeting to be realized, there should be strong political will from the government which should be supported by an enabling legal framework. Lack of resources can also jeopardize efforts towards participatory budgeting. Capacity building initiatives aimed at promoting the implementation of Participatory Budgeting in Africa should therefore be a preoccupation of development agencies. It is against this background that MDP-ESA, UN-Habitat, Enda Ecopop, CIGU (in Latin America) and the World Bank have initiated a number of activities aimed at enhancing governance and accountability mechanisms by means of empowering citizens to actively participate in the formulation, execution and evaluation of public policies and budgets.



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