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Participatory budgeting: a significant contribution to participatory democracy

Yves Cabannes

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SUMMARY: *This paper describes participatory budgeting in Brazil and elsewhere as a significant area of innovation in democracy and local development. It draws on the experience of 25 municipalities in Latin America and Europe, selected based on the diversity of their participatory budgeting experience and their degree of innovation. The paper provides a systematic analysis of the range of experience that can be included in participatory budgeting – in terms of the level of funds being considered, the extent of control and mode of involvement of local citizens, the relationship with local government, the degree of institutionalization and the sustainability of the process – and it considers the questions that are raised by this diverse set of possibilities.*

I. INTRODUCTION

IN THE LAST 15 years, participatory budgeting (PB) has become a central topic of discussion and significant field of innovation for those involved in democracy and local development. According to our estimates, around 250 cities are currently applying PB. Although the great majority are still in Brazil (where PB began in Porto Alegre), new initiatives are also flourishing in Peru, Ecuador, Colombia and the Southern Cone countries, as well as in some European cities.

This paper extracts lessons from 25 experiences in Latin America and Europe that together include more than 24 million inhabitants.⁽¹⁾ These 25 were selected based on their diversity and innovation, and were chosen with the help of the Municipality of Porto Alegre and the expertise of the NGO Cidade,⁽²⁾ which is responsible for the base document about the experience in Porto Alegre. The discussion reflects the consistent involvement, since 1997, of the Urban Management Programme Latin America (UN-Habitat)⁽³⁾ where the author worked until 2003. Support for PB has been one of the programme's highest priority tasks. Through this connection, the work is a contribution to the United Nations Global Campaign for Good Governance.

The guidelines for documentation have drawn on previous research, including that of the Brazilian National Forum for Popular Participation,⁽⁴⁾ and have been consolidated with the help of the Municipality of Porto Alegre and Cidade. The experiences were documented by the respective municipalities, sometimes assisted by experts and external researchers. Coordination, data consolidation and support to the cities was provided by the author, assisted by programme staff.

II. FIRST APPROACH TO THE DEBATE

A CHALLENGE IN analysing the wealth of PB experiences is the uniqueness of each experience. Some of the areas of difference are presented here:

Direct democracy and community-based representative democracy. The first significant difference is in the form of participation. One type is direct democracy: every citizen is entitled to participate directly in thematic assemblies⁽⁵⁾ and in neighbourhood and district meetings. Each participant can vote and be elected as a delegate or a councillor, and citizens control the process directly. The second form of participation is indirect. Discussions and decision-making are carried out through delegates and leaders from, for example, social movements, neighbourhood associations and trade unions. We will call this community-based representative democracy. Between these two extremes there are a number of variations on PB.

Who takes the final budget decision? In general, all variations on PB are related to representative democracy in that the municipal council is ultimately (and sometimes initially) responsible for approving the budget, preparing it in a participatory way. However, the experiences fall between simple consultation with citizens, whereby the executive and legislative branches retain all the power, and deliberative experiences, in which the decisions of PB councillors have real power and are endorsed by the municipal council.

What body is in charge of decision-making? In most Brazilian experiences, and a few others, delegates are elected and they then elect councillors. The Council of the Participatory Budget (COP), or its equivalent, is the central body, and determines the decision-making system, the criteria for allocating resources, the number of plenary meetings, and themes for discussion. In addition, the COP finalizes the budget to present to the Municipal Council.

Many of the non-Brazilian experiences are built on pre-existing social or political frameworks (such as neighbourhood associations or elected parish councils) and the consequences are quite different. With a structure like the COP, created for this purpose, the budget becomes an innovative catalyst and a focal point for participation and its popular expression. By contrast, when the process is built on pre-existing local frameworks, the functions of these structures are enlarged but local networks are not modified. Most PB experiences fall between these two extremes.

Social control and inspection of works once the budget has been approved. Once the budget has been approved, plans are implemented. There are fundamental differences in the forms of this process. Who ultimately controls public bidding processes for the implementation, transparency and final inspection of the works? It ranges from control by the executive branch to control by the "neighbours". The degree of control exerted by citizens in this phase demonstrates the extent to which power has devolved.

City-based participatory democracy or community-based participatory democracy. A fifth variable is the demands prioritized by citizens. The majority aim at an improvement in living standards at neighbourhood level. Participation in this case is limited to the community and neighbourhood. However, some experiences aim at works and services at city or town level, sometimes initiating "new urban centralities" in traditionally excluded neighbourhoods. These budgets can be described as city-based participatory budgets, for the dialogue takes place within the city as a whole.

Management of scarcity or full control of public resource. A sixth vari-

1. Cabannes, Yves (2003), *Participatory Budgeting and Municipal Finance: Base Document*, Urban Management Programme Latin America and the Caribbean, UN-Habitat.

2. Sergio Baierle, Cidade (Centro de Assessoria e Estudos Urbanos), Porto Alegre, Brazil.

3. PGU: Urban Management Programme, Regional Coordination for Latin America and the Caribbean.

4. See Ribeiro Torres, Ana Clara and Grazia de Grazia (2003), *Experiências de Orçamento Participativo no Brasil*, Editorial Vozes, Petropolis, Brazil, Forum Nacional de Participación popular. This reports on an investigation of 103 Brazilian participatory budgeting experiences that took place between 1997 and 2000, and will be available in English in May 2004.

5. The term "thematic meetings" (or "thematic assemblies") is used several times in this paper, and refers to ad hoc meetings with a particular focus, which are one of the two legs of the participatory budgeting process. Participatory budgeting is routinely conducted in two ways: one is through regular meetings of the neighbourhoods and the city as a whole (meaning through the territory involved), and the other is through these "thematic assemblies", which can be, according to the city's priorities, on housing, local economic development, transport and so on. Usually, there are between five and ten of these in a participatory budgeting process and, sometimes, they are youth or women's assemblies.

able refers to the proportion of the budget and the absolute amounts that are placed under discussion. Significant differences exist between experiences in which less than 1 per cent of the budget is discussed and those that have already reached 100 per cent.

The degree of formalization and institutionalization. The seventh variable relates to the degree of formalization, and can vary from informality to regulation through decrees, laws and regulations at the municipal and/or national level. Most experiences lie somewhere between a "movement" and an "institution".

III. LESSONS LEARNED FROM THE EXPERIENCES

AN HISTORICAL ANALYSIS of PB results in the identification of three major stages. The first, dating from 1989 to 1997, was marked by experimentation. New forms of managing public resources were "invented". This first occurred in Porto Alegre and in other few cities such as Santo André (Brazil), and Montevideo (Uruguay). The second stage, which we call the Brazilian spread, corresponds to the period from 1997 to 2000, when more than 130 Brazilian municipalities adopted the model, with marked variations. The third stage, from 2000 to the current day, is a stage of expansion (outside Brazil) and diversification; numerous Latin American and, more recently, European cities have adopted existing models, generally with significant adaptation. The examples considered in this study draw on cities from all three periods (Box 1).

a. In what political context are participatory budgets developed?

To make PB experiences intelligible, it is necessary to clarify the political systems to which they are connected. Most are in cities where the mayor and the municipal councillors are elected by direct vote in a system of universal suffrage (as in Latin America and Italy). In these cases, the legislative and executive powers are clearly split and the mayor is pre-eminent. Since, in all cases, PB originates from the mayor or from the executive branch, it clearly challenges the traditional role of the city councillors and of the legislative branch. In spite of having the final say on budgets, municipal councillors have lost the conventional space given to them by their constitutions. The introduction of PB entails the need to rebuild the relations between the legislative and the executive powers, as well as to rethink representative democracy.

In contrast, the mayors of Bobigny and Saint Denis, in France, and of Córdoba, in Spain, are elected by municipal councillors. The mayor is the chief of both the executive and legislative branches, which tends to reduce conflicts.

A debate on the political role of PB in cities with a tradition of presidential systems (where the relationship between mayor and population may be direct and clientelist) and with a truncated representative democracy (that is to say, a low level of representation on the part of the legislative branch) could be extremely fruitful. Two questions arise: does PB occupy an empty space left by the absence of representative democracy? And does it tend to strengthen the role of the mayor and the executive branch in relation to municipal councillors and the legislative branch? How can such tensions be resolved?

Box 1: A brief summary of the documented experiences and their particular aspects

- Porto Alegre (1,360,590 inhabitants), pioneering city in southern Brazil and international reference point.
- Recife, in northeastern Brazil (1,422,905 inhabitants), has stood out since 1997 as a result of its focus on gender and to a participatory budget carried out by children and youth.
- Belém, at the mouth of the Amazon River (1,280,614 inhabitants), has developed the concept of participatory budgeting into the *Congress of the City*, with the marked and original presence of the traditionally excluded sectors.
- Belo Horizonte (2,238,526 inhabitants), the capital of the State of Minas Gerais, has introduced *participatory budget for housing* to meet the demands of homeless people.
- Santo André (649,331 inhabitants), at the industrial heart of the metropolitan area of São Paulo (ABC Paulista), links the participatory budget strongly with strategic planning (*City of the Future*). The PB council involves both appointed civil servants and elected delegates.
- Campinas, Brazilian technological centre (969,396 inhabitants), has a PB process that decides on 100 per cent of the resources available for investment by the municipality, which is not very common.
- Alvorada is a poor municipality (183,968 inhabitants) in the State of Rio Grande do Sul, where PB has been a positive element of tax revenue growth.
- Juiz de Fora is a dynamic regional centre (456,796 inhabitants) near Rio de Janeiro, which has implemented an original form of PB.
- Caxias do Sul, medium-sized industrial city (360,419 inhabitants) in the south of Brazil, links PB closely to the city's master plan, and shows how traditionally expressive neighbourhood associations have been strengthened with the participatory budget.
- Icapuí, (16,555 inhabitants), small port city on the northeastern coast of Brazil, is a reference point for small municipalities and has introduced a participatory budget for children and youth (*Dia Feliz* – Happy Day).
- Mundo Novo is a small municipality in Mato Grosso do Sul (15,669 inhabitants) where the main innovation (and an almost unique case) has been to put 100 per cent of the participatory budget under discussion, both running and fixed expenses and investment.
- District of Cuauhtémoc (Mexico City) (550,000 inhabitants), is a pioneer of PB in Mexico, and deals with resources transferred to the district by the government of Mexico City. This recent process is still at an experimental stage.
- Buenos Aires (Federal Capital) with almost 3 million inhabitants, allows for reflection on the potentials and limits of a process that has been decreed “top-down”.
- Montevideo (1,382,778 inhabitants), is the Uruguayan capital and one of the most consolidated experiences outside Brazil. Its participatory budget process is built between the municipal government and the citizenry through neighbourhood councils elected in each of the 18 districts.
- Rosario, Argentine regional capital (908,399 inhabitants), has recently introduced PB, partly linked to its qualified strategic plan and to an ongoing process of decentralization.
- Villa el Salvador (350,000 inhabitants), is a poor district with a strong tradition of participation and small-scale enterprises, in the metropolitan area of Lima. Its pioneering experience of PB in Peru was conceived as part of the district development plan, approved in a referendum.
- Ilo is a port and mining city (with 70 per cent of the national copper) in the south of Peru (63,744 inhabitants). It has developed a relatively autonomous model of PB.
- Cuenca, a booming Ecuadorian city (417,632 inhabitants), has introduced a unique form of PB in its 21 rural parishes. It tries to link the participatory budget to local economic development and solidarity economy.
- Puerto Asis, capital of Putumayo, Colombia (66,385 inhabitants), is located in one of the most violent areas hit by the armed conflict in the country. PB, promoted mostly by the mayor, indicates the potential of a dialogue from the perspective of peace.
- Cotacachi is a multi-ethnic municipality in the Ecuadorian Andes with 37,254 inhabitants. PB has resulted from the mayor's political willingness and a resolution by the Cantonal Assembly.
- Córdoba (Spain) (317,953 inhabitants), after a two-year preparation stage, has made its PB process into a reference point for Europe. It is strongly linked to neighbourhood movements and social organizations, both very active in the city. The participatory budget pays special attention to communication and information.
- Saint-Denis, a municipality on the outskirts of Paris (86,871 inhabitants), has a high number of immigrants. A contribution of PB is the establishment of a communication channel between inhabitants and the municipality, pointing to the generation of the “social bond” (*lien social*).
- Bobigny, a municipality in the metropolitan area of Paris, is experiencing PB this year for the first time, in line with the municipality's willingness to establish strong relationships with the citizenry.
- Pieve Emanuele is a small municipality in rapid expansion (16,409 inhabitants) on the outskirts of Milan. Its recent experience with PB, with a direct reference to Porto Alegre, is closely linked to two participatory initiatives.
- Rheinstetten is a municipality with 20,529 inhabitants in Baden Württemberg in Germany. PB here has a consultative, flexible and informal style. It is linked to the municipality's finance department.

Figure 1: Case study locations in Latin America



b. Municipal finance and participatory budgeting

In this study, we have analysed the budget of municipalities with a particular focus on that part of the budget that is determined by PB.

One element that complicates the analysis of municipal expenses and limits any generalization is the different accountancy systems used in Europe and Latin America. Another difficulty is the fact that some data refer to "planned" expenses or budget and others to "implemented" expenses or budget. The difference between these figures is often substantial. A detailed analysis of 19 municipal budgets for 2002 indicates that, although five of them reached or exceeded what had been planned, none of the others reached its target: three did not get to 50 per cent; four attained between 50 per cent and 79 per cent; and seven, between 80 per cent and 99 per cent. Our analysis fails to explain these discrepancies and suggests the need for more in-depth study, since this obstacle jeopardizes the exercise of PB and its legitimacy. One factor is that changes in revenues from central government may affect the planned budget and the municipality's actual commitments.

In aggregate terms, the annual budgets of the 25 municipalities vary considerably, from more than US\$ 2,200 per inhabitant in St. Denis and Bobigny in France, to less than US\$ 20 in Villa El Salvador in Peru. The budget-to-inhabitant ratio in the Brazilian municipalities (between US\$ 240 and 400) is generally higher than in the other Latin American municipalities. Although Alvorada, in the state of Rio Grande do Sul, is exceptionally poor (US\$ 73 per inhabitant), even municipalities with less than 20,000 inhabitants (Icapuí, Mundo Novo) are within the same range as cities such as Santo André (metropolitan area of São Paulo) or Recife. This relative superiority of municipal resources in Brazil has to do with the "municipalization" of education resources, which are transferred from central government to local government, in order for the cities to take care of primary education. At least 25 per cent of municipal resources have to be reserved for primary education. Generally they spend more.

There is an enormous disparity in the budget-to-inhabitant ratio of non-Brazilian Latin American municipalities. Mexico's Federal District, with more than US\$ 900 per inhabitant, is an exceptional case. The capitals of the Southern Cone, before the fall of their currencies, had a ratio similar to that of Brazilian cities. The Andean municipalities studied (in Colombia, Ecuador and, mostly, Peru) have the most limited resources in the region.

How much control do cities have over their budgets? The share of locally collected taxes within the total revenues of a municipality can vary greatly inside the same country (Brazil is one example) or the same region. This relation between locally collected taxes and the overall implemented budget is called the degree of financial autonomy. Seven of the 23 municipalities that have consolidated data have a financial autonomy of less than 20 per cent of the overall budget, and three of them less than 5 per cent. They are small, mainly rural municipalities with limited urban centres (as are most Latin American municipalities, considering that 50 per cent of them have less than 10,000 inhabitants). Their financial resources are essentially dependent on transfers from central government. Despite their low resources and their dependence, some direct much of their budget to investments and have high levels of PB.

Of the 23 cases with consolidated data, 11 have a slightly higher autonomy (between 20 and 39 per cent). They include both small European municipalities and medium-sized Latin American cities. Only six cities have a budgetary autonomy of between 40 and 59 per cent (with only one city,

Montevideo, exceeding this level). They are cities with strong property tax revenues and a high level of overall tax revenues.

Remarkably, those in municipal government who are responsible for the “participatory budget” have, with a few exceptions, very limited information about the municipal budget. They clearly had difficulty in obtaining consolidated budget data for the case studies. There is an evident need to improve communication in this respect. Generally speaking, little is known about personnel and maintenance expenses – often very significant elements of the municipal budget, particularly when their responsibilities include health and/or education. However, they are among the least transparent. This is why the efforts in Mundo Novo, Brazil, to discuss personnel and maintenance expenses through PB should be valued.

Information on investment amounts is important because this component is generally the one that is discussed (partially or totally) within PB, and because it is the first area of the budget to suffer cuts when local tax revenues and transfers from other tiers of government have not been as high as expected. For this reason, earmarking budgets specifically for PB is a good way of avoiding the cuts that usually otherwise occur when budgets are slashed due to lack of revenue.

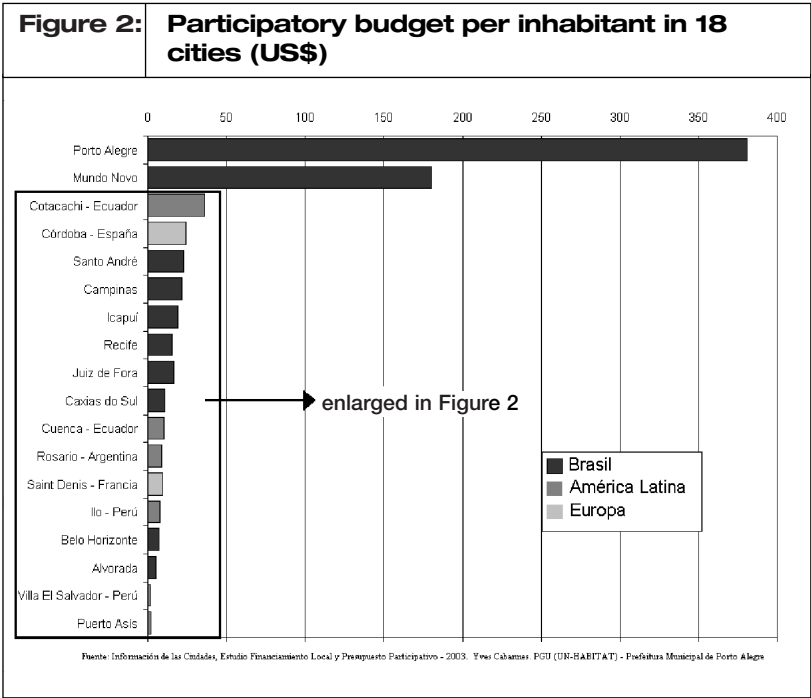
The amounts and percentages allocated to investment as part of municipal expenditures are highly variable. Using actual consolidated data for 2002, the average percentage (calculated from the percentages for each city and not from absolute amounts) is around 20 per cent. However, this apparently high average is influenced by the three Colombian and Ecuadorian municipalities that direct more than 60 per cent of their budgets to investments. In 2002, the Brazilian municipalities studied, with the exception of Recife, used less than 10 per cent of the implemented budget for investments. The impact of the financial crisis that both Brazil and Argentina have experienced (particularly the fall in the value of their currencies) is one of the explanations, and the other is personnel and maintenance expenses.

It is very difficult to make progress in debates concerning increases in the tax burden, particularly in municipalities with participatory budgets. They rapidly tend to generate a popular mobilization and political opposition that is hard to ignore. The search for alternative taxes and other sources of revenue is essential to increase the financial and political autonomy of the municipalities, thus making it possible to have greater distribution through the participatory budget. In spite of the difficulty in some specific situations, examples of cities that have managed to innovate in this field show that it is possible. Montevideo, due to a lack of transfers from central government, managed to survive by “inventing” taxes that do not primarily affect the poor. For instance, the municipality started collecting additional taxes on automobiles. Belém, in Brazil, increased significantly the number of people exempted from paying property tax, without decreasing its level of tax revenues, by re-assessing the tax base using urban property valuations.

c. The several dimensions of participatory budgets

In view of the great variety of types of PB with regard to population size, municipal resources, styles of participation, degree of consolidation of the experiences and amounts actually put under discussion, we have opted to try to extract lessons based on four key dimensions:

- budgetary (or financial);
- participatory (considering both popular participation and participation of the local government);



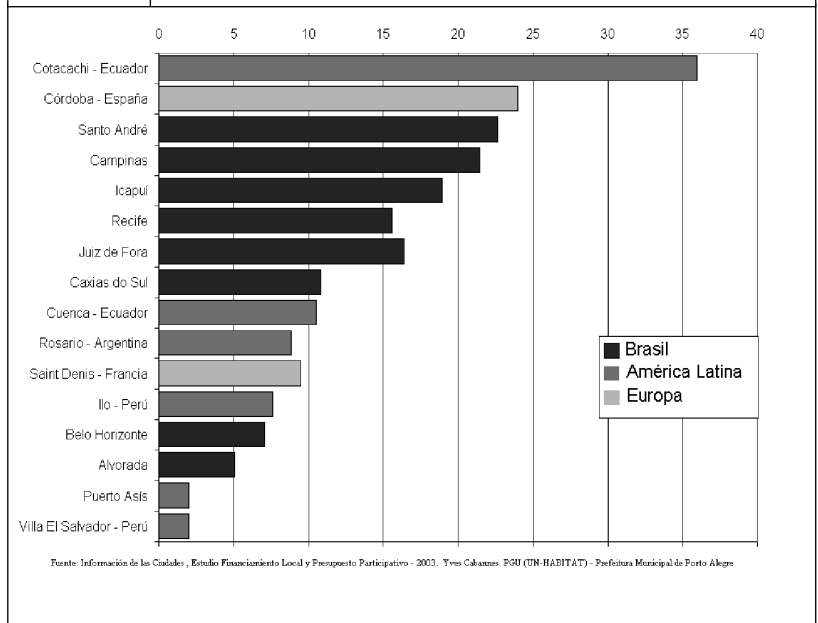
SOURCE: Información de las ciudades, estudio financiamiento local y presupuesto participativo, Yves Cabannes (2003). Urban Management Programme (UN-Habitat) – Municipal Government of Porto Alegre.

- physical or territorial; and
- regulatory and legal.

The information made available and an abundant literature are, above all, related to the participatory dimension and to PB as an instrument for the construction of a participatory democracy. To compensate for this bias, indicators were designed for all four dimensions.

Financial dimension. One of the most frequent and more debated questions concerns the amount of resources allocated to PB. There are two scenarios: municipalities that identify the amounts under discussion and those that do not. Municipalities where projects rather than amounts are considered tend to be those in which amounts are only symbolic, that is to say, less than 2 per cent of the total budget.

The participatory budget generally represents between 2 and 10 per cent of the overall implemented budget (9 per cent average in the present analysis). These amounts correspond to a percentage of the municipality's investment resources, and can vary from 100 per cent (Campinas, for example) to just a few per cent. In Porto Alegre, 100 per cent of the budget is regarded as participatory, since the COP examines and influences the overall budget before it is sent to the Câmara de Vereadores (city council). The part discussed in assemblies in which all citizens can participate is closer to 10 per cent of the overall budget, but corresponds to 100 per cent of the investment resources, which vary from year to year. In Mundo Novo (Brazil), the whole budget is discussed but, unlike in Porto Alegre, this is done in open plenary meetings. This more "advanced" form of PB shows that the whole budget can be put under discussion. In Cotacachi (Ecuador), the part of the budget discussed in assemblies has grown steadily, reaching 58 per cent of the total in 2002, and expected to reach 72 per cent in 2003. This high

Figure 3: Participatory budget per inhabitant in 18 cities (US\$) (enlarged)

SOURCE: Información de las ciudades, estudio financiamiento local y presupuesto participativo, Yves Cabannes (2003). Urban Management Programme (UN-Habitat) – Municipal Government of Porto Alegre.

amount is related to the high percentage that the municipality directs to investment, despite being one of the poorest cities in the sample. It shows that political will can give rise to a participatory budget that contains meaningful amounts. The amount discussed per inhabitant in Cotacachi is greater than that of much more “famous” cities (see later on).

Participatory budgets have allowed a first step to be taken in the social control of municipal public resources. A first stage relates to the control of investment resources, and the following stages to other parts of the budget. However, it is debatable whether one can discuss those experiences where less than 1 per cent of the budget is available for consultation with those where 100 per cent is debated and decided upon. It is interesting to observe that the resources discussed to inhabitant ratio is not related to the budget-to-inhabitant ratio. Between 2001 and 2003, the poor municipalities of Cotacachi (Ecuador) and Ilo (Peru) discussed more resources per inhabitant than, for instance, Belo Horizonte in Brazil (five times more in the case of Cotacachi and twice as much in the case of Ilo) or the District of Cuauhtémoc in Mexico City. Adequate indicators are necessary to be able to differentiate between all the so-called participatory budgets.

Figures 2 and 3 illustrate the huge diversity between one city and another. The two cities that discuss 100 per cent of their resources (directly, such as Mundo Novo, or via the COP, such as Porto Alegre) are evidently the most advanced.

Despite their much higher budgets per inhabitant, the European cities are not those that put more resources under discussion. Five out of the eight Brazilian experiences shown in the enlarged Figure 3 discuss between US\$ 15 and 23 per inhabitant per year, which gives a good idea of the participatory budget's financial importance.

What is the relationship between the PB process and the municipality's tax revenues? Most respondent cities indicated that the PB process entailed an increase in tax revenues and a decrease in delinquency. In Campinas, Recife and Cuenca, tax revenues increased significantly in a very few years; in Porto Alegre, property tax delinquency dropped from 20 per cent to 15 per cent and, in less than ten years, property taxes grew from 6 per cent to almost 12 per cent of the municipality's revenues. Mundo Novo, in Brazil, also emphasized the drop in tax delinquency and relates it to the transparency of public administration entailed by PB. The immediate visibility of the work and services that result from PB also tends to change the citizenry's taxpaying habits. In the two Peruvian municipalities studied (Ilo and Villa El Salvador), the distribution of resources per city district discussed in PB is linked directly to their level of tax delinquency. Although they cannot prove the relationship between the drop in delinquency and the "tax-related criterion", it is clear to the municipality of Ilo that "...the process has allowed the population to become aware of the municipal resources, their limits and their origin." It echoes the opinion of PB advisors in Puerto Asís:

"The community, on learning what the municipality's budgetary and financial situation is, becomes aware of its budgetary restrictions. Then, when there are not enough resources for the implementation of its projects, the community decides to collaborate with personnel, financial resources or materials, aiming not only at increasing the resources available for them, but at enlarging the infrastructure initially approved."

Such experiences indicate clearly that the participatory budget has stimulated social capital and reactivated the traditional community-based collective work of Andean America, known as *mingas*. In Cuenca, according to local studies, the value contributed by the community – mostly in personnel – doubled the value of the work that resulted from the participatory budget. Municipal finances cannot be limited to their cash dimension but have to include the amount contributed by the community to the benefit of the municipality as a whole.

Another element to take into account is that of "avoided costs", a concept whose use began in the Municipality of Bogotá. The willingness of communities to maintain infrastructure resulting from a PB decision represents an important "avoided cost" that can be quantified. This amount is even more significant in Colombian municipalities in conflict, where PB is related to community work to recover what has been destroyed (bridges, roads, irrigation, wells), something neighbourhood associations themselves can maintain and defend.

Participatory dimension. One of the main characteristics of PB in Brazilian cities is the acknowledgment of one's right to participate individually and directly and not necessarily through representatives of communities, unions or other associations. The number of participants in meetings focused on a particular issue and in neighbourhood plenary meetings varies from year to year, and there is a high degree of rotation. In Porto Alegre, for instance, one of the few available studies⁽⁶⁾ indicated a 40 per cent rotation from one year to another. Overall, approximately 390,000 people participated in 2002 in the 11 Brazilian cities studied. Participation rates varied, usually from 2 per cent to 7 per cent of the total population. Higher figures are quite exceptional.

Other Latin American cities tend to favour participation through representatives of existing organizations. Seven hundred and eighty-eight people, representing 90 per cent of the organizations of the canton, partic-

6. Cidade (2000), *Indicatori e strumenti per una nuova democrazia territoriale: il bilancio partecipativo: materiali d'appoggio al percorso formativo*, Porto Alegre, May.

ipated in Cotacachi. In Ilo, 100 organizations participated. In Puerto Asís, there were 232 people, "...but very representative ones". In Cuenca, 1,100 people are elected representatives from 21 rural parish associations as well as from the community. The experience of Montevideo is close to that of Cuenca in that the neighbourhood councils are "...the organ in charge of setting priorities and coordinating with the municipal government." They are directly involved in the definition of budgetary priorities in their districts. However, although more than 100,000 people chose their neighbourhood councillors in 2001 (an extremely high number for a non-mandatory election of social representatives), these voters were not involved in budgetary debates because it was the responsibility of the councillors.

The cities of Córdoba (Spain) and Villa El Salvador, both with a strong participatory tradition, are examples of "mixed" systems of PB in that both rely on neighbourhood organizations and open up budgetary discussions to the citizenry as a whole. However, social organizations appear to be the fundamental access to this process of broadening participation.

A central topic of discussion concerns ways of conducting PB and thinking about participatory democracy: direct participation (universal and individual) on the one hand; or indirect participation, ("community-based representative democracy"), mediated by delegates, on the other. It seems fundamental to clarify these very different positions, which are both included under the wide umbrella of "participatory budget".

Who decides on the budget? All the experiences studied recognize the traditional role of the legislative branch and the municipal councils. But there are some differences, linked to different models of governance, public management and democracy.

- In the most widespread and well-known approach, the budget is elaborated and consolidated in participatory neighbourhood and thematic plenary meetings. It is generally the responsibility of the COP (or its equivalent) to finalize the budget and present it to the municipal council for final approval. This is the dominant model in Brazil, with some variants (e.g. the Congress of the City in Belém) and some adaptations outside Brazil (e.g. in Córdoba's Assembly of the City or Ilo's Directive Committee of the Participatory Budget. These authorities are real spaces of power and counter-power in relation to the previous systems.
- A second modality is one where the municipal council approves the budget first, and it is then discussed in the following year by the executive branch (the mayor and the several departments) along with the population, generally through its social organizations. This approach is built on existing political or social structures that will integrate PB into their other activities. These initiatives tend to "dilute" PB (a practice called "transversalization").
- In another less common approach, the final decision is made by the mayor, as the representative of the executive branch.

Who is included? A current discussion looks at how PB approaches issues of gender, age, ethnicity and immigration. Traditionally, indigenous people living in urban areas, the young, women, African-American populations in Latin America, immigrants in Europe, and recently in Latin America, have had a secondary role in participatory processes. How does PB respond to this scenario of exclusion? The answers are preliminary at best, and almost non-existent in Europe. Participatory budgets are built fundamentally on territorial spaces (districts, neighbourhoods, regions of the participatory budget, etc) and thematic entry points that are specific to each city.

Some cities have committees specific to vulnerable groups: a committee

of citizenship in Campinas, or of social inclusion in Caxias do Sul, where issues relating to the young and women are discussed. Several cities work more generally with the universalization of participation and have no specific focus. Some cities are introducing more of an actors' perspective. Recife's PB has a committee dedicated to women, a singular experience at global level. Barra Mansa and Icapuí have been pioneers in introducing the perspective of children and youth, and this is now being experimented with in Recife, São Paulo, Goiânia, Mundo Novo and Alvorada.

Various cities are taking affirmative action to foster the participation of women and other excluded groups. Ilo (Peru) has established a system of quotas to ensure that 50 per cent of the delegates are women, and at least three of them are part of the directive committee of the participatory budget. In Rosario (Argentina), at least one-third of the councillors must be women. In Belém, delegates are elected for each specific committee: women, blacks, indigenous, homosexuals, elderly people, adolescents, children, disabled people and those who observe Afro-Brazilian religions. It is an important contribution to the debate on participatory budgets and inclusion. Affirmative action was also introduced into the participatory budget of São Paulo.

Who controls the implementation of the budget? With regard to control during the implementation phase, in most Latin American experiences, participatory budgets have specific bodies dealing with their implementation. It is interesting to note the mix of modalities in each city and at each moment of the process. The most common scenario (for instance in Santo André, Caxias do Sul, Icapuí, Mundo Novo and Córdoba) is the one in which the COP, or its equivalent, exercises this role through its delegates. Several cities also have specific commissions composed of the delegates such as the COP workgroups (Campinas) or the Commission for Inspection and Work Monitoring in Recife (Brazil). Another approach to inspection and social control is exercised by citizens' organizations (Caxias do Sul) and neighbourhood organizations (Caxias do Sul, Mexico's Federal District and Villa El Salvador, for instance). Sometimes these social organizations set up specific commissions, for example Commissions of Works, elected in Montevideo's neighbourhood councils, or Commissions of Citizens for Social Inspection, elected in Cuenca's parish associations. Cotacachi is the only city in which the Committee of Social Controllorship is created as a whole at city level, at the Cantonal Assembly.

What is the role of local government? The participatory dimension of PB tends to be related to civil society, excluding the other actor whose "participation" is paramount, namely, local government. Its role can take different forms and be of varied intensity. One could argue that transformations within municipal administrations have not kept pace with the process of PB. To understand how local governments participate in PB processes, it is necessary to identify the rationales that underlie PB. Yves Sintomer proposes the following differentiation:⁽⁷⁾

"Both in Europe and in Latin America, participatory budgets can have different types of objectives (although they are not exclusive of one another). The first one is administrative: the participatory budget is conceived as a way to improve the efficiency of public administration. The second is social: the participatory budget should have a social result, such as helping 'invert priorities' (Brazil) or 'generate social bonds (lien social)' (France). The third is a strictly a political one: the idea of 'democratizing democracy'" (Rheinstetten case study).

These different rationales allow one to understand better how PB is anchored within public administration.

- A first type of "anchorage" tends to be dominantly "political", with the

7. Rheinstetten study case. Yves Sintomer is a political scientist and has written about the participatory budget.

participatory budget directly linked to the mayor's office. Such is the case of Campinas and Mundo Novo, for instance. In the latter, the adviser for the participatory budget is directly linked to the mayor, who appoints the members of the Participatory Budget Executive Commission.

- A second anchorage reflects the logic of improvement of public administration efficiency. In Rheinstetten, for instance, the participatory budget relies on the municipality's finance department.
- Several participatory budgets are linked to the local office in charge of planning, for instance in Santo André and Cuenca.
- PB with primarily social objectives is exemplified by cities that have created a Department of Participatory Budget (Recife) or a Municipal Department of Participatory Management (Alvorada).
- It is interesting to note that, in the city of Pieve Emanuele (Italy), the Office of Participation (in charge of PB) relies on the Office of Culture. This is an original entry point that aims to generate a new citizen-based political culture that is often implicit, but rarely expressed in such a clear way.

In several cities, PB is formally anchored in more than one municipal office, exemplifying the multiplicity of objectives (social and political), but also the multi-dimensional character of PB. A debate about the comparative advantages of institutional mechanisms and coordination structures could help in feeding a discussion of the modernization and democratization of the administrative sector within a perspective of participatory democracy.

One merit of PB is the more transparent management and more accessible municipal process that it allows. The communication of the amount budgeted, the work that has been prioritized, and when and where it will be implemented are key. A meticulous survey of how municipalities communicate the results of PB to their citizens resulted in the following observations. The most striking point is that each municipality gives great importance to keeping the population well informed (at least at the level of intentions), most commonly through public meetings in which the mayor and staff render their accounts and answer questions. Although these are mostly annual meetings, in some cities, they occur twice a year or even more frequently (Rosario). The rendering of accounts by the mayor and staff, not to the general public but to the COP (or its equivalent), constitutes another widespread modality. Councillors, in turn, inform the delegates and the citizenry. The rendering of accounts also takes place through an annual paper (such as a newspaper supplement) or brochures, or on the municipality's web site. It is important to note that 23 out of the 25 cities studied have a web site.

Physical dimension. One of the points often made about PB is that it allows an "inversion of priorities", not only in social and political terms but also in territorial terms. PB tends to channel public resources towards traditionally excluded areas and neighbourhoods. There are few investigations that allow for an actual measurement of the level of inversion of priorities, the impact on the population's standards of living and, consequently, the level of reduction of the gap between rich and poor areas in the city. Fortunately, some pioneering and isolated works demonstrate the extent of this inversion in Montevideo, Porto Alegre and Sao Paulo.

In Montevideo: *"Yes, there is a political priority on the part of the municipal administration so as to redistribute resources on behalf of the areas where the poorest people in the Departamento live. The poorest areas contribute with 21.5 per cent of the overall municipal budget. The Municipal Government redistributes tax revenues toward lighting, highway administration, refuse collection etc*

in the poorest areas. For instance, these areas receive 88 per cent of the budget for highway administration, 79 per cent of the budget for sanitation, and 70 per cent of the budget for lighting. Along with this, universal and specific social policies have been implemented in the same areas (childcare, health, leisure, youngsters etc), which reinforces the redistribution of resources" (Montevideo case study).

In Porto Alegre, a meticulous investigation⁽⁸⁾ clearly demonstrates that the most disadvantaged neighbourhoods have benefited substantially during the years of PB. In São Paulo, a recent study⁽⁹⁾ looking at the destination of the overall investments in health and education made by PB shows that these have mainly gone to the neediest districts.

Legal and regulatory dimension. One topic of discussion is when and how to formalize a PB process to ensure its good operation. Another question is how far to institutionalize in order to preserve its dynamics and avoid "bureaucratization" and/or political co-option. Once PB is institutionalized, the risks of "instrumentalization" of the process and manipulation of the participants increase considerably.

In most experiences, the internal regulations of the participatory budget define the main rules of the game: the system for the election of delegates, forms of representation, criteria for the distribution of resources, responsibilities of the PB council (if any), number of plenary meetings and thematic areas of concern. Sometimes, as in the case of Porto Alegre, it is accompanied by manuals containing guidelines and general criteria; or, as in the case of Belém, special regulations. There are relatively few cases (as in Santo André and Icapuí) in which PB becomes part of the municipality's law through a formal regulatory statute.

In several cities (mostly outside Brazil), PB has been regulated and institutionalized by municipal resolutions, decrees, laws or constitutions (as in Montevideo, Buenos Aires (municipal constitution), Villa El Salvador, Ilo, Cuenca (two decrees), Pieve Emanuele and Rheinstetten). In these cases, PB is recognized and made official by the legislative branch, which is very different from what happens in most Brazilian cases. Only in Peru does a national legal instrument confer constitutional and legal foundations on PB. Here, besides being part of a recent constitutional reform, it has been included in two national laws (on decentralization and local governments). In view of the options to regulate and legislate, in some cities it is the political willingness of the mayor (Puerto Asís, Cotacachi) or of the *delegado* (District of Cuauhtémoc) that gives formality to the process; in the case of Cotacachi, aided by a decision by the Cantonal Assembly.

A clear lesson is that participatory budgets do not exist in an isolated way. Above all, they are part of a culture of participation and relationships between local government and society. They require a mobilized citizenry as a precondition for success. To a certain extent, this feature protects against technocrats, international agencies and some NGOs that see PB as a recipe for "implanting" participation and transparency. The eagerness of some international agencies to standardize PB seems to pose a risk as great as the one that came from certain mayors who wanted to force the implementation of PB in places where the minimum social and political-cultural requirements had not been met. In spite of having (few) features in common, participatory budgets are important mainly because of their diversity, flexibility and rapid adaptation to local contexts (rather than because of their uniqueness).

PB is often not the only channel of participation in a city. Sectoral councils (*conselhos* in Brazil) and *mesas de concertación* (mainly in Peru but also in Italy) are other great channels closely linked to the dynamics of PB. These *conselhos*

8. Marquetti, Adalmir (2003), "*Participação e Redistribuição: O Orçamento Participativo em Porto Alegre*", in Avritzer, Leonardo and Zander Navarro (editors), *A inovação democrática no Brasil: o Orçamento Participativo*, Cortes Editora, São Paulo; also Municipal Government of São Paulo (2003), *OP: Instrumento de Combate à pobreza e à exclusão social*, São Paulo.

9. See reference 8, Municipal Government of São Paulo (2003).

and *mesas* are specific to each city with regard to the topics discussed; there are 24 of them operating in Campinas, 17 in Santo André, 25 in Caxias do Sul, 7 in Recife and 22 in Porto Alegre. PB initiatives in several European cities such as Saint Denis, Bobigny, Cordoba and Pieve Emanuele are the continuation of a culture of participation that is specific to each place. PB is one more modalito, and not a substitute for any of the others.

Participatory budgets are generally short-term exercises (lasting one year or two at most), responding to the immediate demands of the neediest populations. Consequently, one of the greatest challenges faced by PB is the relationship with the city's long-term planning process, especially with strategic plans and development plans. The demands prioritized through the process of PB are usually aimed at the improvement of the neighbourhood or district, and hardly ever refer to the city as a whole. Therefore, linking PB with physical planning and with the city's needs is an even greater challenge, and another necessary topic for debate.

One can raise the hypothesis that the relationship between PB and local plans is dialectical and interactive. Two typical scenarios can be identified. The first (in Latin America in particular) relates to cities where PB has followed on plans of development (e.g. Villa El Salvador and Ilo). In this modality, PB "...is in accord with the Plan of Sustainable Development, the City's Master Plan, and the Plan of Territorial Organization" (Ilo case study). The comments of Ilo and Montevideo make the point that the bridge between long-term plans and participatory budgets are the participating citizens. They are the hinge that links the two processes. These delegates, councillors and representatives increasingly have been acting on both fronts. In Porto Alegre, for instance, COP councillors are also representatives (not the only ones) of the Council of the Urban Master Plan. These representatives/delegates, on one hand, express their opinions on the future of the city by taking into account their immediate demands. On the other hand, they simultaneously take the discussions of the city's Urban Master Plan into the participatory budget.

The second scenario refers to cities where the implementation of PB has preceded the definition of strategic or urban development plans (or their revision, as currently happens in Brazil). The interactive and dialectical relationships between the two moments of planning is illustrated by comments about Caxias do Sul and Belo Horizonte.

In Caxias do Sul, once the Integrated Plan of Development (PID) had been approved, the Plano Físico Urbano (urban physical plan) determined specific policies for education, health, housing, sanitation and leisure: *"The PID was leveraged by the PB process because of the need to provide with information and diagnoses the discussion with the community"* (Caxias do Sul case study).

In Belo Horizonte, "...the participatory budget has incorporated the conception of rainwater drainage key and neighbourhood channels but also as a preventive system by means of basins and dams, thus leading the municipality to create the Rainwater Drainage Master Plan. It has introduced the concept of street complex in counterpoint to a single work on a street. It has allowed the choice of larger undertakings that can be executed in parts. After the approval of a global project, each part of these works can be executed according to budgetary capabilities" (Belo Horizonte case study).

IV. TOPICS FOR FURTHER DEBATE

SEVERAL OF THE topics in this section arose gradually from the analysis of the experiences, reports, and previous meetings. Many points are a

synthesis of the previous section. They have been arranged into five dimensions: participatory, financial, territorial, regulatory/legal and political (the relationships between participatory budget, governance and democratization).⁽¹⁰⁾

10. See reference 1.

a. Participatory dimension

Theme 1: Where are budgetary decisions made? What body has decision-making powers concerning budgets? Some participatory budgets are citizen consultations and can advance democracy in some contexts. At the other extreme are the COPs, which have real decision-making powers and are generally made up of delegates from civil society. However, not all cities have these councils, and some rely on pre-existing social frameworks.

Theme 2: What objectives underlie participatory budgets? What are the objectives? Improving the management? Establishing new priorities and the construction of new relationships between civil society and government? Or radicalizing democracy toward citizenry power? Probably, these rationales and objectives can change. The PB reveals itself as an arena for the confrontation of these rationales. Can it solve the antagonism among them?

Theme 3: Social control of decision-making. Who controls and enforces the implementation of the budget and the process of execution of the works? This ranges from control in the hands of the mayor and the city administration (executive branch), to control by the inhabitants, with no particular mandate. Between these two extremes exist a wide range of commissions and councils. The social control carried out by the citizenry, once the budget has been approved, is a core element in preserving the quality of the process and ensuring its transparency. This is still a new area of discussion, however, it deserves in-depth debate. The responses from the cities are an extremely positive, yet still only very initial, contribution.

Theme 4: Direct participation or citizen-based representation. Two forms of participation have been identified in participatory budgets. The first is direct, and is generally carried out through thematic or neighbourhood meetings; the second is indirect, and takes place through social organizations, the grassroots and trade unions. The citizen and the citizenry are represented by their leaders. This second model aims at a "community-based representative democracy", conceptually distant from a direct participatory democracy.

Theme 5: Role of the professionals (NGOs, universities, international organizations, "external partners"). Organizations of professionals, in particular the NGOs, act in ways that vary from one experience to another. In most cases, they have no decision-making power, in others, they play an advisory role at the city level or are members of the budgetary decision-making authorities. Their role has been little discussed to date and deserves greater consideration.

Theme 6: Participation of the excluded people. Little attention is being paid to increasing the participation of traditionally excluded social groups, such as immigrants and illegal workers, African-Americans, indigenous peoples, HIV-positive people, gays, lesbians, bisexuals and transsexuals, elderly people, disabled people and street dwellers. Participatory budgets are generally developed in thematic plenary meetings and district plenary meetings. Some cities, however, have an "actors' perspective", and a real willingness to empower the most marginalized segments in the city. Most participatory budgets are built on the universalization of rights, including the right to participate.

Theme 7: Municipal instruments of evaluation and monitoring. The municipalities have limited instruments and methods to monitor the achievements, progress, problems, successes and impacts of PB both in the city and within local government. A debate on the topic might help to share potential solutions.

Theme 8: Training and reinforcement of the local governments' capabilities. A challenge for local governments is to train their personnel to face the demands and challenges presented by the implementation of PB. This training has to be carried out at the various levels of municipal administration, and in most departments. It can extend to municipal councillors as well as to their teams of assistants, whose role is a decisive one. It is a topic that has had little attention so far, although everybody claims to be interested in it.

b. Financial dimension

Theme 9: Management of scarcity or full control of public resources. There is a difference between those experiences where less than 1 per cent of the budget is discussed and the ones where close to 100 per cent of the municipal budget is discussed. Can both be said to be participatory budgets? Several social movements argue that it makes little sense to discuss "symbolic amounts" or to "fight over table scraps". How to talk about PB and at what point to start doing it?

Theme 10: Municipal finance and municipal budget. A conclusion drawn from the present document is the fact that enhancing understanding of the municipal budget and its links with the participatory part is an urgent and totally necessary task. One of the main knowledge deficits refers to the municipal tax collection system that is the base for greater autonomy.

c. Territorial dimension

Theme 11: How far to decentralize? A feature of PB is to anticipate or enhance processes of decentralization in cities. The following questions are still unanswered. How far to decentralize? How many regions or sub-regions should be included in participatory budgets? Is there an ideal size? How should they be linked to territorial planning units (if any)? The answers from cities are varied, and the topic deserves greater examination.

Theme 12: Participatory budgeting for the neighbourhood or for the city? The demands prioritized by PB in most cases refer to improvements in standards of living at neighbourhood or community level. However, it is also necessary to invest at district, municipal and supra-municipal level. How should the antagonism between neighbourhood and city in PB be addressed? The answers from some cities may be partial, but can also be innovative, generating for instance new urban centralities in traditionally forgotten and peripheral districts. This topic also deserves a more in-depth look, starting with the vision of the city that people want and with the lessons learned from concrete experiences.

d. Legal and regulatory dimension

Theme 13: Experimental or regulated process? Several cities believe that the "social movement" should be the driving force of PB, which should be carried out at the citizenry's pace and with respect for their relationships

with local governments. They are not concerned about institutionalizing the process. Opposed to this “bottom-up” vision, there are PBs that have been decreed “top-down” from the political establishment. What are the risks and limits of each of these ways which, in principle, will have little chance to meet in the middle of the road?

Theme 14: How far should PB be formalized or institutionalized?

Many examples of PB, particularly in Brazil, are self-regulated, adjusting every year the rules of the game contained in the internal regulations, mainly through decisions by the COPs. Alternatively, some cities formalize and legalize the rules of the game by means of ordinances and/or decrees. They aim at a clear institutionalization that, although decreasing flexibility and dynamics for the citizenry, increases formal legality. A debate between these relatively distant positions would be extremely fruitful.

Theme 15: Links between sectorial, development and physical planning and participatory budgets. The demands prioritized during PB processes hardly ever refer to the city as a whole. Therefore, linking PB with physical planning and the city's needs is an even greater challenge, and another necessary topic for debate.

e. Political dimension, governance and democracy

Theme 16: Information, communication and participatory budgets.

The quality of the relationship between local government and civil society relies above all on the quality of the communication between them. Several cities have innovated at this level, demonstrating a real interest in the topic. However, and paradoxically, poor “communication” is taking place among cities about their practices. Having an in-depth debate would certainly contribute to reaching solutions.

Theme 17: Relationship with the legislative power and city councillors. The political role of participatory budgets. As discussed on page 2, a debate on the political roles of PB in cities with a tradition of presidential systems and with a truncated representative democracy could be extremely fruitful. Various questions arise: does PB occupy an empty space left by the absence of representative democracy? Is it a substitute for representative democracy and/or is it a central element of a representative democracy? Does PB tend to strengthen the role of the mayor and the executive branch in relation to city councillors and to the legislative branch? How can such tensions be solved?

Theme 18: Participatory budgets and models of participatory democracy. A political and theoretical reflection on the contribution of PB to the construction of a participatory democracy at city level could mobilize not only academics but also political authorities who are directly committed to the theme. The relationships between the legislative and executive branches in the context of PB are some of the points to work on. Another topic is related to the concept of democracy limited to the neighbourhood: aren't participatory budgets limited to building a community-based participatory democracy?

Theme 19: How can one avoid political co-option, the bureaucratization of the process and the standardization or modelling of the process? These are great risks in view of the processes currently taking place, and have not been the object of in-depth public debate.

V. FINAL COMMENTS

AFTER PARTICIPATORY BUDGETS cease being “trendy”, it is likely that a growing number of cities will adopt and adapt this methodology. Within the next ten years, and perhaps before that, influenced by the next municipal elections, the landmark of 1,000 cities with participatory budgets is likely to be surpassed. In terms of development policies, in terms of governance or in terms of citizen control over essentially endogenous resources, a significant leap forward is taking place.

From an analysis of current trends and upscaling processes, three final considerations are offered, from a social, an economic and a political standpoint.

Conditions for the irreversibility of the process: reaching the point of no return. A study conducted by the Brazilian Forum of Popular Participation indicates that, between 1997 and 2000, PB experiments were halted in 20 per cent of the 103 cases studied. Such a situation forces one to think about the conditions for the irreversibility and sustainability of the process.

It seems that the irreversibility of participatory budgets goes hand in hand with the empowerment of the population and its understanding of the significance of the process and the benefits it entails. Reaching this level of empowerment implies a clear prioritization of civic and popular awareness and education. In the light of Paulo Freire’s teachings, this would require changing the scale of the educational perspective of participatory budgets.

Producers in the informal sector and prosumers⁽¹¹⁾ in the solidarity socioeconomy. The negative consequences of neoliberal policies and globalization, such as the increase in hunger in cities, unprecedented inequality, the increase in poverty and the destruction of local productive networks over the last 15 years has required massive and innovative responses from the informal sector and the social economy, such as microcredits, social currencies, collective purchases and systems based on prosumers and barter clubs. These new (or not so new) forms of economic production, in most cases the result of social movements and transformations, are increasingly linked to participatory budget processes. Beyond knowing whether their demands will be met, it is necessary to know how much control popular-sector producers will have over the local political sphere. There may be new opportunities for the producers of the city to control directly the benefits of the city. Such innovations generate the need to rethink the relationship between political and economic spheres in operational and theoretical terms.

A modern vision of politics and governance. In view of the crisis in political parties both in Europe and in Latin America, and more specifically their inability to respond to current urban challenges, cities that have implemented PB are finding an interesting way of renovating their political party culture while responding to the current demands of their citizenry. This requires the sharing of political power – a challenge in the context of decentralization – calling for the simultaneous construction and appropriation of political power at the local level.

At the political level, participatory budgets appear as a space of positive tension between, on the one side, a vision of modern governance built on shared political power and, on the other, the action of social and civic movements that usually see participatory budgets as a demand. Faced with these demands, political parties see participatory budgets as a concession or the payment of an accumulated social debt.

11. A “prosumer” is a producer of goods and/or services who is simultaneously a consumer. It excludes those consumers who are not producing anything, who are basically exploiters. The prosumer is the main actor in barter clubs.

Box 2:	Available resources to facilitate international exchanges on participatory budgeting (www.pgualc.org)
<i>There are four interrelated components:</i> • A digital library with three components: an <i>annotated bibliography</i> of 20 basic documents (selected from 200 references) that are an introduction to the state of the art; a <i>general bibliography</i> of 338 titles, organized by city and focused in particular on 14 selected case study cities; and a <i>UMP library</i> of 10 titles produced by UMP and its partners, and available in pdf format. This also contains articles from a special issue of <i>Era Urbana</i> on PB. • A set of tools that consists of <i>practical and technical instruments and laws and regulations</i> that have been developed by some of the involved cities and which have been used successfully. These should make it possible to address the critical issues entailed in implementing PB, offering guidance on criteria for budget allocation, rules and functioning, examples of different PB cycles, accountability documents, control systems, municipal laws for transparency and so on. • City fact sheets from 14 cities, illustrating the range of current experiences and context in terms of size, regional differences, rate of “consolidation”, level and origin of resources and variety of approaches. They invite the user to drop the “model” approach and to consider the range of possibilities and their adaptability to local conditions. • A directory composed of three parts: resource people from the 14 selected cities; professionals and academics, in particular some of the authors of the basic books from the annotated bibliography; and a list of the main city web sites, including those of the selected cities. <i>These resources can be navigated through two entry points:</i> • One is the simple and practical FAQ manual. Most of the 72 questions are also answered in each of the fact sheets. The user who, for example, is interested in more details for a megacity or a rural municipality can visit the fact sheets. The answers also lead the reader to the technical tools. In-depth answers can be found through the digital library. • The second entry point is a concept paper that leads the reader to the annotated bibliography, to the case studies, the tools and the legal instruments. This position paper, even if conceptual, is deeply rooted in practical and empirical experiences from the cities. It makes connections between PB and the governance campaign concepts and instruments (at process level) and to the MDGs, (at outcomes level).	

SOURCE: Yves Cabannes, 2004