



Ministry of Territorial  
Administration and  
Infrastructure of the  
Republic of Armenia



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For Public  
Administration  
Reform

# Participatory Budgeting Handbook

CITIZEN PARTICIPATION  
IN LOCAL BUDGETING

2020

# Preface

*On behalf of the Ministry of Territorial Administration and Infrastructure of the Republic of Armenia, I welcome the initiative of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which offers support and professional assistance in the framework of “Citizens’ Participation in Local Budgeting” project for strengthening our country’s democratic values and the substantive introduction of the participatory processes preserved in the European Charter.*

*The “Participatory Budgeting” Handbook comprehensively presents the possible ways, procedures as well as the necessary documentation for engagement of population, cooperation and implementation of projects and recommendations at different stages of the budgeting process.*

*I am glad that we are taking one step ahead to make the opinion of the population be heard in the decision-making process, and thanks to this Handbook, making the process tangible.*

*I am confident that this Handbook will become a very important tool for experts in participatory processes, specialists dealing with budgeting processes in the municipalities, representatives of civil society and initiative groups. Looking forward to the next constructive step.*

**Vache Terteryan**

**Deputy Minister**

*Ministry of Territorial Administration and  
Infrastructure of the Republic of Armenia*

# Preface

*At the core of democratic development is the need for citizens to believe that their elected representatives are addressing their concerns and best interests in improving quality of life for the local community. This is particularly important at the municipal government level where the effectiveness and efficiency of service delivery is felt directly and where transparent and accountable decision-making increases the likelihood for social and economic development. In the pursuit of more effective and efficient government service delivery, local government bodies are taking active approaches through the implementation of citizen participation mechanisms. As participatory governance practices expand and evolve, there is growing evidence of the important and concrete benefits they can bring.*

*Since the municipal budget affects every local resident, decisions pertaining to the budget offer a great opportunity to engage the residents in participatory democracy. Citizen participation in local budgeting helps municipal authorities make better and more informed decisions and makes residents realize that their voice is being heard and their views matter.*

*This guide is intended primarily to financial professionals of municipal governments in Armenia, who, at working level, are responsible for the management of local budgets and the implementation of participatory budgeting processes. It could also prove a valuable tool to local decision-makers who would like to learn more about the opportunities and challenges of participation in budgeting processes. While focusing on citizen budgeting, the processes and tools discussed in the Handbook are mostly applicable to consultative procedures mandated by the Armenian legislation.*

*This Handbook summarizes important experiences concerning participatory budgeting in the Republic of Armenia and intends to be a guideline for further action by giving concrete information and practical advice. By providing necessary background information about good practices, experiences and methods as well as practical information on how to use approaches and tools, we hope that this Handbook will also offer you ideas for initiatives and material to encourage relevant stakeholders to participate in the budgeting process.*

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## “CITIZEN PARTICIPATION IN MUNICIPAL BUDGETING” PROJECT

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# 1

### 1 PROJECT

#### “CITIZEN PARTICIPATION IN MUNICIPAL BUDGETING” IMPLEMENTED BY GIZ

##### The “Citizen Participation in Municipal Budgeting” Project implemented by GIZ

The “Citizen Participation in Municipal Budgeting” project implemented by GIZ is part of the “Eastern Partnership Regional Fund for Public Administration Reform”. It is supporting selected municipalities in Ukraine, Armenia and Georgia in improving participatory budget.

The project lasts 24 months (06/2018 to 05/2020) and is financed by the German Federal Ministry for Economic Cooperation and Development (BMZ).

Citizen participation in the management of municipal budgets is anchored in the legislation of all three countries. The Georgian law on local self-government, for example, defines guarantees for and forms of citizen participation at the local level and provides possibilities for discussion with citizens on the topic of budgeting. The law of the Republic of Armenia on local self-government embraces the consideration of citizens’ concerns in the process of budgeting. Likewise, obligations with regard to disclosure of and reporting on the budget are enshrined in the law. The Ukrainian law on local self-government grants citizens the right to submit proposals on the guidelines of local budgetary policy

for the forthcoming budget cycle. Nevertheless, many municipalities lack competences, approaches and experience in involving their citizens in the complex procedure of the budgetary process. Furthermore, there is a lack of practical experience in designing participative processes in general. For that reasons, the project aims to provide the administrations of municipalities with the necessary knowledge and experience for the future application of pro-active and citizen-oriented participation methods while making full use of the existing legal framework.

Main pillars of the project are the creation of a transnational exchange platform of experience for Armenia, Georgia, and Ukraine, measures for activation and engagement of citizens in participation processes, media training and media campaigns on planned and implemented budget activities in municipalities, budget workshops for pupils and students, and the development of a handbook describing tools and best practices.

##### **Objective of the Handbook**

The main objective of this handbook is to create a source of information that reflects the knowledge and information that has been created and shared within the time of the project by the

participants. It summarizes important experiences concerning Participatory Budgeting (PB) in the Republic of Armenia and wants to be a guideline for further action by giving concrete information and practical advice. The handbook provides key information and ideas, transfers experiences and methods, as well as describes examples of good practice.

### **Target Groups of the Handbook**

The primary target group of the project and the handbook are financial professionals of municipal governments in Armenia, who, at working level, are responsible for the management of local budgets and the implementation of participatory budgeting processes. Further, key national and local decision-makers such as finance ministry and mayors are on the one hand invited to learn more about the opportunities and chances of PB and participation. On the other hand, they are also directed to the obstacles and the daily challenges of the implementation process. As the handbook recommends a wide collaboration of all stakeholders within a city for the development of PB, the handbooks wants to be a source of practical information as well for citizens' initiatives, non-governmental organizations and scientific institutions.



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## GENERAL INTRODUCTION TO PARTICIPATION

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# 2

## 2.1 PARTICIPATION AS PART OF DEMOCRACY

Participation exists in many fields like urban planning, community development, development cooperation, education, and is sometimes applied in companies and institutions to accompany change processes or to set new objectives. Many more examples could be mentioned. The main focus of the project as well as the handbook is on citizen participation in municipal budgeting which is just another field in which participatory approaches get applied.

This introduction of the handbook covers a wide perspective on the topic of civic participation and embeds the rather specific requirements of participation within budgeting into the wider horizon of participation in democracy and politics.

There is a common understanding that participation is a part of democracy. According to Roth, participation can be differentiated into five parts (Roth 2017).

### **Representative democracy (I)**

Representative democracy is the most common and known way of participation of people in politics. They can be active in parties and be elected into local councils or national parliaments. On the one hand, this right of political participation creates the opportunity to influence issues of those entities. On the other hand, there is the rather passive right of the people to elect those persons that are active in parties.

Sometimes, people complain that elections are the only way to influence politics of the city, the region or the whole

country, that they can't change anything because politicians do whatever they want regardless what the voters wish them to do. Moreover, people often think that democracy is reduced to elections. In Germany this is called political disenchantment (Politikverdrossenheit): People are tired of politics and don't trust politicians anymore. This is reflected in decreasing turn-outs of voters in many countries.

### **Direct democracy (II)**

The influence of people is much more increased in forms of direct democracy like referenda. This form is widely used in Switzerland for various questions and decisions. Also in Germany, the tool became more popular in recent years. In referenda, people are asked to decide about complex questions. It forces them to inform themselves about the respective issue in order to decide about it. Although one of the crucial preconditions for such tools of direct democracy is the provision of neutral information, this kind of information is not always provided.

### **Deliberative democracy (III)**

#### **Definition**

Whereas representative and direct democracy is widely known, the term 'deliberative democracy' is less established in the wider public. As citizen participation in budgeting can be covered under this topic as well, deliberative democracy will be more emphasized here than the other four parts of democracy.

The Oxford Handbook of Deliberative Democracy defines deliberative democracy as such: It "is grounded in an ideal in which people come together, on the basis of equal status and mutual respect, to discuss the political issues they face and, on the basis of those discussions, decide on the policies that will then affect their lives." The authors define deliberation minimally and mean "mutual communication that involves weighing and reflecting on preferences, values, and interests regarding matters of common concern."

The authors "conceptually contrast deliberative democracy to aggregative democracy which is normally based on the counting of votes. (...) At least in established liberal democratic states, both deliberation (talking) and aggregation (voting) are usually important for democratic decision-making at different stages. Citizens and representatives discuss the issues before them, then sometimes come to agreement or, when conflict remains after discussion, make the decision by a vote. The role of the deliberation before the vote is to help the citizens to understand better the issues, their own interests, and the interests and perceptions of others; forge agreement where possible; and, in the instances in which agreement is not possible, both structure and clarify the questions behind the conflict and the eventual vote." (Bächtiger et al. 2018, p 2).

There seems to be a widespread understanding that the various forms of deliberative democracy can fill the gap that political disenchantment and distrust in

politics has created in the recent years (see for instance Bürgerrat 2019). This is fostered by the increased availability of information through the internet, social media and globalization in general. This hope focuses as well on tools of digital voting or commenting. However, common sense seems to be as well that digital forms of participation do not replace the conventional ones where people discuss and meet each other face to face.

### **Forms of deliberative democracy**

This already shows that deliberation probably exist in various forms. Discussions in parliaments or courts usually may comprise elements of deliberation, but other forms and definitions are more useful for this handbook. Many states have introduced forms of deliberation by inviting certain limited numbers of people to discuss important issues such as ethical or medical questions. Only after their advice has been heard, laws and decisions have been formulated and formally endorsed. But also local entities use forms of deliberation in order to increase their performance, to improve plans or laws.

Deliberative forms of participation may happen either formally or informally. For instance, in Germany exists a long tradition of formal public consultation in spatial planning: before detailed land-use plans become local law, the public has the right to express its opinion during two phases of the decision-making process. This process involves the executive administration and the legislative city councils as well.

Yet, very common are informal ways to involve people and to hear their opinion as well. Informal in this context means that those forms do not follow legal regulations but can be implemented individually using various methods and timelines. Examples are participatory design processes for public spaces, play grounds or green spaces involving various stakeholders. (There are countless examples worldwide. See for instance: SenStadt 2011, pp. 196-265.)

More and more countries start to establish civic councils (or civic forums) in order to prepare decision making processes. One of the first and most well-known examples is the British Columbia Citizen Assembly that was established in 2004 to formulate a referendum question whether the federal state should modify its electoral system (BCCA, 2004). Catholic Ireland has solved the deadlocked and controversial issue of abortion by establishing a citizens' assembly that discussed the issue during five weekends. Not only has the parliament voted along the recommendations but also the following referendum has backed this compromise (Chalmers 2018). Germany has considered this example by establishing a civic-council process to discuss the future of Germany's democracy (Bürgerrat 2019). France has launched a forum of 150 people to formulate suggestions to fight climate change in November 2019. This is one of president Macron's answers to the unrest of the yellow vests movement (Mouvement des gilets jaunes) that was originally created to demonstrate against President Macron's own proposals on climate change.

Similar in most forms of civic forums is the fact that they are only entitled for recommendations. The real decision lies within elected bodies.

However, civic forums have predecessors. Already in the 1970s formats have been developed to consult randomly selected people for certain topics in the US and in Germany. There are different names for it: citizens' juries or mini public in English; jury citoyen or citoyen atelier in French, "shimin togikai" in Japanese, or "Planungszelle" in German. Some protagonists see advantages within civic forums as means to support democracy and to gain consensus-based decisions. The random selection prevents lobbying and partisan behavior of the powerful. Critics question the legitimacy of the selected participants, argue that such forums undermine democracy and generally think that democracy is too idealistic and ignores power and politics (Bächtiger et al. 2018, p 17 ff.)

#### ► *Example: Civic Councils in Vorarlberg*

To illustrate what Civic Councils are, one example gets more highlighted: the Austrian federal state of Vorarlberg has launched Civic Councils on different topics. The basic idea of all examples is similar: each time, the council consists of an entirely different group in order to ensure a diversity of perspectives. Citizens of a town or region are randomly selected from the population register. Finally, a group of twelve to fifteen persons should work together for one and a half days on a joint declaration. In order to ensure that the Vorarlberg society is represented as broadly and qualitatively as possible, criteria such as age,

gender and place of residence are taken into account in the selection. Due to the random selection, the participants are people with everyday knowledge who do not have any special expertise or qualifications. They therefore represent their personal opinions and do not stand for interest groups.

They are invited to discuss certain topics and questions, to present challenges from their point of view and to develop ideas for solutions. The content of the Citizens' Council is neither guided nor controlled in any way but only moderated on the basis of a solution-oriented method. Here are some of the topics of Civic Councils: Mobility Concept Vorarlberg (2018); Dealing with land (2017); What can we expect from asylum seekers? (2015); What does education for the future look like? (2013).

At the end of a Civic Council, a joint statement, supported by all participants, is drawn up. This statement will be presented and discussed with the interested public, with contact persons from administration, community, politics, and with relevant institutions. In a meeting of a 'resonance group' (a strategy group consisting of representatives from politics and administration), the proposals of the Civic Council are examined for concrete implementation and further action. The participants in the Civic Council then receive written feedback on how the results will be used (Bürgerräte 2019).

#### ► *Example: Participatory Budgeting*

Participatory budgeting will be covered more intensively in the sections below

(see Chapter 3 and Chapter 4). Here, only the deliberative aspect of it shall be highlighted. Especially the classic form of PB as developed in Porto Alegre in 1989 and later widely spread all over the world can be understood as a form of deliberative democracy.

The idea behind the Porto Alegre PB is to discuss the city household in a broad participatory way mainly to get rid of the imbalances and inequity of investments in rich and poor neighborhoods. Fixed expenses like pensions and debt services are not subject of the PB. The PB process gets conducted annually with various meetings on neighborhood, regional and city-wide level. (Shah 2007, p. 23).

Since then, many variations and modifications have been created on all continents. The main idea is – as in all other forms of deliberative models – that "citizens have the opportunity to gain firsthand knowledge of government operations, influence government policies, and hold government to account" (Shah 2018, p XV; for more international experiences see Part 2 of Shah 2007, p. 89 ff).

#### ► *Invited spaces*

Usually, forms of deliberative democracy belong to the so called 'invited spaces'. This means that local or national governments, state institutions or administrations set the rules and the agenda and invite the participants. Of course, this doesn't mean that those that are invited must share the opinion of the inviters. But by participating in such forms, the influence of interest groups on the discussed topics might be

seen bigger as to reflect their opinion in forms of protest (Miraftab, 2004).

### Protests and citizen's initiatives (IV)

Contrary to the invited spaces are the 'invented spaces'. According to Roth (2017), protests of citizens' initiatives and pressure groups belong to democracy as well. In functioning democracies, people 'invent' these spaces to express their dissatisfaction with certain topics. Demonstrations can not only bring dictators to fall as it happened during the political turn in Eastern Europe that was symbolized by the fall of the Berlin wall. People's unrest can lead to change also in (more or less) democratic societies as it was shown in Georgia's Rose Revolution (2003), Ukraine's Orange Revolution (2004) and most recently in the political change in Armenia (2018).

Demonstrations and protest may also gain global influence as the movement "Fridays for Future" shows right now. Or they have only local impact like in Berlin: In the late 1970s and early 1980s,

the unrest with the urban regeneration policy of total demolition and rebuilding of whole neighbourhoods in West Berlin led to illegal squatting of more than 160 houses. The outcome was a shift in urban development policy: The new paradigm was called 'careful urban renewal', involving many aspect of civic participation.

### Voluntary engagement (V)

Roth understands citizens' voluntary engagement for the community as the fifth element of a diverse and manifold democracy. He argues that in many cases of such engagement, it is the wish of the people to really change or do something in small-scale contexts. He understands this as the political claim of voluntary engagement and doesn't want to see it only as a pre-political activity in the sphere of civil society. His example are people who help refugees where the state does not take action. By doing so, citizens assume a political mandate (Roth 2017, p 3).

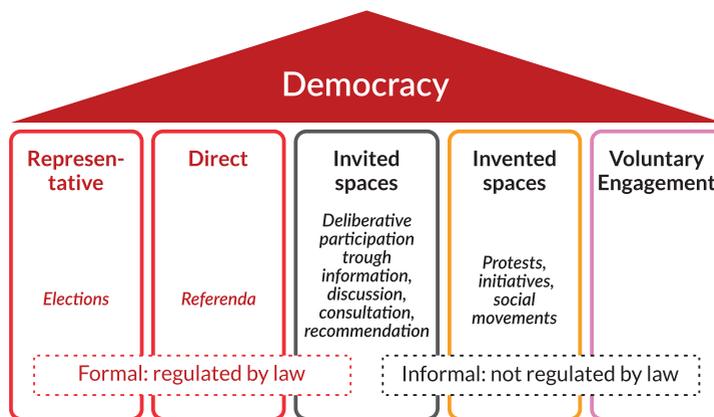


Figure 1: Source: own adaptation of Nexus, Böhm: [https://www.nexusinstitut.de/images/stories/content-pdf/bhm\\_vortrag\\_brgerbeteiligung\\_neumnster\\_051218\\_final\\_web.pdf](https://www.nexusinstitut.de/images/stories/content-pdf/bhm_vortrag_brgerbeteiligung_neumnster_051218_final_web.pdf)

## 2.2 LEVELS OF PARTICIPATION

There are different qualities or levels of participation. They differ according to the participation format and the object or stake of the participation. Arnstein's 'Ladder of Participation' not only shows those stages but puts them into a wider context; she includes stages that are not or far beyond participation. There are events imaginable that have the only goal to convince people in a way of brainwashing. Definitely this is not participation but tokenism or manipulation. On the other side of the wide range of participation stands self-government or self-management. Often, this is defined as the highest level of participation.

Since its first appearance in 1969, the ladder of participation has been often modified and adapted to a modern and more practical framework by many authors. A very useful definition gives the Berlin Handbook on Participation (SenStadt 2011, p 29). It reduces the wide range of Arnstein's approach and excludes those stages that are not or beyond participation.

**1. Information:** Interested parties and those affected are invited to inform themselves about a planned project and to be informed about its effects. Some practitioners already understand this as a first stage of participation because it is a precondition for the other

steps. Others don't see information as part of participation.

**2. Consultation:** Interested parties and those affected can obtain information and also comment on the plans submitted. They are given the opportunity to submit ideas for implementation, but cannot decide on the content. There are many examples of this stage, for instance the German land-use planning according to the Building code. People and other affected institutions and administrations are asked for their comment. However, the weighing and decisions lie within the administration and the local council.

**3. Co-decision (cooperation):** Those affected and interested can have a say in the development of projects. Goals can be negotiated together with those responsible; their implementation can be planned. Interested parties have a very large influence on the planned measures and can contribute their opinions, wishes and needs very strongly.

The Potsdam Model of PB is a typical co-decision: Even though the final decision is always made by the city council, the vote of the people has a very strong influence on the top 20 of the projects. Their decision can hardly be neglected or put aside.

**4. Decision:** The citizens have the full leeway to make a binding, joint and legitimate decision. The administration first creates this leeway and second follows the decision.

Figure 2 shows Arnstein's Ladder of Participation on the left and a modern adaptation on the right. The arrow on the right illustrates the rising influence of people according to the different stages of participation.

Figure 2 shows Arnstein's Ladder of Participation on the left and a modern adaptation on the right. The arrow on the right illustrates the rising influence of people according to the different stages of participation.

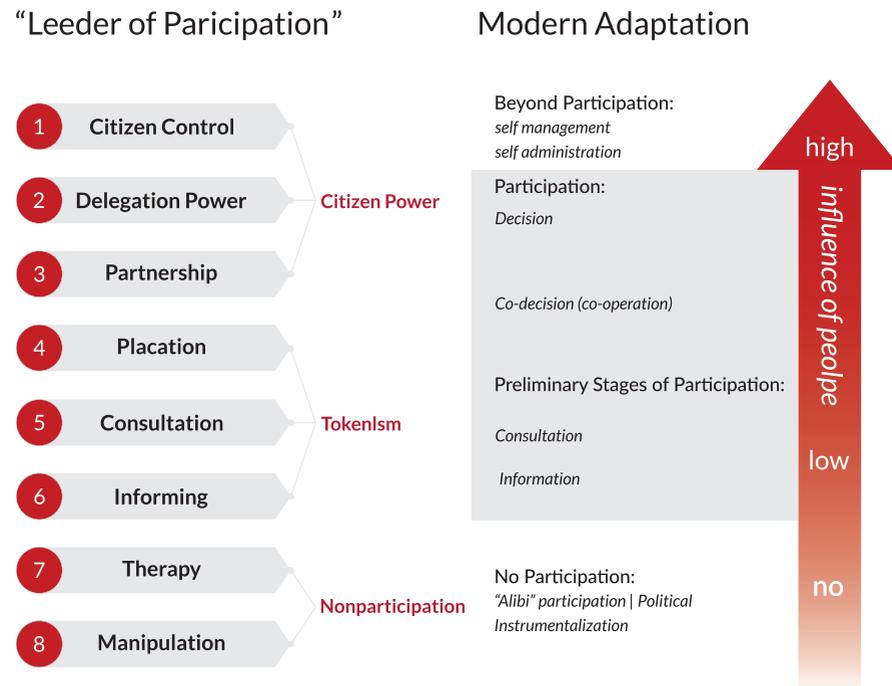


Figure 2: Ladder of Participation on the left, modern adaptation on the right by the author (adaptations of: Arnstein, 1969; Böhm, Birgit, 2018, Freistaat Thüringen, 2016, see also Shah 2007, p. 62))

## 2.3 PROS AND CONS OF PARTICIPATION

### Obstacles for participation

There are many different opinions about participation. Many see obstacles and problems if people get bigger influence on decision making of administrations (Voralberg 2010 p 6 ff; Sen-StadtUm 2011 62 ff).

- Some argue that politicians know by experience what people want and need. Often, this might be true and there is no big difference between the opinions of political decision makers and citizens. However, many examples show the opposite as well.
- Somehow the opposite of the argument above is the accusation that politicians and administration use participation to avoid own decisions.
- Others say that citizens do not have the expertise and knowledge to decide about complex issues.
- One of the repeated arguments against participation is the fear that it undermines elected politicians and democratic institutions. The main reason is the lack of democratic legitimacy of the participants of participatory processes. Usually, everybody is invited and can have a say. Nobody has elected or chosen them to do so.
- Participation takes time and costs money. If there is a lack of personnel and money, it is easy to say that

these scarce resources should be allocated to more meaningful things but into participation.

- There is also consensus that specific groups can (mis)use participation processes by enforcing their interests. A softer argument in this direction is that very often groups appear who always come, who know how to express themselves, who are well educated and often already retired and who have time. Some call them "the usual suspects".
- More silent groups like poor or less educated people do not attend such meetings.

Definitely, there are cases for each argument. However, there are also solutions and methods how to bypass such difficulties.

### Participation paradox

One of the important issues within the field of civic participation is the so called 'participation paradox'. Although it can't be fully avoided, there are some methods and approaches to reduce the impact of it.

The story behind is easy and can happen in each family as well. An example: parents may ask their kids about their wishes for the joint holiday some months before the journey starts. In this stage, they may not be very interested in it because it is still far away. However, in such an early stage of decision making, their influence would be

rather high. If the parents do not ask them again and again and try to involve them in decision-making this disinterest might remain. On the end, parents may book flights and accommodation for a hiking trip in the mountains. Afterwards they present the trip to their kids.

In this moment the children may start crying if they don't like hiking but would prefer beach holiday. Furthermore, they realize two things: (1) that the repeated questions of their parents were meant seriously and (2) that their influence on the decision is very low now. The cancellation of the trip would cost a lot of money. Moreover, the mood of parents and kids in such a situation will be very bad indeed. If participation and discussions of parents and kids would have taken place, the outcome could have been a holiday in a region where mountains and beaches are close to each other and where kids and parents would have fun.

This example can easily be adapted to a bigger scale, to decisions what to build where, how to use a vacant plot, where to extend a city, or where to allocate the scarce budget of city. But if the excavators roll, it's too late. But too often, this is the moment where people wake up and express their disagreement with the decisions.

To avoid such developments, decision-making processes should start at an early stage and should explicitly and actively target those people who will be affected. It should be clear for them that they have a leeway for decision making now but not at the end of the process. In order to make this clear, it might be necessary to carry out intensive public relations, a repeated number of events, and possibly also different events for specific target groups.

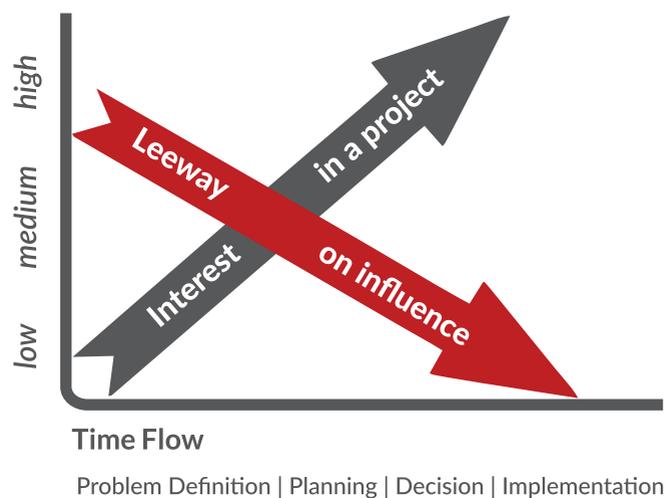


Figure 3: Paradox of participation (illustration of the author, Adapted from SenStadtUm (2011))

## Benefits of participation

Seeing the history of the ex-Soviet republic states of Ukraine, Georgia and Armenia (and of many other countries as well), the following quotation shows that increased demand for participation is a logical development of the recent years: "Citizen participation is frequently characterized as an inevitable outcome of a logical movement from insulated, bureaucratic modes of governance to more open, transparent, and participatory approaches." (Moynihan, p. 56). "Disillusionment with the traditional governance model of hierarchical bureaucracies and insulated public servants and a belief that participation checks administrative power have spurred interest in participatory processes. For many years the [...] hierarchical-bureaucratic model has been attacked from various sides as lacking responsiveness. Bureaucratic organizations have proved unable to create an inclusive relationship with the citizenry [...]. The value of bureaucracy stems from its expertise, which puts it in conflict with the democratic or representative values that underpin the idea of participation. (Moynihan, p 57). So, if in democracies participation is obviously a matter of fact, what are the benefits? There are some main topics that often overlap (Voralberg 2010 p. 14 f.; SenStadtUm 2011 59 f.; Moynihan 2007, p. 58 f.):

### 1. Reduction of alienation between people and administration

- Participation reduces distance or even alienation between people and administration and thereby deepens relations between them

and strengthens citizens' confidence in politics and administration.

- Involvement improves communication between all stakeholders by developing understanding for other points of view.
- It strengthens identification of the people with their city and their neighborhood.

### 2. Promotion and support of good governance and transparency

- Participation is one way to achieve accountability and competent performance (Moynihan, 59), because it can lead to a more transparent style of administrative work.
- Participation "is a desired and natural outgrowth of trends toward fiscal decentralization" which "is intended to reduce central control in favor of local preferences that foster allocative efficiency. The promise of fiscal decentralization is therefore also a promise of participation, and the success of one depends on the other." (Moynihan, p. 59)

### 3. Improvement of decisions and early detection of potential conflicts

- As one agrees that there is no "enlightened" planner or decision-maker who knows best what is good for the people, participation sets a framework to use local knowledge. Moreover, it is an early elaboration of various opinions, perspectives, ideas and moods.
- The use of local knowledge leads to good, reasonable and comprehensible decision-making and thereby strengthens the legitimacy and acceptance of these decisions and plans.

- Participation leads to an early recognition of potential stumbling blocks and the prevention of misunderstandings. It helps solving conflicts and finding compromises (SenStadtUm 2011, p. 59).

#### 4. Strengthening of democracy and of democratic competence of citizens

- "Participation helps individuals become better citizens". Moynihan understands Participation as kind of "citizenship schools" for people who have had limited involvement in civ-

ic life. They can "learn about their rights, express their views to representatives, and see these views affect policy and action". (Moynihan, p. 58/ 60)

- Participation is a way to involve people who are not entitled to vote like children, young people, or people from other countries (Voralberg 2010 p. 14). This promotes integration of different groups into a society.

## 2.4

### THE GERMAN EXPERIENCE WITH PARTICIPATION

#### Framework and conditions for participation in Germany

Each country has its own history and certain milestones of participation. And even in one country, different regions or cities may have differing narratives. Especially in Germany, with its division in two states until 1989, different stories exist.

After the war and the Nazi dictatorship, western allies have installed a democratic system in the west, whereas in the eastern part of the country, a communist system under the umbrella of the USSR was established. In the two decades following the war, democracy was practiced mainly through elections in the west. The student rebellions in many countries especially in the western hemisphere or the Prague Spring in 1968 in the East have created demands for more democratic involvement not only in western Germany. Here, this

atmosphere of change is exemplified in Chancellor Willy Brandt's speech in 1969 'mehr Demokratie wagen' ('We want to take a chance on more Democracy'). He promised that more involvement and co-responsibility will be the moving power of the coming years (SenStadt 2011, p. 33). Many reforms have been made to create a more open society. For example, participation in urban development became legally binding in the early 1970s.

The political turnover in 1989 and the fall of the Berlin Wall is the central narrative of eastern Germany regarding democratic development and increase of participation.

After 1990, many international treaties and agendas have further paved the way for more democratic engagement not only in the then reunified Germany. Treaties like the 'Declaration of Rio

for Sustainable Development' in 1992, the Charter of Aalborg of 1994 on 'European Sustainable Cities and Towns Towards Sustainability', or the 'Leipzig Charter on Sustainable European Cities' in 2007 argue that decision-making should be more participatory. There are many examples for this development like the establishment of participatory budgeting processes starting in the late 1990s or the increased use of referenda on local level in the last two decades. Additionally, new forms of public involvement through social media and online tools lead to more opportunities to have a say in many fields of the society.

Contrary to this development, many people complain about a lack of democracy, are tired of elections and representative democracy. One result is that populist opinions and parties gain more and more support as recent German elections show.

The general answer on this development in two different directions are efforts to strengthen democracy. This happens through the above mentioned discussions on deliberative democracy, the use of new forms of discourse like civic forums or the establishment of new forms of online-based participation. One part of this wide range of answers and herewith the special reaction of municipalities is the elaboration of 'Guidelines of Participation' in many towns and cities in Germany. One of the reasons is the insight that after many years of informal participation, civic participation needs common standards, quality criteria and more structures.

#### Guidelines of Participation as a new tool to enhance the quality of informal participation

##### Elaboration process

Guidelines of participation have been developed in more than 60 communities in Germany; many more are in a process of elaboration. In most cases, a participatory elaboration process is chosen. Often, a triologic discussion format involves representatives from politics, administration and citizenry in a joint working group moderated by a neutral facilitator. In the case of Berlin (and of many other cities), the working group consists of 24 members. They met 20 times in 18 months. Beside the working group, there were three big workshops for the open public in which the draft results of the working group were presented and discussed. Special target groups were invited separately in additional workshops. Comments on the drafts were given online as well. Finally, the working group has discussed all comments and controversial issues before endorsing the final version. However, the last decision lies by the city council and parliament. This last step is still underway. (SenStadtWohnen, 2019, p 6 ff).

One may argue that this process could have been shortened by adapting the existing guidelines of other cities. But such a shortcut would not replace the trickling-down process of discussion into many parts of the administration or of the city society that is necessary to spread the idea. By that it functions both as PR and dissemination.

Most guidelines consist of two parts. Guiding principles of how participation should look like can be often found in a

first part whereas tools how to implement these general principles are topics of a second part.

### **Guiding principles**

Guiding principles of how participation should look like reflect positive and negative experiences of many years of practice of civic participation, including bottom-up and top-down approaches. Although the wording and the order of appearance may differ, the content is similar in most of the cities that apply such guidelines of participation. The following compilation summarizes those of Berlin's central district of Mitte (Bezirksamt Mitte, 2017) and Berlin's guidelines for civic participation within spatial development (SenStadtWohnen, 2019).

Although they have been developed in and for German cities and municipalities, they can be understood as quality criteria for good participation also in Armenia and in other countries and places.

#### ► *Dialogue, Fairness and Respect and neutral moderation*

If people seriously talk and discuss, dialogue, fairness and respect are important values and rules. People are supposed to listen and not to interrupt each other, to respect other's opinion. This includes also the willingness to create knowledge and openness about roles, interests and competences of the participants. Preconditions to achieve such an atmosphere is the use of a neutral moderator who does not reflect the opinion of any side and to set clear rules of communication, behavior and listening.

#### ► *Understandable language*

Many experts and members of municipalities tend to use many abbreviations and special terminology; often, they express themselves rather complicated. This creates a lack of understanding and an unnecessary gap between them and people who participate. The use of an understandable language is one of the important preconditions of success; and it is a learning process.

#### ► *Early and transparent information*

If a city is serious about participation it should inform its citizens as early as possible about planned projects and future developments. Access to information and the willingness to answer questions are important preconditions before participation starts. The definition what early means is difficult and differs from case to case. It may start already in the phases of analysis and definition of goals and objectives. Early information is also a prerequisite to diminish the consequences of the participation paradox.

#### ► *Clear communication about objectives and the leeway for decision-making*

Participants of participation processes should be informed about the objectives and their leeway for decision-making. This includes information about financial or legal constraints that may influence this leeway. It is also a decision about the applied level of participations. Within such a clearly defined leeway for decision-making, participation procedures should be open-ended. An example: if a municipality decides to only inform the citizen about a project or undertaking it should be brave and honest enough to call this not participation but an information event.

#### ► *Target group-oriented approach*

The opinion and needs of special groups like children, elderly people, migrants, refugees, IDPs or others may influence the development of projects and ideas significantly. Their opinion is as valuable as the opinion of others who may be more capable or have more efficient means to express their ideas and views. A comprehensive stakeholder analysis helps to find such groups. The right methods, approaches, channels of information and an understandable language have to be applied to obtain their opinions and their specific and local knowledge. Usually, stakeholders and methods are different in each case. The quality of a participation process increases if the wide diversity of interests, experiences and knowledge gets recognized and appreciated.

#### ► *Documentation of results*

Results of participatory processes shall be documented and published in a transparent way soon after the event. This happens through emails to the participants, via social and print media and in the internet.

If final decisions have been taken by others on the base of participatory processes afterwards (e.g. by the city council) it should be explained why certain ideas and inputs were rejected or could not be considered.

#### ► *Liability on results*

Good public participation relies on liability. Obtained results should be respected and implemented in a binding and reliable manner. Implementation should start soon after decision-making. Otherwise those participants who have attended participatory meetings may be frustrated because they obviously have

wasted their time.

The respect of the results should be understood by all sides. However, it needs a rather high culture of participation and dialogue in a city that people who once had the chance to participate do not raise their voices if they don't agree with decisions and compromises that have been achieved in a participatory way. To convince them not to do so is often beyond any means of a municipality. Such attitudes may shift as a result of a long-term societal and cultural change.

#### ► *Sufficient resources*

Many guidelines of participation mention that participation costs money. Even though this message sounds simple, it is crucial in times when many demand civic participation. Participation can't be achieved for nothing. It needs different resources. In the case of PB, it is not only the money for the projects but it needs financial means and/ or voluntary support for PR and information, funding for the voting technology. Rooms need to be rented or provided for participatory meetings; moderators or facilitators have to be paid. Furthermore, there has to be sufficient personnel from the municipality that can stem this task.

### **Tools of implementation**

There is a set of tools and mechanisms that cities established and use to implement the above mentioned guiding principles. In many cases, these tools are the second part of 'Guidelines of Participation'.

#### ► *List of projects*

Some cities have started the provision of a comprehensive list of current and

future projects. Most projects are from the field of urban development and construction. If participation is planned or underway, it is mentioned there. Often, maps create the opportunity of easy navigation. The idea follows the insight that information is the precondition of good participation. Often, proper information is already enough and replaces the need for discussion or prevents suspicion and the accusation of insufficient information. Good examples for such list can be seen in cities like Stuttgart or Heidelberg (see links in the references).

► **Information Offices for Participation**

Another way to enhance civic involvement is the establishment of contact points for participation. Often, they are managed only by the administration, but in some cities like Potsdam by the administration and an institution that represents the civil society. In all cases, the office provides information about participation for citizens, administration and politicians, organizes trainings for all who are interested in, and supports participatory processes with advice. Sometimes they are responsible for the list of project and the Advisory Board.

► **Advisory Boards**

A few German cities have established advisory boards for participation. Their members represent the citizenry, various institutions, politics and the administration. Usually, their task and duty is the supervision of the implementation of tools, the application of the principles and the evaluation of the guidelines. Sometimes, the board has a mandate to mediate in conflicts.

► **Concepts for Participation**

The advice to elaborate individual 'Concepts for Participation' for each process

is not a tool in the strict sense of the word but rather a structured collection of aspects that should be pursued in order to generate a high-quality participation process.

These aspects comprise recommendations to think about the objectives of the process, to define the level of participation, to describe the project and the leeway of decision-making. They demand to be transparent about legal and financial restraints that may influence the process. They urge to give answers to questions like what happens with the recommendation of the attendees, how do they influence the decision-making process and to be honest about the information who finally decides. They call on those responsible to think about PR, target-group oriented methods and general methods of participation; to put attention to allocation of sufficient funding, to work out a time schedule for the process and to publish the results.

► **Outlook**

Because guidelines of participation are rather new in Germany, there are only few experiences with their implementation. However, the few evaluations that have been conducted so far show positive results in general. People appreciate the efforts have made many positive experiences. But they show as well that it is difficult to assess and proof their impact and that it means more work for the municipal staff (Heidelberg 2017, Bock and Reimann 2017 for the city of Potsdam). Definitely, further steps need to be taken to enhance participation in the respective cities and in Germany in general.

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## GENERAL DESCRIPTION OF PARTICIPATORY BUDGETING

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*This chapter will cover the general description, definitions, possible outcomes, necessary resources and the provisions of laws of the Republic of Armenia on participatory budgeting in the communities.*

# 3

### 3.1 DEFINITIONS

There are many definitions of participatory budgeting, but in general sense the participatory budgeting is the involvement of the population in the process of decision-making on how to allocate public funds.

It is worth mentioning that there are various classifications of participatory budgeting, however they are more often differentiated by the level of involvement of the population in the process. Below are the most frequent levels of involvement:

**Possible levels of involvement in the PB process**

Provision of information	Consulting	Involvement	Cooperation	Empowerment
Provide information to the population that will help them understand the problems of the community and their possible solutions	Collect opinions from the population on possible solutions.	Work directly with the population, in order to promptly consider their concerns and opinions and take them into account during the budgeting process	Cooperate with the population in every phase of the process, starting from identification of the problem till the discussion of its possible solutions	Provide the population with the possibility to make the final decision

The following aspects are also important to take into account, when discussing the PB:

- **Who are the participants of the PB:** are they the residents of the community, or representatives groups, non-governmental organizations, private companies, etc.
- **In which phases of the process are the residents involved:** the residents of a community may get involved in different phase of the PB, e.g. identification of needs, development of recommendations, selection of projects to be funded, monitoring.
- **Methods of involving the residents:** there are 2 more applicable

methods for involving residents: holding discussions and organizing polls. In the first case discussions and debates will supposedly take place among the participants, in the second case they may vote for a preferable outcome.

- **PB enforceability level:** PB may be implemented on different levels (from community to state budgets), with budgets of different size, as well as in different sectors (health, education, etc.). The more frequent version of the PB (participatory programme budgeting) certain funds are allocated from the community budgets and the community residents decide how to use them.

### 3.2 POSSIBLE OUTCOMES

The possible outcomes of participatory budgeting depend on the level of involvement of the population in that process.

For example, when the involvement is limited to awareness and consultations, the expected outcome is the increased awareness of the population and, as a result, more trust among the residents towards the local self-government bodies.

However, when the involvement level is higher, e.g. collaboration or empowerment, then higher outcome is expected in forms of cooperation among the residents and the local self-government bodies, direct participation of the population in the decision-making process, increase of civil responsibility thereof, etc.

Respectively, the levels of involvement shall be chosen depending on the purpose and expected outcomes of established **participatory** budgeting.

### 3.3 RESOURCES NECESSARY FOR THE PARTICIPATORY BUDGETING PROCESS

As a rule, the following resources may be necessary to organize the PB process:

- **Time:** first of all, time will be needed to involve the community population, organize meetings and discussions, develop the necessary materials and carry out other tasks.
- **Human resources:** human resources with sufficient volume and level of skills will be required to organize the process. A proper assessment of the need for human resources and their involvement is very important.
- **Financial resources:** financial means will be required to organize events, develop the necessary materials, salaries and other costs. Therefore, a correct estimate or the required budget and possible sources of funding for every phase of the process are crucial.

### 3.4 PB IN THE REPUBLIC OF ARMENIA

Paragraph 2 of Article 183 of the RA Constitution guarantees the direct participation of the community residents in community administration. Nevertheless, the Constitution also directly enshrines the possibility of local referenda to solve issues of community significance.

Issues related to participatory budgeting in the Republic of Armenia are mainly regulated by the RA Law “On Local Self-Government” (hereinafter referred to as the Law). According to the Law:

- All residents of a community may directly or indirectly influence the decisions of the local self-government bodies; participation of community residents in local self-government is recognized as the main principle of local self-governance.
- Every community must have a procedure for participation of residents in the local self-government. As a rule, the communities have the corresponding procedures, which are mostly based on the exemplary procedure developed by the RA Ministry of Territorial Administration and Infrastructure (“Standard procedure”).

Hence, according to the RA legislation, the communities shall ensure **Consultative Participatory Budgeting (CPB)**:

Meanwhile, the RA legislation considers a possibility for even a broader form of participatory budgeting –**Participatory Budgeting Project (PBP)**.

**Consultative participatory budgeting:**

The Law envisages the following regulations related to organizing the process of consultative participatory budgeting:

- In order to ensure the participation of community residents in the management of the community development programme or the community budget (i.e. development, public consultations, performance and (performance) oversight), the community mayor may propose and the community council may decide to establish a consultative body in

the staff of the community mayor. This body will involve the corresponding specialists from the community staff and community organizations, as well as 1-3 members of the community council. They may as well agree to involve community residents, experts and other stakeholders (e.g. representatives of non-governmental organizations).

- Before submitting the drafts of community five-year development programme or the annual budget for the approval of the community council, the mayor must organize and hold open-door public hearings and consultations. Though the respective provision of the Law refers to a nullified law (that previously defined the time frames for such hearings), currently it is worth considering Article 4 of the RA Law “On Legal Acts” and the procedure on organization and holding public hearings defined by Resolution of the RA Government #1146, dated October 10, 2018 .
- According to the Standard procedure, public hearings or consultations are mostly organized by meetings, but it is also possible to organize public hearings/ consultations on online platforms of websites, or websites of the communities, also by organizing and holding surveys. Additionally, communities may hold close-door discussions with the experts (specialists) of the relevant sectors. **It is worth considering here that the list of means and methods**

**of participation, envisaged by the Standard Procedure is not complete, and the communities should try to apply the most extensive set of tools, mentioned in this report.**

Meanwhile:

- The RA Law “On Budgetary System” states that the annual report on budget performance shall be published in local media and on the official website of public notifications of the RA - <http://www.azdarar.am>, in five days after approval by the community council.
- The Law also states that a community with population of 3000 and more must have an official website, which will, inter alia contain the community budget, budget performance reports, materials, procedures, venues, time and other data related to meetings with the community residents, public hearings and consultations.
- The open sessions of community councils, in communities with population of 3000 and more, will be broadcasted live on the official website of the community.

**Participatory budgeting project, with the ability to vote.** Despite the absence of primary regulations in the RA legislation on participatory budgeting projects, there is still a possibility to initiate

that process.

The process supposes that the community council will every year allocate certain funds from the community budget to implement the participatory budgeting projects. The community council may decide to establish a special budget and the sectors of performance for that purpose, which will give the community residents the opportunity to present their suggestions (projects) related to certain programmes. Afterwards, a competition among projects that will comply with defined criteria will be launched, and the winning project will be implemented.

Practically, the competition can be organized before approving the community budget, and the winning project will immediately be included in the budget. It is also possible to envisage respective expenditure articles in the budget (e.g. improvement of common public areas), and by means of the competition simply choose the project that will be implemented in the framework of the approved budget.

It must be mentioned that the review of international experience shows that in a number of countries participatory budgeting projects suppose the residents to submit suggestions not only in the framework of defined budgets and sectors, but they themselves recommend the sectors and issues in those sectors where the envisaged budget funds should be spent.

### 3.5 FREQUENTLY ASKED QUESTIONS ABOUT PARTICIPATORY BUDGETING PROGRAMME

#### Which are the advantages of the PBP?

- **PBP** contributes to active involvement of residents in the community actions,
- **PBP** makes the community budget expenditures more effective,
- **PBP** increases the transparency of the budgeting process.

#### What is the minimum amount to start the PBP?

In fact, PBP may start even with 1 million AMD. The international experience prompts that PBP worked effectively even with tiny budgets. Sometimes PBP comprises only 1-15% of the total budget of a community, but it is an average indicator. It is also worth mentioning though, that the allocated budget must comply with defined goals, which means that reaching such goals must be viewed realistic with the allocated budget.

#### How often should the PBP be implemented?

Given the fact that PBP is a labor intensive and voluminous process, it is recommended to implement the PBP once in two years.

#### Which are the main goals of the PBP?

- Target the most important, urgent and relevant issues for the community.
- Promote the active participation of community population and/or certain groups of the population in decision-making about the community budget, hence improving the quality of decisions made in result.

#### Which are the main challenges to effective implementation of the PBP?

- The involvement of community residents in the PBP implementation process may be disproportionate, which ultimately qualifies certain groups of community population as underrepresented. For example, in several countries very often women, persons with less than average income level, the elderly, the national minorities and other vulnerable groups are less active in the process, which results in a less effective process that does not serve its purpose.
- Another issue is the irregularity of the process in time, because of changes that occur after LSG elections.
- Another problem is that the process often does not yield the expected results, resulting in disappointment, distrust of the citizens as a consequence and, respectively, less involvement in the future processes.

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## PROCESSES AND TOOLS FOR ORGANIZING THE PARTICIPATORY BUDGETING EFFECTIVELY

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*This Chapter presents a number of best practices and tools for organizing the PB process effectively. Despite the fact that the main discussion gravitates towards the PBP, most of the tools presented may also be applied with the CBP (which is discussed below).*



## 4.1 PARTICIPATORY BUDGETING PROCESSES AND TOOLS

The international experience prompts that PBP may be effective, if organized in the following phases:

1. Establishment of a working group,
2. Planning of work,
3. Public awareness,
4. Receiving suggestions,
5. Review and selection of suggestions,
6. Implementation of projects.

## 4.2 ESTABLISHMENT OF A WORKING GROUP

In order to organize the PBP process effectively, a working group should be established, which will be responsible for organizing the whole process and become a link between the community residents and community administration.

In order to organize the process more effectively the working group should involve human resources with respective skills and in necessary quantities, which will allow representation and participation of possibly diverse groups of community residents in the process. The working group may be composed both of community administration staff and other residents of the community, as well as representatives of non-governmental organizations, volunteers, etc. In order to involve the required human resources, it is necessary to pay attention to the following issues first:

- **Issue 1:** are there workers in the community administration that are responsible for organizing the PB process or can get involved in such works?
- **Issue 2:** what are the main roles/works in the framework of the PB process?
- **Issue 3:** what knowledge and skills are required for the aforementioned roles/works?
- **Issue 4:** what human resources, apart from the community administration, are required for taking/implementing those roles/work and what should be the principle of involving the representatives of various community groups in the implementation of the mentioned work?
- **Issue 5:** how should the workload be distributed among the community administration staff and other involved representatives of the community, given required knowledge and skills?

When reviewing **Issue 1**, it is first of all necessary to analyze the already defined duties and responsibilities of the community administration staff, identify those staff members who are responsible for organizing the participatory budgeting. Meanwhile, it may be necessary to consider the involvement of other staff members and their possible roles in the budgetary process, depending on the sector of activity (e.g. agronomist, engineer, etc.).

When reviewing **Issue 2**, it is necessary to consider that, as a rule, the working group has to implement the following work:

- Organization and control over the process,
- Working with the community population and having the ability to present their interests,
- Ensuring involvement of various groups of population in the process,
- Cooperation with non-governmental organizations and other agencies,
- Organization of various awareness raising measures,
- Facilitation of working groups (“moderator’s” function),
- Development of various materials necessary for the process,
- Cooperation with the local mass media,
- Implementation of administrative and other logistical work.

When reviewing **Issue 3**, it may be necessary to analyze and adjust the knowledge and skills that can be required to implement the aforementioned work. The answer to this question may explain the level at which community administration staff masters the required knowledge and skills, may allow identifying gaps and initiating respective steps to fill them. As a rule, the members of the working group must at least have the following knowledge/skills:

- Awareness about community life and population,
- Negotiation skills,
- Skills to develop necessary relations,
- Skills to work with mass media,
- Skills of organizing and holding awareness raising events,
- Knowledge of marketing and public awareness raising,
- Knowledge of the budgetary process,

- Knowledge and skills in development of proposals,
- Other knowledge and skills, depending on planned measures (e.g. Professional knowledge on the sector of the project).

**Issue 4:** when work to be carried out in the PBP framework is finally decided, it is necessary to decide what knowledge and skills, and the human resources are required for carrying out that work; the next step should be a clear calculation of additional human resources for effective organization of the process and the principles of their involvement. When deciding the quantity of additional human resources, it may be necessary to consider the population of the community and the volumes of projects envisaged in the framework of the defined budget. As regards the principles of involving additional human resources, then the participation of the following agencies/persons in the process may be crucial:

- **Non-governmental organizations operating in the community.** As mentioned already, in order to organize an effective participatory budgeting process it is very important to ensure the participation of possibly diverse community groups in it. For that purpose, it is necessary to cooperate with non-governmental organizations operating in the community that already participate in the community life and have relations with various community groups, enjoy credibility and respect earned in the eyes of the community residents. It is especially important to involve those non-governmental organizations

that are specialized in the sector of implemented projects and have corresponding experience (e.g. education, waste management, etc). It is also important to involve those non-governmental organizations that represent the interests of vulnerable groups of that community.

- **Professional associations or trade unions and expert groups of the community.** It is possible that there are associations in the community that are specialized in certain sectors and deal with very specific issues, and are well informed about the specific problems of the community (e.g. Association of organic agriculture, groups involved in managing the pastures of the community, etc). It may be necessary to contact such associations and propose their participation in the process.
- **Consulting organizations or individual consultants working in the community.** It is also necessary to find out whether there are any consulting companies or individual con-

sultants in the community, who may be ready to volunteer in the participatory budgeting process (or get paid, if there is a budget for that).

- **Volunteers:** the involvement of volunteers in the PBP process is very important. They will be ready to use their skills in participation in different phases of the participatory budgeting. As a rule, volunteers can be recruited from the community schools, universities, non-governmental organizations and other entities.

**Issue 5:** after complete establishment of the working group, it is necessary to distribute roles and tasks among the working group members. Such a distribution must be performed in consideration of the skills, the experiences and the commitments of the working group members to take any of the roles. Below is an example of distribution of main roles and responsibilities among the members of a working group:

#### Project Manager

- General oversight of the process
- Ensuring the links between the working group and the community (mayors, council members)

#### Project Coordinator

- Overall organization of the process
- Support to the working group in all phases of the working process
- Ensuring the participation of different groups of the population
- Holding and facilitating in meetings
- Cooperation with different agencies and mass media

#### Project Assistant

- Organizing meetings
- Development of material for the meetings
- Provision of general administrative assistance and logistical support to the process
- Support to Project Coordinator during the meetings

## 4.3 PUBLIC AWARENESS

Public awareness may be expressed in any action, aimed at making the necessary information available for the public. Though there will always be people in the community, who will be aware of their rights to participate in the community budgeting process, the studies have shown that still a larger part of the population is either unaware of their rights or simply do not participate in the process for certain reasons.

Respectively, the main purposes of public awareness are:

- Inform the community population about their right to participate in the community participatory budgeting.
- Inform the population of the “rules” of the game: the envisaged total budget, type and format of participation. It is very important to maintain the proclaimed rules and formats unchanged by any means.
- Ensure the most extensive participation of various groups of community population, while paying special attention to the involvement of the most vulnerable groups.

When choosing the public awareness tools, as a rule, the composition of community population and its number should be considered. As it has already been mentioned, ensuring the participation of various groups of the community population in the participatory budgeting is very important, specifically

paying attention to those with limited accessibility, including:

- financially vulnerable groups,
- national minority groups,
- youth,
- women,
- persons with special needs,
- immigrants/refugees,
- other vulnerable groups.

The following may serve as sources of information when identifying different groups of the community:

- Any censuses carried out in the community. These data will describe the demographic picture of the community and help in dividing the community by respective groups.
- Non-governmental organizations working in the community. As mentioned already, it is very important to cooperate with the non-governmental organizations operating in the community, which have already established relations with the population and have information about various groups of community population.

Given the demographic situation in the communities and the existing population groups, as well as the purposes of public awareness, various tools of public awareness raising shall be used. Specifically, in this phase it is very important for public awareness to be as massive as possible, because the goal in this phase is make people aware of their right to participate, and also in-

volve diverse population groups. For that reason, it is recommended to use the following tools of public awareness in this phase:

- **Raising awareness on the website of the community.** Provided almost all communities' administrations of Armenia have official websites, the provision of respective information on those websites is very important.
- **Awareness by social media.** As social media today has turned into main and most important source of information, it is recommended to create separate pages in social media for the community and even for the PBP, and make them available expediently for the community population. Specifically, such pages may be opened at least on Facebook, Odnoklassniki or Vkontakte.
- **Awareness raising through booklets, leaflets and street ads (billboards).** Despite the significance of social media in our lives, it is clear that they are not readily available for everyone in the communities, hence the necessity of awareness by most traditional means (booklets, leaflets and street ads (billboards)) shall not be ignored. The quantity and the geography of distribution of such materials are especially important here, whereas in case of billboards it is their placement. Specifically, they must be installed in more crowded locations, as well as in areas where community population with least access to social media lives.

- **Awareness by use of mass media channels.** It is also very important to cooperate with local media organizations, as with their help awareness raising initiatives may become more massive and better accessible to larger groups of the population. Specifically, a community may sometimes have a radio station, a newspaper, a TV channel, depending on the size, and the community residents will usually follow that source, which means it can be quite an effective form of awareness raising.

- **Awareness raising through direct communication with the community.** Another popular form of awareness raising is the direct communication with the community residents by various means. The following may be considered as forms of establishing communication:

- ▶ *Street campaigns, in which case the members of the working group will inform the community population by distributing leaflets and answering the questions of concern.*
- ▶ *Awareness by home visits, when the working group members visit the community residents in their homes, hand in the information booklets and answer questions of concern.*
- ▶ *Awareness by phone calls, when the working group members call the community residents by phone, inform them about the process and again answer the questions of concern.*

- ▶ *Awareness raising by meeting representatives of various organizations, through which the members of the working group organize targeted meetings with representatives of various organizations (e.g. educational facilities, large companies, beneficiaries of non-governmental organizations, etc.) and present the details of the process.*

- **Awareness raising by holding assemblies.** All the above-mentioned measures provide opportunities for quite extensive awareness raising, after which it may be expedient to organize assemblies, which will allow providing more detailed information to those residents who may be interested in participating in the PBP implementation.

Below are the most important methods and mechanisms for implementation of the aforementioned tools.

#### **Official websites, social media and mass media**

Provided the official websites, social media and mass media are the main and primary sources of awareness, it is very important to conduct the awareness raising process in the most effective way, however, it also needs to be attractive. It is respectively recommended to:

- **Name the campaign.** It will allow the population to identify the campaign and make it recognizable. It is desirable to select such a name that will be of relevance for the local

population and will have an important meaning. The examples could be: "You will decide", "Everything is in Your hands" or "The Future of X Community".

- **Decide a motto for the campaign.** The presence of a motto will also help the population in identifying the process. It is also recommended to use such words and phrases that may inspire the residents and underline the importance of their participation. Good examples could be the following:

- ▶ *Our community, our money, our decisions.*
- ▶ *Your community, Your money, Your decisions.*
- ▶ *Suggest, develop, decide.*
- ▶ *Participation is power.*
- ▶ *There may also be such phrases that will include information about the size of planned budget. For example, "What could be created in Your community with 10mln. drams? It is the time for You to decide".*

- **Provide contact information.** Mass information dissemination requires provision of contact information, for the most interested to get details, if required. It is more expedient to provide phone numbers as contact information. An e-mail address is also an option.
- **Provide information about the future meetings.** If assemblies are planned in the framework of the process, then information about the place and time of such assemblies should also be a part of announcements.

### **Establishment of direct communication with the population**

As regards awareness raising through establishment of direct communication with the population, then the working group may need the following set of tools:

- **A short guide**, which will contain information on how the members of the group should introduce themselves, choose the topic of discussion with the residents, present the process and the possibilities of involving the citizens. The sample of the short guide is presented in **Annex 1**.
- **Information material (booklets, leaflets)**, that must be provided to the residents during the meetings. Awareness raising material must be attractive, brief, and contain the same information that is presented in mass media.
- **A form for recording contact information**. People may feel themselves more obliged to be present and participate in events, when they provide their contact information. For that reason, it is very important to have a form for recording contact information, the example of which is presented in Annex 2.

### **Awareness raising by holding assemblies**

An assembly is an organized meeting, during which the members of the working group present detailed information about the process to those residents of

the community, who expressed their interest in participating in the process. Effective organization of assemblies needs to pay attention to the following issues:

- **Choose the venue of the assembly.** The choice of the right venue for the meeting is very important. For that purpose it is first of all necessary to calculate the approximate number of participants by using the forms for contact information. Depending on the quantity and groups of participants, there may be a need to hold several meetings. The venues for holding assemblies can be community schools, universities, conference halls kindly provided by various organizations, etc.
- **Choose the time for the assembly.** The choice of time for the meeting depends on the groups of participants. Depending on age groups and professions, assemblies must be organized at hours of the day that will ensure the most participation.
- **Decide the format of the assembly.** As the main purpose of an assembly is to present the maximum details of participatory budgeting to the participants, assemblies must be organized in interactive format. This method supposes active involvement of participants, clarifications by means of questions and answers, exchange of ideas and opinions, as well as provision of information about future steps.

- **Prepare the material.** It is very important to prepare the material for the assembly preliminarily. And again, provided the goal of the assembly is to provide detailed information to the participants, it is more expedient to prepare a presentation, which will at least contain the following information:

- ▶ *What is a PBP?*
- ▶ *Why is it important to participate in the process?*
- ▶ *How much has the community administration provided for the PBP of that year?*
- ▶ *Which sectors were targeted? Who can participate in the process and how?*
- ▶ *What support will be provided in the process of developing proposals? In what periods shall the proposals be submitted and how?*
- ▶ *How will the best proposals be selected?*
- ▶ *How will the projects be selected, who will be voting and making decisions?*
- ▶ *Who and how will be implementing the proposals with majority of votes?*

It is also desirable to get prepared technically for the assembly:

- provide the participants with everything necessary to take notes;
- ensure sufficient illumination, air ventilation and heating of the venue;
- if possible (if the meeting lasts long), it is desirable to offer coffee/tea and modest refreshments;

ensure necessary equipment for presentations.

- **Distribute the roles of organizing and holding the assembly among the members of the working group.** It is necessary to distribute the roles of organizing and holding the assembly preliminarily among the members of the working group. As a rule, it may be required to assign responsible persons for the following roles:
  - ▶ *choice of venue of the assembly,*
  - ▶ *development of necessary materials,*
  - ▶ *opening speeches,*
  - ▶ *delivering presentations,*
  - ▶ *answering (clarifying) questions raised by the participants,*
  - ▶ *facilitation of the assembly (moderation),*
  - ▶ *development of minutes of the assemblies,*
  - ▶ *other roles, as necessary.*
- **Make the material presented at the assembly available for the participants and other residents.** All the material presented during the assembly must become available for the participants and other residents of the community. In order to do that, the materials must be published both on the official website, in social media and sent directly to the e-mails of the participants.

The mentioned processes and tools mean that the sectors of PBP allocations (hereinafter: the sectors) have already been defined by the community

council.  
Afterwards, if the community decides to make the choice of the sector with consideration of community residents' opinions, then the following approach may be applied:

International experience suggests that in certain cases the community residents decide themselves how to implement the PBP, in which sectors and for solution of which problems. If your community chooses this path, then it is very important to make the process of collecting opinions more transparent and participatory. This opportunity should specifically be one of the main topics of the campaign. As for the method of collecting opinions, then it is recommended implementing it with the use of one or several tools below:

- Discussions by SMS polls. The mobile operators of Armenia provide for this opportunity. The communities may also use the SMS-polling tool developed by the UN Development Program.
- Polling tools provided in the social media. For example, Facebook provides for the possibility to organize voting.
- There are also certain online tools, which can be used to organize surveys and polls, for example the googleforms or monkeysurvey, and a number of other tools for online surveys.
- Polls by phone calls are also effective for collecting opinions. Organiz-

ing polls by phone calls is effective in the sense that it is possible to target those community groups that do not have Internet access; but it still requires certain resources and information for organization (call operators, updated database of acting phone numbers of community residents, other data and resources).

It is also possible to organize collection of opinions by applying a number of rather traditional approaches, such as visits, placing a box in the community administration building, etc. However, these methods are time and resource consuming and do not provide for sufficient participation.

When choosing among aforementioned tools, it is necessary to consider a number of factors, like:

- Internet access,
- literacy, awareness,
- size of the community, etc.

It is also very important to develop **effective** questionnaires for surveys/polls. The questionnaires and checklists must be developed so that residents are able to express their opinions without being guided in certain directions. For example, in addition to yes/no questions it is important to use open questions, which will provide the opportunity to the respondents of the surveys/polls to express new ideas and interesting opinions.

In order to provide for **the impartiality and transparency** (e.g. avoid situa-

tions when one citizen expresses his/her opinions several times), it is recommended to request personal data in the surveys (name, surname, passport data, etc).

It is worth mentioning that according to the RA legislation, the final decision on choosing the PBP sectors must ultimately be made by the community councils, however the mentioned surveys/polls may serve a basis for preliminary selection of PB sectors.

#### 4.4 SUPPORT IN DEVELOPMENT OF PROPOSALS

After promptly informing the community population, it is necessary to support all those groups and individuals, who want to participate in the PBP process and present their suggestions. Depending on goals and the target sector, the community administration may provide the opportunity to present suggestions to one or several of the below-mentioned groups:

- individuals,
- groups of individuals,
- non-governmental organizations,
- professional groups, associations,
- community-based companies, others.

In order to support the process of collecting suggestions, it is first of all necessary to pay attention to the following issues:

• **What should be the format of support?** First of all, it is necessary to understand the format of support when developing suggestions. It is more expedient to organize assemblies, which will help in working with interested persons/groups individually and providing all the necessary information.

• **How to inform the population about the organized meetings?** As mentioned in the previous part, the working group will fill the contact information forms when meeting the residents and holding assemblies. The collected contacts will become the primary source for awareness raising. If possible, awareness raising must be carried out through electronic communication and phone calls. Moreover, more massive awareness campaigns may inform the participants about the meetings through:

- ▶ official websites,
- ▶ social media,
- ▶ billboards,
- ▶ other media.

**How to organize meetings.** Organization of assemblies must be carried out according to the process described in the part on "Awareness raising by organizing assemblies". Meanwhile, in addition to approaches presented in previous chapter, during this assembly attention must be paid to the process of developing proposals and the participants should receive practical assistance when developing them. For that purpose it is necessary to:

- ▶ *preliminarily create the template for developing proposals, the example of which is presented in Annex 3.*
- ▶ *Depending on the quantity of participants, during the assembly the participants will be divided into smaller working groups (recommended maximum 5 people in each working group) and try to develop proposals with the help of facilitators.*
- ▶ *Developed proposals must be discussed with all participants, in order to clarify and discuss all issues of concern.*

• **Consulting/coaching.** If the community is able to involve consultants who can help separate individuals/groups in developing proposals, then that toll will be considered the most effective.

## 4.5 COLLECTION OF PROPOSALS AND DISCUSSION

### Who can present a proposal?

Before collection of proposals it is very important first to decide who is entitled to present a proposal in the framework of participatory budgeting. The groups of participants entitled to submit proposals may differ, depending on the sector and topic selected in the framework of PBP. We recommend considering the participation of one or several groups, listed below:

- *residents of that community,*
- *groups of residents of that community (it means that proposals may be submitted only by the representatives of such groups, and not individual residents. However, the residents are not obliged to obtain any*
- *legal status),*
- *more specialized groups of residents (e.g. youth, women, national minorities and other vulnerable*
- *groups),*
- *legal persons that are registered in*
- *that community,*
- *non-governmental organizations,*
- *professional associations specialized in the given sector.*

Types of individuals and their groups entitled to submit proposals have to be defined, depending on the magnitude of problems in the selected sector, their level of difficulty and a number of other factors (e.g. often solutions to problems may require technical knowledge, experience).

### Requirements for submitting proposals

#### Main principles and approaches

It is desirable to be precise when selecting topics, as it may help both in receiving the necessary number of proposals and in making a more impartial decision in the future. It is also desirable to ensure interconnections among the selected topics, which will help concentrating efforts around certain issues.

The terms of competition and the cri-

teria must comply with the skills and capacities of target stakeholders of the given community (otherwise there will be very few or no applicants for participation), and be clear and precise. Respectively, try to define the participation terms in a plain and understandable language.

Apart from the requirement to submit a written proposal, you may also state requirements for verbal presentations. When developing the requirements for submitting proposals, the following should be taken into account:

- when developing the minimum and maximum thresholds for the budget of the proposal, it is important to consider how realistic it is to reach the defined goals with the allocated budget, or to what extent will the implementation of the project impact the process of solving certain community issues;
- making all the requirements and the description of the process of selection available for the public is a must.
- It is also important to take into account the fact that the residents and/or their groups (as mentioned above) usually do not have the skills to develop proposals. For that reason it is preferable to provide the potential participants with support in developing project proposals. It is also very important to disseminate information about providing that support to the potential participants in the awareness raising phase, because it may have significant positive impact on the quantity of potential participants.

**Annex 3** contains the form for the project proposal.

#### How to apply?

Already in the planning phase, it is important to decide how the participants will be submitting proposals. It is desirable, of course, to have an online platform, from which the applicants could download the proposal forms. Of course, it does not mean that the online method of submitting proposals is the only one. It is desirable to provide the residents with the opportunity to submit proposals in hard copies, because not all the participants may have access to online tools or the skills to make use of them.

Apart from receiving applications, the platform may also be used as a source of integrated information about the PBP process, including information material (e.g. explanatory videos, video recordings of meetings and webinars), all the necessary templates/forms, legislative acts and other relevant information. Of course, the creation of the platform will require a budget, time and other resources.

The international experience prompts that transparency in making decisions about submitted proposals will have significant positive impact on the general understanding of the process by the community residents. Specifically, it is recommended to make the contents of all proposals available for all the participants. For example, it is possible to publish summaries of all proposals when the decisions on their selection are made and published.

Moreover, in some countries the decision on final selection of the winning proposal shall be made in the following process:

- The authors of the short-listed proposals will be invited to an event, where they will present their proposals/ideas before the Qualification Committee.
- All the participants of the competition will attend the presentations of all proposals of their competitors.
- It is even possible to have all the participants of the competition or just a part of them to vote for the winning proposal. Of course, there will be no possibility to vote for own proposals.  
Hence, the decision-making (selection) process will obtain a high level of transparency.

The formats of presentations may be different, depending on the quantity of participants, the topic and other factors. For example, the participants may make presentations or develop video clips to present their projects.

One of the advantages of this approach is also that if the project is realistic and successfully implemented, other investors (e.g. international donor organizations, non-governmental organizations, private companies) get interested in successful initiatives and are ready to fund their expansion/next phases.

## 4.6 REVIEW AND SELECTION OF PROPOSALS

### Who makes the choice?

It is quite possible that the final decision is ultimately made by the community council, based on certain legal or other requirements. However, it is recommended to create an advisory body (council, committee) that may invite sectoral experts, NGOs active in the sector and other specialized groups.

It is preferable to make the selection in at least two phases. The first phase can be a preliminary selection of applicants (short-listing) in accordance with defined criteria.

In the second phase, the short-listed participants shall present their projects before the Qualification Committee (in that case – the community council and the committee) and make decisions based on the presented projects.

### Selection criteria

Below are certain criteria that may be used for making selections in the first and second phases:

#### First phase (short-list):

- Compliance with requirements:
  - o Presence and accuracy of required documents,
  - o Compliance with the budget limits.
- Satisfying the main requirements, for example:
  - o Is the implementation of the project realistic given the defined budget?

- o Are the recommended approaches, the working plan and the schedule realistic?
- o Will the project solve an important issue for the community?  
Is the proposed approach innovative?

It is desirable for at least the primary phase of assessments to apply a rather impartial methodology. For example, define a scale (1-5 or 1-10) and assess each of the criteria by that scale.

After the preliminary selection is made, all (short-listed and not short-listed) applicants must be informed of their advancement to the next phase or rejection. As regards the method of awareness, then it is possible to implement it on a platform (if such is present), by e-mails or ground mail.

#### Second phase:

As it has already been mentioned, in order to ensure more transparency in the selection process, it is preferable to have the short-listed applicants pitch their proposals (by presentations or video clips) and answer the questions of concern. Moreover, often applicants have the opportunity to see all presentations and even vote.

As it has already been mentioned, the final decision (according to the acting legislation) must be made by the community council, however the latter can be based on the following:

- results of opinions/voting of the Qualification Committee (the committee is described above);
- voting by other applicants;

- It is possible also to organize on-line elections of preliminary selected proposals by the residents and based on these elections to make the final decision.

### Ensuring public awareness about the results

It is very important to ensure the public awareness about the winning proposal(s). Specifically, the community residents must be aware of the winning proposal, as well as the main selection criteria/factors, when will the project be implemented, etc.

## 4.7 PROJECT IMPLEMENTATION

It is presumed in this context that the winning proposal will be implemented by the community authorities. Hence, it is very important for the community staff to carry out awareness raising measures throughout the whole process of implementing the project(s), in order to earn more credibility for the PBP process.



## Proposal development form



### 1. Preamble

It is necessary to introduce Yourself and/or Your working group here, presenting the members of the group and their occupations/specializations, as well as their experiences in participating in such processes (if any).

### 2. What issue do You solve?

The general description of Your proposal should be presented here, together with the need for carrying out the proposed work, the issue to be solved in the community by the implementation; whether that issue is of priority for the community compared to the other issues, and what percentage of community population or which groups of the community will be affected, etc.

### 3. Working plan

It is necessary to present here those steps that must be taken for implementing the proposal. It is preferable to present the steps by sequence and describe each of them generally.

### 4. Required resources

It is necessary to mention here those resources that can be required for the implementation of the proposal. We mean both human resources and technical resources (e.g. software, equipment, etc.).

### 5. Required budget

It is necessary to mention here the approximate budget that, according to You, is required for implementing the proposal. If possible, separate articles of the budget can be mentioned.

### 6. Time period

It is necessary to mention here the approximate time frame for the budget performance.

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