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Report on the CDLR survey of the role of central/regional government in participatory budgeting at local level

Legal framework and current practice in member states

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Countries which replied to the questionnaire

Austria, Belgium (Region of Brussels Capital, Flemish Region and Walloon Region), Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Latvia, Lithuania, Luxemburg, Malta, Monaco, Norway, Poland, Portugal, Slovenia, Spain, Switzerland, Turkey and United Kingdom.

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INTRODUCTION

The issue of *"Addressing the low level of democratic participation in public life at local and regional level"* was identified by the European Ministers responsible for Local and Regional Government as the second most important challenge in the area of local and regional democracy. To meet this challenge, the CDLR included several activities (and envisaged outputs) in the Programme of Activities (2010-2013), among which the holding of a Workshop on Participatory Budgeting and the preparation of a Report on the CDLR Survey on the Role of Central/Regional Government in Participatory Budgeting at Local Level.

The workshop was held on 10 May 2011 in Strasbourg with the participation of the Committee of Experts on Good Democratic Governance at Local and Regional Level, the Committee of Experts on Local and Regional Finance and Public Services, representatives from local government associations from member States and representatives from the Congress of Local and Regional Authorities. The presentations and conclusions from the workshop are included in this report.

The purpose of the report is to give an overview of and insight into the policies of governments of member states to strengthen participation in public life at local level. The local level is the level of governance nearest to the citizen. It is at the local level that citizens come into the closest and most direct contact with administrative structures and services. Not only do local politicians deal with the immediate needs of citizens, they are also more accessible to them than regional or national politicians.

Participation of citizens in the process of preparation and adoption of local/regional budgets is a part of "direct participation", a term that is used in the Report "Low democratic participation at local and regional level by certain groups in society and taking stock of member states'

policies”¹. Direct participation of citizens covers all action by citizens or categories of citizens – except voting and standing as candidates in elections - which involves them in the making of local policies, the implementation of these policies, the provision of local services and the evaluation of them.

For the purposes of this report, participatory budgeting is defined as a modern form of involvement of non-elected citizens in the discussion of municipal budgets and/or allocation of municipal funding in a direct, permanent and independent way where :

- the financial and/or budgetary dimension is discussed;
- the city level or a (decentralised) district with an elected body and some power of administration is involved;
- the process is repeated;
- the process includes forms of public deliberation (specific meetings or forums);
- some final decisions by the deliberative organs (municipal councils) are expected.

¹ Draft report on developments on citizen participation in member states, covering also the integration of foreigners in local life, CDLR (2009)36, page 6

Participatory budgeting is also a part of general changes in local budgeting all over Europe, including new local cost accounting systems (performance budgeting, product budgeting), readable and transparent budgeting, gender budgeting, intergenerational budgeting, sustainable budgeting and spatial budgeting.

The issue of participatory budgeting addresses several challenges identified as priorities in the Utrecht Declaration. Those challenges are:

1. Managing the impact of the current financial/economic crisis.
2. Addressing the low level of democratic participation in public life at local and regional level.
3. Reducing the complexity and cost of the current system of local and regional government and enhancing its efficiency.
4. Enhancing the capacity for and quality of governance in local and regional communities or authorities.
5. Improving access to public services delivered at local and regional level.

1. Instruments with regard to citizen participation

The following instruments and reports adopted by the Council of Europe with regard to citizen participation are of importance for this report:

a. Convention / Additional Protocol

Additional Protocol to the European Charter of Local Self-Government (CETS 207) of 17 November 2009 on the right to participate in the affairs of a local authority,

b. Recommendations

Recommendation (2001) 19 of the Committee of Ministers to member

States of 6 December 2001 on the Participation of citizens in local public life

Recommendation Rec(2009)2 of the Committee of Ministers to member States of 11 March 2009 on the evaluation, auditing and monitoring of participation and participation policies at local and regional level.

2. Results of the questionnaire

The questionnaire was drawn up and sent to the member States. Twenty seven replies from twenty five countries were received. The countries which responded to the questionnaire were: Austria, Belgium (Region of Brussels Capital, Flemish Region and Walloon Region), Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Latvia, Lithuania, Luxemburg, Malta, Monaco, Norway, Poland, Portugal, Slovenia, Spain, Switzerland, Turkey and United Kingdom.

The questionnaire was structured into four parts. Firstly, the countries were asked to describe their legislation or regulation regarding participatory budgeting – those that have none had to indicate if there are any steps or measures expected to be introduced in their national the legislation. The second part of the questionnaire focused on existing practice of participatory budgeting at local level in member States. Finally, countries were asked to assess the participatory budgeting in general and draw up further steps for the governments in this field.

The experiences presented at the workshop from Sweden, Ukraine, as well as by the Network of Associations of Local Authorities of South-East Europe (NALAS) and the Swedish Association of Local Authorities and Regions (SALAR) are also included in this report.

I. NATIONAL AND REGIONAL LEGISLATION/REGULATION ON PARTICIPATORY BUDGETING

1. Specific legislation or regulation

Nine of twenty-four respondent countries² have adopted regulations at the national or/and regional level and/or at the secondary level: Belgium (Region of Brussels Capital)³, Bulgaria, Denmark, Georgia, Greece, Finland, Malta, Poland, Slovenia and Ukraine.

All of these countries have primary legislation/regulation on participatory budgeting at local level. Bulgaria has two main laws: the Local self-government and local administration Act and the Law for municipal budgets. They stipulate that the draft municipal budget is to be made on the basis of proposals from the local community resulting from consultations, meetings and public discussions. The mayor of the municipality has to present the draft municipal budget for public discussion. In Georgia, in addition to the Law on local self-government, both the Budgetary Code and the General Administrative Code deal with participatory budgeting. In Finland the essential general law defining Local Government is the Local Government Act, which deals with citizens' participation. This law is very flexible and enables the municipality to use participatory budgeting as a tool. Similar provisions are included in primary legislation on local self-government (such as: municipalities, towns, voivodships, villages, districts and parishes) in Denmark, Georgia, Greece, Malta, Poland and Slovenia. In Ukraine, the legal framework enables citizens to receive information regarding the budgeting process

² Austria, Belgium (Region of Brussels Capital, Flemish Region and Walloon Region), Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Latvia, Lithuania, Luxemburg, Malta, Monaco, Norway, Poland, Portugal, Slovenia, Spain, Switzerland, Turkey, Ukraine and United Kingdom.

³ For this paragraph and those that follow, each of the three regions of Belgium is counted as a separate country for greater precision.

at local level, but real citizens' participation is still an ad hoc activity and is not institutionalised.

In most of the respondent countries the procedure for adoption of the municipal budget is part of the Law on Public Finance. This law sets up the general framework for the budgeting process and offers guidance for specific procedures that need to be incorporated in the municipalities' statutes and rules of procedures of municipal councils.

Secondary regulation in member States incorporates various acts concerning the budgeting cycle, such as rules and procedures for budget preparation, adoption and execution. In some of the respondent countries municipal statutes stipulate procedures for citizen engagement in the budgeting process, such as rules for public information and public consultation in all phases of the budget cycle.

In Slovenia, for example, the municipal statute and the rules of procedure of the municipal council have chapters with very detailed and specific articles about the procedure for participatory budgeting. Also the Slovenian Act on Access to Information of Public Character obliges each municipality to have an official website on which all drafts of municipal legislation have to be published in order to allow citizens to make their comments within a time limit set by the municipality.

2. The content of legislation on participatory budgeting

In some member States legislation or regulation on participatory budgeting stipulates clear responsibilities for local/regional authorities to use the participatory mechanisms in the budgeting process, making it compulsory, while in other countries the legal framework is more general and does not stipulate compulsory use of this tool.

For example, in Bulgaria, Greece and Slovenia, the legislation requires local authorities to use participatory decision making in the budgeting process, thus obliging local authorities to implement participatory budgeting practices.

In other countries, such as Malta, central government has set up a policy framework to encourage community involvement in the budgeting process at local level, but local authorities are free to decide whether to introduce participatory budgeting in practice. For example, central government recently published a policy guidance document aimed to increase the accountability of the local councils. The document provides the basis for increased co-operation among councillors in the decision making process in order to obtain greater sustainability of the expected outcomes. The policy document also makes a clear division of responsibilities between central and local government. Subsidiarity, solidarity and sustainability are outlined as the three main principles that should be respected in implementing practices at local and central level.

In Finland, local authorities are free to decide whether to introduce participatory budgeting. The section of the Local Government Act on opportunities for participating and exerting influence is very flexible, allowing the municipality to choose from 7 very general possibilities which enable participatory budgeting to be used without naming it directly. More specifically, possibilities 3-6 contain elements of participatory budgeting principles which can be developed further by the municipality if this is thought necessary. In this instance, a local council decision is required, as the council has a key role in ensuring residents and service users have opportunities to participate and influence municipal operations.

In Poland national legislation requires local authorities to use participatory decision making in the budgeting process. However, participatory budgeting is not regularly used in practice. This tool is

stipulated in the Act on village administration budgets. According to this Act, a village assembly or group of inhabitants from 15 villages can put forward a proposal to the village administration. The proposal should describe a project including the estimated costs and justification. The village administration shall submit the project proposal to the mayor, who forwards it to the gmina's council. The council must then decide to approve the project proposal or to reject it if it finds that the project is not in compliance with the law, or if the costs exceed the budget of the village.

II. ACTIVITIES IN THE PARTICIPATORY BUDGETING PROCESS

1. Specific steps and tools in the participatory budgeting process

The respondent countries were asked to point out which tool is used most often in different phases of the budget cycle, and to describe the practice.

a) Distribution of the text of the budget to the public (districts and neighbourhoods, citizens' assemblies, political parties on regional/local level, public institutions and public companies, NGOs, etc.) is a tool that is not used very often in practice. In Austria, for instance, this tool is used partly and only on request from certain stakeholders. As some respondent countries indicated, it is a tool that may require significant financial resources and that is the reason for its limited use in practice. In Germany, it is up to the municipalities to decide if they will use it or not. In Turkey, there is no legal requirement for municipalities to disseminate the text of the budget, but there is a great encouragement from central authorities for budget transparency at local level.

b) Publishing the draft budget on the website of the local/regional authority is the tool used most often. Local authorities in most of the respondent countries (Austria, Bulgaria, Croatia, Denmark, Estonia, Finland, Georgia, Germany, Poland, Portugal, Slovenia and Turkey) use this method regularly. Modern communication technology allows all interested parties to comment and to participate in the preparation and adoption of the budget at the local/regional level. Some countries developed internet based platforms which enable effective consultation with citizens or other stakeholders, on a number of issues including participatory budgeting. Furthermore, the budget on the web is presented in a more simplified way, making it comprehensible to the wider public.

c) There are also countries (Bulgaria, Georgia, Germany, Finland, France, Poland, Slovenia, Portugal and Turkey) that indicated that their local authorities prepare and organise **public hearings, round tables, panels, opinion polls etc.**

In Bulgaria, for example, public consultation on the draft budget includes five panels: the first panel discusses the budget framework, the second round discusses capital expenditures, and the other three panels discuss operational expenditure on educational and youth activities; healthcare and social and cultural activities. Each panel discussion is recorded and all recordings are submitted to the municipal council, together with the mayor's proposal on the draft budget and suggestions received from other citizens throughout the year.

In Finland, traditional means of information are also used: local newspapers, an information desk in the Town Hall etc.

In France, every local authority implements these participation tools, but municipalities have adopted their own modes of citizens' consultation. Some local authorities organise meetings of neighbourhoods, other

organise consultations on internet during the budget preparation, etc.

In Georgia, public dissemination of the draft budget is a practice which is stipulated by the municipal statutes, and public consultation is compulsory. Furthermore, the Georgian Law on Local Self-Government stipulates that local authorities are obliged to publish the procedures and deadlines for discussing the budget drafts, as well as agendas, dates and venues of the council sessions. Citizens have the right to participate in the council sessions and meetings of council commissions in compliance with the rules set forth by local statutes. According to the same law, the trustees appointed by the local executives in the settlements and communities have the right to organise public discussions on the draft budget, to prepare a summary of the discussion and to submit the comments and proposals to the head of administration.

d) Allowing all interested parties to make comments within the time limit set by the local authority is a tool that is used in some countries, furthermore the timeframe is defined by the law. Respondent countries like Bulgaria, Czech Republic, Finland, Greece, Poland, Portugal, and Slovenia pointed out that the timeframe for comments on proposed draft budgets is regulated by the law and/or municipal statutes (such as at least 10 to 14 days). Local authorities are obliged to publish the procedures and deadlines for comments on the proposed draft budget, as well as to publicly announce agendas, dates and venues of importance to the municipal budgets.

e) Other activities mentioned in the replies include **online-surveys** (Germany), district/neighbourhood meetings (France, Slovenia), promoting good practices and advice (United Kingdom), parent boards and school boards (Denmark).

In Norway, for instance, before the proposed draft budget is submitted to the City Council for its consideration, local authorities are required to

make the proposed draft budget available to the public (at least fourteen days in advance) in order to allow citizens to express their comments and suggestions.

As pointed out in the presentation of the Network of Associations of Local Authorities of South-East Europe (NALAS), effective implementation of participatory budgeting means to do more than what is prescribed by the law. The failure to apply participatory budgeting is the failure of local leaders, city administration and citizen activism. Participatory budgeting leads to mobilisation of additional community resources to build public good. Results from the NALAS' survey on participatory budgeting in five member associations showed that activities related to participatory budgeting are still at the initial stage and include training of local administration, developing manuals, guides, or publishing articles in associations' bulletin.

2. Local authority obligations after receiving citizens' comments

The previous chapter demonstrated the use of different tools and practices in the member States aimed at obtaining citizens' comments on draft budget proposals at the local/regional level. The next step in the budget cycle is the responsibility of a local authority to take into account all comments received by citizens, and to decide whether they will take them forward in the budgeting process. Respondent countries presented different options for local governments' competences with regard to citizens' comments on draft budget proposals.

a) From the replies from the member States it can be concluded that there is no obligation for the local authorities to consider citizens' comments and to incorporate them in the revised text of the draft budget.

b) In some countries (Croatia, Poland, Slovenia), local authorities are required to provide an explanation to the citizens why their comments were not incorporated in the revised text of the draft budget.

c) Most countries, (Austria, Bulgaria, Croatia, Czech Republic, Finland, Georgia, Greece, Luxembourg, Monaco, Norway, Portugal, Slovenia and Spain) reported that it is up to the local authorities whether citizens' comments will be incorporated in the revised text of the draft budget.

An interesting answer was given by Denmark: "It is natural that local councillors listen to the comments and proposals from citizens. But there is no legal obligation to proceed further with citizens' comments and proposals, However, many local politicians, are very interested in having fruitful dialogue with citizens, as it increases the possibility of being re-elected".

On the contrary, from the reply from Turkey it can be concluded that most of the mayors and councillors are not willing to share their power with citizens in the decision making process concerning the local budgets. They consider that consultative and participative budget procedures prolong the decision making process. But they do point out that citizen participation at the local level has increased over the last years, and that there is still a lot to be done to achieve further progress in citizens' involvement in budgeting at the local level.

III. ASSESSMENT OF PARTICIPATORY BUDGETING

1. The general assessment by governments of the participatory budgeting

Most of the respondent countries considered participatory budgeting at local and regional level as an important new tool for citizen participation. It is also regarded as an effective instrument for stimulating citizens' involvement in the activities of local/regional authorities.

From the replies to the questionnaire it can be concluded that countries have great interest in implementing techniques of participatory budgeting at local/regional level, even "without knowing if local authorities have the resources to use this instrument" (Region of Brussels Capital). In Belgium (Walloon Region), participatory budgeting is one of the government objectives in the chapter on "citizens' participation".

Finland is currently reviewing its Local Government Act. Practical solutions and tools currently used to enhance citizen participation vary greatly between municipalities. In many cases, it would be helpful if municipalities shared best practices for some of the tools which are not very commonly used. Participatory budgeting is such a tool. In its complete form, participatory budgeting is not common in Finnish municipalities, but there could be a potential for using it in some municipalities in this form. The best place for discussing this would be in the phase when the proposals for the new Local Government Act are opened to public discussion. This would be most likely to happen in 2012.

In Germany, Greece and Portugal, central governments support participatory budgeting at local level and encourage implementation of new and modern tools. They consider participatory budgeting as a

mechanism which encourages transparent and more efficient resource allocation tailored to the specific needs of local communities.

In Spain, application of the subsidiarity principle, promotion of legal standards for citizen participation and establishing procedures for bringing services closer to the citizens are important issues that will be incorporated in the new Law on Local Government..

In the United Kingdom, participatory budgeting is seen as a useful tool for helping local authorities to establish dialogue with local community. It is also considered as a tool which offers citizens the opportunity for bigger influence in the public decision making at the local level. Participatory budgeting contributes in tailoring delivery of local services to meet closer local needs and enables citizens to have increased sense of ownership in their own community. Participatory budgeting at local/regional level allows wider understanding of scarce budget resources and enables proper prioritization of budget allocations.

Norway mentioned that participatory budgeting is part of the government's political platform, and is seen as an instrument for increasing citizens' participation in local politics.

In Ukraine, implementation of participatory budgeting is considered as an issue of national importance. In autumn 2008, Ministry of Finance, in collaboration with the local governments, launched a pilot project called "Performance Program Budgeting Method" in four selected regions. The city of Kyiv joined the project in 2010. A new version of the Budget Code of Ukraine contained a number of standard provisions needed to enable participatory budgeting at the local level. Initial assessment of the pilot project indicated that positive results had been achieved in all budgets from the pilot regions. Therefore, central government aims at creating an improved legal framework to increase citizens participation in the process of allocation of public funds. Furthermore, the role of local and regional

government is of great importance in this context. Only transparent local government which is open for dialogue with its citizens can create an environment which will lead to real participation of citizens in making budget decisions.

2. When asked **how governments classify the challenge of participatory budgeting**, the respondent member States provided the following answers:

Bulgaria, Georgia and Turkey considered it as **a high priority**.

In Belgium Walloon Region, Denmark, Greece, Latvia, Poland, Slovenia, Spain and United Kingdom it is considered **a fairly high priority**.

In Austria, Belgium Flemish Region, Czech Republic, Estonia, Finland, France, Lithuania, Luxemburg, Monaco and Portugal the challenge of participatory budgeting is **a low priority**.

IV. MEASURES UNDERTAKEN TO IMPROVE PARTICIPATION IN BUDGETING PROCESSES

“Which measures to improve participation are used as further steps” was the last question to be answered in the survey.

1. Improving existing legal standards for promoting participatory budgeting

Some countries responded that the government does not anticipate improving the existing legal standards for promoting participatory budgeting.

2. Specific actions envisaged and specific actions that are underway

Under this question, respondent countries reported specific ongoing activities concerning participatory budgeting at the local/regional level. Some activities referred to the improvement of existing legislation, while other activities contained practical steps that need to be implemented at the local level. Reported activities by the respondent countries include:

- Increasing citizens' awareness and building trust between citizens and local/regional authorities;
- Implementing pilot projects on participatory budgeting at local/regional level in selected municipalities;
- Monitoring the experimental stage when introducing participatory budgeting;
- Encouraging public involvement of local stakeholders in the creation of local/regional policy;
- Adopting strategies and policies to support citizens' involvement in the creation of local/regional public policy;
- Creating an external environment for citizens' participation
- Improving municipal rules and procedures, for example by introducing a mandatory public consultation process prior to the consideration and adoption of the local budget by the city council.

3. According to the Network of Associations of Local Authorities of South-East Europe (NALAS), aspects which need special attention regarding the procedure and execution of participatory budgeting are:

- Multi-ethnic dimension in a local community;
- Social inclusion of socially excluded citizens;
- Involving displaced persons (in informal settlements);

- Involving unemployed citizens, and
- Paying attention at the gender issue.

V. COUNTRIES WITHOUT NATIONAL LEGISLATION AND WITHOUT REGIONAL/LOCAL REGULATION ON PARTICIPATORY BUDGETING

Eighteen countries⁴ replied that they have no national and regional legislation/regulation on participatory budgeting.

When asked whether there were any steps and measures being taken at the national or regional level to introduce legislation on participatory budgeting, the answers were as follows:

a) The initiative is underway

The initiative to make a legal basis of participation of citizens in creating and adopting local/regional budgets is under way in several countries.

There is a variety of participatory budgeting schemes in local authorities in England including various local authority services, community policing resources, children's services, tenant management organisations' budgets and community health. The UK Government also funds the Participatory Budgeting Unit, a project of the registered charity "Church Action on Poverty" which promotes, supports and develops Participatory Budgeting across England.

In Belgium (Walloon Region), since 2003, some cities and villages have

⁴ Austria, Belgium (Flemish Region and Walloon Region), Croatia, Czech Republic, Estonia, France, Germany, Latvia, Lithuania, Luxemburg, Monaco, Norway, Portugal, Spain, Switzerland, Turkey and United Kingdom.

taken initiatives and tested the experience of citizens' participation. The city of Liege (200.000 inhabitants) in particular was committed to implement participatory budgeting on the basis of Agenda 21 local. After five years of experiments and consultations with citizens, local authorities developed "sustainable participatory budgeting" in eight priority neighbourhoods, which is almost half of the city. A motivated team headed by a project manager implemented a series of activities according to the methodology tailored to each neighbourhood. A time frame and calendar was developed to analyse, select and choose projects that will be implemented. Local authorities allocated specific annual budget for each quarter to allow implementation of projects. During the LR-GG Workshop, the coordinator of the city of Liege emphasized the following preconditions for successful participatory budgeting:

- strict government
- support from local authorities
- costs (of organisation)

All data from the pilot projects were collected and analysed by the local and regional administration. As a result of the projects, the Walloon Government included the implementation of citizens' participation, in particular the implementation of participatory budgeting, in its programme for 2009/2014.

In Germany an example of a Network on Participatory Budgeting was set up in the federal state of "Thuringia".

The initiative of introducing participatory budgeting at local level is also underway in Latvia.

b) The initiative was attempted but was not successful

Turkey reported that the initiative to introduce participatory budgeting at local level was piloted in the country but the results were not as expected. Authorities launched a few projects to disseminate the concept of participatory budgeting among local governments, but it is still early to conclude that local authorities practiced participatory budgeting in their municipalities.

c) Participatory budgeting is not considered important or necessary

Only Estonia considered participatory budgeting at local/regional level as not an important instrument .

d) It is not within the competence of the central government

In Croatia, France, Lithuania, Portugal and Spain participatory budgeting at local/regional level is not a competence of central government.

e) Local and regional authorities are dealing with this issue directly

In Croatia and the Czech Republic, local and regional authorities are dealing with participatory budgeting directly.

f) It has not been considered (yet)

Austria, Belgium Flemish Region, Luxembourg, Monaco and Norway replied that introducing participatory budgeting has not been considered yet.

g) Other

In the United Kingdom no specific legislation is planned. However, building the “Big Society” is a key objective of the UK Government. The “Big Society” is defined as a “guiding philosophy – a society in which the leading force for progress is social responsibility, not social control”. The “Big Society” implies a fundamental change in the relationship between the state and citizens. This means it ought to affect all areas of policy, and the way all public bodies work. The Government is implementing this through decentralisation of power and resources, transparency about decisions and spending and new social finance – redistributing money and assets.

In Portugal, participatory budgeting is taking its first steps, aimed at deepening the citizens’ participation at local level. Up to 2008, 17 participatory budgeting initiatives were developed in municipalities, including the Portuguese capital, Lisbon (also 4 parishes (infra-municipal level) have adopted similar initiatives).

In Spain the regulation of participatory budgeting, as a tool for citizens’ participation in local government, is not a competence of the central government. However, there are state implications. National legislation on citizens’ participation in local government establishes the general duty for all municipalities to establish and regulate, through organic rules, the proper procedures and bodies in order to achieve the effective participation of local citizens in public local issues. That duty applies to all municipalities, but it also applies to districts, which are territorial divisions of such municipalities in which the provision of public services is decentralised in order to bring them closer to the citizen. In addition, the Executive Commission of the Spanish Federation of Municipalities and Provinces, the very important association of local authorities at national level, adopted in 2011 a “Guide to Participatory Budgets” addressed to municipalities. The Guide proposes a series of actions that, as a proposal,

seeks to facilitate the implementation of participatory budgets in those municipalities that have not developed this tool yet but have the political will to do so.

In Germany, participatory budgeting is still in the experimental phase and its implementation depends partly on the community's specifics, tradition and financial resources. Nevertheless, participatory budgeting is considered as an instrument which enables consolidation of local resources and prioritisation of community needs. Budgets adopted through participative consultation provide more sustainable results since the process enables increased co-operation of all stakeholders, in particular co-operation among citizens, local councillors and local administration.

An interesting process called "budgetsimulator" is taking place in Sweden. Since 2007, the Swedish Association of Local Authorities and Regions (SALAR) has been providing support to its members in implementing new forms of citizens' engagement and establishing successful dialogue with citizens in the governance process, with specific focus on participatory budgeting at local level. In 2008 SALAR created a participatory budgeting IT network and invited local authorities, county councils and regions to participate in the project. Four municipalities (Örebro, Haninge, Uddevalla, and Avesta) participated in the pilot project. Citizens from those municipalities were able to submit proposals for budget allocations using the participatory budgeting IT tool. More information on this initiative can be found at www.skl.se/medborgardialog.

VI. CONCLUSIONS

The results from the CDLR Survey on Role of Central/Regional Government in Participatory Budgeting at Local Level show that citizens' participation in the preparation and adoption of the budget has become an important issue to be dealt with by central and local authorities.

The Rapporteurs received twenty six replies from twenty four member States, and according to the Rapporteurs, the data from the questionnaire replies provides a solid basis to summarise findings and develop conclusions. However, the Rapporteurs also faced some difficulties in trying to interpret a number of answers, and in certain cases responses were not sufficiently precise.

The conclusions are divided into two parts:

- I. Activities in the participatory budgeting process and assessment of participatory budgeting in countries that have national and regional legislation/regulation on participatory budgeting.

Only eight out of twenty four member States have a national/regional legal framework for implementing participatory budgeting at local level. The survey shows that all of these countries undertake continuous actions in implementing the legislation regarding participatory budgeting. Although national legislation only requires from local authorities to use participatory budgeting as an instrument in the decision making process, the report shows that local authorities act proactively in finding new and innovative options to implement this task. Local authorities are aware of the importance of citizens' engagement and consider participatory budgeting not only as an obligatory form, but rather as a new form of democratic engagement.

Two general conclusions could be drawn regarding this issue:

Firstly, the report shows that there are different possibilities for using the participatory budgeting at local level and local authorities implement different forms of procedures of participatory budgeting. Citizens actively participate in the process, but in most cases there is no legal obligation to incorporate their comments in the revised draft budget. Furthermore, in only a few countries there is an obligation for local authorities to provide an explanation why citizens' comments have not been incorporated in the revised text of the budget.

Secondly, the general conclusion is that the issue of participatory budgeting at local level has fairly high importance in member States. When asked to assess the importance of participatory budgeting, two thirds of those who responded gave it fairly high priority.

II. Initiatives in countries that have no national and regional legislation/regulation on participatory budgeting.

In countries that have no national and regional legislation on participatory budgeting, local authorities have implemented participatory budgeting independently, on their own initiative. Different practices were launched and implemented in different countries, and some experiences showed positive results, while in some cases, initiatives did not give the expected results.

The report shows important differences between member States in introducing participatory budgeting. Regardless of the fact that participatory budgeting is not a part of national legislation, local authorities in some countries understand the importance of different approaches of participation in a democratic society and put them into practice, while in other countries local authorities do not give the issue adequate importance. It can be concluded that in some municipalities the

administration and politicians wish to obtain the opinion of their citizens and to take them into account. In other countries, however, there is a lot of effort to be made to raise the awareness of the importance of citizen involvement in the budgeting process.

Finally, the rapporteurs would like to point out that the report shows the important role of different associations of municipalities and towns in co-operating with local authorities, raising their awareness and sharing experiences in the field of participatory budgeting.