Participatory Budgeting: A Case of Delhi

Participation is central to democracy and increasingly, citizens' participation in public policy is viewed as a means to make governance more transparent and accountable. Over the past 25 years, participatory institutions have proliferated in over 40 countries spread across all regions and have gained widespread support. People's budgets and participatory budgeting have raised expectations that greater participation by ordinary citizens, NGOs, and other civil society organisations in expenditure and revenue mobilisation can lead to better social and economic outcomes for all, particularly the marginalised sections of population.

Participatory budgeting refers to the active involvement of people in the processes of budget priority setting and management. According to this approach, citizens and civil society along with the relevant organs of the Government and legislature, deliberate and negotiate over the distribution of public resources. In contrast to the techno-bureaucratic administration which is limited in its ability to achieve equitable development, participatory budgeting has the potential to maximize equity in policy choices and effect better policy outcomes.

Participatory budgeting began as a local initiative, as a result of grassroots activism and its experience shows how ordinary citizens have used their collective-power to negotiate for shifts in budgetary priorities. Others, however, are mandated by national governments; that is, they are “top-down” in nature. Top-down participatory projects have taken place in countries such as Peru, Uganda, Bolivia and the Philippines.

While there are differences in how participatory budgeting programs function in different regions, countries and municipalities, some key values that are essential for effective participatory budgeting can be drawn. These include - (i) transparency in government budgets and processes (ii) accessibility and direct participation of all stakeholders (iii) capacity building to empower local citizens to engage in priority setting processes (iv) substantive space for deliberation (v) local ownership and shared responsibility, inducing a common purpose and a commitment from all key stakeholders.

Participatory budgeting is increasingly seen an effective means to secure good governance through needs based planning and more equitable public spending. It is part of the larger agenda to democratise formulation of public policies including fiscal policy. It empowers communities, involves common people in democratic processes and improves public provisioning of services.

There is a global commitment towards including people's participation in governance. The
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Sustainable Development Goals (SDGs) advocate for the same. Specifically, SDG 11.3 states, “By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.” SDG 16.7 spells out the call to action, “Ensure responsive, inclusive, participatory and representative decision-making at all levels.” As Participatory Budgeting is progressively being recognised as a powerful mechanism to strengthen citizens’ voices in decentralised systems, it certainly is a tool that can be used to accomplish these global goals.

In India, the most prominent participatory practices have been implemented in Kerala and Pune. In recent years, the Government of Delhi has also initiated some processes towards adopting participatory budgeting. This brief attempts to study and map the Delhi experience of implementing participatory practices in the domain of government budgets.

Case of Participatory Budgeting in Delhi

Background

The Manifesto of the Aam Aadmi Party (AAP), for the Assembly Elections in Delhi, 2014, promised to legislate a 'Swaraj Bill', if they came to power. The draft Swaraj Bill proposes to decentralise power to Gram Sabhas and Mohalla Sabhas (neighbourhood units). It promises to empower citizens by promoting the concept of Swaraj (self-rule), democratising local governance - where decisions affecting the local community will be taken by citizens themselves, thereby, also curtailing administrative corruption, to some extent.

Subsequent to AAP forming the Government in Delhi in early 2015 with a huge mandate, it undertook an ambitious step towards introducing Participatory Budgeting in Delhi. It intended to infuse a strong element of citizens' participation in planning and budgeting, as opposed to the otherwise traditional and closed form of budget making process which is largely formulated, enacted, implemented and monitored by policymakers and Government functionaries.

The Delhi Government’s flagship programme - Participatory Budgeting essentially built on the 74th Constitutional Amendment and the model 'Nagar Raj Bill' (town governance bill), introduced in 2006 under the flagship programme 'Jawaharlal Nehru National Urban Renewable Mission' (JNNURM). By initiating Participatory Budgeting, the Delhi Government certainly deepened and widened the scope of the Nagar Raj Bill. It also drew inspiration from the Porto Alegre Model of Participatory Budgeting and paved the way for direct citizens' participation in governance processes.

The Deputy Chief Minister in the 2015-16 Budget Speech stated, “If democracy is to be instituted in its pure form, then funds, functions and functionaries of the government need to be monitored by and accountable to the citizens... We regard the citizens of Delhi as the principal stakeholder in the governance system... while all the funds of the Delhi Government belong to the people, Swaraj fund is a new initiative in the history of budgetary process of India... Each of the 70 Assembly Constituencies will be assigned a fixed amount in the coming years under Swaraj Fund”.

The process of participatory budgeting was initiated on a pilot basis in 2015 in 11 Assembly Constituencies. Building-on the success of these pilot projects, the Delhi Cabinet in 2016 announced the plan to further decentralise governance by constituting 2972 Mohalla Sabhas across all 70 Assembly Constituencies of Delhi. Local residents were delegated the power to take decisions under the Citizen Local Area Development (C-LAD) fund for developmental works in their localities. However, the process of Participatory Budgeting was stalled thereafter, as necessary approval for the same was not obtained from the Office of the Lieutenant Governor of Delhi.

**Governance Structure of Delhi**

Delhi has a complex governance structure with a number of agencies under the Union, State and Local Governments performing a number of overlapping functions. As Delhi is a quasi-state, besides the Government of National Capital Territory of Delhi (GNCTD), the Union Government (which has jurisdiction on law, police and public order) and Municipal Corporations also play an important role in Delhi’s governance. Functions like repair of roads, street lighting, maintenance of various types of assets (like parks, buildings, toilets etc.) fall under the jurisdiction of these various agencies. The Deputy Chief Minister in the Budget Speech, 2015 stated, “There has been utter confusion with regards to appropriate agency for maintenance, construction and implementation of capital works projects in Delhi. There are a number of agencies for public works like improvement of roads, renovation of drains, renovation of parks or street lights, but in reality none of the agencies take ownership of these public works. Departments like the Irrigation & Flood Control Department, which are responsible for major works like flood control and irrigation, have been assigned the work of construction of small street drains in unauthorised colonies. Whereas the same work in unauthorised colonies have also been assigned to Municipal Corporations, PWD and DSIIDC. This status of affairs creates confusion not only for the citizens but even for the MLAs in identifying the right agency for assigning public work. This situation leads to mismanagement and corruption.” In the context of Participatory Budgeting, the complexity of Delhi’s governance structure poses a challenge as identifying the concerned agency and working in coordination with agencies across the other two tiers is a governance challenge. This complexity is further compounded by the fact that the three tiers of governance are under two political parties with differing ideologies and have been long embroiled in a political tussle, which hinders the effective functioning of these agencies.
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In order to simplify the administrative complexity, the Government of National Capital Territory of Delhi (GNCTD) in 2015, created a District Urban Development Agency (DUDA) in each Revenue District of Delhi for execution of developmental work projects as well as maintenance of public assets. This agency executes the works recommended and voted by citizens under the Citizen’s Local Area Development Scheme (C-LAD) and works recommended by MLAs under MLA Fund. Therefore, the process of Participatory Budgeting in GNCTD is coordinated by DUDA in each of the 11 Revenue Districts of Delhi. The 11 Revenue Districts are divided into 70 Assembly Constituencies, which were further divided into Mohalla Sabhas (administrative units) through which the process of Participatory Budgeting was meant to get operationalised.

For better administrative control and supervision, it was proposed that DUDA in each district will be headed by the District Magistrate, who will be assisted by a team of engineers. However, DUDA faced severe human resource shortages and other operational challenges as each district has approximately 300-350 Mohalla Sabhas under its jurisdiction. Its execution rate was less than 40% (at the end of 2015). To address this bottleneck, the Delhi Government plans to set up a State level body in order to act as a nodal agency to plan, coordinate and monitor different agencies/institutions and ensure the smooth functioning of all the 11 DUDAs.
In 2016, 2972 Mohallas were demarcated using images and information from the Delhi Government’s geospatial database and Google maps. In addition, a Project Management Unit (PMU) to co-ordinate the project was proposed. The Delhi Cabinet has approved these 2972 Mohalla Sabhas and PMUs, however it awaits approval from the Office of the Lieutenant Governor. At present, there is no update on the status of approval and notification of the same in public domain¹.

Quantum of Resources Allocated for Participatory Budgeting

Resources for Participatory Budgeting are provided by GNCTD under the Swaraj Fund allocated through a Citizen Local Area Development (C-LAD) Fund, which will be given to every Mohalla. While the funds for the execution of demands emerging from the Mohalla Sabhas are drawn from the Swaraj Fund via C-LAD, their implementation is carried out by the nodal agency at the appropriate tier of governance i.e, the Union, GNCTD or Municipal Corporations.

In 2015-16, a budgetary provision of Rs. 253 crore was allocated under the Swaraj Fund. In the first year, the process of Participatory Budgeting was rolled-out in 11 Assembly Constituencies of Delhi. To meet these requirements, an allocation of Rs. 20 crore was proposed for each of the 11 Assembly Constituencies under the Swaraj Fund. For the remaining 59 Assembly Constituencies, an amount of Rs. 50 lakh each was proposed. It was decided that the upper limit for any project undertaken within the Mohalla would be Rs. 5 lakhs. If needed, further funds for the same would be disbursed if 80 percent of the initial fund has been utilised.

In 2016-17, the exercise was extended to all constituencies of Delhi. The budgetary allocation under C-LAD was Rs. 350 crore, it was to fund priorities decided by the Mohalla Sabhas and related establishment costs. For each Mohalla, the allocation set aside was to the tune of Rs. 10 lakh per Mohalla.

As a proportion of the total expenditure by Government of National Capital Territory of Delhi, the allocations for Participatory Budgeting constituted a mere 0.62 percent and 0.75 percent in 2015-16 (BE) and 2016-17 (BE) respectively. However, it must be noted that the allocations for the process were expected to witness a gradual increase in each successive year.

The process has also been constrained by low levels of fund utilisation. Even in Mohallas, where significant progress was achieved, not more than 50 percent of the allocated funds were utilised. Therefore, the bottlenecks in fund utilisation need to be addressed effectively.

From the voting process, in 2015-16, it emerged that projects were voted upon by Mohallas without examining their feasibility. Moreover, even the Mohallas, where substantial progress was made, fund utilisation was around 50 percent. Despite an expansion of coverage of Participatory Budgeting across all 70 Assembly Constituencies, there was a decline in allocations in Budget 2016-17. This might be due to the large unspent balances in the previous financial year 2015-16. The recently

announced Delhi Budget 2017-18 sees no allocations for Participatory Budgeting under the C-LAD Fund, this poses a question of whether this process would be continued in the coming years.

**Process²**

Each ward in Delhi was divided into 10-15 neighbourhood units or 'Mohallas'. Each Mohalla has approximately 3000-6000 citizens, who are registered voters across 4-5 polling booths. The general assembly of voters of a Mohalla are called a 'Mohalla Sabha'. About 40-50 Mohallas form one Constituency. Delhi has different kinds of areas like Jhuggi Jhopri clusters (Slums), unauthorised colonies, rural villages, urban villages, planned colonies and group housing societies. Due to differences in issues, priorities and challenges of citizens residing in societies/colonies and Jhuggi Jhopris (Slums)/unauthorised colonies, separate Mohalla meetings were conducted in Jhuggi Jhopris with a population of more than 1000-2000 citizens. Hence, the Mohallas have been demarcated in a way that they largely represent a homogeneous demographic profile.

One of the major limitations while implementing the process is that there has been a lack of clarity on the ‘List of Subjects’ for deliberation in the Mohalla Sabhas. Demands ranged from street lights, repair of roads, installation of CCTVs and iron gates in societies, building libraries, community centre/Barat Ghar, provision of parking spaces, public toilets, sewer problem to monkey menace and street dogs. A project is selected based on the number of votes it receives during a Mohalla Sabha. During the voting exercise a quorum of 50 voters needs to be maintained. Voting was carried out, however the documentation of this process was weak. As a result, there was ambiguity regarding the prioritisation of demands and where they were raised.

**'Negative list' of projects that Mohalla Sabhas cannot implement, includes the following:**

- Acquisition of land
- Construction/repair of residential buildings (except co-operative housing societies)
- Grants and loans
- Goods/works/services for benefit of an individual/commercial organization/private institution
- Religious activity
- Anything deemed illegal/disallowed by GNCTD or Mission Swaraj for expenditure through C-LAD scheme as per guidelines issued from time to time.

The capacity of 'lay citizens', to effectively prioritise demands and contribute meaningfully to discussions around budgets and its technicalities is questionable. A major challenge is that this exercise often results in “shopping lists” of demands from communities that do not take into account the scarce resources available. Therefore, the Government should make provisions to conduct orientation programmes at the start of every Mohalla meeting for participating citizens. This would facilitate better understanding of the 'List of Subjects' and other modalities that could result in sharper

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² The content in this section draws heavily from the discussions with representatives of GNCTD and are based on the notes shared in these meetings.
prioritisation of demands; invariably leading to improved outcomes of this participatory exercise.

In 2016, it was decided that Mohalla Sabhas would meet regularly (atleast once in two months) at a pre-decided date and venue. Mohalla Sabhas have been delegated the responsibility to assess local needs, prioritise local demands and coordinate with different government agencies, across the three tiers of governance (Union, GNCTD and Municipal Corporations) for the execution of developmental works. Additionally, they also have the power to identify beneficiaries for different social sector schemes such as old age pension, widow pension, ration cards under Public Distribution System (PDS) etc. Moreover, the local institutions which include schools, anganwadis, PDS shops, Mohalla Clinics, dispensaries etc. will be made accountable to the Mohalla Sabhas. There will be quarterly performance review of all such institutions at the Mohalla level. Mohalla Sabhas are also intended to be platforms for spreading awareness about various government schemes and programmes.

**Protocols for Implementation of Projects Approved by Mohalla Sabhas**

Projects approved by Mohalla Sabhas could be implemented through any of the following three modes:

1. Ward Office – Directly through Mohalla Coordinators (MC) and Ward Executive (WE)
2. DUDA – Through Project Engineer (PE) and Project Manager (PM) – both at Assembly level
3. Concerned Civic Agency/ Government Department – Through the civic agency in-charge of owning and maintaining the asset.

After the approval of any project, the MCs and WE jointly determined through which of the above mode the project should be implemented based on the technicality, preliminary cost estimates and status of 'No Objection Certificate' from the concerned civic agency.

**Human Resources for Operationalisation of Participatory Budgeting**

Each Mohalla is represented by community representatives called Mohalla Coordinators appointed by GNCTD. The Mohalla Coordinators are registered voters from the Mohalla to which they are appointed. Each Mohalla will have two Mohalla Coordinators, of which at least one is female.

The Mohalla Coordinators report to Cluster Officers. There is one Cluster Officer for every 10 Mohalla Offices. In total, there are about 300 Cluster Officers and they come under the authority of DUDA. At the Assembly level, there are 70 Project Managers, one for each Constituent Assembly. The process was largely carried out by Civil Defence Volunteers (who come under the District Magistrate) and Aam Aadmi Party volunteers who were paid on a daily basis.

Some of the Other Measures that were taken to Strengthen Participatory Budgeting in Delhi

**Mapping of Concerned Officials**

The governance structure of Delhi is complex with multiple agencies under the Union, State...
and Urban Local Governments carrying out various functions in the state, required to work in coordination with each other. The experience of Participatory Budgeting in Mohalla Sabhas in 2015, highlighted the need to carry out a process of identifying concerned officials in nodal departments in the three Municipal Corporations (North, East and South) for effective operationalisation of the Participatory Budgeting exercise. Accordingly, such an exercise was undertaken in 2016.

**Asset Mapping**

The various assets (such as drains, parks, roads, street lights etc.) in each Mohalla are under the jurisdiction of agencies across the three tiers of governments. Accordingly, an attempt to map the assets under the three municipal corporations and Delhi Development Authority (DDA) was undertaken by GNCTD for the purpose of effectively carrying out Participatory Budgeting in Delhi. While this exercise was completed for assets owned by DDA, the lack of information with the Municipal Corporations hindered this process. Instead of mapping of assets, a mapping of zones (within a constituency) was undertaken for North Delhi Municipal Corporation and to some extent for East Delhi Municipal Corporation. These zones were mapped using Geo-fencing (through Google Maps).

**Mobile App**

In 2016, the Government of Delhi signed a Memorandum of Understanding with Janaagraha (an NGO) to develop a web platform and related mobile applications for the Mohalla Management System. The App - My track, will be an android application. It will have details of each house and all the facilities in an area.

Given the scale of the exercise of participatory budgeting – 2972 Mohallas voting on several projects throughout the year, the App would track all the activities related to Mohalla Sabhas on a real-time basis. Logistical details and decisions taken by the Mohalla and every project sanctioned, along with its status will be available on the platform and visible to all, thus enhancing transparency and accountability³.

As the process of Participatory Budgeting is not operational at present, it is not clear as to what extent these measures have been implemented.

**Key Challenges and Action Points**

Any effort to re-introduce the process of Participatory Budgeting in Delhi must be encouraged. It must however be preceded by the development of a clear road map addressing some of the key issues highlighted below:

**Lack of a Clear Action Plan and Operational Guidelines on Participatory Budgeting**

A number of operational hurdles have hampered the effective implementation of Participatory Budgeting in Delhi. Delhi’s complex governance structure presents a number of challenges in implementing this exercise. Demarcation of Mohallas, identifying the concerned agency to implement the demands emerging from the exercise and working in coordination with it, is a governance challenge for GNCTD.

**Action Point: Develop a Clear Road Map for Operationalisation of Participatory Budgeting in Delhi**. Process mapping should be

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done with clear distinction of roles and responsibilities of each department/agency and the officers concerned. This information should be in public domain along with contact details of the concerned officers. GNCTD should prepare and make public an annual statement on funds received and funds utilised (actual expenditure) by various agencies/offices under the CLAD fund.

- **Lack of Information in Public Domain**

There is limited information available on the guidelines, norms and processes of Delhi’s Participatory Budgeting in public domain. The list of Subjects, costing of works, documentation and outcomes of the Mohalla meetings, information on the status of execution of works, amount of funds sanctioned, executing agency, etc. is not published. Adhering to the requirement of pro-actively disclosing information as per the Right to Information Act, proper records need to be maintained throughout the Participatory Budgeting process. This would include records pertaining to the Participatory Budgeting process itself and the works executed based on this exercise.

**Action Point:** **Popularisation of Participatory Budgeting by Providing Information in the Public Domain.** For people’s engagement in the process to be substantive, it is essential to ensure wide knowledge of this process being undertaken by GNCTD. This information needs to be published in Hindi and English at prominent places in the Mohallas, by means of mass-media and other effective mechanisms. Information on a real-time basis should be made available through web platforms and SMS alerts. The initiative taken by the GNCTD to develop a Mohalla-App must be pursued.

- **Shortage of Dedicated and Trained Staff for Implementing Participatory Budgeting**

The implementation of Participatory Budgeting in Delhi has largely relied on Aam Aadmi Party Volunteers and Civil Defence Volunteers. It is important for the GNCTD to provide adequate and trained human resources for the purpose. Capacity building of MLAs, District Authorities, Coordinators and Volunteers was not conducted. The lack of a dedicated cadre to carry out Participatory Budgeting across Delhi proved to be a severe constraint.

**Action Point:** **GNCTD must Recruit a Dedicated Cadre and Invest in Capacity Building of Relevant Functionaries.** The Government requires a relatively sophisticated level of organisational capacity and in-house technical expertise to manage a large-scale participatory programme such as this. It must collaborate with civil society organisations, NGOs and Subject/Technical Experts in order to build capacities of its cadre, especially the Mohalla Coordinators who actually conduct the exercise in Mohallas. Further, GNCTD should also make provisions for an orientation programme (including building awareness about Government programmes, their rights and entitlements, etc.) at the start of every Mohalla meeting for participating citizens. This would facilitate better understanding of the 'List of Subjects' and other crucial modalities that could result in effective prioritisation of demands; invariably leading to improved outcomes of this participatory exercise.
Lack of Attention to Social Inclusion in Participatory Budgeting

Delhi’s population is heterogeneous in nature and is characterised by significant inequities based on caste, class and gender. For Participatory Budgeting to be meaningful there is a need to recognise these inequities. The exercise of Participatory Budgeting across the globe has experienced the domination of participatory processes by local elites, the group in majority, ‘upper castes’ or by the most vocal and better organised constituencies. In contrast, the exercise of participatory budgeting in Delhi has had a different experience, where, participation in these processes was higher from among the lower strata of population than from middle and upper classes. However, in order to have truly participatory processes in place, there is a need to have representation from all sections of society. The GNCTD has to develop innovative mechanisms to mobilise citizenry across classes for improved community cohesion.

Action Point: Develop Mechanisms to Ensure Social Inclusion. As the process of Participatory Budgeting gains momentum, it would be important to put in place mechanisms that would ensure the needs of the marginalised sections and voices from other strata of society find equal space in this process. In order to facilitate the inclusion of the disadvantaged sections, proportionate representation in Mohalla Sabhas must be ensured. Also, if there are specific guidelines in the projects undertaken for ensuring that certain proportions of funds or benefits be given to a particular constituency (such as, Dalits, Adivasis, religious minorities, women, or Persons with Disabilities) information on the same should be disseminated widely in the Mohallas.

Devolution of Funds from GNCTD to Local Bodies in Delhi

While on the one hand, the GNCTD is taking steps to deepen democracy through initiatives such as participatory budgeting, on the other it is undermining local governance. An analysis of public spending in Delhi throws up concerns pertaining to the devolution of funds from GNCTD to local bodies in Delhi. GNCTD has made the implementation of the recommendations of the Fourth Finance Commission of Delhi contingent upon the Union Government implementing its part of the recommendations. This decision by GNCTD, will serve to weaken local governance in Delhi. The Commission has recommended, among others measures, an increase in the taxes, duties, fees and tolls collected by GNCTD during the financial years 2012-13 onwards to be kept in the divisible pool of resources to 12.5 percent until modified by any successive Finance Commission. It also recommended a revised formula for the division of the divisible pool amongst the local bodies, so as to address the imbalance between the three municipal bodies. This would address the acute financial stress faced by East and North Delhi Municipal Corporations, following the trifurcation of MCD in 2012. By not adhering to the Fourth Finance Commission's recommendations, the GNCTD is not taking adequate measures to strengthen local governance.

Action Point: GNCTD must implement the recommendations of the Fourth Finance Commission of Delhi in order to ensure

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4 Government of National Capital Territory of Delhi, Urban Development Department – Explanatory Memorandum as to the action taken on the recommendations made by the Fourth Finance Commission.
adequate resources available to the municipal bodies. GNCTD must take necessary action to uphold the spirit of the 74th Constitutional Amendment.

Conclusion

The Government of Delhi undertook a commendable initiative by adopting Participatory Budgeting, a relatively new frontier in policy making. Other than the electoral process, governments across the country have offered limited avenues for citizens to engage in governance processes. The primary outcome expected from the Participatory Budgeting exercise in Delhi was to decentralise governance and make it citizen-centric. It attempted to create new opportunities and spaces for deliberation and decision-making for citizens. Although, there were operational bottlenecks and gaps in implementing Participatory Budgeting in Delhi, it is nonetheless an important channel to strengthen people’s engagement with planning and budgetary processes. The investments made in such a process and momentum gained must not be lost, as the Delhi Government were evolving new strategies from the experiences of implementing participatory budgeting on the ground. Therefore, any effort to re-introduce Participatory Budgeting in Delhi must be encouraged and pursued in the coming years.

References:


