Participatory Budgeting: pilot initiative as a way of engaging citizens in mining royalties

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Citizen Participation Mechanism: Participatory Budgeting

It is an innovative mechanism by which citizens are given the opportunity to inform their governments about the needs of the community and to decide how and where to spend a portion of the resources to meet those needs.

Its logic is to reconstitute decision power to the citizens implementing a bottom-up and a place-based approach.

The PB is governed by two essential principles:

1) **citizen deliberation and transparency** on priorities for the use of funds destined for public investment in a given territory, and
2) **the political commitment** from the government to implement the results of that citizens’ decision
On 2014, the Federal Law of Rights was amended to establish the payment of special and extraordinary rights to mining activity.

➔ These incomes constitute the Mining Fund, which seeks to raise the quality of life of the inhabitants of the mining areas where the exploitation and extraction of mineral substances is carried out.

Funding is eligible for social infrastructure projects, which are approved by a Regional Development Committee.

Source: Fondo Minero, SEDATU
Pilot for an Open Government Initiative: Participatory Budgeting in the Municipality of Cananea

- Citizen engagement and transparency were important pillars for the administration of the municipality.
- There was a vision to establish a permanent dialogue with citizens, foster transparency in public management as well as democracy.
- Cananea was the second municipality with the greatest allocation of resources from the Mining Fund.
- A Participatory Budgeting methodology was created and approved by the municipality to ensure an organized, well structured and transparent process to hear and prioritize citizen needs as well as to facilitate citizen collective action to debate, define, and monitor those priorities and call for government action in regards to the funds that are assigned to the municipality from the Mining Fund.
Cananea

- Total Budget: MX$152,999,926 (2013)
- Mining Fund 2014: MX$122,314,351.72
- Mining Fund 2015: MX$144,662,790.95

Participatory Budgeting (PB) 2017
- Total allocation: MX$ 60,000,000 (~ US$ 3M)
- PB per capita: MX$ 1,711 (~ US$ 95)
Cananea’s PB Methodology

Structure

• Selection criteria ➔ Mining Fund
• Amount ➔ 60 million pesos (mp)
• Coverage ➔ Cananea city and 4 ejidos (communal lands).
• Analysis of the territory ➔ The territory was divided in 10 units (Territorial Participation Units - TPU) considering social, economic and geographic characteristics to ensure collaboration and engagement. 6 TPU's in the municipal head (Cananea city) and 1 TPU for each selected ejido.
• Distribution of resources: 8 mp per TPU in Cananea city, 1 mp per TPU in every ejido
PB in Cananea: Stages and Timing (2017-2018)

Process

- Particip. Meetings: Jun – Jul 2017
- Technical Analysis: Jul – Ago 2017
- Public Vote: Sep – Oct 2017
- Prep of Projects: Oct - Nov 2017
- Review MF Committee: Nov 2017
- Execution of Projects: 2018
Team and Citizen engagement

- Team ➔ Creation of a coordination, moderation and technical teams
- Training and Communication Strategy ➔ Generation of materials to communicate the scope and objective of the Cananea PB as well as to inform the scope and dynamic of the process in every stage of the PB cycle. Website: www.cananeatudecides.com
- Citizen oversight and transparency ➔ permanent engagement and participation of citizens. Creation of a social monitoring group integrated by citizens selected at the Participatory Meetings to oversee the whole process: participatory meetings to voting, approval, public tendering, award of contracts, and development of the works.
Synthesis: participation meetings and technical analysis

- 14 meetings
- 615 participants
- 377 proposals submitted
- 34 proposals were approved for technical analysis
- 31 proposals in public voting
Public Voting: September 16 - October 20, 2017

The vote was issued in person. Each participant voted for two different projects:
- Personal vote
- Common interest vote

The Municipality of Cananea created a permanent ballot box in the Municipal Palace and a mobile electoral ballot box, which circulated throughout the voting period by all TPUss, facilitating the participation of all neighbors in the process.
Public Voting: September 16 - October 20, 2017

PARTICIPA POR CANANEÁ

En 2017, tú decides cómo gastar 60 millones de pesos del presupuesto minero del municipio

5718 votantes al momento
¡Sé el próximo en decidir!

www.cananeatudecides.com
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<th>UTP</th>
<th>Numero PP</th>
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Results

- Participatory Budgeting initiative successfully implemented in the Municipality of Cananea
  - 5,718 people participating (21% of voting population – high rate for a first PB process)
  - 34 proposals and 13 winning proposals
  - 41.55 million pesos committed

- Participatory Budgeting an effective citizen engagement mechanism
  - Systematic, transparent, inclusive and open process*
  - PB identified as an effective channel for citizens to express priorities*
  - Population perceived a close government and greater levels of trust*
  - Fostering of the social fabric (collaboration, commitment, awareness around the needs of the people and neighborhood)*

- Needs of the population were prioritized
  - PB projects were aligned to citizen most pressing needs*
  - Basic and long overdue social infrastructure necessities of the population were covered*

- Local and Federal authorities identified benefits (social and political) of PB:
  - Creation of a Participatory Budgeting Department in the Municipality.
  - Launching of a process to promote the PB methodology as citizen engagement mechanism in the Mining Fund (states and municipalities)

*impact evaluation
Challenges/Lessons learned

• Commitment and Institutional capacity in government
  • Political will (including changes in administration -- PB in Cananea is a one-off experience)
  • Team and organization (roles and responsibilities, chronograms, tools – institutionalization in Cananea was not possible due to this challenge)
  • Clear Methodology and procedures for all stages (planning to execution). Most methodologies are very elaborated and effective for the planning and voting stages, but this need to provide guidance at the execution stages)
  • Voting system and process is critical to ensure trust

• Transparency and Communication strategy
  • Definition of clear actions and permanent communication to citizens. Transparency and communication is also critical for sustainability

• Implementation and operation
  • It is as important as voting. Here is the transformation. Citizen could be easily disappointed in this stage since significant expectations have been created. Cananea created an innovative practice by introducing a Follow Up Citizen Committee. This was great but need significant effort to guide and empower.

• Impact Evaluation
  • Evidence to improve the process and the results of the initiative
Thank you!

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