

NCM Project between Latvia, Estonia, and Iceland

## Overview PB in Estonia

October 2022

By e-Governance Academy

### Introduction

Participatory Budgeting (PB) is an innovative way to manage public funds, and to engage people in issues of local government. Since 2011, e-Governance Academy, Estonia (eGA) has assisted cities and municipalities in developing a PB model, taking into account the context, assumptions and expectations of the municipality and design the processes necessary for its implementation.

The biggest value of this process is that it gives a real meaning to the words ENGAGE and PARTICIPATE for both public authorities and citizens, using learning-by-doing approach.

The results are tangible and meaningful. The process also binds communities and individuals with the city, creates a group of active citizens who will also most probably participate in other initiatives of the city. Moreover, the model enables to reorganize the internal decision-making model in cities and create a horizontal body of experts to integrate more the expertise of different departments.

eGA expertise is based on proven practice. In cooperation with e-Governance Academy, Tartu was the first city in Estonia to open its budgeting process for citizens and experiment with PB in 2013. After a few years, this policy instrument spread all over the country, numbering over 51 municipalities implementing it as of Autumn 2022. The spread of PB in Estonia was influenced by the availability of the existing digital tools for local governments that enabled them to conduct online voting on participatory budgeting projects and hence, decreased the costs of implementation.

The overview of PB in Estonia below is based on a recently conducted study by eGA.

### Survey

The survey was carried out from 17.05.22 until 6.06.22 and was answered by 42 respondents. It was distributed among all 79 municipalities in Estonia with the help of the Association of Estonian Cities and Municipalities (AECM)<sup>1</sup>. The survey focused on different aspects of the implementation of Participatory Budgeting (PB) in Estonia.

32 survey respondents stated that they were currently implementing Participatory Budgeting in their local government (77%). Out of 10 municipalities that were not implementing PB at the time when the survey was carried out, 7 were planning to implement it in future.

---

<sup>1</sup> <https://www.elvl.ee/web/eng>

## The period of implementation & the amount of funds

Most of the survey respondents stated that they were implementing PB for the period between 2 to 5 years. 17% just started their PB practice – PB was being executed for a year or less. The similar proportion of respondents implement PB for 6-7 years (17%) already. Two municipalities practice PB for 8 or more years - Tapa rural municipality (RM) and Tartu City.

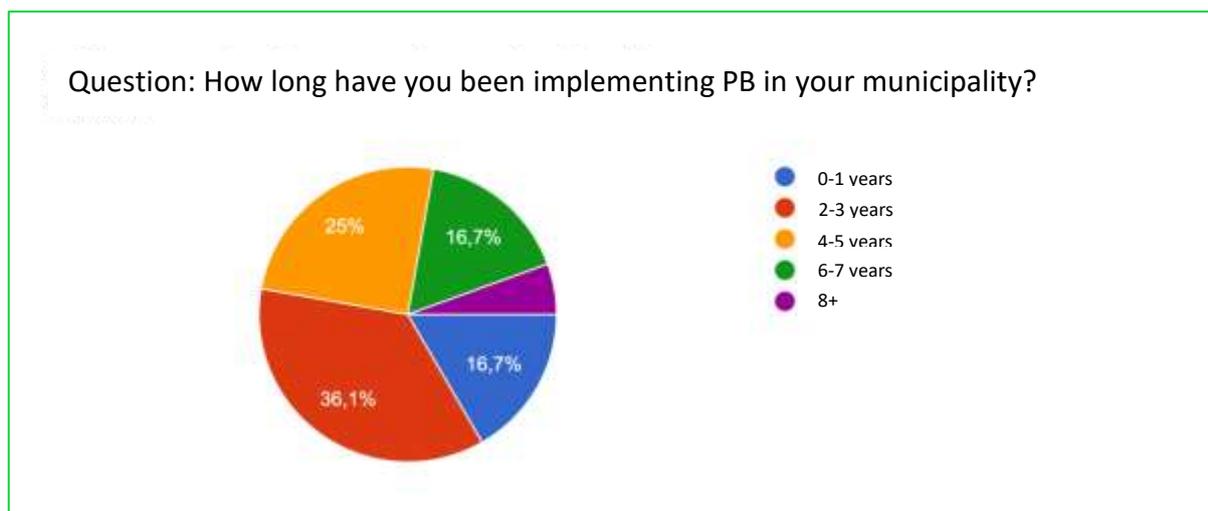


Figure 1. Period of PB Implementation in Estonian Municipalities

In terms of the amount of funds being allocated for PB, almost equal proportions of municipalities state that their PB amount ranges between:

- 11 000 EUR and 25 000 EUR (32% - 11 municipalities);
- 26 000 EUR and 50 000 EUR (35% - 12 municipalities).

17,6% of respondents (6 municipalities) allocate between 51 000 EUR and 100 000 EUR for PB. There are three municipalities that have a rather small participatory budget – under 10 000 EUR (Jõelähtme RM, Kiili RM and Vormsi RM). Two municipalities allocate over 100 000 EUR for PB – the capital of Estonia, Tallinn, and Saue RM.

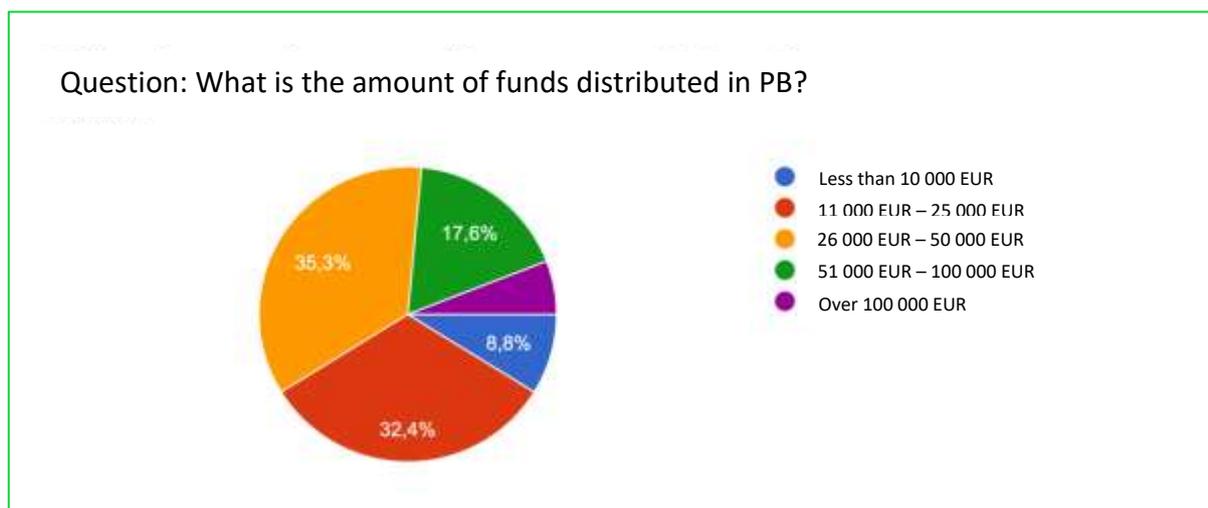


Figure 2. PB Funds in Estonian Municipalities

### PB object

86% of respondents indicated that they fund investment objects as a result of PB process. Four municipalities allocate resources for both investment objects as well as events (Sillamäe, Tõrva RM, Põltsamaa RM, Narva-Jõesuu).

### ICT tools and other channels in use

Over half of the respondents (53%) stated that they used electronic platform VOLIS<sup>2</sup> for publishing the ideas proposed by the residents (see Figure 3). Approximately one third of municipalities display the ideas on the official website (32%). Other channels include Facebook, local newspaper, mobile application, and physical environment.

---

<sup>2</sup> Estonian acronym for “information system for local councils” (volikogu infosüsteem)

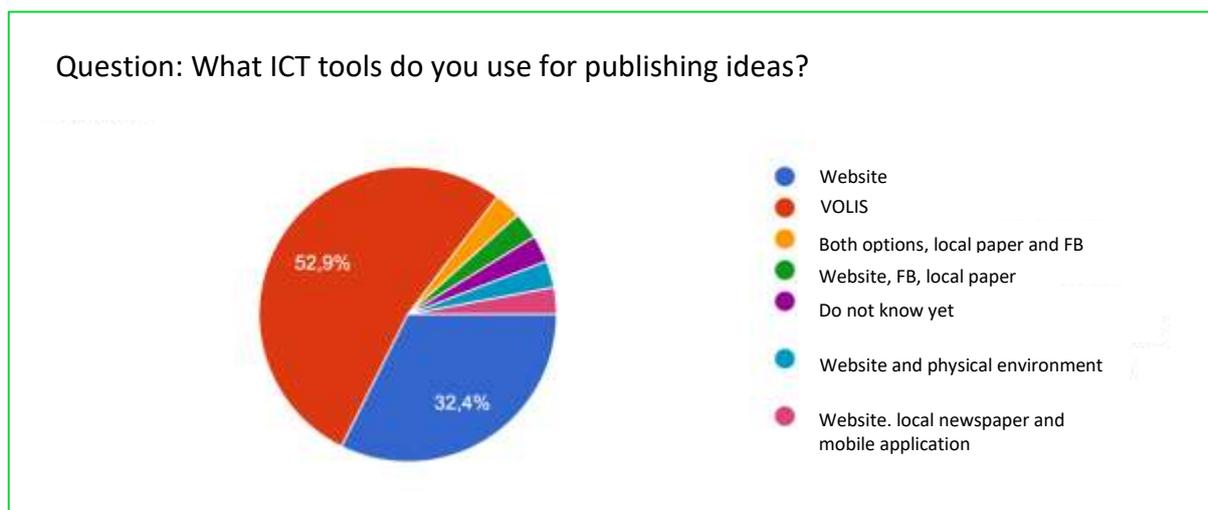


Figure 3. ICT Tools for Publishing Ideas in PB Process

In terms of PB voting, most respondents (71%) also use electronic platform VOLIS. Six municipalities specifically stated that they used two methods for the conduct of PB elections – VOLIS platform and voting on paper (Põltsamaa RM, Rapla RM, Narva-Jõesuu RM, Järva RM, Viljandi RM and Tallinn). Two respondents use their official website (Paide, Saku RM) for PB voting.

### Turnout at PB voting

Municipalities were also asked to indicate the turnout at PB voting during last PB elections. Responses vary between 1% and 20% (see Table 1 for overview). One municipality with the highest turnout is Tapa RM (scores 20%).

Overall, there are three categories of turnout indicators that the respondents fall into:

- 1) 0%-5% - 7 municipalities
- 2) 6%-10% - 11 municipalities
- 3) 11%-20% - 10 municipalities

13 respondents skipped this question which might suggest that there is either no capacity or no willingness to gather this sort of information.

Table 1. Voting Characteristics in Estonian PB Practices

Kohalik omavalitsus	Voting method	Turnout (%) Last PB voting	Usage of e- voting among voters
Paide Linnavalitsus	Website	1-2%	93%
Tallinna linn	Website + on paper	2,90%	97%
Kiili vald	VOLIS	3%	100%
Valga vald	VOLIS	3%	100%
Lüganuse vald	VOLIS	5%	100%
Narva-Jõesuu linn	VOLIS + on paper	5%	62%

Põhja-Pärnumaa vald	VOLIS	5%	5%
Märjamaa Vallavalitsus	VOLIS	5,80%	14%
Pärnu linn	VOLIS	6%	100%
Viimsi vallavalitsus	VOLIS	6%	100%
Kanepi vald	VOLIS	6,60%	100%
Põlva Vallavalitsus	VOLIS	6,72%	100%
Saku Vallavalitsus	Website	7,16%	98,80%
Tartu Linnavalitsus	VOLIS	7,40%	97%
Antsla vallavalitsus	VOLIS	8,50%	98%
Põltsamaa Vallavalitsus	VOLIS + on paper	9,50%	75%
Rõuge Vallavalitsus	VOLIS	10%	100%
Tartu vald	VOLIS	10,40%	100%
Väike-Maarja vald	VOLIS	11%	100%
Kambja vald	VOLIS	12%	N/A
Rapla Vallavalitsus	VOLIS + on paper	13,90%	98%
Järva vald	VOLIS + on paper	15%	77,80%
Kastre Vallavalitsus	VOLIS	15%	100%
Luunja Vallavalitsus	VOLIS	16%	99%
Lääne-Nigula vald	VOLIS	17%	100%
Tapa vald	VOLIS	20%	100%
Tõrva Vallavalitsus	VOLIS	N/A	N/A
Viljandi vald	VOLIS + on paper	N/A	95%
Vormsi	N/A	N/A	N/A
Võru Vallavalitsus	VOLIS	N/A	100%

Source: Survey by eGA 2022

Note: sequence in accordance with PB turnout

## The PB procedure

PB procedures in Estonia vary depending on the model being implemented. The main procedural differences in Estonian PB processes are:

- 1) allocation of funds either at the city/RM level or for different districts in accordance with specific criteria;
- 2) the analysis and selection of residents' ideas either by municipality officials only or incorporation of deliberation forums with residents.

As seen from Figure 4, 78% of respondents allocate PB funds at the city or RM level and do not distribute money between different districts. Seven municipalities allocate funds district wise – Põltsamaa RM, Rapla RM, Valga RM, Lääne-Nigula RM, Rõuge RM, Saue RM and Tallinn.

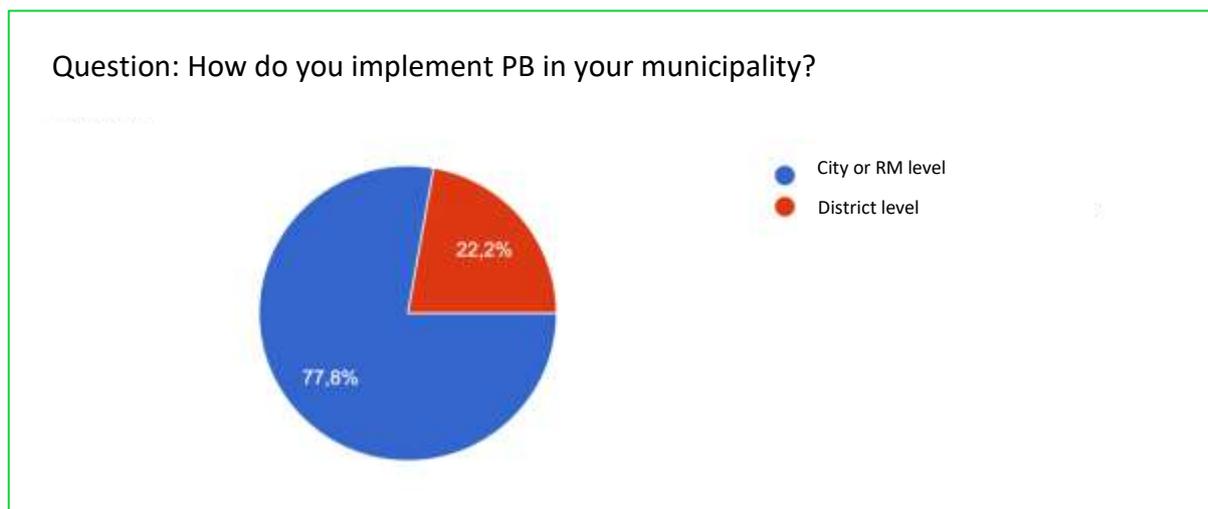


Figure 4. **PB Implementation in Estonian Municipalities**

When it comes to deliberation forums/discussions with the residents, as the survey demonstrated, most of municipalities (71%) do not implement this phase of the process. Ten municipalities organise deliberations/discussions.

In case deliberations are organised, they are conducted combining both online and offline meetings (39%). 23% of municipalities conduct physical meetings only.

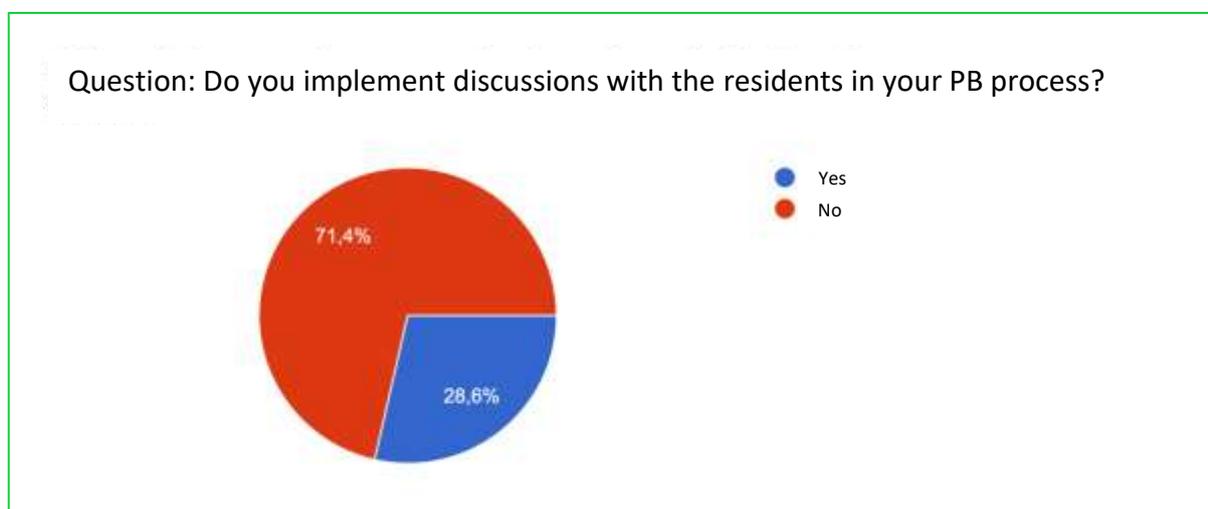


Figure 5. **PB Implementation in Estonian Municipalities**

### Other issues

Estonia underwent territorial amalgamation reform in 2017. The survey asked whether the reform had any impact on the implementation of PB in municipalities. 22.6% of respondents did not amalgamate and stayed within the same territorial borders. Same proportion (22,6%)

stated that the reform had a large impact on PB and 16% said that PB was influenced to some degree by the reform. 39% indicated that the reform had no impact on PB.

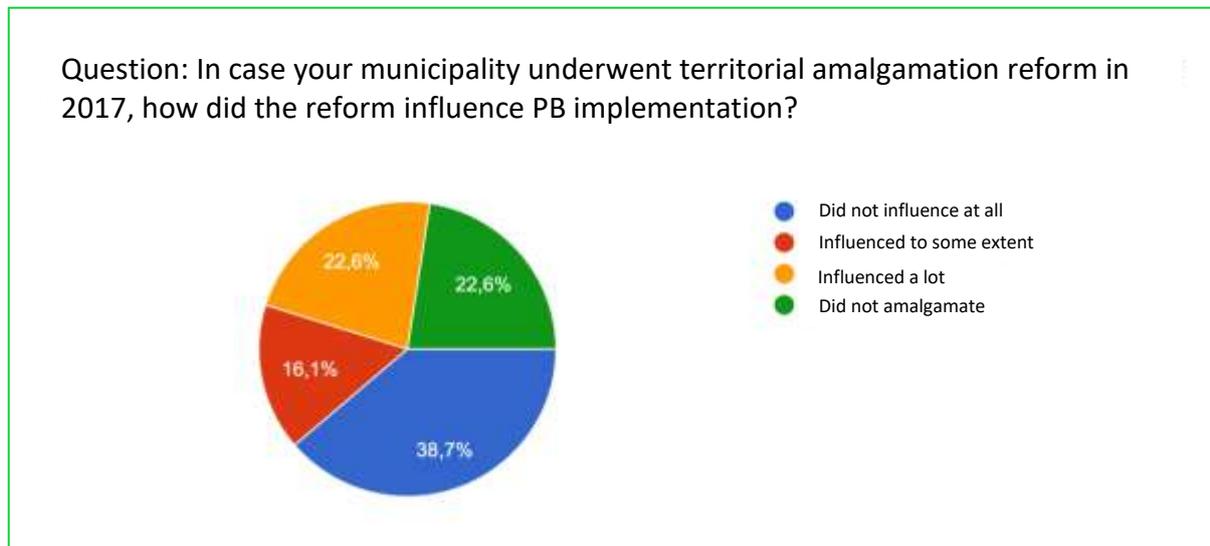


Figure 6. Territorial Amalgamation Reform in Estonia and PB

Also, the survey asked the respondents to provide their judgement regarding the activeness of residents in the PB process. More specifically, the survey examined whether there was the connection between the result of PB voting and the behaviour of residents while presenting their ideas. Most of the respondents (74%) stated that the result of PB voting either depends a lot or depends to some extent on how actively the residents present their proposals to the public.

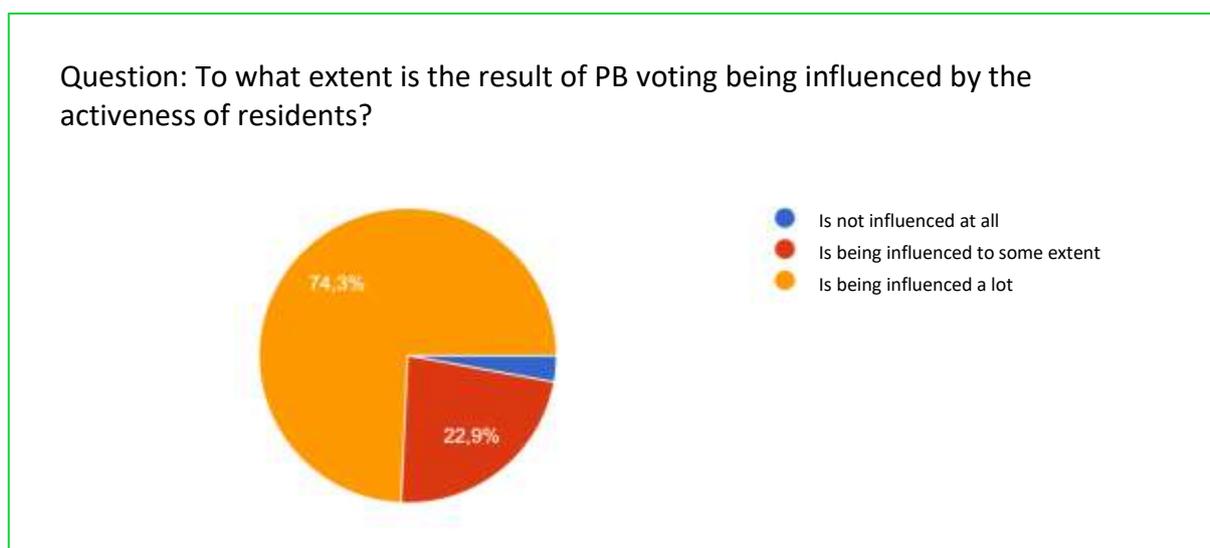


Figure 7. PB Voting and Activeness of Residents

## Summary

However, as our recent study in June 2022 showed, the municipalities do not innovate much with PB, mostly the model is similar everywhere with slight modifications. Some rural municipalities for instance have started to apply the regional principle for funding the ideas to create more equal chances for smaller places/villages to get their ideas (objects) funded as well.

Some years ago, the great innovation one municipality applied was to use PB as a model to nudge healthy lifestyle. The model was as follows: people proposed ideas on concrete objects related to sport (tennis court, etc) and voted for the ideas. The winning idea was only then implemented by municipality if people collectively collected certain number of exercising hours (jogging, swimming, walking etc- there was a special interactive online tool to report on their hours). It was well received.

In addition to this study, in 2020 we also conducted a mini survey on if and how COVID crises has affected execution of PB. Only 1 municipality (5%) had stopped their PB cycle for this year due to COVID. 1 municipality (5%) decreased the amount of money to be decided on to the half.

Generally, there were no trends to be noticed during the pandemic, the process is in many municipalities mostly online anyway. In those where there is also a deliberation phase (open events to present ideas and discuss with experts, these were organized when COVID situation enabled already to organize real events. However, one might say that after COVID there were more and more ideas about outdoors sports and culture activities submitted, which is in line with the lifestyle when indoors activities had been hindered or restricted.

To conclude, what has been the impact? One outcome is that there are all those new ideas, some of them traditional and others very innovative, which would not have been thought of in the offices of town halls.

However, what is more important is the broader impact it has had– in Estonia it has made the engagement process real and easy to follow for more than 20 other municipalities. It shows that engagement bears real fruits, has tangible outcomes.

Finally, it has always been my concern that public sector organizations are expected to be innovative, but they are usually not allowed to take risks. However, without taking risks and experimenting and improving there is no way to be innovative. The PB process helps local authorities to cultivate the understanding that it is fine for public sector organizations to take risks and even fail to innovate.

Another major learning point is that this process has changed the way the local governments are making all its decisions. The process of PB has sparked civic activism in many places, one idea gives birth to the other. And it has strongly affected the civic space. In City of Tartu, the same crowdsourcing model, combining online tools (map-solutions) with face-to-face methods has been successfully used for many urban planning initiatives. When the process is well designed and the context is considered, the model is easily scalable and can be replicated elsewhere. For instance, eGA has successfully piloted a

similar model and related e-tools in a very different context from ours, in Georgia, for instance.

Finally, when completing the mini study referred earlier, and asking leaders of local governments what the main outcome of the PB for them has been, these are some of the answers: *activation of small communities, who join their forces to find solutions to most burning problems; new great small ideas have popped up which have been funded also from other sources; clear signals for local authorities on key problems; etc*

### **Additional sources of information**

- [Video on PB](#) by e-Governance Academy
- Overview of [Tartu City PB](#)