Participatory Budgets (PBs)

PBs are a democratic process, first enacted in Brazil in 1989, giving citizens the power to decide the destination of part of public investment. This is usually done through the submission of citizen-based or private-sector proposals and a voting process. Today, 3,000 cities around the world have adopted this local finance mechanism.

Lisbon’s innovative approach

The city of Lisbon launched The Lisbon Climate Citizen Commitment, a local government-led initiative that aimed to integrate climate projects into its PB via a “Green Seal”, thus creating a platform that made Lisbon’s Commitment for Resilience to Climate Change material by attracting new private funding sources.

To achieve these climate commitments, Lisbon has launched its Green PB, a new variant on its traditional PB, doubling its value from 2.5 million in 2019 to 5 million in 2020. The Green PB follows the same civil society engagement process as the traditional PB, with the main difference that, throughout its annual cycle, proponents can present projects which have measurable and achievable climate mitigation and/or adaptation goals and targets. All selected projects related to environment and climate change are awarded Lisbon’s “Green Seal”.

How the mechanism works

With the support of FMDV, a global network of local governments dedicated to develop solutions to finance and invest in territories (www.fmdv.net) and Prof. Yves Cabanne as expert leader.

Lisbon PB in figures

2008 Lisbon ratifies its PB as the first European capital to do so.

- 6,204 number of project proposals submitted to the Lisbon PB
- 1,957 projects put to vote
- 120 projects implemented or under implementation.
- 268,536 citizen votes in total

Traditional Lisbon PB ~ EUR 33.8 million total value of implemented projects

Citizens vote for small-to-medium scale projects in the city. No climate change emphasis.

Lisbon Green Participatory Budget

EUR 5 million of the total PB pledged for 2020

12 eligible projects among 6 sectors:
1) Energy
2) Water
3) Nature & biodiversity
4) Waste reduction
5) Soft mobility
6) Sustainability education

Projects are implemented and managed by the municipality

Initial submission of projects
Technical and financial feasibility study
Final list on which citizens vote
Citizen vote
Invested projects

Parallel School Climate PB
Voting of projects in selected schools (€10,000/school)
Role of the City Finance Lab Technical Advisors

- Support the definition of which projects fall under the Green PB
- Secure political support for the initiative at the municipal level
- Define norms and standard for the Green PB and School Green PB
- Recommend how to scale the Green PB in the midterm

Key dates

- **2019**
  - Launch of the first School Climate PB

- **2019 - 2020**
  - Launch of Green Seal PB with EUR 5 million

- **2020**
  - Design a mobile application to visualise the School Green PB results of the vote
  - Begin work between CFL experts and the Central Government to replicate the Green PB at a national level

- **2021 - 2025**
  - Replicate the Green PB concept in other cities globally

Construction of a “Green Corridor” in Monsanto Parque Eduardo VII
Total investment: EUR 1 million

Creation of bike lanes and a city-wide “Green Plan” to connect urban green spaces
Total investment: EUR 2.8 million

“Lisbon is strongly committed to its transition towards a sustainable, climate-resilient city. Thanks to the valuable support of the advisors of the City Finance Lab over the last months, we have significantly advanced on the implementation of a Green Seal for the Lisbon Participatory Budget, to channel investments into climate mitigation and adaptation projects.”

**Paulo Francisco**
Head Chief of the Participation Division of the Lisbon City Council

The City Finance Lab (CFL) is a joint venture between EIT Climate-KIC and South Pole which supports the development of innovative, replicable and scalable financing solutions that increase investment in climate-resilient, low-carbon and green urban projects for sustainable cities.

www.cfl.southpole.com