

# Participation budget – new kind of public initiative from 2025 3/42/24



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A participation budget allows the public to directly influence the spending of some of the municipal revenues generated by taxes paid by municipal residents. You can take part in planning the development of your municipality and realise your own ideas.

## What is a participation budget?

A participation budget had its beginnings in 2020, when the Ministry for Environmental Protection and Regional Development defined core principles for future implementation. Unlike most European countries, the municipalities in Latvia are required by law to adopt a participation budget from 2025.

A participation budget aims to increase the comparatively low public engagement in addressing matters around the development of municipal areas, giving the opportunity to carry out long-cherished projects in your local or any other municipality.

Riga City Municipality has already allocated funds to various projects on a voluntary basis this year, and each municipal resident has a chance to vote for the desired project by the end of October.

A participation budget comes from a municipality's revenue. Every year each municipality must allocate to a participation budget at least 0.5% of its average revenues generated by personal income tax and real estate tax for the last three years. So the amount of finance allocated to a participation budget will vary from municipality to municipality, meaning the monetary size of projects will vary as well.

The size of projects submitted within a participation budget is also affected by whether the municipality has created one (the entire municipality) or more participation budget planning units (e.g. the participation budget rules for the Bauska region create three planning units: the town of Bauska, the town of Iecava, and parishes of the Bauska region). This means a separate application can be made for each unit.

The Municipalities Act lays down the legal framework for a participation budget, yet more detailed conditions for utilising it are determined by each municipality's participation budget rules. They include a project application form to facilitate and equalise the submission of projects as far as possible. Most municipalities are currently in the process of drafting such rules.

## Presenting, selecting and realising ideas

Projects for utilising a participation budget can be submitted by individuals aged 16+ and by associations or foundations unrelated to the municipality. The municipalities should make it possible to submit participation projects once a year.

Interestingly, applications can also be made for a participation project to be carried out in a different municipality. For example, a resident of Liepaja City Municipality can submit an application for a project to be carried out within the participation budget of Riga City Municipality. However, only individuals aged

16+ who are declared in the relevant municipality's administrative area can vote for those projects.

Your participation project must be set out on the form included in the municipality's participation budget rules. The project must be capable of being implemented, come with a cost estimate, and meet other conditions of the municipality's participation budget rules.

Participation projects can also provide for investing in the municipality's property or another public or private person's real estate if this is intended for performing the municipality's autonomous functions or voluntary initiatives. Any other course of action can be specified in the project only if this is associated with performing the municipality's autonomous functions or voluntary initiatives. Projects being implemented must be readily available to the public.

The municipality is responsible for implementing participation projects, as well as being required to start a project no later than three months after announcing the results of a project competition and to implement the project within two years.

## Conclusion

A participation budget is a great opportunity for each of us to take part in the development of our municipalities. Let us be active and take this opportunity!