

<https://doi.org/10.35945/gb.2024.18.002>

KEY ASPECTS OF IMPLEMENTATION OF PARTICIPATORY BUDGETING MODEL IN GEORGIAN MUNICIPALITIES

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ABSTRACT. The article, based on the latest literary sources and factual materials, consistently studies such an important issue of financial theory and economic practice as the key aspects of implementing participatory budgeting in Georgian municipalities.

The factors affecting the effectiveness of the implementation of the participatory budgeting model are discussed: the urban structure of the municipality, the size of the budget of the municipality, and the development of civil society.

It is determined that any model of participatory budgeting should adhere to the following principles: model design and implementation procedures should be based on good management principles; The selected procedures should take into account the specific context of a particular municipality, including urban structure, budget size, and population participation; At the planning stage, active actors of the model, interested parties should be identified and their rights and duties defined; The model should fully comply with the legislation of Georgia and the established forms of citizen participation.

Based on the international experience and the reality of Georgia, the factors affecting the effectiveness of the implementation of the participatory budgeting model are discussed: the urban structure of the municipality, the size of the municipality's budget, and the development of civil society.

It stands to reason that any participatory budgeting model should have, as a minimum, the following working procedures: population group meetings, information campaigns, development and submission of project proposals, voting, and final decision, and Evaluation of participatory budgeting process and work procedures.

KEYWORDS: PARTICIPATORY BUDGETING, CITY-TYPE MUNICIPALITY, SUBSIDIZED MUNICIPAL UNIT, DEMING CYCLE, URBAN DEVELOPMENT, CIVIL SOCIETY, PROJECT PROPOSAL

1. INTRODUCTION

Since the 1990s, the formulation of a “participatory budgeting model” or “participatory budgeting process” has increasingly appeared in scientific discourse, which was more closely associated with the activities of local government bodies. However, later, it was associated with other spheres, such as educational and/or social service organizations. As a result, we have the reality that various models of participatory budgeting are being actively implemented in an increasing number of cities, municipalities, and organizations around the world, more and more people are involved in the processes, and both the population and the state benefit more.

The participatory budget process is one model of participatory democracy in which the population decides what to allocate municipal and state budget funds and then checks the effectiveness of the use of the allocated resources.

This approach to the state budgeting process allows citizens to identify, discuss, and prioritize projects to be funded by public spending and empowers them effectively to make real decisions about how money is spent.

The local specifics of a particular municipality, the combination of goals and objectives declared by its executive and representative authorities, provide the diversity that currently characterizes the models of participatory budgeting. As a result of their systematization, a typology of participatory budgeting was developed in 2012, through which all the existing models were described, and the following six models of participatory budgeting were identified: Participatory Democracy Model, Proximity Democracy Model, Participatory Modernization Model, Multi-Stakeholder Participation Model; Neo-Corporatism Model; Community Development Model.

Out of 6 practical models of participatory budgeting, the most widespread in the world are the Participatory Democracy Model, Proximity Democracy Model, and Community Development Model, which is, due to a greater focus on social justice with a certain uniformity of legislation defining the powers of local government; extensive use of formal and informal instruments of direct democracy in the processes.

The practice also shows that the success or failure of participatory budgeting is not necessarily dependent on the magnitude of municipal budgets. Its implementation may be successful in very poor cities/settlements where public resources are severely limited, as well as in very wealthy municipalities.

The global trend of implementing participatory budgeting could not pass by Georgia unnoticed. Therefore, based on international practice and the experience of Georgia, it is necessary to discuss the main aspects of the implementation of the participatory budgeting model in order to better adapt to the characteristics of a particular municipality in our country.

2. RESULTS AND DISCUSSION

2.1. Factors affecting the effectiveness of the implementation of the participatory budgeting model

According to the study, when implementing a particular model of participatory budgeting, it is necessary to take into account several main factors that have the greatest impact on the effectiveness of the model implementation based on the realities of Georgia. These factors include (1) the urban structure of the municipality, (2) the size of the municipality's budget, and (3) the development of civil society.*

The urban structure of a municipality. Based on the territorial arrangement system of Georgia, there are a total of 76 municipalities.** Of these, 71 are self-governing communities, and five are self-governing cities. Accordingly, three types of municipalities are distinguished:

1. *An urban municipality.**** When implementing participatory budgeting in city-type municipalities (self-governing cities), the main challenges

* Each factor and its combination determine what problems we may encounter when implementing participatory budgeting and how effective the process itself will be.

** The presented number of municipalities does not include the Autonomous Republic of Abkhazia and the 4 occupied municipalities in the Shida Kartli area: Akhlagori, Tighvi, Eredvi, and Kurti municipalities.

*** Municipalities of this type are self-governing cities: Tbilisi, Rustavi, Kutaisi, Poti, and Batumi.

***** Such municipalities are represented by self-governing com-

of the model^{****} are the high concentration of the population in a small territory, less self-organization of the population, and a low level of communication in urban areas, neighborhoods, and within the neighborhood; a nihilistic attitude to the processes taking place in the municipality; a low level of awareness about the processes taking place in the municipality; a high level of politicization of society; A large number of citizens live in the township who are not registered voters in the municipality, which raises the question of allowing these citizens to participate in the municipal budget process; The need to implement large and costly infrastructure projects.¹

When implementing participatory budgeting in urban-type municipalities (self-governing cities), *strengths* include the following circumstances: a relatively strong desire of citizens for democratic governance; a sufficiently developed civil society, which is an important factor in solving problems at the local level; a large volume and less deficient budget of the municipality; municipality management is more inclined to introduce new initiatives and innovative methods in management; the ability to use developed.

These advantages can be effectively used with the use of e-government tools and the involvement of active citizens and interest groups to implement a specific model of participatory budgeting.

2. *A Rural municipality.*^{****} When implementing participatory budgeting in rural municipalities (self-governing communities), the main challenges of the model are the conservatism of citizens and increased resistance to innovation, simultaneously with a nihilistic attitude to the processes taking place and a high level of politicization; with a low level of the municipality's budget revenue and strong dependence on targeted and equalizing transfers from the central budget; with a

complex socio-economic background; The rural township is home to a large number of voters who have moved to other regions of Georgia, as well as temporarily or permanently moved to live abroad.

The strengths of participatory budgeting in rural settlements are the following: a sufficiently high level of self-organization of citizens within districts and communities; a high level of communication based on family ties; a high level of involvement of residents in common cause based on archetypes of behavior historically developed in the community; the possibility of achieving visible results with small investments; less need for large and costly infrastructure projects.

These advantages can be leveraged by using direct communication tools and engaging formalized and informal community groups to implement a particular model of participatory budgeting.

3. *Mixed municipality.*^{*****} A mixed-type municipality has both the problems and advantages typical of both urban and rural municipalities. In such municipalities, as a rule, the center of the municipality (city or town) has the characteristics of an urban-type municipality, and the rest of the settlements correspond to the rural type. Accordingly, the implementation of participatory budgeting should take into account these circumstances and choose an appropriate model.

The size of a municipality's budget. Depending on the size of the budget revenues in Georgia, the following types of municipalities can be distinguished:

1. *Subsidized municipalities.*^{*****} A number of municipalities in Georgia suffer from a lack of budget revenues when exercising their powers and are subsidized municipalities. On the one hand, the municipality's revenues are low due to the absence of large economic agents on the territory of the municipality and the tax policy determined by Georgian legislation. At the same time, most of their budget is formed at the expense of financial resources coming from the state budget at the expense of equalizing and targeted

**** Each challenge and its combination creates logistical problems, making it difficult to reach target groups and involve the masses in the decision-making process.

1 Vanishvili, M., Shanava, Z. (2022). Legislative and legal provision of local budgeting in Georgia (on the example of self-governing cities). Scientific Collection "InterConf", (122), 38-55.

***** Municipalities of this type are represented by small self-governing communities, such as Ambrolauri, Tianeti, Kazbegi, Ninotsminda, Chkhorotsku, and others.

municipalities such as Telavi, Zugdidi, Marneuli, Khashuri, Gori, Samtredia, and others.

***** Municipalities of this type are represented by self-governing communities such as Tsalenjikha, Chkhorotsku, Ninotsminda, and others.

transfers. Because of all this, the availability of financial resources necessary for the participatory budgeting process is very low. On the other hand, it is precisely this circumstance that should push the leadership of the municipality to the result-oriented and effective planning of activities and finances. A participatory budgeting process can help a municipality's leadership to better prioritize and focus its scarce resources on the most pressing issues. In the case of subsidized municipalities, it is possible to use the model of participatory budgeting, which is better adapted to address thematic (for example, social, youth, gender, and vulnerable groups) issues.²

*2. Less subsidized and/or under-subsidized municipalities.** A number of municipalities in Georgia do not suffer from a shortage of budget revenues. As a rule, these are municipalities with large urban settlements of urban type. Revenues derived from taxes and local levies of economic entities in the municipality (including large ones) allow for the efficient provision of public services to the population, applying for funding for infrastructure, social, cultural, and other types of projects. As a result, in a participatory budgeting process, a municipality's leadership can safely allocate significant financial resources and promote the involvement of the population in the redistribution process. On the other hand, access to resources may encourage municipal leaders to prioritize their allocation without involving the population and to direct resources to projects that the population not only does not support but even opposes.

Civil Society Development. According to the level of development of civil society (non-governmental organizations, business associations, trade unions, organized groups of citizens, etc.), the following types of municipalities can be distinguished in Georgia:

*1. Municipalities with highly developed civil society.*** Civil society is very well developed

in some municipalities of Georgia. Civil society organizations have an influence on the decision-making process at the municipal level, actively cooperate both with the population and local self-government bodies, and have networks and external relations at the local level. They enjoy the high authority and trust of the population. Also, civil society has the desire and often the resources to actively support the participatory budgeting process to help the municipality with information and educational campaigns. On the other hand, there is a danger that in the case of a strong civil society, a number of active organizations will try to gain influence over the participatory budgeting process. To reduce this risk, a form of participatory budgeting should be chosen that ensures, on the one hand, high involvement of civil society and, on the other hand, covers the associated risks.

*2. Municipalities with less developed civil society.**** In those municipalities of Georgia, where the level of development of civil society is low, the municipality leadership loses an active partner in the process of participatory budgeting. Therefore, it will be forced to shift the entire burden of logistics and information support within the process onto its shoulders. The management of the municipality is also deprived of an external controller who will point out problems that arise in the process and jointly try to fix them. Therefore, a form of participatory budgeting should be chosen, where a low or medium level of involvement of civil society is determined, on the other hand, in this situation, precisely within the framework of the selected model, the process of participatory budgeting can contribute to the formation of a strong civil society in the municipality, to make thematic groups (vulnerable groups, disabled people, the elderly and others) to form at the formal level and to gain knowledge, experience, and authority within the process.³

2 Kokashvili, N., Sosanidze, M., Vanishvili, M. (2022). Gender budgeting in the field of Georgian health and social protection: Analysis and evaluation. *European Science Review*, (5-6), 61.

* Municipalities of this type are represented by: self-governing cities – Tbilisi, Poti, Batumi; Self-governing communities – Marneuli, Bolnisi, Kazbegi and others.

** Municipalities of this type are self-governing cities such as Tbilisi, Rustavi, Kutaisi, Poti, and Batumi.

*** Municipalities of this type are represented by self-governing communities such as Tsalenjikha, Chkhorotsku, Ninotsminda, and others.

3 Kokashvili, N., Vanishvili, M., Osadze, L. (2022). Methodical foundations and challenges of gender budgeting in Georgia. *European Science Review*, (7-8), 48-53.

2.2. Principles and requirements of participatory budgeting.

Any model of participatory budgeting should adhere to the following operational principles: (1) The model's design and implementation procedures should be based on good governance principles, including transparency and accountability; (2) All processes of the model should follow the PDCA cycle (Plan, Do, Check, Act) also known as the Deming cycle, which ensures effectiveness and compliance with relevant legislation; (3) Customized procedures should consider the specific context of a particular municipality and its geographical characteristics, including urban structure, budget size, and population participation; (4) During the planning stage, the active actors and stakeholders of the model should be identified and their rights and responsibilities defined. It is essential that each process within the model has its responsible executor/accountable entity. Additionally, an independent organization or agency responsible for process management, monitoring, and evaluation should be established; (5) The model should fully comply with the laws of Georgia and the established forms of citizen participation. If existing forms are considered insufficiently effective in engaging the population in processes, the legislation of Georgia allows for alternative forms that better meet the requirements of citizen participation.

2.3. Models of participatory budgeting by types of participation.

Based on the results of the assessment and typology of existing participatory budgets at the international and Georgian levels, we can identify three types of participatory budgeting models:

1. *Procedure of the community-type participatory budgeting model.* The procedures of this model are oriented towards the active involvement of small groups within the municipality, for which the territory of the municipality is divided into smaller operational areas (zones). These areas may correspond to existing administrative divisions or historically defined thematic criteria. It is also important to consider the inclusion of diverse groups (socially vulnerable, youth, newcomers, women,

elderly, PWDs, and others) in the model. The participation of a larger number of small groups in decision-making and the implementation process is crucial for a more effective and diversified allocation of funds on various projects.

The participatory budgeting model of the territorial type is characterized by the following main features: (a) The model is more focused on local, specific residential areas and the resolution of their problems, with a greater emphasis on infrastructure development/renewal projects. (b) It involves the implementation, discussion, and coordination of interzonal and subzonal project initiatives. (c) The selection of such project initiatives, which will mainly address the existing problems of the entire municipality, is more challenging.

Some of the weaknesses of the model are the high logistical and organizational effort and the availability of human resources, but these issues can be corrected by optimizing the size of the area and planned work, as well as additional support from various actors (donors, non-governmental and humanitarian organizations, local businesses in social responsibility) through the involvement of human, material and financial resources.

The drawbacks of the model can be overcome by excluding certain types of infrastructure projects (e.g., road construction, outdoor lighting, sewage, water supply, etc.) from the line item of the participatory budgeting and transferring them to other budget items. Thus, the achievement is innovative, socio-cultural, and more focused on the needs of vulnerable groups.

2. *Thematic type participatory budgeting model procedures.* Within the framework of the thematic model, all project proposals must comply with a pre-defined topic (social assistance and allowances, support of youth and elderly population, development of school readiness and non-formal education system, development of certain skills of adults, etc.).

The thematic model of participatory budgeting is characterized by the following *main features*: (a) The model is primarily focused on addressing issues at the municipal level, through which services are provided to the entire population of the municipality. Projects can be implemented within a specific locality, but in such cases, the entire municipality should benefit, not just the residents of that particular area.

(b) In some cases, this model, as implemented in different countries, excludes the implementation of infrastructure projects that provide benefits exclusively to a single territorial unit.

One of the disadvantages of this model is that the population is less ready to actively participate in the process of solving problems at the municipal level. Hence the importance of the awareness campaign. Only a well-organized and active campaign ensures the high involvement of the population.

Civil society is a very important actor in this model. Its role is all the more important, the larger the budget. The involvement of active representatives of civil society in the development of model procedures and control processes will only have a positive impact on the effectiveness of the model.

3. *Procedures of the model of participatory budgeting of the mixed type.* The mixed participatory budgeting model is a compilation of the two previous models: the model allows for discussion and voting on both community proposals and thematic projects. Therefore, from the very beginning, it should be determined which part of the PB budget will be allocated to the needs of the community and which part to thematic project proposals.

The mixed-type model of participatory budgeting is characterized by the following *main features*: (a) the model is focused both on solving local problems of one particular settlement or community, as well as on the development of projects to be implemented within the municipality as a whole; (b) the main actor of the model should be the active representatives of the civil society, from which the implementing, regulatory and controlling formal bodies will be formed; (c) The structural units of the municipality are involved in the process as supporting actors who will carry out the expertise and logistical support of the project proposal.

As practice shows, the involvement of the population within the mixed model is high, as a socially active person can participate in the process of budgeting in the role most convenient for him (controlling, organizational, or group of development of project proposals). As a result, the readiness of the population to participate in the processes and trust in the actual results is high under the competent management of the processes.

Nevertheless, in the above model, the influence

of entities formed from the population on the final decision is small because, under current Georgian legislation, the mayor/governor of the municipality is responsible for developing the budget, and the developed budget is approved by the city council, so they have leverage over the final decision.

2.4. The procedure for selecting a participatory budgeting model

As we have already mentioned above, when choosing a model of participatory budgeting, it is necessary to take into account the socio-cultural and geographical features of a particular municipality. As part of this process, several basic issues should be discussed, and based on the results, a model adapted to the municipality should be selected:

1. *The amount of funding for the participatory budgeting process by the municipality in the next budget year.* The amount of available funds determines the amount of funds needed to implement project proposals in the next budget year, as well as the amount of work needed to develop information and education activities and the project proposal under development.

As a result of the analysis, the approximate answers reflecting the amount of financing of the participatory budgeting process are “small” and “large”, after which the desired model is determined by additional questions. The given answers, in turn, determine the subsequent questions: if the answer is “low”, you go to question №2, and if “high”, – go to question №3. Ultimately, it is important that all three questions are answered.

Georgian and international practice shows that in those models of participatory budgeting, where small financial resources are allocated, the intended goal – maximum involvement of the population – has not been achieved. At the same time, those models where large amounts of financial resources are available require more attention and external control.

Therefore, it is important to determine from the beginning what financial resources will be available when choosing a model. For the participative budgeting process, the funds needed to finance the outreach campaign and other logistical costs should be

allocated. At the same time, it is necessary to carry out at least three budgeting cycles in order to be able to evaluate both the model itself and the effectiveness of the works to be implemented.

2. *The type of urban development of the municipality.* As we mentioned above, the type of urban development of the municipality reflects the logistical problems that arise in the implementation of the model, the difficulties of delivering information to the target groups, and the involvement of the masses in the decision-making process.

As a result of the analysis, the probable answers reflecting the urban development of the municipality are “rural type”, “urban type”, and “mixed type”. As Georgian and international practice shows, the type of urban development has a great influence on the participatory budget model. What can be easily achieved in a city-type settlement is associated with very high logistical, human, and financial costs in rural municipalities with difficult terrain (and not only), which directly limits the effectiveness of the model: (a) In most cases, in rural and mixed-type municipalities, depending on their specificity, it will be more appropriate to introduce a model of participatory budgeting that ensures high involvement of the population of historically existing communities and small settlements. This is due to the close ties of relatives and acquaintances within the community and the experience accumulated within the framework of community mobilization projects historically formed in the community and implemented by the efforts of various municipal or donor organizations. It is also important that the standard forms of ensuring citizens’ participation defined by the Local Self-Government Code (general meeting of the settlement, meetings with the mayor/governor, and petition) are better adapted to the specifics of small settlements and communities and are actively used by the municipality’s leadership; (b) In city-type settlements there are less close social ties between the population, that is why it is important to involve the civil society as much as possible in the process.

3. *The level of development of civil society.* As mentioned above, an analysis of the level of development of civil society is important for choosing a model suitable for high-budget funding and/or urban-type settlements. In these models, civil society

is included both as a subject of monitoring of the process and as a subject of outreach campaigns. Moreover, active representatives of civil society have skills in developing project proposals and experience in implementing such types of work.

As a result of the analysis, the probable answers reflecting the level of civil society development are “high” and “low”. As Georgian and international practice shows, in the model of participatory budgeting, where civil society is developed, the involvement of citizens is high, the implementation of projects is effective, and the spending of public funds is efficient. Such models represent a mixed type of participatory budgeting, where project proposals correspond to both thematic and community-type processes, which ensure low risks.

At the same time, regardless of the size of the municipality’s budget and/or the municipality’s urban development, if the level of civil society development is low, in order to minimize logistical risks, it is preferable to select only participatory budgeting thematic models. Within such a model, the processes are easier to manage, and the methods of direct democracy can be used for decision-making (for example, municipal voting, including the use of electronic systems).

At the same time, it should be taken into account that what can be easily achieved in an urban settlement is associated with very high logistical, human, and financial costs in the case of rural and mixed-type municipalities, which directly limits the effectiveness of the model.

2.5. Work procedures of the participatory budgeting model

Any model of participatory budgeting consists of various working procedures, which must comply with a set of methods and approaches that characterize this particular model. At the same time, it is necessary to comply with the principles of good governance and to ensure their effectiveness and compliance with the law as much as possible.

Regardless of which model is chosen, the sequence of work must be very clearly established and detailed in the work procedures, and the actors responsible for it must be identified. At a minimum, any model should have the following

work procedures: (1) population group meetings; (2) outreach campaign; (3) development and submission of project proposals; (4) voting and final decision; (5) evaluation of the participatory budgeting process and work procedures.

1. *Group meetings of the population.* One of the important working procedures of participatory budgeting is group meetings of the population. The purpose of these meetings is to identify problems and priorities at the local and municipal levels through the involvement of the population and to identify ways to solve them.

Depending on the model, group meetings of the population can be held: (a) at the level of a community, village, township, or city with a small area or a historically formed district; (b) at the village, district, and/or city level; (c) at the municipality level; (d) in specific vulnerable population groups.

All decisions at group meetings must be made by voting and/or other methods of direct democracy. The type of voting and how the results are determined must be determined in advance and outlined in the voting procedures for group meetings with the public. At a minimum, the ballot should identify (a) budget priorities for the next year, (b) problems at the local and municipal level, (c) possible solutions to the problems identified, and (d) representatives of the population who will be involved in the work of the entities created by election.

Conducting and facilitating group meetings should be provided by the subject introducing participatory budgeting. Besides, the active participation of public mobilizers, representatives of the mayor's office, and deputies of the city council in this activity is possible. Active participation of non-governmental organizations is also possible. However, it must not reduce the level of involvement and influence of citizens in decision-making.

Maximum attention should be paid to the gathering of citizens in places for which: (a) citizens' meetings should be held in places easily accessible to the public so that they do not have to travel long distances; (b) school buildings should be used as much as possible for meetings with young people; (c) transportation services will be provided to vulnerable groups to attend both thematic and general meetings, if necessary.

2. *Informational and educational campaign.* As

part of the participatory budgeting process, it is mandatory to conduct an outreach campaign as intensively and extensively as possible. The purpose of the campaign is to raise public awareness of the rules and principles of participatory budgeting, to provide information about the development of the state budget, and to provide multifaceted, reliable, and up-to-date information about the budgeting process.

The outreach campaign should be conducted throughout the entire budget period. It is important from the very beginning to determine both the work plan and the organization responsible for implementation and allocate the appropriate amount of financial and human resources.⁴

As part of the outreach campaign, the following should be planned:

- Providing information on participatory budgeting (including up-to-date information on objectives, principles, working procedures, and ongoing processes). It is also important that information about submitted project proposals be provided in as broad and detailed a manner as possible;
- *Supply of reference and outreach materials.* The materials should reflect the information and results of the implementation of various projects planned within the budget of the previous year, as well as financing from the municipal and central budgets;
- *Providing information about public and municipal budgeting rules.* Provide reference and informational materials that reflect the rules for developing public and municipal budgets and municipal projects;
- *Providing reference and information materials.* Materials should reflect the information and results of various projects planned under the previous year's budget, as well as those financed from the municipal and republican budgets.

What the working procedures of the outreach campaign will be depends entirely on the model chosen. For example: (a) If the model is based only on the extensive use of the Internet system and less attention is paid to the gathering of population groups, it is important that all available communication and media tools are provided to disseminate detailed information about the cur-

rent participatory budgeting processes and the project proposals submitted; (b) If proposal development and final decision-making is the mandate of a participatory budgeting entity, it is important that their members are trained in the rules and requirements of municipal budgeting.*

3. *Development and submission of project proposals.* Working procedures for the development and submission of project proposals must reflect the approaches and characteristics initially incorporated into the chosen model of participatory budgeting: (a) who is the subject of submission of project proposals – only citizens or also represented by groups of citizens are acceptable; (b) submission of proposals for documentation is carried out through the Internet system or in the documentary form. The latter issues, on the one hand, are purely technical, but they need to be well understood when developing working procedures.

It is important to use all possible ways to submit project proposals and to be as close to the voters as possible. For example: additionally, project proposals can be submitted in schools located in localities and in the service centers of the Ministry of Justice, for which, on the one hand, procedures must be developed from the beginning and, on the other hand, appropriate funds and human resources must be allocated.⁴

4. *Voting and making final decisions on project proposals.* The main requirement of participatory budgeting is the determination of project proposals for funding by citizens through voting, which can be implemented using the following model:

- *Directly by citizens using traditional voting procedures.* This model requires large logistical, human, and financial costs, although its level of legitimacy is the highest. In addition, it is possible to achieve the maximum involvement of vulnerable groups by arranging a special polling station for them;

- *Directly by citizens using electronic voting procedures.* This model is similar to the previous one and relies on information and communication technologies for which websites and phone applications are used. The drawback of this model is the low level of skills in using information and communication technologies for certain groups of the population and technical problems with access to the Internet in some municipalities;
- *Participatory budgeting by representative bodies composed of citizens and, in some cases, elected using voting procedures.* Depending on who has the right and duty to make the final decision on project proposals within the selected model of participatory budgeting, an appropriate procedure should be developed. The content of the procedure also depends on the method of voting – electronic or traditional.

The decision itself can be made by the following type of voting: (1) single-choice voting, when a citizen chooses only one project proposal that is most acceptable to him; (2) multiple-choice voting, when a citizen chooses several project proposals that are most acceptable to him; (3) multiple-choice voting, when a citizen chooses several project proposals in the ballot, prioritizing them in the ballot.⁵

How many projects will be included in the municipality's budget for next year depends on the amount of funds allocated and other parameters and must be determined in advance.

5. *Evaluation of the participatory budgeting process and working procedures.* Evaluation of the participatory budgeting process and working procedures should be carried out to improve the model of participatory budgeting, increase efficiency, and gain and strengthen public confidence. Evaluation procedures are carried out by the su-

**** At any stage of the campaign, it is possible and desirable to involve representatives of non-governmental organizations and donor organizations.

4 Vanishvili, M., Katsadze, I., Vanishvili, N. (2021). Public finance reform and state transfer policy in Georgia. *Theoretical and empirical scientific research: Concept and trends: Collection of scientific papers «ΛΟΓΟΣ» with proceedings of the II International Scientific and Practical Conference*, (Vol. 1), 26-30.

5 Vanishvili, M., Chelidze, M., Gelitashvili, G. (2023). Challenges and perspectives of municipal participatory budgeting in Georgia. *Conference proceedings of the International Scientific and Practical Conference «Modern Knowledge: Research and Discoveries»* (102-119). Vancouver, Canada (In order to make the budgeting process even more effective, it is possible to use several voting rules, which will be adapted to each work procedure and the rights and duties of the subject).

pervisory body of participatory budgeting policies and processes. The evaluation should look at how thoroughly the procedures were followed, whether there were any systemic problems and/or complaints from actors involved in the processes, how existing problems were resolved, and how effectively the allocated funds were spent. Particular attention should be paid to the effectiveness of the outreach campaign and the involvement of vulnerable groups in the processes.

The content of each procedure depends entirely on the specifics of a particular municipality, but depending on the chosen model, if necessary, it is possible to add other procedures, which will further increase the effectiveness of the planned work.

CONCLUSION

When implementing a specific model of participatory budgeting, it is necessary to take into account several main factors, which most affect the effectiveness of the model's implementation, based on the reality of Georgia. These factors include (a) the urban arrangement of the municipality, (b) the size of the municipality's budget, and (c) the development of civil society.

Any participatory budgeting model should be based on the following operating principles: (a) good governance principles should be respected in the model design and implementation procedures; (b) all model procedures should be based on the so-called PDCA cycle (Deming cycle). This cycle en-

ures the effectiveness of the procedural management system and compliance with applicable legislation; (c) the established procedures should take into account the context and geographical characteristics of the particular municipality; (d) the actors of the model should be identified and their authority clearly defined at the planning stage; (e) the forms of citizen involvement defined by Georgian legislation and additionally should be used to the maximum extent possible.

Taking into account the international practice and experience in the field of participatory budgeting in Georgia, there are three types of participatory budgeting models: the model of participatory budgeting of the community type, the model of participatory budgeting of the thematic type, the model of participatory budgeting of the mixed type.

When selecting a model of participatory budgeting, the socio-cultural and geographical features of a particular municipality should be taken into account. As part of this process, several basic issues should be discussed, and based on the results choose a model adapted to the municipality: the amount of funding of the participatory budgeting process by the municipality in the next budget year; the type of urban development of the municipality; the level of development of civil society.

Any participatory budgeting model should have at least the following operating procedures: (a) group public meetings; (b) an outreach campaign; (c) development and submission of project proposals; (d) voting and final decision; (e) evaluation of the participatory budgeting process and operating procedures.

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