

**Special Session  
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# **The Potential of Human Rights Budgeting for Inclusive Cities**

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## **1. Introduction**

Human rights are the foundation of society and its pursuit to guarantee a decent life for all. These fundamental rights are laid down in international treaties or documents, and are secured by the overarching responsibility to respect, protect, and fulfill human rights. While States are the signatories of legally binding agreements on the international level, there is growing consensus that every government level is obliged to respect, protect, and fulfill human rights and their underlying principles in their respective area of competency.

Human rights can thus be conceived as core values of cities and municipalities, setting a frame for human rights-based governance, as well as providing them with a roadmap on how to provide a dignified and equitable life for all. Human Rights Cities (HRC) center their efforts around this very goal by self-committing to the proactive protection and realization of human rights on the local level. One crucial tool for promoting and protecting human rights is to apply a human rights-based approach (HRBA) to public budgeting.

Since Human Rights Cities and their alignment with the HRBA are particularly suited for implementing human rights-based budgeting practices, this paper seeks to demonstrate the potential of such practices on the city level. First, the paper will investigate human rights responsibilities of local level governments, especially Human Rights Cities. It will discuss the importance as well as the potential of incorporating a human rights-based approach to budgeting for the purpose of realizing human rights on the local level. After providing a short overview over the current state of research on Human Rights Budgeting, the paper will introduce three examples of cities that have incorporated an HRBA into their budgeting efforts: Vienna (Austria), Mexico City (Mexico), and Barcelona (Spain). Drawing on these practice examples, the paper aims to highlight the different ways in which HRBA have already been introduced to budgeting processes in Human Rights Cities across the globe, making the case for an integrated approach towards Human Rights Budgeting (HRB) practices. Finally, the paper highlights how HRB practices can enhance inclusive effects of local governance.

## **2. Linking (International) Obligations to (Local) Objectives**

International agreements and related legal documents on human rights obligations are generally addressed to States as signatories. However, a growing body of literature and reports by international organizations, like the United Nations (UN), increasingly point to the pivotal role of local governments in realizing human rights (OHCHR, 2019). International obligations of signatory states therefore also extend to the local level when it comes to the concrete implementation of political, civil, economic, cultural, or social rights as outlined in the respective documents. These rights and the respective government obligations are defined in the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Convention on the Rights of the Child (CRC), or the Convention on the Rights of Persons with Disabilities (CRPD), to name a few (Deklerck, 2022). In this multi-level governance approach to realizing human rights, particularly so-called Human Rights Cities are pivotal in supporting the effective implementation of human rights commitments (Gomes & Möstl, 2020).

### **2.1. Human Rights Cities and the Right to the City**

The Human Rights City initiative began in Argentina in 1997 and has since evolved to a group of cities worldwide that can be characterized broadly as cities mainstreaming human rights considerations in their strategies and operations. The European Union Agency for Fundamental Rights (FRA, 2021) states:

*Human rights cities pioneered the ‘localization’ of human rights. They established structures and tools to promote human rights, used a human rights-based approach in planning and development, applied participatory methodologies and set up human rights mechanisms (p.5).*

Becoming a Human Rights City usually involves the self-commitment of a city to put the human rights principles of non-discrimination, the rule of law, participation, empowerment, transparency, and accountability at the core of decision-making (see e.g., the Gwangju Declaration on Human Rights City; WHRCF, 2011). This is realized through cooperation with stakeholders, civil society, and the population, as well as with cross-sectoral policies and decision-making processes across municipal departments (OHCHR, 2019).

## **2.2. The Right to the City perspective**

More recently, the “Right to the City” perspective has been linked to the Human Rights City concept, conceiving cities as arenas in which government and citizens can “exercise, claim, defend and promote equitable governance and the social function of all human settlements within a human rights habitat” (Global Platform for the Right to the City, 2019). The United Nations Office of the High Commissioner for Human Rights (OHCHR) states that “there is a close connection between human rights and the right to the city”, which namely lies in the identification, analyzing, and responding to contemporary issues of local governance (OHCHR, 2019, p. 4).

As such, this perspective puts the collective right to political participation and inclusive citizenship on the agenda, emphasizes the equality of all city inhabitants, and highlights the interdependence of all internationally recognized rights norms and treaties (World Human Rights City Forum, 2022). As stated by the City of Barcelona, the main aim of realizing the Right to the City is creating a city where the human rights of all inhabitants are respected, guaranteed and protected (Ajuntament de Barcelona, 2018).

## **2.3. Linking budgets to realizing human rights at the local level**

Particularly Human Rights Cities with their elaborate human rights commitments, as well as other cities with a focus on inclusive and human rights-based governance, provide fruitful ground for investigating the potentials of applying a human rights-based approach (HRBA) to budgeting processes at the local level.

Human rights obligations and duties depend on the availability and allocation of financial resources to realize these rights (ELLA, n.d.). At the local level in particular, budgets can be operationalized to respect, protect, and fulfill human rights values and obligations. This is because of the proximity of local governments to the citizens and their needs in regard to the enjoyment of fundamental rights. Local governments furthermore have vast areas of competency regarding human rights-related topics relevant to their inhabitants, including, for example, housing, mobility, energy, environment, arts, sports, and more (FRA, 2021). These areas are directly linked to human rights as well as their realization. Furthermore, the realization of human rights in these areas can be directly influenced by appropriate budgetary allocation and spending.

Government budgets are generally referred to as one of the most critical governance tools. The criteria used for making budgeting decisions typically reveals the underlying values and priorities of the respective government. As financial resources are crucial for the enabling of governance, the way they are raised, allocated, and spent, decides which governmental actions and priorities will be realized and which not. Therefore, the prioritization of specific areas of actions could manifest in the unequal allocations of resources and further perpetuate existing inequalities (Scottish Human Rights Commission, 2019). Equally, ignoring human rights considerations in budgets sends a strong message and can lead to the perpetuation of existing inequalities.

Including a human rights-based approach at the center of budgetary considerations, means applying five working principles: the universal application of all human rights, inclusive participation in decision-making, non-discrimination and equality, accountability and the rule of law, and transparency supported by disaggregated data (European Commission's Directorate-General for International Partnerships, 2021). The inclusion of human rights aspects and principles not only protects the rights of citizens but can also generate democracy-strengthening and crisis-resilient potential. Including and respecting human rights in budgets also promotes the transparency and legitimacy of government decisions. This has a positive and lasting effect on participation and political acceptance of government decisions (Scottish Human Rights Commission, 2019).

Local governments' proximity to the population gives them a unique potential to enhance inclusivity and living standards within the municipality by complying with Human rights standards in the provision of basic services and infrastructure such as justice, education, healthcare, and housing.

### **3. Human Rights Budgeting on the local level**

One promising tool for embedding human rights in local government structures to ensure compliance therewith, is the practice of Human Rights Budgeting (hereafter: HRB). The term "Human Rights Budgeting" refers to public administration budgeting approaches that explicitly incorporate human rights into budgeting processes. As of now, a widely accepted definition of HRB, or an established framework thereof, is yet to be found (Deklerck, 2022).

The primary goal of HRB is to incorporate human rights principles into the process of government budgeting to ensure compliance with human rights obligations. Simultaneously, a human rights budget can be envisioned as the result of an existing human rights process that focuses on citizens' social development needs and thus becomes a tool for delivering human rights (Kenya National Commission on Human Rights, 2018). Existing research and concepts on HRB primarily focus on budgeting at the national level.

The Scottish Human Rights Commission's (2019) "Human Rights Budget Works" concept is the most widely known HRB concept on the international level. This framework is defined by human rights standards, which inform budget decisions, as well as human rights principles, which are the basis of the budgeting process (formulating, approving, executing, and auditing) (Scottish Human Rights Commission, 2019). The underlying understanding of Human Rights Budgeting is defined as a "process of developing and executing a public budget in a way that is sensitive to human rights standards and the government's human rights obligations" (Together Scotland, 2021).

Furthermore, the Fundamental Rights Agency of the European Union (FRA) included HRB as a tool for fostering human rights in their "Framework for Human Rights Cities". There, HRB is defined as a people-centered "system for distributing resources", which places a focus on the impact that budgeting cycles have on the protection, realization, and fulfillment of human rights (FRA, 2021).

HRB is not exclusively linked to the allocation of financial resources. Depending on the underlying concept or model, it can and shall be applied to all budgeting cycles - which include the raising of revenue, allocation, and spending of the budget. Furthermore, HRB can relate to clarifying how the allocated budget contributes to the city's human rights efforts and priorities. Following this argumentation, HRBs can therefore be seen as indicators of the government's compliance with its human rights obligations as well as the realization of human rights (Kenya National Commission on Human Rights, 2018).

Especially at the regional and local levels, a lack of HRB frameworks or applicable concepts can be identified. Thus, the following section of the paper will present three exemplary budgeting practices, applied by the cities of Vienna (Austria), Mexico City

(Mexico), and Barcelona (Spain), which demonstrate the usage of an explicit human rights-based approach to budgeting. Based on these examples, the paper aims to illustrate the different ways and tools to implement a human rights-based approach to public budgets on the local level.

#### **4. Towards a Typology of Human Rights Budgeting at the Local Level**

To address the lack of Human Rights Budgeting literature and frameworks for the local level, this section will present three budgeting practices from established Human Rights Cities. The examples highlight various human rights principles or areas of implementation. Nonetheless, despite the fact that not all of them are explicitly defined as Human Rights Budgeting practices, they all demonstrate a human rights-based orientation.

##### **A. Budgeting with a Human Rights Approach - Mexico City (Mexico)**

In 2009, Mexico City was the first city globally to introduce an HRBA budgeting process. The characteristics of the innovative budgeting approach as well as its development process and implementation are explained in a dedicated practice brief. The budgeting concept consists of several steps and follows a comprehensive approach, spanning from budget allocations to defining human rights outputs in existing budget tools.

The steps that are foreseen for the implementation of the concept are:

- Designing and testing the new budgeting tools (working groups)
- Enacting legal reforms to sustain the initiative
- Changing public servants' vision of budgeting.

The government of Mexico City was able to report successful outcomes as soon as two years after the implementation of the new budgeting approach. Namely, high compliance of responsible city officials and departments was reported with 75% of budget allocations linked to human rights actions, which consequently led to the funding of 52 new human rights actions. (ELLA, n.d.)

## **B. Gender impact assessment of the City Council budget - Barcelona (Spain)**

The city of Barcelona has developed and applied a range of human rights-based governance practices, all in front their “City of Human Rights” Model (Barcelona Model), which is applying various human rights-related concepts, like the right to the city, the HRBA, or the feminist perspective, to the formulation of public policies. The framework is therefore also applicable to budgeting processes, like the assessment of budget estimates, budget allocations, and budget reporting based on human rights indicators (Ajuntament de Barcelona, 2018).

Next to this comprehensive human rights-based city model, Barcelona developed a distinctive budgeting practice for assessing the gender impacts of its City Council budgets. The Gender impact assessment includes the following 7 steps: (UNESCO Centre for the Promotion of Human Rights at the Local and Regional Level, 2023)

- Step 1: Spending programmes’ relevance to gender
- Step 2: Identification and description of the spending programmes
- Step 3: Spending programmes’ connection to the institution’s gender goals
- Step 4: Analysis of the spending programmes’ gender impact
  - 4.1. Gender diagnosis of the area of action
  - 4.2. Incorporation of a gender perspective
  - 4.3. Expected results
- Step 5: Overall gender impact assessment
  - Reproduction of inequalities (yes/ no)
  - Transformation of inequalities (slightly/ very positive impact)
- Step 6: Analysis of gender impact on the overall budget
- Step 7: Proposals for improvement and recommendations.

## **C. Gender Budgeting - Vienna (Austria)**

The parliament of the City of Vienna voted to implement gender budgeting in 2005 (City of Vienna, n.d.) and is now widely considered a best practice example in Austria and abroad.



The Vienna gender budgeting is a key tool in the City's broader gender mainstreaming agenda and seeks to include objectives related to gender equality into the overall budgeting processes within the city. This is done by applying gender equality criteria and analyses to existing budgets, instead of implementing a separate, closed-off gender budget. In Vienna, gender budgeting has been integrated as a fixed component in the budget preparation process since 2006. Gender objectives are defined based on the consideration that the budget should be equally distributed between genders from a social point of view, with the goal of reducing discrimination and inequalities, increasing equal access to goods and services, and promoting fairer (living) conditions between the genders.

This is underpinned by the principle of outcome orientation in budgeting: All proposed budgets within the city are first analyzed from the standpoint of gender equality using equality data; building on this, targets to reduce gender gaps are defined, measures to achieve these targets are specified, and indicators to measure achievement are developed (City of Vienna, n.d.). The human rights-based approach is thus made explicit and implemented via an integrated approach to the City's existing budget.

## **5. The effects of Human Rights Budgeting for Inclusive Cities**

The examples of human rights-based approaches to budgeting provided above demonstrate that there are numerous ways to incorporate an HRBA into a city's budget and budgeting process. While it has not yet been established as a framework for local governments, the concept of Human Rights Budgeting and the associated concerted approaches assist local governments in fulfilling their human rights obligations by aligning their budgets with human rights standards and principles.

As government budgets are generally referred to as the most crucial governance instrument for transparency and accountability (FRA, 2021), applying an HRBA to budgeting should not be optional, but the foundation of governance. In fact, there is a real risk of misconduct when it comes to public budgets, by intentional or unintentional discrimination. For one, government budgets in corrupt environments can be misused in the allocation or spending of funds by unequal distribution. Secondly, public budgets can also increase existing inequalities unintentionally by misallocation or unawareness and potentially lead to human rights violations in some cases (OHCHR 2017; FRA 2021).

This is why Human Rights Cities, like the cities of Vienna and Barcelona, emphasize the importance of inclusive and cross-cutting approaches to public governance and -budgeting (OHCHR 2019). Human Rights Budgeting can mitigate the above-mentioned risks, by providing an all-encompassing, rights-based approach to governance. Hereby, HRB can ensure the lawfulness of budgetary (and related governance-) decisions. The common link of the city examples and theoretical approaches to HRB presented in this paper, can be found in the underlying human rights principles. The concepts, either explicitly or implicitly, are all linked to common HRBA-principles, like Equality, Non-Discrimination, Transparency, Accountability, or Participation.

By implementing an HRBA to local government budgets, above-mentioned risks of misconduct or misuse of public budgets can be mitigated. What is more, basing budgeting decisions on human rights principles can even mitigate existing inequalities, as human rights-conform budgets are typically allocated in a way that seeks to address existing human rights violations or issues. (Kenya National Commission on Human Rights, 2018) In the case of successful human rights-based budgeting, human rights violations or inequality would potentially be reduced.

Lastly, local level governments have a special potential for increasing equality in their city or municipality due to their proximity to the citizens. While national governments hold the signatory power to international human rights agreements, the decisions of local level governments have direct impacts on their citizens. The reason for this lies especially in the role of local governments in providing essential services that are linked to human rights obligations (i.e., education, housing, or health services). (Together Scotland, 2021). Additionally, there is high potential of successfully implementing inclusive and participatory methods, like participatory budgeting, on the local level (FRA, 2021).

## **6. Conclusion**

Human Rights Budgeting, particularly when implemented in Human Rights Cities, is a powerful tool for promoting human rights at the local level and fostering inclusivity in cities. This paper examined the key features and potential benefits of incorporating an HRBA into budgetary processes as a means of realizing human rights at the local level. While much of the work on incorporating an HRBA into budgeting has been done at the national level, there is a growing body of documents, initiatives, and city

practices that seek to bring HRB to the local level.

Cities and municipalities, because of their unique position, are not only the governance units closest to the people, but they also have competencies that enable them to make a tangible difference in the lives of their residents. Local government measures can directly address human rights issues such as discrimination or inequality in certain sectors. Three concrete examples have demonstrated how an HRBA has the potential to initiate and anchor long-term changes in human rights realization. The urban examples of Vienna, Mexico City, and Barcelona have demonstrated that successfully integrating an HRBA into budgetary processes benefits local governments for a variety of reasons and allows them to explicitly address human rights concerns in a sustainable manner. While Mexico City explicitly works with an HRBA in its budgetary allocation, Vienna and Barcelona have, respectively, integrated individual human rights objectives into budgetary processes relating to promoting gender equality through an integrated budgeting approach and impact assessment. By clearly defining specific human rights objectives to reduce inequalities, all three methods ensure accountability to city dwellers.

Cities can effectively and measurably improve inclusivity and equity by operationalizing and localizing human rights through budgetary processes. HRB not only allows for the equitable distribution of financial resources, but it also has the ability to influence city revenue, allocation, spending, and monitoring activities. There is still much work to be done, and Human Rights Cities, with their self-commitments and human rights-based governance procedures and goals, provide a fertile breeding ground for further investigating the potential of HRB.

Importantly, a unified, universally applicable framework would significantly strengthen individual HRB initiatives, allowing cities to meet their international obligations. Human Rights Cities are critical in this regard. Finally, the Gwangju Guiding Principles for Human Rights Cities (2011) highlight the promising significance of HRB, making it all the more compelling in light of the current World Human Rights Cities Forum 2023.

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