



PART 1: BASIC DATA

Title of the experience: National and local cooperation to enhance participatory Budgeting in Republic of Korea	
Name of the city/region: -	
Country: Republic of Korea	
Institution presenting the candidacy: Ministry of Economy and Finance (MOEF)	
Start date of the experience: 2018	
End date of the experience: ongoing	
Type of candidacy	New experience
Type of experience	Participatory budgeting
	Workshop/meeting for diagnosis, monitoring, etc.
	Poll/referendum
	Citizen jury
	E-government/open government
	Citizen initiative
Objective of the experience	To achieve higher levels of equality in terms of participation and to incorporate diversity as a criterion for inclusion
	To increase citizen’s rights in terms of political participation
	To improve the effectiveness and efficiency of the mechanisms of participatory democracy
	To improve the quality of public decision-making through the mechanisms of participatory democracy
Territorial area	All the territory
Thematic area	Governance
	Education
	Transport
	Urban management
	Health
	Security
	Environment and/or urban agriculture
	New social movements and associationism



	Culture
	Housing
	Job creation
	Decentralization
	Local development
	Training/learning
	Economy and/or finances
	Legal regulations
	Social inclusion

PART 2 :DESCRIPTION OF THE EXPERIENCE

Objectives

Main objective of the innovative experience:

To increase citizen’s rights in terms of political participation

How have you achieved this objective?

The Citizens’ Committee is the key operating mechanism of the National PB program. It meets for discussions to shortlist submitted proposals and for presenting preference votes to the shortlisted projects.

In terms of organising the committee, a policy decision is required to prioritize importance between expertise and social representativeness. If expert evaluation is more valued in order to ensure efficiency (cost-effectiveness) of PB projects, creating a candidate pool with prerequisites such as higher education or professional experience would be appropriate. On the other hand, if social representation, meaning the perspectives of ‘common sense’ and ‘general public interest’ is more valued in discussing and shortlisting the proposals, such criteria should not be placed.

For the National PB of Korea, the government believes that ensuring social representation has a greater value in achieving the two main goals: to increase citizens’ understanding of central government’s public financial management, and to provide a hands-on education opportunity to the public in the form of “budget school.” As an effort to better support participating citizens, the PB program provides on- and off-line courses to broaden their knowledge, as well as Experts Support Council to help with deliberation processes.

Continuing with this vision of enhancing social representativeness, the government added 150 more members to the Citizens Committee in 2019. A total of 450 members were invited to participate, 400 from the general public, and 50 from marginalised groups such as seniors and workers from farming, fishery, and forestry industries that are often underrepresented.

A random statistical sampling tool was used for general population selection in order to prevent overrepresenting particular local and/or interest groups, and to ensure every gender, age, and regional groups are evenly represented.

This tool was also effective in minimising sampling bias by proportionately including people of diverse careers, education levels, and industries, while balancing the member composition between office workers and field workers.

This year, in order to adapt to the coronavirus context, we changed the whole process into an online working system. We gathered the 2,200-citizen committee who will evaluate budget project candidates online. There are 3 stages of national budget education and voting.



To what extent has this objective been achieved?

Citizens’ participation helped discover projects that are most-needed in daily life from their own perspectives as well as projects for the socially marginalised.

Among 38 new projects worth \$ 86.1million were reflected in the 2020 national budget, \$ 46.3 million were included in close-up on life projects while \$39.9 million was included in supporting socially marginalised.

Dimensions of the experience

Which is the most innovative aspect of the experience?

First of all, transparency in governance and financial management has been increased with the help of the PB program. By operating it, we are trying to release more information on budget compilation and execution to the public. This allows citizens to better apprehend the procedure and functions of public budget and draws their active participation.

Secondly, the system has a positive effect on raising efficiency of financial management. The system is evolving in a way that citizens can participate more actively in the budget process, not just in the project suggestion and budget reflection process, but also, now, in the monitoring, evaluation, feedback process in order to examine any inefficiencies in national finance.

Lastly, for the continuing progress of the PB system, central and local governments are cooperating via events such as nationwide PB workshops. It was agreed to enhance sharing outstanding experiences and joint promotion to raise awareness of the PB system. We are searching cooperative measures to improve Korean PB on a longer term aspect.

Alongside with these qualitative improvements, we also have practically observed some noticeable quantitative improvements. For example, the number of proposed items increased 16%, and the budget request from the ministries increased by 42.4% this year in national PB. In the Seoul case, proposed items increased more than 8 times and PB amounts increased almost 6 times over the past 6 years. More than 120,000 citizens are participating in prioritisation via electronic votes.



To what extent is the procedure transferable?

In case proposals are not suitable for the national budget formulation, they will be rolled over to the local governments and/or central government policy planning for further consideration.

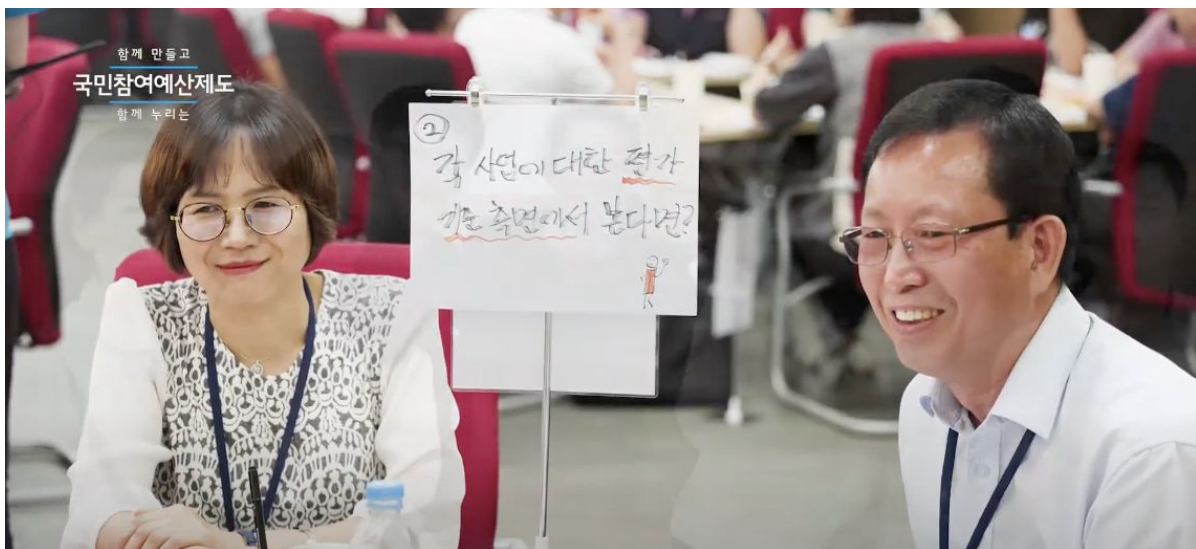
- Proposals better fitting for local governments to implement will be reevaluated in the local government budgeting process.
- Each proposal will be given much attention so that the suggested ideas will help shape overall government programs, regulations, etc.

Why do you consider that the experience is feasible?

- This program is a part of a fiscal reform being undertaken by the MOEF with the purposes of increasing transparency of public financial management and expanding opportunities for citizens to participate and voice their opinions in the national budgeting process.
- The program is also taking part in increasing citizens' interest in the national budget.
- Citizens participation helped discover the projects that are most needed in daily life from their own perspectives.

How has the experience been coordinated with other actors and processes?

- To gain greater insights from wider demographics, the Ministry ran additional programs including 1) "Introducing My Budget" Tours (Seoul, Busan, Deajeon, Gwangjoo), 2) meetings with diverse groups of the society including the least advantaged population, and 3) onsite proposal applications at universities and public facilities.



What has been the level of co-responsibility?

Citizens can participate in the budget process of Proposal -> Discussion -> Prioritisation in ways as follows:

- Citizens can propose budget projects on- or off-line relevant to all 12 areas of the National Fiscal Management Plan (e.g. environment, health/welfare, and industry/SMEs/Energy)
- Proposed projects must be a new item which pursues a nation-wide impact, and not subject to feasibility studies*

* Project with budget under 50 billion KRW

- Guidelines for making proposals and submission can be found on the website "My Budget", planned to open in mid-March.



- Each relevant ministry and private sector experts will review proposed ideas for their eligibility as a central government project. In case of proposals that present great potential but lack concrete plans, they will be reviewed for further development.
- After the reviewing process, relevant ministries will include a shortlist of Participatory Budgeting proposals in their budget request to MOSF.
- Next, the Participatory Budgeting Citizen’s Committee, composed of volunteer citizen representatives, will discuss the shortlists and select final candidates.
- The government will conduct preference surveys on the selected finalists, through general public survey and voting of the Participatory Budgeting Citizen’s Committee.
- After the deliberation of the Advisory Council on Fiscal Policy* and the State Council, a budget bill that includes the selected Participatory Budgeting proposals will be prepared for submission to the National Assembly.

Which evaluation and accountability mechanisms were used?

After projects selected by citizens are reflected in the national budget, citizens can also participate in budget execution monitoring. In the monitoring process, there is an interview session with the people/teams (citizens) concerned. An evaluation sheet is submitted to the Ministry of Economy and Finance, which would be provided to each relevant Ministry.

Annexes:

[Video I](#)

[Video II](#)