Balanced
Development

An advisory committee for the President
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The Presidential Committee
on Balanced National Development

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Chairman's Greeting

We will create a balanced society where all the people in the nation can enjoy a high quality life, maintaining their own characteristics.

The world is now experiencing rapid changes characterized by informatization, globalization, and localization. In particular, with the advent of the knowledge-based society, it is getting more significant to promote individualized regions based on reinforced regional innovation and innovation clusters.

The unit for competition is also changing from a nation or an individual company to a regional innovative cluster. Considering such changes in the global context, the Participatory Government set balanced national development as one of the top agenda in order to create an opportunity for Korea to leap forward again, by promoting independent localization where each region can develop based on innovation - oriented growth strategies, while still maintaining its own characteristics.

The Presidential Committee on Balanced National Development has set the basic direction of balanced development and has put forth various policies, playing its due role as a mediator who can help related Ministries cooperate and adjust their opinions. Based on this initiative, we will make continuous efforts to create a balanced and individualized society where all the people in the nation can enjoy a high quality of life, helping Korea leap forward again.

September, 2005

The Chairman of the Presidential Committee on Balanced National Development,

Kyoung-Ryung Seong

History

2003

- Apr. 7 Establish the Presidential Committee on Balanced National Development (Presidential Order 17957)
- Apr. 9 Kyoung-Ryung Seong is inaugurated as the first chairman of the committee
- Dec. 29 Enact the Special Act for Balanced National Development (Act 7061)

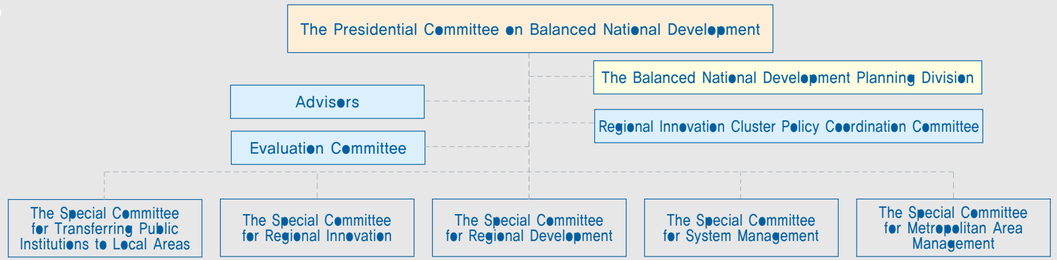
2004

- Jan. 16 Publicize the Special Act for Balanced National Development
- Mar. 29 Publicize the Enforcement Ordinance of the Special Act for Balanced National Development (Presidential Order 18346)
- Apr. 1 Implement the Special Act for Balanced National Development and the Enforcement Ordinance
  The Presidential Committee on Balanced National Development is reborn as a legal entity
  Chairman Kyoung-Ryung Seong remains in office
- May 3 Set up and organize the committee for evaluating balanced national development projects
- May 6 Organize the special committee for transferring public institutions to local areas
- Aug. 26 Finalize and implement the first 5-year plan for balanced national development

2005

- Jan. 1 Implement the special accounting for balanced national development
- Mar. 30 Establish the National Educational Institute for Regional Innovation
- Mar. 30 Set up the regional innovation cluster policy coordination committee
- Jun. 13 Organize the 2nd special committee for transferring public institutions to local areas

Organizational Chart



Organization

▶ The Presidential Committee on Balanced National Development (Special Act, Article 23)
- The committee is composed of government (12 Ministries) and civilian members. • The committee consists of fewer than 30 members including the chairman.

※ Related Ministries : The Ministry of Finance and Economy, The Ministry of Education and Human Resources Development, The Ministry of Science and Technology, The Ministry of Government Administration and Home Affairs, The Ministry of Culture and Tourism, The Ministry of Agriculture and Forestry, The Ministry of Commerce, Industry, and Energy, The Ministry of Information and Communication, The Ministry of Environment, The Ministry of Construction & Transportation, The Ministry of Maritime Affairs and Fisheries, The Ministry of Planning and Budget

▶ The Special Committee (Enforcement Ordinance, Article 24)
- The committee is composed of government bureau heads and civilian experts. • Research and review the issues which the committee will deal with, by area in advance.

▶ Evaluation Committee (Enforcement Ordinance, Article 13)
- The committee consists of members who have sufficient knowledge and experiences in balanced national development.
- Evaluate the performance of balanced development plans devised by local governments and Ministries.

▶ Advisors (Enforcement Ordinance, Article 2)
- The number of advisors not to exceed 200, providing advice regarding committee management.

▶ The Regional Innovation Cluster Policy Coordination Committee (Detailed Committee Management Regulations, Article 24)
- Composed of Deputy Ministers (related Ministries) and experts (fewer than 20) who have enough knowledge and experiences in clusters.

※ Related Ministries : The Ministry of Education & Human Resources Development, The Ministry of Science and Technology, The Ministry of Culture and Tourism, The Ministry of Agriculture and Forestry, The Ministry of Commerce, Industry, and Energy, The Ministry of Information and Communication, The Ministry of Health and Welfare, The Ministry of Labor, The Ministry of Planning & Budget, The Korean Intellectual Property Office

▶ The Balanced National Development Planning Division (Special Act, Article 26)
- The Management Offices of the Committee

The Functions of the Committee

- An advisory committee for the President, which was set up to providehim with relevant information, with regard to key policies for efficient implementation of balanced national development
- Adjustment of key issues regarding balanced national development and review of balanced national development plans
- Evaluation of the performance and budget of balanced national development projects

[Key Considerations]

1. The Basic Direction of Balanced National Development & Policy Adjustment
2. Balanced National Development Planning
3. Balanced National Development & Enforcement Planning by Area
4. Regional Innovation Development & Enforcement Planning
5. Management & Evaluation of Balanced National Development Projects
6. Conclusion and Management of Regional Development Investment Agreements
7. Management of Special Accounting for Balanced National Development
8. Transferring Public Institutions to Local Areas
9. The Basic Direction of Metropolitan Area Management and Enhancement in the competitiveness of metropolitan areas
10. Other issues for balanced national development, recommended by the chairman

The Special Act for Balanced National Development

- Enactment Purpose
  - Co-develop Metropolitan and Local Areas Based on Cooperation
  - Correct imbalance among regions and facilitate independent localization through innovation & individual characteristic-based development
  - Create a balanced and individualized society where all the people in the nation can enjoy a high quality of life
- Enforcement – April 1, 2004
- Key Information

Classification	Key Information
Balanced National Development Planning	Balanced National Development Plan, etc (Article 4), Plan by Area, etc (Article 5), Regional Innovation Development & Enforcement Plan, etc (Article 6, 7)
Evaluation of Enforcement Plans	Discuss and adjust enforcement plans (Article 8), Evaluate enforcement plans (Article 9)
Enforcement of Balanced National Development Measures	Establish a regional innovation system (Article 10) Promote local science and technology (Article 13) Develop underdeveloped/farming/fishing/mountain areas (Article 16) Transfer businesses and universities to local areas (Article 19) Select and promote local strategic industries (Article 11) Promote local informatization and IT (Article 14) Reinforce the local economy (Article 17) Conclude investment agreements for regional development (Article 20) Promote local universities, etc (Article 12) Promote local culture and tourism (Article 15) Transfer public institutions to local areas (Article 18) Annual Report for Balanced National Development Plans (Article 21)
The Balanced National Development Enforcement System	The Presidential Committee on Balanced National Development (Article 22~25), The Balanced National Development Planning Division (Article 26) The Balanced National Development Supporting Division (Article 27), The Regional Innovation Committee (Article 28 and 29)
Special Accounting for Balanced National Development	Set-up and Management of Special Accounting for Balanced Development (Article 30~48)

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The 5-year Plan for Balanced National Plan

• Organization

General Information	Plan by Area	Regional Innovation Development Plan
· The Overview of the 5-year Plan : Background & Significance · The Objective & Vision of the 5-year Plan · The Basic Strategy of the 5-year Plan · The Mid-to-long-term Direction & Enforcement System	· The Balanced National Development Plan of the Central Government · The Central Government's Policy by Key Project	· The General Plan by City & Province · Regional Innovation Development Plan by City & Province

• The Mid-to-Long-term Balanced National Development Strategy

The 5-year Plan	The 1st Plan('04~'08)	The 2nd Plan('09~'13)	The 3rd Plan('14~'18)
Objective	Create and Expand Innovation	Establishment of Innovation	Advanced Innovation
Enforcement Strategy	· Set up a regional innovation system · Promote an innovation cluster · Transfer public institutions to local areas · Construct innovative cities	· Promote the next generation growth engine industry as a key sector · Move into the world class innovative cluster · Construct a new administrative capital complex	· Enhance the regional innovation system, · Compete with world class clusters · Maximize the national growth potential

• The Key Information on the 1st 5-year Plan

	Policy	Key Projects
Plan by Area	Establish an innovation-oriented development framework	Set up RIS, Increase regional innovation capabilities, Reinforce the network between universities and industries, Promote innovative clusters by area
	Set up a framework for self-reliance of underdeveloped regions	Develop underdeveloped regions, Establish RIS for farming/fishing/mountain areas, Strengthen the local economy
	Promote the metropolitan area in quality	Transfer the functions of the metropolitan area to local regions, Manage the metropolitan area, based on plans, Enhance the competitiveness of the metropolitan area
	Form a network-based territory structure	Set up an ⊠ - shape national network, Complete a horizontal main-road network, Establish a stronghold for the outside world
Plan by Region	Regional Innovation Development Plans	Set up a regional innovation system, Promote strategic industries, Develop local universities and human resources, Reinforce innovative capabilities in science and technology, Enhance the capabilities of innovation entities and set up a network, Expand regional innovation infrastructure

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Evaluate balanced national development projects

- Evaluation Objective – Implement the balanced development project efficiently by increasing investment efficiency and eliminating redundancy
- Evaluation Targets – Regional Development & Innovation Projects in the Special Accounting for Balanced National Development
- Evaluation Procedures

Enforcement Schedule	Enforcement Procedures
November 30, Every Year (The Presidential Committee on Balanced National Development)	Notify local governments and Ministries of enforcement planning guidelines (including evaluation guidelines)
February 15 (Local Governments & Ministries)	Submit the performance of the enforcement plan of the previous year and the enforcement plan of the current year to the Presidential Committee on Balanced National Development
The End of February (Local Governments & Ministries)	Submit an internal report which evaluates the performance of the enforcement plan of the previous year to the Presidential Committee on Balanced National Development
March ~ April (The Presidential Committee on Balanced National Development)	Evaluate the performance and prepare an evaluation report
April 30 (Local Governments)	Submit a budget request form to each Ministry and The Presidential Committee on Balanced National Development
May ~ June (The Presidential Committee on Balanced National Development)	Review the budget request forms submitted by local governments
May 31 (Each Ministry)	Submit a budget request form to the Ministry of Planning and Budget
June 30 (The Presidential Committee on Balanced National Development)	Report its review of the projects to the Ministry of Planning and Budget, etc.
July ~ September (The Ministry of Planning and Budget)	Prepare the special budget based on the recommendation by the Presidential Committee on Balanced National Development, reporting it to the National Assembly
The 2nd Half of the Year (Ministries & the Presidential Committee on Balanced National Development)	Regular monitoring and consulting / Research and analyze data, determining key projects for the next year

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Provide financial assistance to regional development projects systematically through special accounting.

The Special Accounting for Balanced National Development

- Objective
  - Provide financial assistance to various balanced national development projects implemented by Central Ministries systematically through a special accounting system
  - Guarantee Efficiency and Propriety in Time and Size of Projects
- Size – About 5,5 trillion won (2005) ※ It's expected to increase 8,5% annually on average and to be 7,5 trillon won in 2009
- Projects which will be supported

Regional Development Projects	Regional Innovation Projects
Underdeveloped · farming · fishing areas development, promote local culture and tourism and promote local informatization and IT	Establish a regional innovation system, promote local strategic industries, promote local universities and regional R&D

- Budget Management Procedures

Provide Budget Preparation Guidelines (the end of March)	Local governments apply for budget (the end of April)	Ministries apply for budget (the end of May)	Review the budget (plan) of local governments (the end of June)	Budget Preparation (June ~ September)	Budget Use and Ex Post Facto Evaluation
• Provide the list of projects that will be supported, to local governments in advance • Set budget limit, focusing on regional development projects,	• Submit a budget request form to Ministries and the Presidential Committee on Balanced National Development in accordance with the regional innovation development plan, • Prioritize investments by local governments	• Reflect the budget that local governments applied for and the committee (the Presidential Committee on Balanced National Development)'s evaluation of the performance of the previous year • When adjusting the budget that local governments applied for, the reason, etc should be attached,	• The Presidential Committee on Balanced National Development reviews project redundancy, and the consistency · connectivity with the balanced development plan,	• Adjust and finalize the budget, considering the requests from local governments/Ministries, the recommendation by the Presidential Committee on Balanced National Development, and financial conditions,	• Enhance the self-control of local governments (exclusive use and transfer) • Evaluate the performance of local governments

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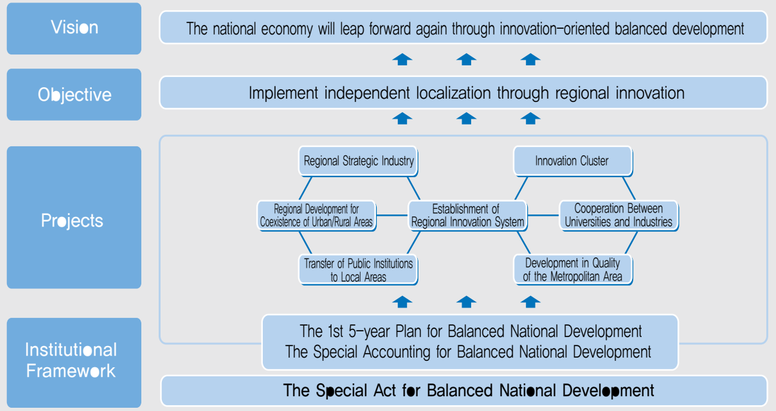
The Vision and Objective of Balanced National Development



The Performance of the Committee

- Apr. 24, '03. Prepare a plan to promote local universities by setting up a regional innovation system
- Jun. 12, '03. Devise a plan to develop local industries for independent localization
- Jul. 24, '03. Devise a plan to establish an institutional framework for balanced national development
- Sep. 25, '03. Prepare the strategy for cooperation between universities and industries
- Jan. 29, '04. Devise a new territory plan for coexistence and growth
- Mar. 10, '04. Designate the Daedeok district as the special R&D zone, devising a plan to promote the zone
- Jun. 3, '04. Devise a plan to transform industrial complexes into innovation clusters
- Jun. 17, '04. Devise the 1st 5-year balanced national development plan
- Jul. 15, '04. Devise a plan to develop a new active zone (underdeveloped areas)
- Aug. 30, '04. Publicize a plan to develop a metropolitan area and construct innovative cities
- Nov. 11, '04. Hold the First Korea Regional Innovation Convention & Exposition (KRICX)
- Dec. 29, '04. Enact the Special Act for Promoting the Special R&D Zone in Daedeok
- Jun. 24, '05. Publicize a plan to transfer public institutions to local areas
- Jun. 28, '05. Announce a comprehensive plan to develop the metropolitan area

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