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 The Presidential Committee  
on Balanced National Development

# 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)

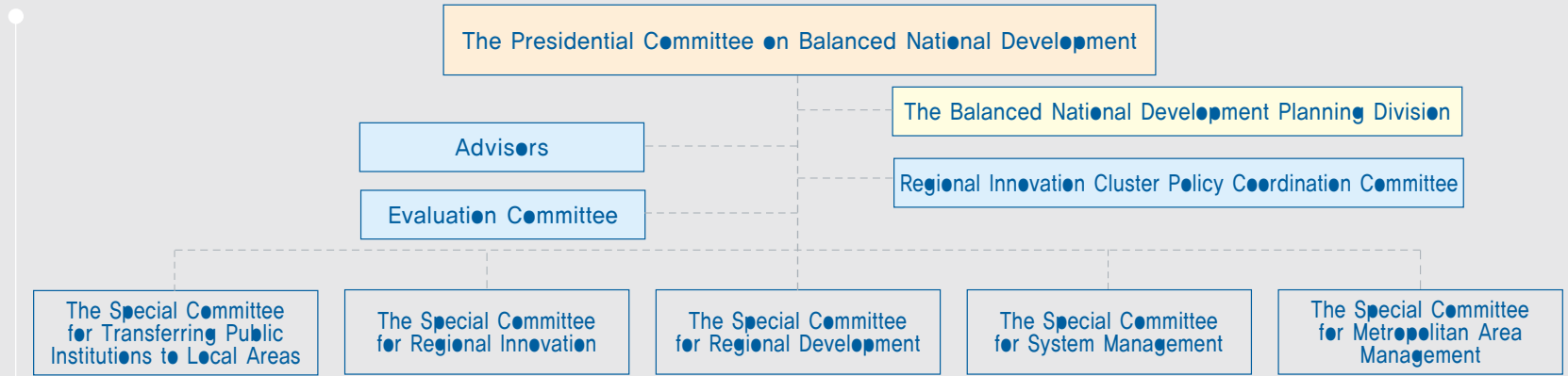
## ▶ 2004

- 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

Adjust and review key matters regarding  
balanced national development.

## The Functions of the Committee

- An advisory committee for the President, which was set up to provide him 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 balanced development projects are being implemented in an efficient & stable manner, based on the Special Act for Balanced National Development.

# 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)<br>Promote local science and technology (Article 13)<br>Develop underdeveloped/farming/fishing/mountain areas (Article 16)<br>Transfer businesses and universities to local areas (Article 19)                         | Select and promote local strategic industries (Article 11)<br>Promote local informatization and IT (Article 14)<br>Reinforce the local economy (Article 17)<br>Conclude investment agreements for regional development (Article 20) | Promote local universities, etc (Article 12)<br>Promote local culture and tourism (Article 15)<br>Transfer public institutions to local areas (Article 18)<br>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)<br>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)                                                                                                                                                                                       |                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                  |



Korea, a wonderful and balanced place to live in.  
The 5-year plan for balanced national development  
is being enforced step by step.

# The 5-year Plan for Balanced National Plan

• Organization



• 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 | <ul style="list-style-type: none"><li>Set up a regional innovation system</li><li>Promote an innovation cluster</li><li>Transfer public institutions to local areas</li><li>Construct innovative cities</li></ul> | <ul style="list-style-type: none"><li>Promote the next generation growth engine industry as a key sector</li><li>Move into the world class innovative cluster</li><li>Construct a new administrative capital complex</li></ul> | <ul style="list-style-type: none"><li>Enhance the regional innovation system.</li><li>Compete with world class clusters</li><li>Maximize the national growth potential</li></ul> |

• 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 X-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 |

Enhance the efficiency of the balanced development project by systematically evaluating projects from planning to completion.



# 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<br>(The Presidential Committee on Balanced National Development)               | Notify local governments and Ministries of enforcement planning guidelines (including evaluation guidelines)                                                                    |
| February 15<br>(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<br>(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<br>(The Presidential Committee on Balanced National Development)                         | Evaluate the performance and prepare an evaluation report                                                                                                                       |
| April 30<br>(Local Governments)                                                                        | Submit a budget request form to each Ministry and The Presidential Committee on Balanced National Development                                                                   |
| May ~ June<br>(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<br>(The Presidential Committee on Balanced National Development)                               | Report its review of the projects to the Ministry of Planning and Budget, etc.                                                                                                  |
| July ~ September<br>(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<br>(Ministries & the Presidential Committee on Balanced National Development) | Regular monitoring and consulting /<br>Research and analyze data, determining key projects for the next year                                                                    |

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

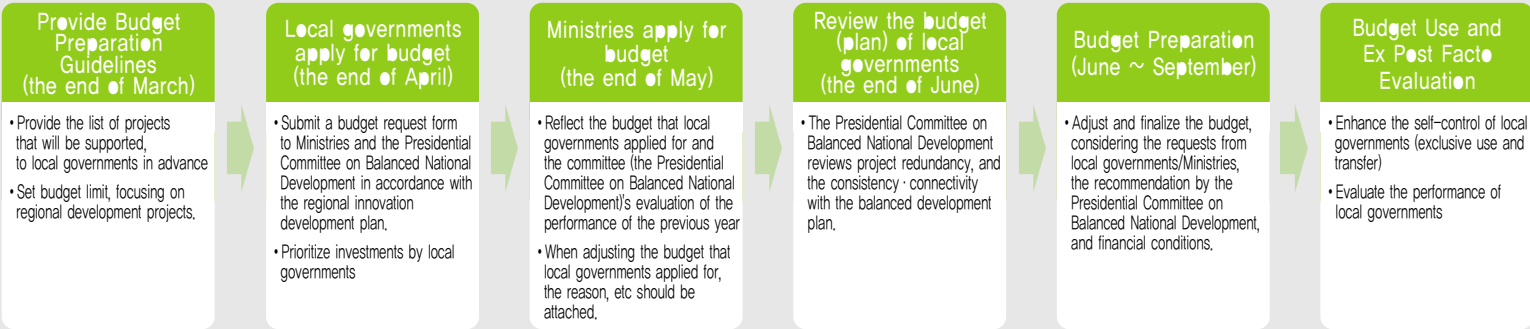


# The Special Accounting for Balanced National Development

- 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 trillion won in 2009
- Projects which will be supported

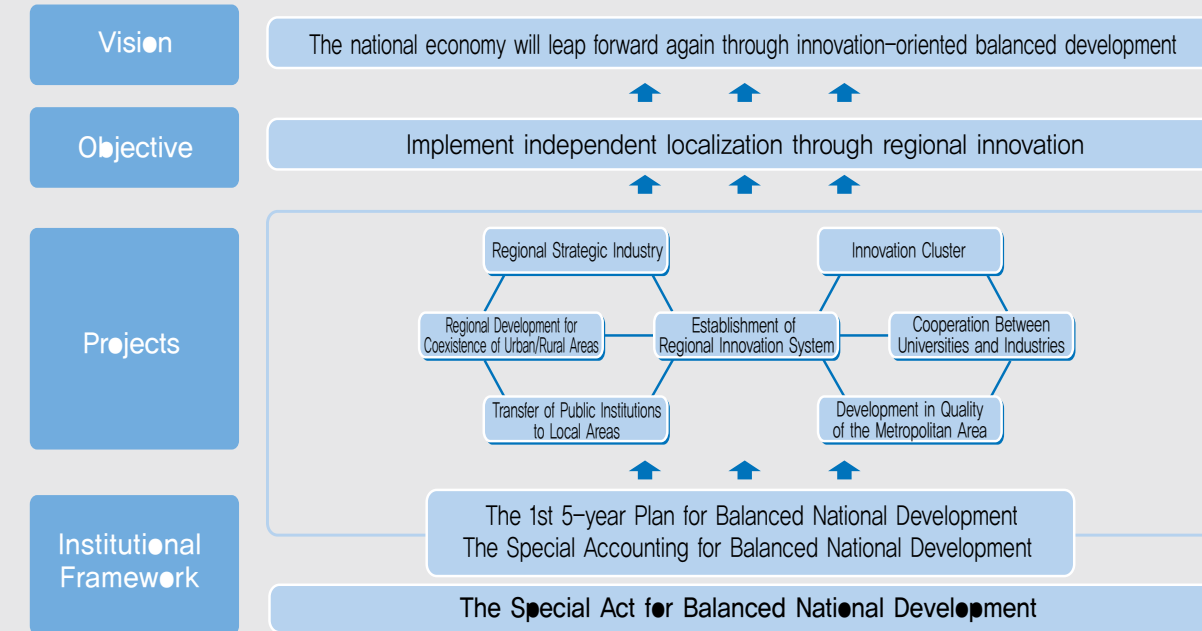
| Regional Development Projects                                                                                                    | Regional Innovation Projects                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| 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



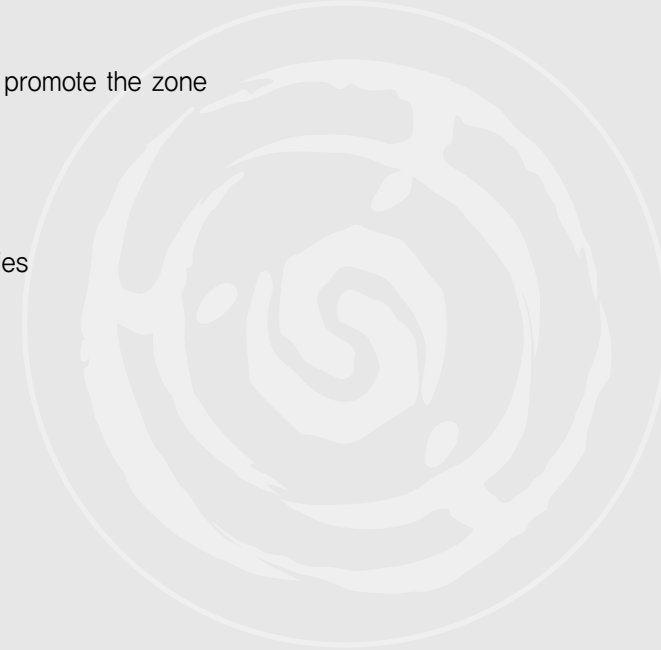
The national economy will leap forward again through independent localization.

# 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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