

ODA

Official Development Assistance



Opening a New Era
of Happiness for
All Humanity

Sharing the Korean Miracle with those in need



“The OECD and its members have much to learn from the Korean development ‘success story.’”

Angel Gurría, Secretary-General of the OECD (November 2010)



“Korea is able to pass on its experience in economic development and provides many lessons to developing countries.”

Tony Blair, Former British Prime Minister (September 2011)



“Korea’s successful development experience inculcated me with a strong belief that any country is able to develop.”

Jim Yong Kim, President of the World Bank (July 2012)



“Korea is a country with the most successful development history.”

Jeffrey Sachs, Professor at Columbia University (October 2013)

Please refer to the following websites for more detailed information about Korea’s ODA.

ODA Korea <http://www.odakorea.go.kr>

Development Cooperation, Ministry of Foreign Affairs (MOFA) <http://www.devco.go.kr>

Economic Development Cooperation Fund (EDCF) <http://www.edcfkorea.go.kr>

Korea International Cooperation Agency (KOICA) <http://www.koica.go.kr>

What is Official Development Assistance?

Official Development Assistance (ODA) refers to the flow of aid, including financial resources and technical cooperation, from the central and/or local governments of donor countries and multilateral agencies to developing countries. ODA aims to promote economic development and social welfare in developing countries.

Why does Korea provide ODA?

Global problems are on the rise with the rapid onset of globalization. These problems include climate change, environmental degradation, terrorism, communicable diseases, etc. and they require nations around the world to work together to resolve them. This is because global problems are more complex and nations around the world are more closely linked to each other than ever before. For example, we have witnessed that global poverty is no longer a singular problem that can be resolved by bringing about economic and social development, but is sometimes deeply intertwined with war, conflict, political instability, and/or climate change. Thus, tackling poverty requires a multi-faceted approach. Also, the global community has been working together under the leadership of the UN, which has recommended that developed nations provide 0.7% of GNI/ODA in order to attain the Millennium Development Goals (MDGs). In this context, Korea has also been steadily increasing its ODA volume to help reduce poverty and bring peace and security to the world.



01

Korea and ODA

Korea has a long history of receiving foreign aid. From 1945 to the late 1950s, Korea was one of the least developed countries in the world. With the help of the global community, Korea was able to lift itself out of poverty in the aftermath of the Korean War (1950-53). Korea's effective use of foreign aid has made the nation a good example of successful assistance.



1 2

1 The Unloading for the United States' food aid at Busan harbor in 1957
 2 The United Nations Korean Reconstruction Agency (UNKRA) delivering relief supplies in 1959

Korea's History as an ODA Recipient

	1940	1950	1960	1970	1980	1990	2000	2010	2020
		1945-1952	1953-1962	1963-1979	1980-1992	1993-2003		2006-2016	
Purpose/Needs		Short-run relief	Defense / Stability Rehabilitation	Transition Growth and investment	Excessive debt Balance between stability and growth	Financial crisis		2006: Establishment of the Committee for International Development Cooperation (CIDC)	
Form and Modalities		Grants (100%) Relief goods	Grants (98.5%) Commodities Technical cooperation	Concessional loans (70%)	Non-concessional loans	Bailout packages from the IMF		2010: Enactment of the Framework Act on International Development Cooperation (Framework Act) Joined the OECD DAC	
Reliance on Assistance		Foreign Aid acted as the main source of foreign currency	Highly dependent on aid	The absolute and relative importance of assistance diminished	Removed from the IDA lending list	Removed from the ODA recipient list		2011: Hosted the Busan High-Level Forum on Aid Effectiveness (HLF-4)	
Major Donors		United States	United States, United Nations	United States, Japan	Japan, Germany, IFIs	IMF, IBRD		2014-: Hosting the Annual Busan Global Partnership Forum	
				1963-1977	1983-1987	1991-1995		2016: Joined International Aid Transparency Initiative (IATI)	
				1963: Hosted training programs for public officials of developing countries for the first time 1977: Conducted equipment provision projects	1983: Hosted training programs for construction engineers 1987: Establishment of the Economic Development Cooperation Fund (EDCF)	1991: Establishment of the Korea International Cooperation Agency (KOICA) 1995: Dispatched international cooperation agents of KOICA			

Korea's History as an ODA Donor

Thus, Korea believes that ODA can address the challenges of global problems and help resolve them. Also, Korea believes that ODA donors can benefit from providing aid as it will help enhance the donors' image as responsible states in the long run. It is noteworthy that Korea has experiences of both being a recipient and a donor. It hopes to play a bridging role between developed and developing countries. In other words, Korea has greater empathy with developing nations than many other donors, who may not have had the experience of being a recipient of ODA. Furthermore, its successful use of ODA for poverty reduction and development has made its experience a useful alternative to development cooperation.

As examples of its effort to play a bridging role, Korea took the lead in putting development on the agenda for the G20 Seoul Summit in 2010, and successfully held the Busan High-Level Forum on Aid Effectiveness (HLF-4) in 2011. In particular, Korea is recognized to have played an important role in shifting the aid paradigm from a focus on aid delivery and aid effectiveness to the impact of aid on development effectiveness.



1 Press conference for adopting the Busan Partnership for Effective Development Cooperation at the Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea in December 2011
 2 UN Sustainable Development Summit 2015

Korea's History as an ODA Donor

Year	Event
2006	Establishment of the Committee for International Development Cooperation (CIDC)
2010	Enactment of the Framework Act on International Development Cooperation (Framework Act) Joined the OECD DAC
2011	Hosted the Busan High-Level Forum on Aid Effectiveness (HLF-4)
2014-:	Hosting the Annual Busan Global Partnership Forum
2016	Joined International Aid Transparency Initiative (IATI)

02

International Efforts for Development

MDGs

In September 2000, 189 heads of state attending the UN General Assembly meeting adopted the Millennium Declaration that presents universal values and principles. One year later in June 2001, the international community presented a collective objective - the Millennium Development Goals (MDGs) - in order to eradicate poverty.

The MDGs hold great significance because they were the product of global consensus of various development cooperation actors ranging from 189 UN member states to international organizations and non-governmental organizations (NGOs).

SDGs

At the UN General Assembly in September 2015, the international community adopted the Sustainable Development Goals (SDGs), a new set of global development goals for 2016-2030, replacing the MDGs. The SDGs are composed of 17 goals and 169 targets, building on lessons from the achievements and limitations of the MDGs. The SDGs differ from previous development goals, in that they are universal goals and targets which involve the entire world, developed and developing countries alike, and pursue social, economic and environmental development in a balanced manner. Korea actively participated in the global discussions on the SDGs and is strengthening its partnership with diverse stakeholders in development.

Sustainable Development Goals

17 Goals changing our world



03

Mission and Goals of Korea's ODA

The mission and goals of Korea's ODA are included in the Framework Act on International Development Cooperation. The Framework Act is the fundamental guidance on Korea's ODA policies and implementations, and it provides the following mission, goals and principles.

Mission

Korea pursues the following in its development cooperation:

- 1) poverty reduction in developing countries;
- 2) human rights of women, child and people with disabilities
- 3) gender equality;
- 4) sustainable development;
- 5) humanitarianism;
- 6) promotion of economic cooperation with developing countries; and
- 7) peace and prosperity of the international community.

Goals

Korea aims to

- 1) achieve poverty reduction and improve the quality of life of people in developing countries;
- 2) improve the institution and legal framework for development in developing countries;
- 3) foster friendly and cooperative relations and mutual exchange between Korea and developing countries; and
- 4) contribute to solving global problems.

Principles

1. Korea respects the principles of the UN Charter, supports partner countries' self help efforts and capabilities, values the necessity of partner countries' development, expands opportunities to share development experiences, promotes harmony and cooperation, and considers the foreign policy of the Korean government.
2. Korea enhances the effectiveness of ODA by
 - 1) strengthening the connectivity between bilateral and multilateral development cooperation,
 - 2) strengthening the connectivity between grants and concessional loans, and
 - 3) providing consistent ODA policies.





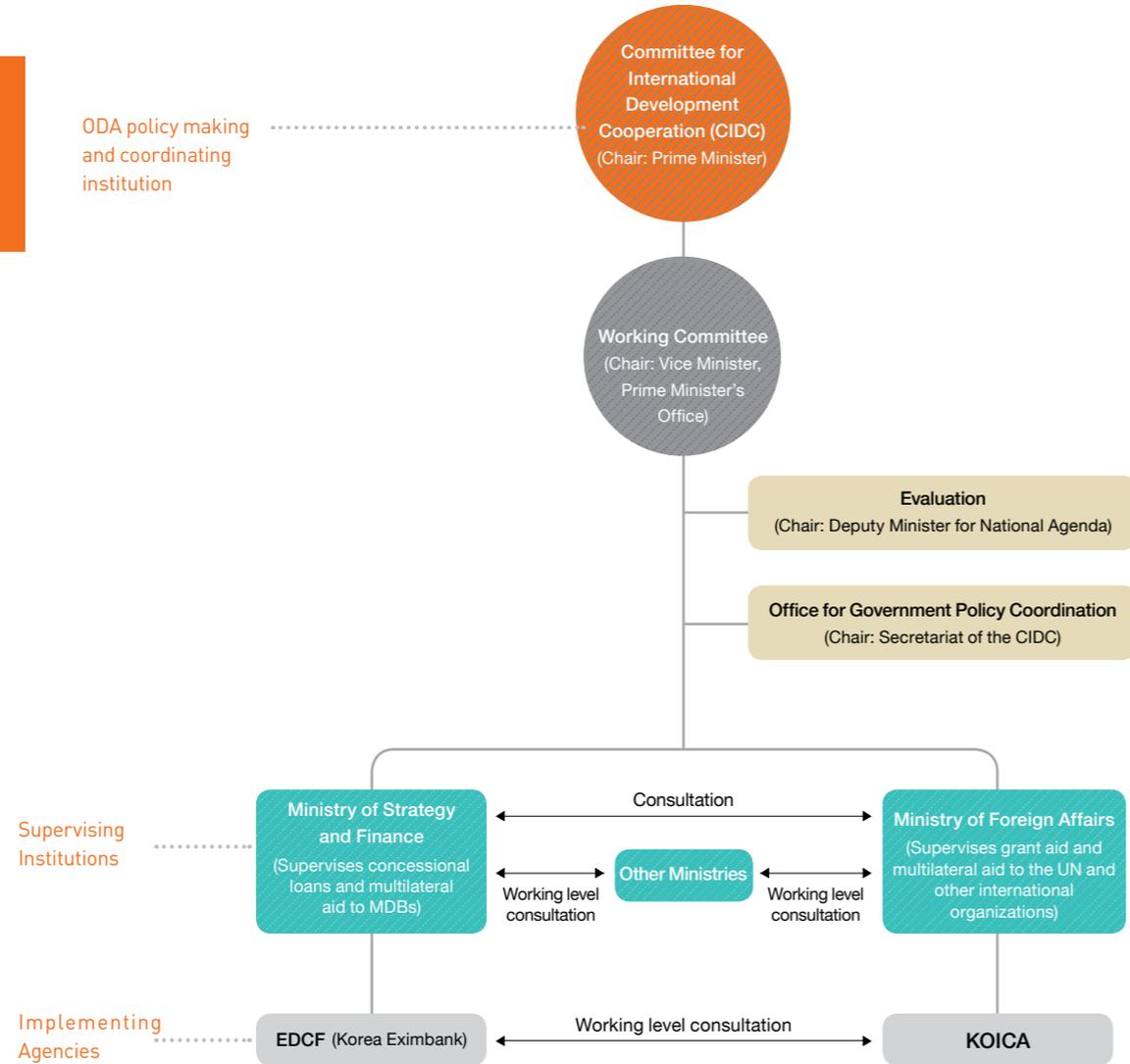
04

Korea's ODA System

Korea's ODA system complies with the Framework Act on International Development Cooperation and consists of three structures: 1) ODA policy making and coordinating institution, 2) supervising institutions, and 3) implementing agencies.

Korea is working hard to manage a well-integrated ODA system that is based on the professional expertise of the aid institutions, while promoting the spirit of harmony.

Korea's ODA System as of 2016



ODA policy making and coordinating institution

Supervising Institutions

Implementing Agencies

05

Current Status of Korea's ODA

In 2015, Korea's net ODA amounted to USD 1.914 billion and ranked 14th in volume among 28 OECD DAC members. Korea's ODA/GNI ratio reached 0.14% and is ranked 24th among the OECD DAC members. To play a greater role in the global community and fulfill its responsibility as one of the important donors, Korea will continue to increase its ODA.

ODA/GNI Ratio of OECD DAC Members as of 2015



ODA/GNI ratio recommended by the UN: 0.7%

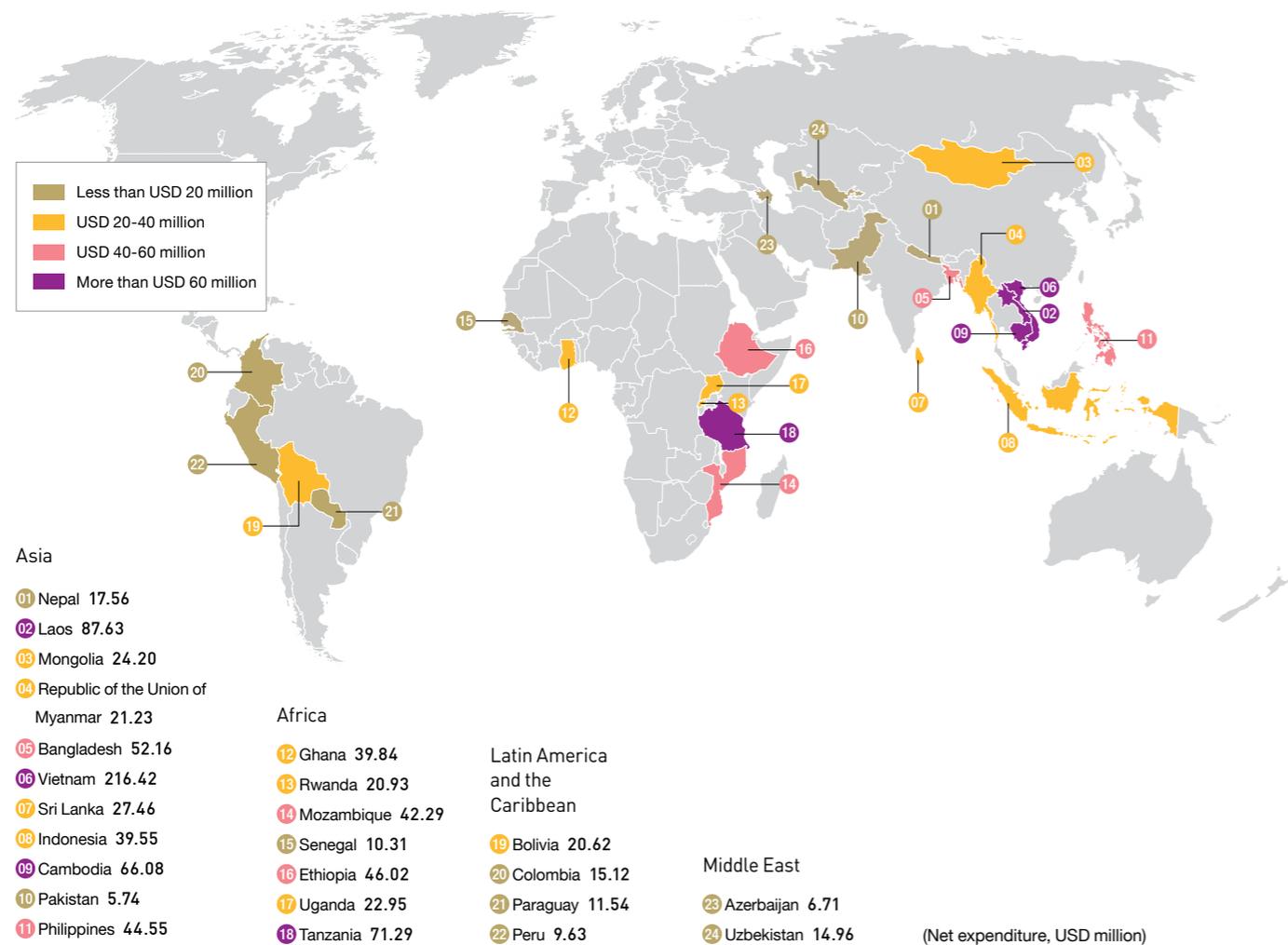


06

Korea's Priority Partner Countries

Korea has selected 24 priority partner countries out of 130 partner countries based on their income level, political situation, diplomatic relations with Korea, and economic cooperation potential.

To enhance aid effectiveness, the Korean government aims to concentrate 70% of its bilateral ODA on assisting the 24 priority countries.



07

Korea's Initiatives for Development Cooperation

Korea has announced a series of initiative for development cooperation in order to make tangible contributions to the global community in achieving the SDGs and improving the quality of life in developing countries. These Initiatives represent areas where Korea will focus its ODA and share its own experience and know-how in achieving development in a short period of time.



Better Life for Girls

Making sure that girls have fair access to quality education, youth-friendly health service and environment, and life skills for empowerment

1



Safe Life for All

Contributing to securing a safe world from infectious diseases through supporting partner countries' capacity for disease prevention and control

2

Science, Technology and Innovation for Better Life

Improving life quality and creating a growth engine in partner countries through strengthening innovation systems and building the capacity of science and technology

3



Better Education Including ICT for Africa

Narrowing the knowledge gap in Africa through delivering vocational skills and ICT education

4



Spread Saemaul Undong in International Community.

Contributing to rural development and poverty eradication in partner countries through establishing a new paradigm for rural development, which localizes, universalizes and modernizes Saemaul Undong in a way that fits into partner countries' conditions

5



08



Korea International Cooperation Agency (KOICA)

The Korea International Cooperation Agency (KOICA) was established in April 1991 as a government-funded agency with the purpose to enhance the effectiveness and efficiency of Korea's official development assistance (ODA) by unifying the segmented aid programs implemented by different ministries. Based on Korea's development experience and unique know-how, KOICA endeavors to end poverty across the globe and support sustainable socio-economic development of partner countries, and in doing so, strengthens Korea's friendly ties with partner countries. To meet these objectives, KOICA carries out a wide array of programs in priority areas concerning health, education, public administration, rural development, and technology, energy and environment through the following aid modalities: Development project, World Friends Korea (WFK) overseas volunteer program, fellowship program(global training program), civil society cooperation, humanitarian assistance and disaster relief, and multilateral cooperation.

Development Programs by Type

Development Project	World Friends Korea	Fellowship Program, CIAT	Disaster Relief & Multilateral Cooperation	Civil Society Cooperation

KOICA strives to provide a participatory ODA platform that brings together diverse development partners, including government agencies, civil society organizations, businesses, universities, etc.



- 1
- 2

1 The Project for Enhancing the Vocational Training Program of TTC, Chittagong
 2 The Establishment of Korea-Philippines Friendship Hospital in Cavite

09



Economic Development Cooperation Fund (EDCF)

The Economic Development Cooperation Fund (EDCF) was established by the Korean government in 1987, with the purpose to promote economic exchanges between Korea and developing countries and assist the developing countries in achieving industrialization and economic development. It provides the concessional loan on which the recipient country pays the principal and interest. The responsibility of making decisions on EDCF's financing policies rests with the Ministry of Strategy and Finance (MOSF). Entrusted by MOSF, the Export-Import Bank of Korea (Korea Eximbank) conducts the operation and management of EDCF.

EDCF focuses its efforts on supporting economic and social infrastructure projects in developing countries such as transportation, water supply and sanitation, energy, health, and communication projects.

To meet the growing needs for large-scale infrastructure development in developing

Commitments by Sector

- 1 National Cambodia-Korea Vocational Training School Project
- 2 Pailon-San Jose Highway Construction Project (Component 2)



Transportation Contributing to the increase in the residents' income and facilitation in regional passenger and freight transportation	Water Supply and Sanitation Improving the resident's quality of life by supplying clean water	Energy Contributing to the economic development by meeting the growing demand for electricity due to expanding industrial facilities	Health Improving the healthcare environment and quality of life by enhancing access to health services	Communication Enhancing the resident's convenience by relieving regional information gap and increasing accessibility of communication

countries, EDCF is making efforts to scale up its development resources by promoting the financing package that combines EDCF, Less Concessional Loan and Export Finance while increasing co-financing with Multilateral Development Banks (MDBs). Furthermore, EDCF is striving to help developing countries achieve sustainable growth and facilitate their economic exchanges with Korea by aptly responding to the changing international development landscape.

Drawing on Korea's development experience in overcoming poverty, EDCF aims at offering high-quality ODA that is truly appreciated by the partner country and also makes Koreans proud of helping others.

10

Direction of Korea's ODA

Korea has rapidly increased the volume of its ODA since joining the OECD DAC in January 2010. It has also become more active in the global development cooperation community. In the 2012 OECD DAC Peer Review, Korea's efforts to address and tackle global problems were favorably assessed.

In November 2015, the Korean government promulgated the 2nd Mid-Term ODA Policy for 2016-2020 and committed to scale up its ODA/GNI ratio to 0.2% by 2020.

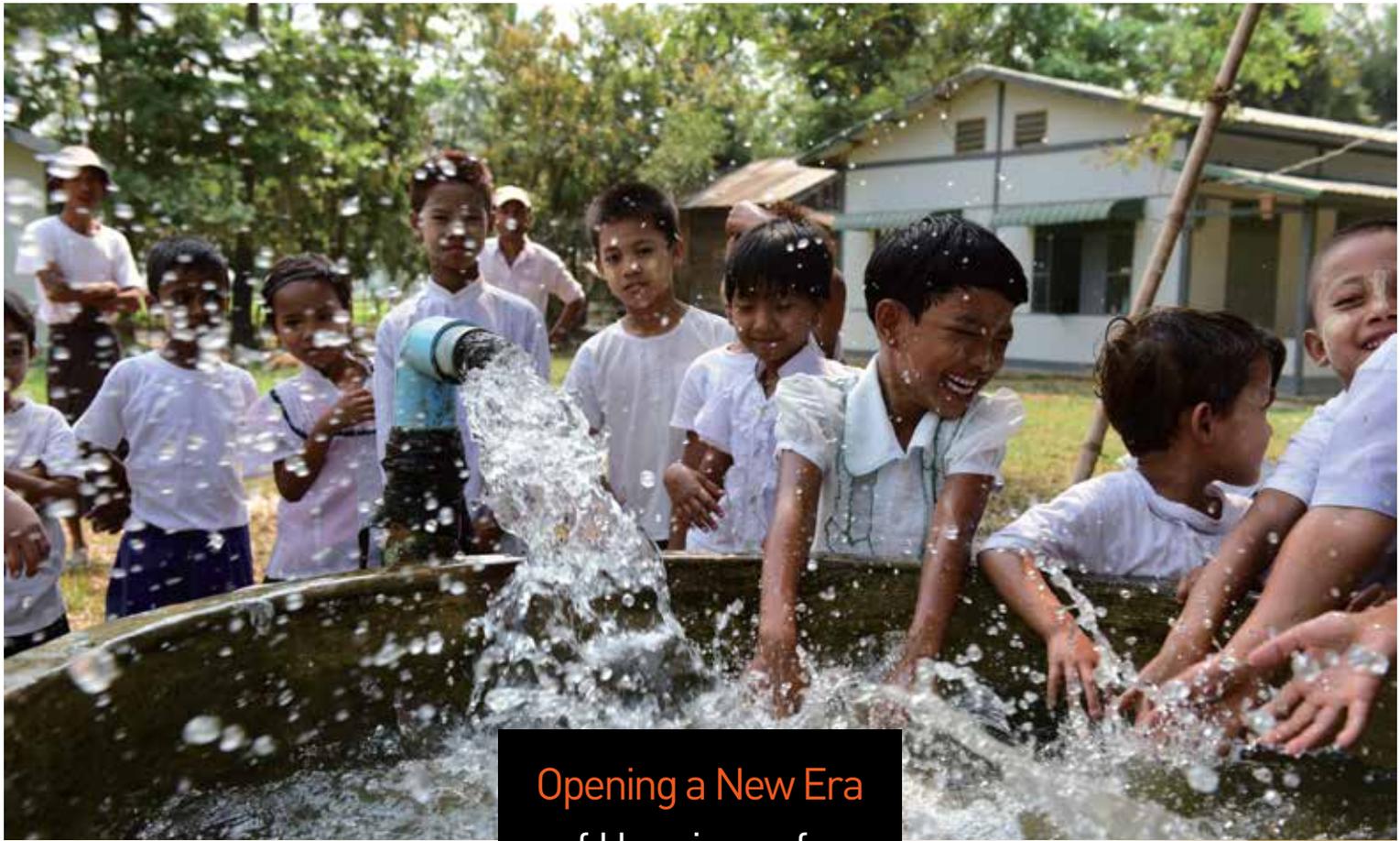
Korea will contribute to global implementation of the SDGs, reflecting the needs of developing countries and capitalizing on its comparative advantage and strengths. Korea is also working hard to bring together diverse stakeholders including civil society, business and academia.

Greater public awareness and support are crucial for effective and accountable ODA implementation. To further sustain and increase public support for ODA, the Korean government will continue its efforts to increase the transparency of ODA and expand opportunities for public participation.



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IATI INTERNATIONAL
AID
TRANSPARENCY
INITIATIVE



Committee for International Development Cooperation (Prime Minister's Office, Ministry of Strategy & Finance, and Ministry of Foreign Affairs)