Korea’s Aid: Development and Issues

Heejin Lee
President, Korea Association of International Development & Cooperation (KAIDEC)
Professor, Yonsei University
2018. 2. 13
Australia Aid Conference
Outline

1. Some numbers of Korea’s ODA
2. Issues and recommendations from OECD Peer Reviews 2017
3. A way forward
• USD 12.1 billion received between 1945-1999 as a recipient
• 1987 EDCF set up
• 1991 KOICA founded
• Year 2000 removed from the OECD ODA recipient list
• Year 2010 joined OECD DAC
• Year 2011 hosted the Fourth High Level Forum on Aid Effectiveness in Busan, in 2011
Increase of Korean ODA

Net ODA from DAC Donors in 2016

Source: OECD DAC (2018)
Source: OECD Statistics, 2018
ODA per capita of donor country 2015 USD (2015-2016)

2. Recommendations from OECD Peer Reviews 2017

1. Continue to improve Korea’s ODA system to ensure that strategic and operational decisions are made at the appropriate level in order to best support effective and efficient programming.

2. All agencies should take a more strategic approach to results management and evaluation.

3. The government should set out a timeframe and targets for allocating 0.3% of its national income as ODA by 2030, and sustain its efforts to untie its aid and to focus resources on countries most in need.
• **ODA/GNI ratio**
  - 0.16% (USD 22.5 billion) in 2016, increased from 0.14% in 2015
  - 2012 DAC recommendation: 0.25 accepted by the Korean government
  - ODA Policy for 2016-2020: 0.2% by 2020, and 0.3% by 2030

• **Ratio of untied aid**
  - 62% in 2016 (DAC average 83%) from 35.7% in 2010
Gross bilateral ODA, 2014 - 15 average, unless otherwise shown

By income group (USD m):
- LDCs: 261
- Other low-income: 579
- Lower middle-income: 150
- Upper middle-income: 9
- Unallocated: 545

By region (USD m):
- South of Sahara: 242
- South & Central Asia: 331
- Other Asia and Oceania: 116
- Middle East and North Africa: 91
- Latin America and Caribbean: 257
- Europe: 498
- Unspecified: 10

Top Ten Recipients of Gross ODA (USD million):
1. Viet Nam: 206
2. Tanzania: 76
3. Cambodia: 71
4. Bangladesh: 66
5. Afghanistan: 59
6. Lao People’s Democratic Republic: 59
7. Philippines: 56
8. Mozambique: 49
9. Ethiopia: 44
10. Sri Lanka: 43

Memo: Share of gross bilateral ODA
- Top 5 recipients: 31%
- Top 10 recipients: 47%
- Top 20 recipients: 64%
2. Recommendations from OECD Peer Reviews 2017 (continued)

4. Strengthen its strategic view of its unique contribution to each country context through policy dialogues with partner government and other development cooperation providers.

5. Ensure that the process is more robust and inclusive, and that partner governments can sustain investments.

6. Update its humanitarian strategy to ensure that its humanitarian assistance, peace-keeping efforts and development co-operation are coherent and complementary.
2. Recommendations from OECD Peer Reviews 2017 (continued)

7. Increase its co-ordination with other donors and organisations to design collective outcomes in fragile contexts

8. Streamline project approval processes and continue to decentralise authority for project-level decisions to the field

9. To increase effectiveness and improve communication among all stakeholders and develop measures to enhance synergies and rationalise the number of activities across the programme (Fragmentation)
ODAs by ministries and related agencies (2016)

Increased from 44 agencies in 2013 to 64 agencies in 2015
2. Recommendations from OECD Peer Reviews 2017 (continued)

10. Review the capacity and skills needed across the whole of its development co-operation system

11. Strengthen policy coherence aspects of its response to the 2030 Agenda for Sustainable Development

12. Clarify and deepen the partnerships it seeks with civil society
A way ahead

• The new president of KOICA
  – SDG 16: Peace, Justice and Strong Institutions
• Reform
  – Overcome fragmentation
• Job creation for youth
  – Youth unemployment issue gives pressure
• New Southern Policy
• North Korea