An OECD DAC Peer Review team will visit Korea in June of this year to conduct a review on the country’s international development cooperation. This will be the first time that Korea undergoes this formal process since it became a member of DAC in 2010. The Korean government submitted a memorandum to DAC on the 7th of May after forming a Task Force team in charge of coordinating preparations between ministries and implementing organizations responsible for bilateral ODA through loans and grants, under the authority of the Prime Minister’s Office (which the Korean Committee for International Development Cooperation is part of). The memorandum focused on how much Korean ODA had improved since recommendations made by DAC in 2008.

As a civil society organization working on policy advocacy in relation to Korean ODA, ODA Watch has decided to publish a parallel report with the belief that the review should be conducted on the basis of ample information, broad perspectives and multiple viewpoints so that it may subsequently lead to a qualitative improvement of Korean ODA. This report is composed of 6 major chapters in line with DAC content guide.
Korea became a member of DAC after a special review in 2008. At that time, the quality and quantity of Korean ODA failed to match the average level of other DAC members. Also, there was no overarching legal basis and a lack of overarching policy and strategy. The 2008 special review pointed out the fragmentation of Korea’s aid and recommended the introduction of a comprehensive legislation on ODA and the creation of a single entity with sole authority. Since then, Korean ODA has been considerably improved through the creation of new legislation, strategies and policies on Korea’s international development cooperation. However, the issue of aid fragmentation has actually gotten worse, with a fragmented architecture within grants, but also between loans and grants.

Since the 2008 Special Review
The Korean ODA system has gone through significant improvement since 2008, when it was under special review. While relevant laws, strategy, and aid architecture were usually obsolete or incomplete back then, meaningful changes took place after 2010, as the Framework Act on International Development Cooperation (hereinafter the ‘Framework Act’) and its Presidential Decree came into effect, serving as a legal basis for Korean development aid. According to Article 7 of the Framework Act, the Committee for International Development Cooperation (hereinafter CIDC) and the ODA Policy Bureau were established under the Prime Minister’s Office to strengthen its role in overseeing and coordinating development policy, as an attempt to make it structuralized, integrated, and consistent. Also, the Inter-Agency Grants Committee and the Inter-Agency EDCF Committee was set up in order to reduce segmentation.

After the creation of the Strategic Plan for the International Development Cooperation in October 2010, Korean aid has shown significant improvement. In the Strategic Plan, the government pledged to turn foreign aid into a bridge between developed and developing countries. It also announced three major strategies: generating contents to share development experiences, formulating a unified Priority Partner Country and Country Partnership Strategy (CPS), and actively participating in international activities.

ODA Watch’s Evaluation
Despite legal and policy improvements, which were pointed out as one of the most important issues in the 2008 special review, Korean aid activities still suffer from a lack of cooperation and consistency. One reason for this lies in the absence of a coordinating function despite the existence of the CIDC under the Prime Minister’s Office, which purpose is to mediate differences between ministries and organizations involved in ODA. As a result, foreign aid is being fragmented during the implementation stage, which more stakeholders now participate to, in an absence of coherent policy and strategy.

Besides the Ministry of Strategy and Finance and its EDCF in charge of loans, and the Ministry of Foreign Affairs and Trade and its KOICA in charge of grants, there are over 30 ministries, central government organizations, and local municipalities providing aid. The problem is that a number of these actors are giving aid in the absence of proper restrictions or principles, whereas their actions may sometimes be driven by the pursuit of their own benefit.

From this point on, we will evaluate the Korean ODA framework focusing on three aspects: the legal framework, the aid architecture, and the aid strategy.

The Legal Framework and Aid Architecture
Following the Strategic Plan for the International Development Cooperation, the Korean government adopted the Mid-term ODA Policy for 2011-2015 and Annual Implementation Plans. However, in the absence of an effective consultation process, each organization has prepared its own basic and implementation plans with a lack of discussions with other relevant agencies, therefore making it difficult to streamline the aid policy with the aid plans. To resolve this issue and establish a unified aid system, there is a need for a single government organization or ministry to oversee and exercise reasonable control over the interests of each contributing ministry and to arbitrate tensions and conflicts, which is not effectively done at the moment under the Committee. This is why ODA Watch and other Korean civil society
organizations have strongly advocated for the need for an independent governmental organization to provide a combined aid plan.  

**ODA Policy and Strategy**

A coherent aid strategy and philosophy is also non-existent whereas there are individual strategies for each ministry or organization. Even in the process of preparing a CPS for priority partner countries, different ministries prepare their plans separately for grants and loans, nullifying the purpose of preparing a combined CPS.

Also, regarding ODA strategy, the Korean government is planning to provide aid by developing a Korean ODA model through the selective packaging of aid programs. According to the Strategic Plan for the International Development Cooperation, one of three strategies for high-quality ODA is that the Korean government will provide a Knowledge Sharing Program (KSP), including mainly policy consultations based on Korea’s unique development experiences and history. The plan also mentions that it will incorporate touching case studies related to Korea’s development history so that Korean emotions, aesthetics, and sincerity may be included in the aid program provided to partner countries.

The Korean government established a task force for a Korean ODA Model under the Prime Minister’s Office last February, which has been working to develop package programs to confer on their aid programs their own differentiation as well as a comparative advantage compared to aid from other countries. Also, the government has publicized through the media that KSP produces national benefits, focusing especially on its economic advantages. The government has claimed that KSP works as a bridge to help the private sector get more business opportunities in developing countries.

The Korean ODA model has another limitation in that it was established with a focus on Korea’s experience in economic development, while neglecting to fully account for the very values that made Korea’s development possible, such as democratization, human rights, and gender equality.

Although the Strategic Plan notes that Korea should abide by major international treaties, due to the lack of a collective aid strategy, there have been no comprehensive discussions about a detailed strategy or plan to achieve the MDGs, aid effectiveness, and Policy Coherence for Development (PCD). The MDGs should be a main objective and consideration for Korea’s international development cooperation policy, and it should be clear how much Korean ODA will be devoted to realize the MDGs by 2015.

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1) ODA Watch, Korean House for International Solidarity, Energy and Climate Policy Institute, PSPD made a position statement on 15 subjects regarding ODA Reform that should be reviewed by the 19th parliament before a general election in April 2012. (12.04.09)

2) www.korea.kr

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### ODA Watch’s Proposal

- Establish an independent agency or ministry in charge of international development cooperation.
- Set a deadline to combine loans and grants.
- Strengthen communication channels between lead ministries in charge of loans and grants, and establish a joint basic and implementation plan for each theme.
- Formulate a joint, unified philosophy and strategy for Korean aid.
- Clearly identify guidelines for combining aid within the foreign aid strategy guidelines.
- Prevent foreign aid from being overly donor-oriented in the establishment and implementation of a ‘Korean ODA Model’, in accordance with the Strategic Plan.
- Reflect internationally accepted norms and values in Korea’s aid philosophy.
- Identify core values and principles pertaining to its foreign aid and implement them at all stages.
Raising Public Awareness and Cooperation with Civil Society

Since the 2008 Special Review

The 2008 review had recommended that the Korean government set up a strategy to improve public awareness on ODA, and increase cooperation with academics and civil society actors in the aid dialogue. In response, the government opened the ODA Korea website (www.odakorea.go.kr), which provides current status and other information regarding Korean foreign aid. It also formed an inter-ministerial task force in charge of advocating for ODA, prepared a joint PR plan for 2011, and is providing courses introducing the concept of development cooperation to the general public at the International Development Education Academy (IDEA).

DAC also requested that the Korean government expand its support to and strengthen its cooperation with academics and civil society actors.

ODA Watch’s Evaluation

It is indeed encouraging that public awareness can be increased by providing information about international development cooperation in a more user-friendly and accessible way and language through the ODA Korea website. In comparison, advocacy efforts relating to the origins of ODA funds being taxpayers’ money are still coming short. Yet, after its promise to increase its ODA to 0.25% of its GNI by 2015, it is especially important for the Korean government to earn the citizens’ understanding and support for the reasons behind the substantial increase of its foreign aid.

However, when it comes to core data on Korean aid, the level of information provided to the public is very limited and only basic data is accessible. For instance, since 2011, ODA Watch has requested detailed information on the budget for ODA grants and loans and on the KSP evaluation report in 2011, but the government provided only limited information and maintained its policy on restriction or non-disclosure of information. The information accessible for ODA Watch, civil society, and the public in general regarding important ODA processes and policies, including budget planning, remains very limited.

Civil society participation has also partially increased since 2008. However, when it comes to core decision-making processes that discuss major issues and policies, civil society cannot participate. This seems to be because the government does not see civil society as an equal stakeholder in the policy coordination process, or the necessity to receive input from a variety of civil society partners. The Korean government provides participating rights only to limited experts on selected issues. The table below shows that Korean ODA implemented through NGOs is very low compared to other DAC countries. The Korean government should actively seek the opinion of civil society by increasing opportunities for official consultations in the policy-making process, and encourage civil participation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Average of other DAC members</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>3.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>2007</td>
<td>4.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>2008</td>
<td>3.9%</td>
<td>3.0%</td>
</tr>
<tr>
<td>2009</td>
<td>3.7%</td>
<td>2.5%</td>
</tr>
<tr>
<td>2010</td>
<td>3.5%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

* Net Disbursements, Current Prices (USD millions)
* OECD DAC Statistics

3) ODA Watch has asked government to provide the evaluation report on KSP (2011.06.20) and ODA budget on grants and loans for 2011, but the information was not given for a reason that it is related to diplomatic relations which can harm fairness of ODA projects and governmental policies could be exposed to other countries. We asked once more this year with the same request (2012.03.29), the evaluation report on KSP was denied to be open, while the parts of ODA Budget was open to public with low level especially for loans.
Chapter 1. Strategic Orientation

ODA Watch’s Proposal

- Increase public awareness on ODA.
- Make publicly available not only basic information but also important data such as aid budget, CPS, priority partner countries and their selection criteria, and results of pre/post evaluation.
- Include in the ODA policy-making process an official opportunity for feedback from civil society and expand civil society participation.
- Acknowledge civil society partners as key counterparts and ensure their participation in the whole process of planning, implementation, and evaluation of ODA.
- Expand participation scope for civil society experts instead of maintaining limited participation of experts.
- Strongly increase ODA support to NGOs.
In the 2008 special review, Development Beyond Aid was not addressed as an individual chapter, but only as an article within Chapter 3 of that review. This is because Policy Coherence for Development (PCD), the core topic of Chapter 2, was not sufficiently discussed and in addition, there were too few developments to warrant an evaluation. Since the 2008 review, research on PCD has been partially in the process, but there has been a lack of government-wide approach concerning its development. In this 2012 peer review related to PCD, Korean ODA will be evaluated in relation to trade, environment, and immigration.

As of 2012, research on PCD has been partially conducted but a comprehensive policy on it has not been established. PCD usually refers to coherence between aid and non-aid policies. However, there is a lack of internal consistency within aid policies themselves due to fragmentation, an issue that has been deteriorating. Some experts consider that coherence within aid policies and their implementation is the most urgent issue in relation to policy consistency.

Policy Coherence for Development (1) Trade

Laws such as the Law on International Economic and Cooperation Funds for loans and the International Trade Law for trade are not conceived on the basis of a PCD perspective. The Ministry of Strategy and Finance, which is a supervisory body for loans, has stated that it will increase the volume of ODA in order to promote FTAs with other developing countries in its 2012 strategy for the promotion of international economic policies. This promotion of national interests through the use of ODA as a tool stands in direct contradiction with the fundamental goals and objectives of international development cooperation, such as poverty eradication and sustainable development.4)

Korea has been granting the preferential tariffs for Least Developed Countries (LDCs). This was adopted at a 2005 WTO Ministerial Meeting in Hong Kong on a Duty Free Quota Free (DFQF) treatment for LDCs to have better market access.

Although Korea has increased the amount of preferential tariffs for LDCs from 1.8% in 2007 to 75% in 2008, 80% in 2009, 85% in 2010, and a planned increase to 95% in 2012, it still has not reached the 97% standard set in the WTO agreement.

Industrial, agricultural, marine and livestock products such as crude oil, petroleum products, rice and beef, were excluded from the list of products eligible for preferential tariffs. The Korean government has insisted it could have an adverse impact on domestic industries. However, the aforementioned products are the very products for which the WTO recommended non-tariffs benefits, and due to their exclusion, LDCs are enjoying only limited benefits from preferential tariffs given to them.

According to the Standard of Country of Origin, Korea scores 40% in the standard of added value, which is higher than the United States at 35% and the EU at 30%. This means that it is much harder for LDCs to receive benefits from Korea’s Country of Origin systems than with other donors.

To solve these problems, government-wide discussions are needed not only between ministries and agencies working on ODA, but also the ministries in charge of diplomacy and trade policies.

4) In a conference in preparation of a Peer Review Korea on the 23rd of May held by Korean civil society organizations including ODA Watch, it was clearly mentioned by governmental officials that the fundamental objectives of ODA is not poverty eradication and sustainable development, but national interest. In this sense, according to him, to explain increasing aid volume to public, it is important to show how much ODA can make profits and lead to economic development of Korea.
ODA Watch’s Evaluation

The Korean government established a Green Growth Commission as a presidential advisory body, and announced a five-year plan for green growth in 2009. The plan states mid-term plans to support its partners on the issue of climate change. The Korean government has promoted green ODA with much interest in and expectation around green growth, and decided to increase its ODA green growth project expenditures from 11% in 2007 to 20% in 2013 and 30 % in 2020.

The government made the strengthening of a system to support green growth across the world one of the ten core tasks in the strategies to promote international economics for the rebound of the Korean economy (2010-2012) arranged by 18 related ministries in December 2009. This included the Ministry of Strategy and Finance, the Ministry of Foreign Affairs and Trade, and the Ministry of Environment.

However, there are some green growth projects that raise concerns they may not be environment-friendly like water management projects such as the so-called Four River Project. The Four River Project was selected as a priority project, but its evaluation was not fully conducted within Korea. Especially when considering that environment projects should be based on the needs of partner countries’ fields, Environmental Impact Assessments should be carried out preliminarily, which is not the case for current projects.
Chapter 2. Development Beyond Aid

Policy Coherence for Development (3) Immigration

ODA Watch’s Evaluation

In May 2006, the Committee on Foreign Policy announced a Basic Direction and Implementation System on the Policy on Foreigners and a Basic Plan for a Foreign Residents Policy (2008-2012) in 2008, under the Act on the Treatment of Foreigners in Korea which has been implemented since 2007.

The Committee on Foreign Policy plays the role of mainstreaming and coordinating policies fragmented across various ministries, such as the Ministry of Foreign Affairs and Trade, the Ministry of Labor, and the Ministry of Health and Welfare. However, the Committee does not have the power to allocate policy-related budgets and its functions and prerogatives are limited. The implementation of the multi-cultural policy falls under competing and overlapping authority from various ministries in relation to budget distribution issues and the Committee’s arbitration and coordination role is limited.

Although the government has indicated that it will build solid systems to recognize and support refugees through the Basic Plan for a Foreign Residents Policy, improvements remain limited, except for the increase in the number of staff working on these issues. Housing to accommodate refugees under the 2008 basic plan is under construction on Yeong-Jong Island, which is far from residential areas and appears to be used as an alternative detention site. This fails to take into adequate consideration the issue of refugees’ social integration.

From 2008 to 2011, 2,122 people applied for refugee status, out of whom 199 were recognized as such with only 98 being recognized by the Ministry of Justice. Of the latter, 26 were recognized by the Ministry after they filed an appeal. Less than 50% of the applicants who were granted as refugee status had used the legal process of the Ministry. More than 50% were able to receive refugee status only because they were benefitting from family reunions or resorting to administrative lawsuits.

The government has insisted that the recognition process and support system for asylum-seekers will be improved with the new policies and systems, but the Ministry’s negative attitude towards the recognition of refugees and political considerations in the granting of refugee status constitute significant obstacles to actual improvement.

The Refugee Law that will enter into force after July 2013 includes important improvements such as the expansion of criteria to recognize asylum-seekers, but their effect remains limited due to the lack of livelihood support for applicants in the process of lawsuits. Although regulation on employment approval and livelihood support is included in the modified version, its effects are minimal because whether the support is provided or not is determined by discretionary judgment of the Ministry. The most serious problems relating to refugee issues include the rejection of applicants’ submission to get a refugee status and the forced deportation of applicants back to places where they are in danger of being tortured.

Although the Korean government is keen to show a society that appears to be open to foreigners, it has promoted the ‘Two-Foreigners Strategy’ as an integrated practical immigration policy. Yet, the current immigration policy shows clear contradiction between on the one hand the active acceptance of only qualified candidates that may offer human resources helpful to the interests of the nation and provide economic benefit, and on the other hand, the exclusion of the less skilled and undocumented refugees, who are instead targeted by controls. Over 50% of foreigners in Korea are laborers, out of whom more than 90% work in manual labor and come from developing countries such as China, Vietnam or the Philippines. Korea’s current immigration policy is lacking in terms of policy consistency as it limits immigrants from developing countries.
### ODA Watch’s Proposal

- Prepare a Strategic Environmental Assessment and strengthen Environment Impact Assessments.
- Establish relevant policies and legal systems to ensure policy coherence for development.
- Give priority to the needs of partner countries in implementing green ODA.
- Join the UN International Convention on the Protection of All Migrant Workers and their Families.
- Increase the number of products eligible for preferential tariffs for LDCs.
- Allow for government-wide discussions between all agencies working on Aid for Trade to ensure policy coherence.
The 2008 special review pointed out that Korean ODA should increase its volume, allocate more grants, unify complex channels, and provide clear guidelines on the criteria for ODA allocation.

Increasing Aid Volume

Since the 2008 Special Review
It is encouraging that the volume of Korean aid has been increasing steadily since 2006. Last year, Korea’s net ODA volume recorded its highest level ever (USD 1.321 billion). However, the ODA to GNI ratio has not increased for two consecutive years since 2010, remaining around 0.12%.

(Figure 1) Korea’s net ODA trend (2006-2011)

ODA Watch’s Evaluation
Against the backdrop of the current trend of major donors cutting their aid budget due to the economic crisis, Korea offers a stand-out example in the international community. However, the amount of Korean ODA remains insufficient compared to that of other DAC members. Further, Korea ranks as the 13th largest economy, 9th largest trade volume, and 7th largest export volume, which should prompt Korea to allocate more aid as a donor country enjoying a favorable economic situation.

The Korean government has continued to reaffirm its promise to increase its annual ODA, including it in national strategies and plans such as the Mid-term ODA strategy (2008) and the Public financial management plan (2009, 2010, 2011). But as can be seen in Table 2, the actual ratio of aid in 2010 and 2011 failed to meet the target percentage both year, which points to the significant difficulties in achieving a 0.25% ODA/GNI by 2015.5

(Table 2) Annual ODA volume performance against targets

<table>
<thead>
<tr>
<th>Year</th>
<th>’10</th>
<th>’11</th>
<th>’12</th>
<th>’13</th>
<th>’14</th>
<th>’15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target(%)</td>
<td>0.13</td>
<td>0.14</td>
<td>0.15</td>
<td>2.258</td>
<td>0.21</td>
<td>0.25</td>
</tr>
<tr>
<td>Performance</td>
<td>Ratio(%)</td>
<td>0.12</td>
<td>0.12</td>
<td>Requires a yearly 20% budget increase</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount (Mil.dollars)</td>
<td>1,174</td>
<td>1,321</td>
<td>1,716</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: [Mid-term ODA strategy (2008)], [Public financial management plan (2009-11)]

5) Korea’s real GDP growth: 3.6%, real GNI growth: 1.5%2010. Even though GNI and exchange rate assumed to be constant, it requires at least 20% per year budget increase.
Since the 2008 Special Review

In 2010, loans represented 39% of the total bilateral aid, which is a high ratio compared to that of other DAC donors. Most DAC members’ bilateral aid consists of grants except for three countries. Korea’s loan ratio in terms of gross disbursement is also high compared to other DAC members.

However, the issue has been deteriorating despite a recommendation to correct this heavy use of loans. As can be seen in Figure 2, the ratio of loans has actually increased since 2008. For instance, the grant ratio in 2011 declined by 2.8% compared to that of the previous year (560 million dollars), while the loan ratio increased by 26.2% (410 million dollars).

According to the Strategic Plan for the International Development Cooperation, the government has vowed to keep the loan ratio around 40% of the total bilateral aid, which means that Korean ODA could involve more loans than at present as the total volume of aid increases.

(Figure 2) The loan ratio trend [2006-2010]
Since the 2008 Special Review

In accordance with the recommendations from the last review in 2008, the government has selected a total of 26 priority partner countries.

ODA Watch’s Evaluation

However, the list of 26 countries and criteria for their selection were not made public. Further, civil society was unable to take part in the process to select priority partner countries and access information pertaining to this process. The government has argued this secrecy was necessary to preserve diplomatic relations with countries not selected as priority partner countries.

But this lack of transparency in the selection of partner countries resulted in the breaking of a corruption scandal. In 2010, the Korean government selected Cameroon as a priority partner country. But recent revelations shone light on the government’s hidden agenda to support a Korean mining company named CNK and help it win a permit to mine diamonds in Cameroon. After CNK received permission to develop the mines, Cameroon became a priority partner country and ODA for Cameroon surged from 0.46 million dollars in 2009 to 1.77 million dollars in 2010, and 313 million dollars in 2011.

Korean CSOs, including ODA Watch, have expressed strong doubts as to whether Cameroon truly needed to be selected as a priority partner country. These organizations have remained vocal in urging the Korean government to make public information on the standards, process and strategies pertaining to the criteria to select priority partner countries. The current situation has drawn strong criticisms that ODA appears to be used as a tool to promote national interests, as illustrated by the so-called CNK scandal.6)
Since the 2008 Special Review
There seems to be a lack of clarity and prioritization concerning Korean ODA sectors. According to the official website on Korean ODA [odakorea.go.kr], Education (Human Resources), Health, Administration (ICT, Economy), Agriculture, Industry and Energy (Land Development), Environment (Green Growth), and cross-cutting issues (gender) are identified as priority sectors for Korean ODA. 7)

However, according to the Strategic Plan for the International Development Cooperation, Economy, Health and Medicine, Human Resources, Administration and ICT, Agriculture, Fisheries, Land Development (Ministry of Land, Transport and Maritime Affairs), Industry and energy, and Environment are selected as major sectors of interest for Korea’s development cooperation. There is a lack of priority main sectors.

ODA Watch’s Evaluation
The reason for the extensive scope of priority sectors seems to relate to the desire of the ministries in charge of these sectors to participate in Korea’s international development cooperation so they can enjoy a higher budget. However, the quality of aid will not improve if the aid is provided without a focus on a few main sectors for which Korea enjoys comparative strength in relation to other donors.

ODA Watch’s Proposal
- Increase ODA volume to match the average ODA/GNI ratio of other DAC members.
- Formulate a concrete action plan to keep the promise of ”Raising the ODA/GNI rate to 0.25% by 2015”.
- Expand grants to match the average level of other DAC members.
- Stop allocating loans to LDCs and increase the ratio of grants.
- Ensure transparency in the criteria for selecting priority partner countries and open the process to the public.
- Limit the number of priority sectors.
- Focus on LDCs in the selection of priority partner countries.
The 2008 Special Review recommended that the Korean government establish a unified aid architecture and consolidate its ODA strategies, increase the number of trained development cooperation professionals, and guarantee independent monitoring and evaluation.

The Korean government has made improvements, such as the launching of Country Partnership Strategies (previously Country Assistance Strategies) in an attempt to strengthen coordination and cooperation among the relevant ministries and agencies. Also, the government has developed government-wide strategies for decentralization and localization, and conducted pilot unified evaluations to expand independent monitoring and evaluation.

However, there are still serious challenges to be overcome, such as the fragmentation of the aid architecture, the incompleteness of the CPS formation process, the lack of a comprehensive strategy for the capacity-building of Korean development professionals, and the insufficient quantity and quality of independent M&E feedback on the evaluation results. These shortcomings must be approached critically and reviewed comprehensively in the 2012 DAC Peer Review.

Since the 2008 Special Review

- **The Committee for International Development Cooperation**
  
  At the policy level, the Korean government has made efforts to foster aid coordination among ministries by establishing the Committee for International Development Cooperation (hereinafter ‘the Committee’) under the Prime Minister’s Office. The Committee has met approximately twice a year since its first meeting in March 2006. The Committee functions as a decision-making body on important development policy papers. However, there have been numerous criticisms regarding the Committee’s limited role so far. At the level of implementation, Inter-Agency Grants Committee and the Inter-Agency EDCF Committee have been organized, but there has been no visible outcome from these committees yet.

- **ODA Watch’s Evaluation**

  The Committee has been criticized for its limited role in policy-level coordination. Instead of unifying demands from various ministries, the Committee has tended to consider parallel implementation, thereby deepening the fragmentation of aid policies. In fact, even after the adoption of the Framework Act on International Development Cooperation, there was a continuous increase of the ODA budget of ministries other than the Ministry of Foreign Affairs and Trade and the Ministry of Strategy and Finance. Those ministries have enacted individual ODA laws, designated separate implementation agencies, consolidated development-related departments or bureaus, and increased the number of staff in charge of ODA. Due to this accelerated trend of ODA expansion within each ministry, the small amount of Korean ODA is being spent even more ineffectively and inefficiently. This clearly shows the failure of the Committee’s role in coordinating aid. Considering the failure of the Committee’s performance, it is imperative that the government firmly establishes a stronger coordination mechanism which can unify and manage the whole of the Korean ODA budget.

- **Aid fragmentation among ministries**

  Individual ministries are creating their own ODA policies and conducting their own ODA projects, insisting that they have professional knowledge and experience in their specific sector. According to the 2010 Comprehensive Inspection conducted by the Prime Minister’s Office, over 32 ministries and agencies were assigned an ODA budget and over 71 implementation agencies were carrying out 1,073 projects. Since 2000, as the overall ODA budget increased, more and more ODA implementing agencies have been created. For example, the Ministry of Education, Science and Technology, the Ministry of Food, Agriculture, Forestry and Fisheries, and the Ministry of Health and Welfare have established their own ODA implementation strategies and related committees. The Korea Foundation of International Healthcare (KOIFH) of the Ministry of Health and Welfare, KOPIA of the Rural Development Administration, and the International Administrative Development Center of the Ministry of Public Administration and Security have been set up to implement their individual ministries’ ODA.
Chapter 4. Organization and Management

- **Aid fragmentation between grant organizations**
  As many Korean small-sized aid agencies begun to provide grants, this created a heavier administrative burden for partner countries. In the case of Vietnam for instance, 14 grant organizations conducted ODA projects in 2007. However, this number increased to 22 in 2009. In Cambodia, 12 grant organizations provided USD 35 million in 2007. However, 15 grant organizations provided USD 17 million in 2009. Even though the Korean Ministry of Foreign Affairs and Trade operates the Inter-Agency Grants Committee, there was no practical outcome yet and aid projects have continued to be carried out without consultation or discussions between ministries. Duplication is especially pandemic in relation to training programs and consulting services. Training programs and consulting services related to ‘Saemaul ODA’ are carried out simultaneously by the Ministry of Public Administration and Security, the Rural Development Administration, local governments and KOICA. Invitations to trainings and provision of equipment in the IT sector are provided by the Ministry of Education, Science and Technology, the Ministry of Public Administration and Security, local governments and KOICA. Master and doctoral scholarship programs are operated by the Ministry of Education, Science and Technology, Seoul’s Municipality, KOICA, and the Korea Institute of Science and Technology (KIST).

- **Disconnected policy and implementation**
  Under Korea’s current aid architecture, aid policy and its implementation are heavily disconnected. Under the guidance of the Committee under the Prime Minister’s Office, the Ministry of Foreign Affairs and Trade, the Ministry of Strategy and Finance and other individual ministries are in charge of the formulation of aid policies. Meanwhile, KOICA, EDCF and other implementing agencies are responsible for aid implementation, with only a very limited role in policy making.

- **Separated Grants and Loans**
  Under Korea’s current aid architecture, grant and loan organizations are separated. There has not been proper cooperation to increase aid effectiveness and reduce the administrative burden for partner countries. A loan’s ultimate goal is economic cooperation, resource mobilization, and investment and trade. A loan is not closely related to development cooperation. On the other hand, grants focus on social development, such as social welfare, public health and education. Likewise, fragmentation between grants and loans in terms of focal areas, relevant agencies and ministries, and implementation process in a given partner country has caused duplication, conflict, confusion and waste of administrative resources.

This duplication and fragmentation have caused a lack of synergy effects between the grants and the loans. Traditionally, grant agencies have carried out small- and medium-sized projects as well as technical cooperation. Loan agencies have dealt with larger projects such as mass-scale infrastructure. However, this classification has recently lost meaning as loan agencies have begun to carry out not only small-sized projects but also technical cooperation such as the Knowledge Sharing Program of the Ministry of Strategy and Finance. At the same time, the traditional classification of focal areas (i.e. social development for grants, infrastructure and economic growth for loans) has been blurred. In the areas of road construction, irrigation, drinking water supply, hospitals, education, and IT systems, grant and loan projects are implemented simultaneously. As shown above, grants and loans are implemented separately not because of different characteristics of the projects themselves, but due to competing interests and spheres of influence between ministries.
Since the 2008 Special Review

Following the 2008 DAC Peer Review’s recommendation to establish a unified Country Assistance Strategy, the Korean government announced its plan to launch a new Country Partnership Strategy to strengthen coordination and cooperation between governmental bodies. The plan was to complete the CPS for all 26 priority partner countries by 2012 and update them every three years. Most of the CPSs are currently being drafted and those of Vietnam, Ghana, and Solomon Islands have been publicly posted on the Korean government’s ODA website (www.odakorea.go.kr). A new series of CPSs should be a highly welcome development. However, there remain many challenges and shortcomings still to be dealt with.

ODA Watch’s Evaluation

- Insufficient time for consultation
  The most critical shortcoming is the ambitious plan to make 26 CPSs in such a short period of time. In the 2010 the Strategic Plan for the International Development Cooperation, the Korean government announced that it would prepare CPSs for all its priority partner countries by 2012. However, this seems to be an unrealistic and hasty plan in light of all that the process to establish a CPS requires, including the necessity for significant time to conduct basic research on the respective countries and to formulate specific strategies. Korean civil society has heavily criticized the new CPSs for not being firmly grounded in sufficient research and analysis or a consultation process with relevant stakeholders.

- Separate Sectoral CPSs for Each Ministry
  Another important problem associated with Korea’s unrealistic plan is that currently, CPSs are being prepared by individual ministries, not government-wide Country Teams. In the case of many DAC member countries and international organizations, to prepare country strategies, a ‘Country Team’ is set up by gathering various government officials from relevant ministries and government agencies who have a professional knowledge and experience on said country. However, in the case of Korea, there was not enough time and resources to form Country Teams. Instead, each ministry was assigned a number of CPSs. Mostly, the Ministry of Foreign Affairs and Trade and the Ministry of Strategy and Finance have respectively prepared draft CPSs and the Committee confirmed these drafts. Even though there is a circulation and feedback process among different ministries, the consultation has been very limited so far. As a result, the current CPS drafting process is far from realizing the initial goal of a unified process – to strengthen coordination and cooperation among the ministries involved in ODA by establishing a single and coherent development strategy.

In the absence of any ‘single and coherent’ development strategy, even in the new CPSs, each ministry engaging in ODA has established its own CPS on their respective sector. For example, ministries such as the Ministry of Food, Agriculture, Forestry and Fisheries and the Ministry of Education, Science and Technology have their own sectoral CPSs to be implemented through ODA projects. These CPSs are completely separated from the unified CPSs in terms of preparation and implementation processes. This problem may be substantially attributed to Korea’s fragmented aid architecture.

- Lack of Consultation with Important Stakeholders
  The core mandate of a CPS is to present clearly key development challenges for each partner country, the partner country’s priorities and strategy to address these challenges, and Korea’s priorities and strategy to support the partner country’s goals and plans. To this end, a substantial consultation with various stakeholders is indispensable. However, the current Korean CPS process seriously lacks a proper consultation process with partner country stakeholders, regional specialists, academics and civil society actors. Only a brief circulation process is carried out ‘after’ the government ministry has prepared drafts, instead of collecting opinions before shaping the basic structure of the CPSs. As a result, the current CPSs tend to present ‘what...
Korea can offer rather than ‘what the partner country wishes to get.’ In this context, it is a challenge to prepare strong CPSs that fully reflect the partner country’s situation.

### ODA Watch’s Proposal

- Integrate all grant and loan agencies, which currently number at more than 30.
- Strengthen the role of Congress in overseeing ODA through regular reviews.
- Unify ODA channels which are diversified through international organizations and multilateral development banks.
- Bar individual ministries and agencies involved in ODA from preparing individual CPSs.
- Establish and implement a government-wide CPS consultation process in which relevant ministries and agencies, regional experts, academics and civil society actors participate actively.
- Ensure access to relevant information on CPS in order to enhance transparency and accountability.
- Fully reflect partner country’s priorities and strategies in CPSs.
Since the Special Review in 2008

In February 2010, KOICA presented a strategy paper entitled ‘KOICA Advancement Plan 2010-2015’ which includes plans to establish a strategic implementation system. However, there are many remaining problems to developing specific measures to realize such plans.

ODA Watch’s Evaluation

- **Need for localization and decentralization**

In an effort to enhance localization and decentralization, KOICA recently carried out a full-scale reorganization and announced a plan to increase the ratio of field staff to 41% by 2015. However, a specific plan to realize locally-based aid implementation in line with improving aid effectiveness is still long overdue. In addition, in the case of other agencies and ministries involved in ODA, even the necessity of localization and decentralization has not been recognized properly.

- **Need for coordination on the field**

Most of the ministries and agencies providing ODA do not have field offices in partner countries or follow a consolidated process for improved aid harmonization on the field. Since the fragmented aid architecture has caused serious issues for parallel implementation and duplication in partner countries, aid harmonization among the ministries and agencies on the field is imperative. Embassies and KOICA field offices could be utilized as a center of aid harmonization among Korean ministries and agencies. In this respect, the German government’s utilization of the Head of Cooperation (HoC) and the Development Cooperation Country Office (DCCO) could provide a good model.

ODA Watch’s Proposal

- Further localization and decentralization in an effort to enhance aid effectiveness.
- Ensure strong coordination of ministries’ and agencies’ fragmented aid practices in partner countries through embassies and KOICA field offices.
Chapter 4. Organization and Management

ODA Watch’s Proposal

- Enhance the quality of internal and external pre-post evaluation through continuous investment.
- Foster and support an independent evaluation system that private experts can join.
- Establish a feedback loop to better reflect evaluation results in future development policies and practices.
- Expand the participation of civil society in the M&E process.
- Express unambiguously the government’s determination to improve its practices following evaluation results.

Since the 2008 Special Review

The 2008 DAC Peer Review recommended that the Korean government foster a culture of independent evaluation by establishing common evaluation guidelines to be applied to all relevant ministries and reflecting fully evaluation results in development projects. The Korean government conducted a pilot unified assessment, which covered ODA policies, strategy and projects in 2010. A common guideline for the unified evaluation was prepared in 2011. The Prime Minister’s Office created the Sub-committee for Evaluation and currently supervises the unified evaluation process. At the implementation level, KOICA and EDCF have conducted internal and external evaluations. However, many further actions remain necessary in order to realize a culture of independent evaluation.

ODA Watch’s Evaluation

- Lack of a Feedback Loop on Evaluation Results
  Despite recent government efforts to improve M&E, the major challenge is the lack of a feedback loop to ensure that the M&E results be reflected in future development policies and practices. For example, even though KOICA and EDCF have invested in their project and program evaluations, there is no tangible evidence of changes or improvements in their project or programs which may be attributed to previous evaluation results. This implies that the feedback system has not settled in the Korean aid system as a whole yet.

- Limited Quality of Independent Evaluation
  Still, there are many challenges associated with the quality of M&E. In the case of KOICA, the agency has improved its internal evaluation process and expanded external evaluation projects to independent evaluation. EDCF has recently started efforts to strengthen evaluation. However, other ministries do not delegate external evaluation to evaluation professionals. The overall quality of evaluation reports across governmental bodies remains quite limited due to the short history of having rigorous internal/external evaluations and the small number of private research institutes with professional skills in M&E.
In the 2008 special review, Korea was recommended to sign the Paris Declaration and take part in the Monitoring Survey of the Paris Declaration (hereinafter PDMS). Furthermore, Korea was urged to put more efforts into fostering ownership, alignment and harmonization to abide by the five principles of the Paris Declaration. Above all, it was emphasized that the untied ODA ratio should be increased, especially for least developed countries.

**ODA Watch’s Evaluation**

Over the past couple of years, the Korean government joined DAC, led the G20 summit to adopt the Seoul Development Consensus for Shared Growth, and successfully hosted the 4th High-Level Forum on Aid Effectiveness (HLF-4) in 2011. These were efforts to enhance Korea’s aid effectiveness.

Korea participated in the Monitoring Survey on Paris Declaration in 2006 and 2008, the only times a non-DAC country took part in this process. Furthermore, the Korean government has made efforts to implement the five principles of the Paris Declaration. As stated earlier, the most significant improvement made from 2008 to 2012 is that the Korean government passed the Framework Act on International Development Cooperation and its Presidential Decree, as well as a the Strategic Plan for the International Development Cooperation, which laid a foundation for Korea’s international development cooperation. Also, establishing CPSs for priority partner countries has had a positive impact on the enhancement of ownership and aid predictability. However, more efforts remain needed when it comes to untied aid.

The Paris Declaration suggested a desirable rate of untied aid of 89%, but the DAC members’ average rate remains lingering at 84% [OECD, 2011]. The Korean government aims to expand the untied ratio to a historical high of 75%. But even if Korea achieves its goal, it will still be a lower rate than the other DAC members’. Active measures need to be taken.

The results of PDMS have shown that Korean aid continues to have lower effectiveness than others in the international community. Among the indicators of PDMS on aid effectiveness for Korea, in relation to indicator 5a “use of country public financial management systems”, Korea scored around 10%, which was far less than an average 48% for other DAC members. According to the report on PDMS published in 2011, out of the 13 goals, Korea had only met one: indicator 4 ‘Empowerment through harmonious assistance’.

The Assessment on the Quality of Official Development Aid published in 2010 by the Global Economy and Development at BROOKINGS and the Center for Global Development, indicates that Korea ranked lowest on two indicators: reducing administrative burden on the partner country and maximizing efficiency.

**ODA Watch’s Proposal**

- Prepare CPS based on full consultations with partner countries in order to meet their development needs.
- Set a mid-term spending plan and share it with partner countries to underpin aid predictability and build partners’ capacity to establish policies.
- Extend the untied aid rate for grants and loans, but also phase out tied assistance by 2015.
- Increase the use of the country’s public financial management systems to the average level of DAC members.
- Merge the 32 organizations that provide grants and loans to lighten the administrative burden on partner countries and push for an integrated policy.
- Use common administrative systems with other donors in any partner country and participate actively in joint field work to strengthen aid harmonization.
Chapter 6. Humanitarian Assistance

As seen in the special review in 2008, the evaluation of humanitarian assistance was covered in only one page. This was because at the time, there was not enough strategy and policy on Korea’s humanitarian assistance to be reviewed in an in-depth manner. Until now however, there is no legal and policy foundation made separately for humanitarian assistance. Further, there is insufficient research on this issue.

On the other hand, there has been an increase to use multilateral channels as recommended by DAC.

**ODA Watch’s Evaluation**

The Overseas Emergency Relief Act and the Plan for the Advancement of the Overseas Emergency Relief have been established. However, on the issue of humanitarian assistance, which is a concept that includes emergency relief following a variety of disasters, there is a complete lack of policy and legal basis. It appears that there have not been sufficient discussions on this matter ever since the recommendations were made in 2008.

According to a memorandum prepared by the Korean government, it is mentioned that “Korea drafted the Policy Paper on Humanitarian Assistance (2008)”. However, it is not a draft policy paper, but rather a draft for discussion unofficially produced by the Humanitarian Assistance Division under the Ministry of Foreign Affairs and Trade. For the same reason, in a conference organized by ODA Watch, Korea Civil Society Forum on International Development Cooperation(KoFID), and Korea NGO Council for Overseas Cooperation(KCOC) and held on the 23rd of May in preparation of Korea’s peer review Korea, strong doubts were expressed from the floor as to whether Korea had a policy paper on humanitarian assistance.

Mr. Soo-deok Park of the Prime Minister’s Office who participated as a speaker admitted that it was an overstatement to say so.

In addition, there are a great number of actors participating in humanitarian relief activities, such as government agencies, private sector, and local authorities, and that fragmentation between donors is one of the most important factors in the decrease of aid effectiveness. It stands in contradiction with the current trend in the international community that sees donors being asked to provide assistance with a division of labor, which informs us on the need for an integrated channel to deliver humanitarian assistance.

It is encouraging that Korea abides by the four humanitarian principles stated by the UN resolution 46/182 and the International Committee of the Red Cross. Nevertheless, it is hard to claim that Korea has fulfilled the 2008 recommendation to establish a humanitarian assistance policy.

Also, the Korean government has joined the Good Humanitarian Donorship Initiative (GHD)\(^9\)), which was not included in the DAC recommendations but was mentioned in the review. Korea became the 36th member of GHD at the GHD’s annual conference held in July 2009.

According to an extract from an annual report published by the international organization Global Humanitarian Assistance (GHA), out of a variety of assistance sectors, Korea focused on reconstruction (42% out of its total aid) while its emergency response stood at 26\(^{10}\) of its total aid, which shows that Korea has a clear tendency to assist through emergency operations rather than providing aid to complex or chronic disasters.

According to the report mentioned above, the 2008 special review recommended implementing aid through multilateral assistance channels and it can be observed that there was a massive increase from 7% in 2006 to 63\(^{11}\) in 2009.

**ODA Watch’s Proposal**

- Further localization and decentralization in an effort to enhance aid effectiveness.
- Ensure strong coordination of ministries’ and agencies’ fragmented aid practices in partner countries through embassies and KOICA field offices.
I. Context for Korean Development Cooperation

|------------------------|---------------------------------------------------|---------------------------------------------------|
| 1. Korea could benefit from introducing overall legislation to govern its ODA. Any such legislation should clearly set out Korea’s overall ODA objectives and should provide the legal basis for a consolidated aid system. | • Enacted the Framework Act on International Development Cooperation and the Presidential Decree:  
  - The Framework Act defines basic principles and objectives, role of the CIDC, formulation of the Mid-term ODA Policy, roles and functions of agencies supervising international development cooperation, selection of priority partner countries, evaluation, support for civil organization, and public relations for Korean citizen’s participation.  
  - Basic Principles and Objectives of the Korea’s International Development Cooperation (Article 3 of the Framework Act)  
    - Basic Principles: (i) reduce poverty in developing nations; (ii) improve the human rights of women and children, and achieve gender equality; (iii) realize sustainable development and humanitarianism; (iv) promote cooperative economic relations with developing partners; and (v) pursue peace and prosperity in the international community.  
    - Objectives: (i) reduce poverty and improve the quality of life of people in developing nations; (ii) support the development of developing nations and improve the system and conditions for such development; (iii) promote friendly relations and mutual exchanges with developing nations; (iv) contribute toward the resolution of global problems related to international development cooperation; and (v) other matters deemed necessary for realizing the basic principles.  
  • Efforts to Consolidate Aid System: CIDC and Supervising Agencies  
    - The responsibilities of the CIDC are specified in the Framework Act (Article 7). The roles of the CIDC are to deliberate on and moderate major matters to ensure that international development cooperation policies are implemented in a comprehensive and systematic manner.  
    - The Framework Act (Article 9) designates that loans, within bilateral development cooperation, shall be supervised by the Minister of Strategy and Finance and grant aid by the Minister of Foreign Affairs and Trade. And also cooperation with the international financial institutions, within multilateral development cooperation, shall be supervised by the Minister of Strategy and Finance, and cooperation with other organizations by the Minister of Foreign Affairs and Trade. The roles and functions of these supervising agencies are also specified in the Framework Act (Article 10). | • Enacted the Framework Act on International Development Cooperation and the Presidential Decree:  
  - Since the 2008 special review, the legal basis of Korean ODA has gone through significant improvement while relevant laws, strategy, and aid architecture were usually obsolete or incomplete in 2008.  
  • It is quite encouraging that the Framework Act on International Development Cooperation and its Presidential Decree came into effect. ODA Watch considers it as a meaningful change in Korea’s international development cooperation. |
### Recommendations (2008)

2. The government could consider creating a single entity with sole authority over development co-operation objectives, policy and strategy. This entity could develop a unified policy framework, which leads and applies to all parts of the ODA system.

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<tr>
<th><strong>Strengthen the Function of the CIDC</strong></th>
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<td>• The CIDC, as a coordinating body, deliberates and decides the overall ODA policies for greater policy coherence and systematic delivery of aid programs. To strengthen the function of the CIDC, the roles and composition of the CIDC are included in the Framework Act (Article 7).</td>
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<td>- The CIDC discusses (i) the Mid-term ODA Policy and Annual Implementation Plans; (ii) matters concerning evaluation; (iii) matters requiring coordination by the whole-of-government level from among policies related to international development cooperation; and (iv) other matters deemed important and recommended by the chairperson.</td>
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<td>- The CIDC is composed of 25 members, including the Prime Minister as the chairperson, ministers of 15 ministries, and heads of KOICA and Korea Eximbank along with seven civilian experts who are appointed by the chairperson.</td>
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<td>• Korean government has taken a number of measures to consolidate the function of the CIDC, as a top coordinating body. This includes more frequent meetings, intensified preliminary screening of agenda by the Working Committee before being tabled at the CIDC and monitoring follow up to its decisions by the CIDC secretariat (the ODA Policy Bureau of PMO).</td>
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<th><strong>Thoroughly Limited Consolidating Function of the CIDC:</strong></th>
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<td>• The CIDC, which is a coordinating body, has been criticized for its limited role in policy-level coordination.</td>
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<td>• Instead of unifying demands from various ministries, the CIDC has tended to consider parallel implementation, thereby deepening the fragmentation of aid policies and their implementation, even after the adoption of the Framework Act on International Development Cooperation.</td>
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<td>- Under Article 7 of the Framework Act, the roles and composition of the CIDC are mentioned as follows: 25 officials from the Ministry of Foreign Affairs and Trade and the Ministry of Strategy and Finance which are the supervisory agencies in charge of loans and grants, KOICA and EDCF, implementing bodies of bilateral aid and other Ministries and Municipality in the Committee.</td>
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<td>- There was a continuous increase of the ODA budget of ministries other than the Ministry of Foreign Affairs and Trade and the Ministry of Strategy and Finance and the number of ministries and municipality participating in ODA has increased, which shows the failure of the Committee’s role in coordinating aid.</td>
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<td>- The lack of a coordinating role for the Committee has resulted in aid fragmentation between loans and grants, as well as within grants as follows:</td>
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<td>• Aid fragmentation among ministries</td>
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<td>• Aid fragmentation between grant organizations</td>
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<td>• Disconnected policy and implementation</td>
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<td>• Separated Grants and Loans</td>
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### Coherent Aid Strategy and Philosophy

- **In contrast,** there are individual strategies for each ministry or organization. This is because plans and strategies are formulated with a lack of consultation with all stakeholders.

  - For instance, in the case of the Country Partnership Strategy (CPS), the Korean government claimed to formulate unified CPSs for bilateral aid, but actually different ministries prepare their plans separately for grants and loans, nullifying the purpose of preparing a combined CPS.

### Knowledge Sharing Program in the Strategic Plan Which Entails a Risk of Donor-Oriented Aid

- According to the Strategic Plan for the International Development Cooperation, one of three strategies for high-quality ODA is that the Korean government will provide a Knowledge Sharing Program (KSP).

  - The strategic plan mentions that KSP will have moving case studies related to Korea’s development history so that Korean emotions, aesthetics, and sincerity may be included in the aid program provided to partner countries.

  - The government has claimed repeatedly that it is seeking for business opportunities in developing countries through KSP.

  - It was established with a focus on Korea’s experience in economic development, neglecting to fully account for the very values that made Korea’s development possible, such as democratization, human rights, and gender equality.

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### Recommendations (2008) vs. (The Korean Government) Progress in Implementation vs. [ODA Watch] Progress Still Needed in Implementation

|------------------------|---------------------------------------------------|---------------------------------------------------|
| 3. While the introduction of the Comprehensive ODA Plan and the Mid-Term Strategy is a good beginning, they need to become integrated frameworks rather than compilations of individual strategies. Without such reform, the current structure could constrain efforts to manage increasing ODA. | - The Strategic Plan for International Development Cooperation
  - Taking into account the global discussions on development cooperation and Korea’s current status, the Korean government devised the Strategic Plan for International Development Cooperation (Strategic Plan), which sets out its vision and strategies. The Strategic Plan was approved at the 7th session of the CIDC (October 2011).
  - The Strategic Plan introduces the Basic Framework for Korea’s International Development Cooperation as follows: (i) its role as a member country of the OECD DAC; (ii) plans for increasing the ODA volume; (iii) design of a integrated ODA system according to the Framework Act. Under these matters, the Strategic Plan adopted the 3 core strategies
    - i.e.; (i) Documentation and Utilization of Development Experiences; (ii) Reforming the ODA System; (iii) Strengthening Global Partnership; and the strategic directions for Broadening the Basis for International Development Cooperation.
  - The Mid-term ODA Policy and Annual Implementation Plan
    - The Framework Act (Article 8) mandated the government to formulate the Mid-term ODA Policy, which sets out policy directions and volume of ODA, and mid-term strategies. The Mid-term ODA Policy for 2011-2015 was approved at the 8th session of the CIDC (December 2010). Based on the Mid-term ODA Policy, Annual Implementation Plans are devised and used since 2011. | - Coherent Aid Strategy and Philosophy Is Non-Existent:
  - In contrast, there are individual strategies for each ministry or organization. This is because plans and strategies are formulated with a lack of consultation with all stakeholders.
  - For instance, in the case of the Country Partnership Strategy (CPS), the Korean government claimed to formulate unified CPSs for bilateral aid, but actually different ministries prepare their plans separately for grants and loans, nullifying the purpose of preparing a combined CPS.

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  - The strategic plan mentions that KSP will have moving case studies related to Korea’s development history so that Korean emotions, aesthetics, and sincerity may be included in the aid program provided to partner countries.

  - The government has claimed repeatedly that it is seeking for business opportunities in developing countries through KSP.

  - It was established with a focus on Korea’s experience in economic development, neglecting to fully account for the very values that made Korea’s development possible, such as democratization, human rights, and gender equality.
4. Korea would benefit from a formal whole-of-government agreed public awareness strategy. It should be multi-year with key messages, targeted to specific audiences, and produced in partnership with civil society organizations. Also, it is understandable for emerging donors to need visibility to gain public support for their development co-operation efforts. But in the longer term, Korea will want to look at its visibility practice in the light of the Paris Declaration and other donors’ behavior where ‘flying the flag’ through individual projects is being replaced by taking a share of the credit for the results achieved from collective interventions.

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<td><strong>Integrated Approach to Improve Public Awareness</strong></td>
<td>• Following the deliberation on ‘Whole-of-government Strategy for Public Awareness of ODA’ at the 6th session of the CIRD (December 2009), concerned ministries have set up a joint task force on public relations under the leadership of the PMO. The task force is mandated to coordinate, examine, and evaluate public relations activities of respective ODA executing agencies.</td>
<td>• Efforts to Increase Public Awareness on ODA</td>
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<td><strong>• Since its establishment in 2010, the task force produces and implements the Annual Integrated Plans for ODA Public Relations. As a result, the task force has achieved the followings:</strong></td>
<td>• It is indeed encouraging that public awareness can be increased by providing information about international development cooperation in a more user-friendly and accessible way and language through the ODA Korea website and establishing KOICA IDEA (International Development Education Academy).</td>
<td>• However, more efforts are needed to strengthen the public’s understanding of and support for the increase in the aid budget.</td>
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<td><strong>• Since its establishment in 2010, the task force produces and implements the Annual Integrated Plans for ODA Public Relations. As a result, the task force has achieved the followings:</strong></td>
<td>• Lack of Accessibility and Accountability to Core Data on ODA</td>
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<td>• Only basic data is accessible provided through the ODA Korea webpage</td>
<td>• The level of accessibility on the information regarding important ODA processes and policies, including budget planning, remains very limited.</td>
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<td>• Since its establishment in 2010, the task force produces and implements the Annual Integrated Plans for ODA Public Relations. As a result, the task force has achieved the followings:**</td>
<td>- For instance, since 2011, ODA Watch has requested detailed information on the budget for ODA grants and loans and on the KSP evaluation report in 2011, but the government provided only limited information and maintained its policy on restriction or non-disclosure of information.</td>
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<td><strong>Improved Public Relation Activities</strong></td>
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<td>• Korea is working with major mass media companies for a broader publicity outreach on matters related to ODA, and in particular has contributed toward program that would encourage the participation the Korean youth in development cooperation activities.</td>
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<td>• Korea also takes advantage of various occasions for public relations and outreach for the Korea’s ODA. For example, at the Busan HLF-4, Korea opened an exhibition of its history as an aid recipient that has been transformed into a donor country.</td>
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<td><strong>Strengthening Public Education</strong></td>
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<td>• In order to promote public understanding on international development cooperation and to foster the next generation of Korean ODA experts in long-term basis, ‘International Development Education Academy’ was founded in KOICA in March 2010. The Academy provides various tailor-made development education programs including courses on ODA program management and regional studies in response to the ever-increasing demand.</td>
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<td>• Furthermore, in order to educate new experts in international development cooperation, the Korean government is supporting curriculum development at graduate schools for international studies, while expanding internship opportunities and the number of JPOs at development cooperation related multilateral organizations.</td>
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5. The government could further engage in dialogue with civil society organizations and draw upon their knowledge and expertise to inform development policy and practice.

- **Increasing Partnership with Civil Society**
  - The Korean government recognizes CSOs as crucial partners in its international development cooperation endeavors. It is closely collaborating with CSOs, private enterprises, and academia including universities and research institutes in its ODA programs. Different measures have been undertaken to utilize their expertise.

  - Participation as Committee Members in Policy Making Process: Korean government enlisted civilian experts as members of the CIDC, the Working Committee for the CIDC, and the Sub-committee for Evaluation to increase public involvement in major ODA decision-making processes.

  - Cooperation with Civil Society in Implementation Level: The Strategic Plan recognizes civil society as equal partners and encourages their participation for broader-based development cooperation. The government is currently studying various ways of partnership with civil society, and is seeking to engage private companies’ Corporate Social Responsibility (CSR) initiatives in ODA delivery in order to enable the private sector to become active agents and supporters of international development cooperation.

  - Cooperation with Academia: Korea is encouraging universities and research institutes to participate in ODA policy making and project development. Diverse research and survey activities are now outsourced to universities and institutes.

- **Limited Partnership with Civil Society**
  - Civil society participation has also partially increased since 2008. However, when it comes to core decision-making processes that discuss major issues and policies, civil society cannot participate. This seems to be because the government does not see civil society as an equal stakeholder in the policy coordination process, or the necessity to receive input from a variety of civil partners.

  - The Korean government provides participating rights only to limited experts on selected issues. The Korean government should actively seek the opinion of civil society by increasing opportunities for official consultations in the policy-making process, and encourage civil participation.

  - For instance, in the process of formulating unified CPSs, there was lack of policy consultation with civil society and private experts. Limited CSOs were allowed to give comments and feedback on the outcome documents, but not allowed to participate in the discussions.

  - There is a need to acknowledge civil society partners as key counterparts and ensure their participation in the whole process of planning, implementation, and evaluation of ODA.
### II. Development Beyond Aid

|------------------------|--------------------------------------------------|---------------------------------------------------|
| With a less fragmented aid system, and more unified strategies, particularly at the country level, the coherence, efficiency and potential impact of Korean development activities could be increased | NOT MENTIONED |  ○ No Establishment of a Government-Wide Comprehensive Policy  
- Research on PCD has been partially in the process, but there has been a lack of government-wide approach concerning its development  
- There is a lack of internal consistency within aid policies themselves due to fragmentation, an issue that has been deteriorating. Some experts consider that coherence within aid policies and their implementation is the most urgent issue in relation to policy consistency. |
|  ○ Policy Coherence for Development (1) Trade  
- Although Korea has increased the amount of preferential tariffs for least developed countries from 1.8% in 2007 to 75% in 2008, 80% in 2009, 85% in 2010, and a planned 95% in 2012, it still has not reached the 97% standard set in the WTO agreement.  
- Industrial, agricultural, marine and livestock products such as crude oil, petroleum products, rice and beef, were excluded from the list of products eligible for preferential tariffs.  
- However, the aforementioned products are the very products for which the WTO recommended non-tariffs benefits, and due to their exclusion, LDCs are enjoying only limited benefits from preferential tariffs given to them. |  ○ Policy Coherence for Development (2) Environment  
- The Korean government established a Green Growth Commission as a presidential advisory body, and announced a five-year plan for green growth in 2009.  
- The Korean government has promoted green ODA with much interest in and expectation around green growth, and decided to increase its ODA green growth project expenditures from 11% in 2007 to 20% in 2013 and 30% in 2020.  
- There are some green growth projects that raise concerns they may not be environment-friendly, like water management projects such as the so-called Four River Project. The Four River Project was selected as a priority projects, but its evaluation was not fully conducted within Korea. |  ○ Policy Coherence for Development (3) Immigration  
- The implementation of the multi-cultural policy falls under competing and overlapping authority from various ministries in relation to budget distribution issues and the Committee’s arbitration and coordination role is limited.  
- The Refugee Law that will enter into force after July 2013 includes important improvements such as the expansion of criteria to recognize asylum-seekers, but their effect remains limited due to the lack of livelihood support for applicants in the process of lawsuits.  
- Although regulation on employment approval and livelihood support is included in the modified version, its effects are minimal because the decision on the provision of support is determined by discretionary judgment of the Ministry. |
III. ODA Volume, Channels and Allocations

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<td>6. The commitment made at the highest level to increasing development assistance – by the President in his inaugural speech – is positive, as are the targets in the government’s Vision 2030 to scale-up to 0.118% ODA/GNI by 2011 and 0.25% by 2015. It would be useful to have these targets widely publicized and formally committed to. Delivering on these targets will improve aid predictability for Korea and its partners.</td>
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<td>- Formalizing the ODA Scale-up Plan and its Implementation</td>
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<td>- Following its official pledge to increase the ODA/GNI ratio to 0.25% by 2015, Korea has incorporated its ODA scale-up commitment in policy documents including the Strategic Plan and the Mid-term ODA Policy for 2011-2015. Accordingly, a mid-term ODA scale-up plan* is under implementation. In 2010, Korea met its ODA/GNI target ratio of 0.12%, further fulfilling the target as was specified at the DAC Special Peer Review in 2008. And its ODA budget for 2012 stands at KRW 1.87 trillion with estimated ODA/GNI ratio of 0.15%</td>
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<td>- Target of increasing ODA/GNI ratio(%): (2010) 0.12 (2012) 0.15 (2015) 0.25</td>
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<td>- Since the national budget is the major resource for Korea’s ODA, the government has worked hard to strengthen its public relations in order to obtain public support for the ODA commitment.</td>
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<td>- The Commitment to Increasing the Aid Volume:</td>
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<td>- It is encouraging that the Korean government has continued to reaffirm its promise to increase its annual ODA to the international society.</td>
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<td>- Against the backdrop of the current trend of major donors cutting their aid budget due to the economic crisis, Korea offers a stand-out example in the international community by continuously increasing its aid volume.</td>
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<td>- The volume of Korean aid has been increasing steadily since 2006. Last year, Korea’s net ODA volume recorded its highest level ever [USD 1.321 billion].</td>
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<td>- The ODA Scale-up Plan is too Unrealistic to be Implemented:</td>
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<td>- The actual ODA to GNI ratio in 2010 and 2011 has not increased for two consecutive years since 2010, remaining around 0.12%, which points to the significant difficulties in achieving a 0.25% ODA/GNI by 2015</td>
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<td>- It seems difficult to meet the goal in 2015 when calculating the aid volume</td>
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<td>- Korea’s real GDP growth: 3.6%, real GNI growth: 1.5%(2010).</td>
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<td>- Even though GNI and exchange rate assumed to be constant, it would require at least an annual 20% budget increase.</td>
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Annex I. Follow-up to the DAC Special Peer Review for Korea 2008; Progress Still Needed

### Recommendations (2008)

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<th>Recommendations (2008)</th>
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<tr>
<td>7. All DAC members comply with the DAC Recommendation on Terms and Conditions of Aid, which sets a minimum average grant level that donors’ portfolios to LDCs should contain. In time, Korea will want to be clear how it plans to meet this recommendation.</td>
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### [The Korean Government] Progress in Implementation

- **Increasing the Proportion of Grant and Grant Element of Concessional Loan to LDCs**
  - In order to observe the DAC guidelines for LDCs cooperation, the conditions of delivering concessional loans to LDCs changed in July 2008 to meet 90% of average grant element for LDCs, complying with the DAC Recommendation on Terms and Conditions of Aid. The grant element of concessional loans for all its recipients also tended to increase.

  * Grant element for LDCs [%]:
    - (2008) 84.0
    - (2009) 86.4
    - (2010) 91.0
    - (2011) 91.0

- Aid allocation to LDCs has been on the rise from USD 92.1 million in 2006 to USD 333.4 million in 2010, recording a 3.6 fold increase. As of 2010, 37% of Korea’s bilateral ODA was delivered to LDCs. And, the proportion of grants to LDCs tended to increase (from 40.3% in 2006 to 62.1% in 2010). As stated in the Mid-term ODA Policy for 2011-2015, Korea will selectively provide concessional loans to LDCs by assessing their development need for assistance and debt sustainability.

### [ODA Watch] Progress Still Needed in Implementation

- **Increasing the Proportion of Loans in total aid:**
  - In 2010, loans represented 39% of the total bilateral aid, which is a high ratio compared to that of other DAC donors. Korea’s loan ratio in terms of gross disbursement is also high compared to other DAC members.

  - The ratio of loans has actually increased since 2008. For instance, the grant ratio in 2011 declined by 2.8% compared to that of the previous year [560 million dollars], while the loan ratio increased by 26.2% [410 million dollars].

  - According to the Strategic Plan for the International Development Cooperation, the government has vowed to keep the loan ratio around 40% of the total bilateral aid, which means that Korean ODA could involve more loans than at present as the total volume of aid increases.
8. There is a need for Korea to integrate grants and concessional loans to support one clear strategy overall and at the country level; the use of instruments should be driven by objectives and expected development outcomes.

- Integrated Strategies and Project Implementation System
  - Korean government devised the Strategic Plan, reflecting the basic principles and objectives defined on the Framework Act. The Strategic Plan introduced the ‘regional policy frameworks and budget allocation principle’, and proposed the ‘selection of priority partner countries, and the formulation of Country Partnership Strategy [CPS]’ that are common for grants and loans, in order to overcome the shortcomings of previous dual system of development cooperation whereby grants and loans were managed separately.
  - Korea overhauled the fragmented and overlapping aid delivery programs of the past to improve synergy and efficacy including the incorporation of the volunteers’ programs, strengthening linkages between grants and loans, and between public and private sectors. Inter-agency and inter-ministerial cooperation is also promoted in this spirits.

- Enhancing Coordination Mechanisms
  - The CIDC, as a top coordinating body, deliberates and decides the overall ODA policies. In addition, the KOICA-EDCF Senior Officers’ Meeting is held regularly apart from the working-level meetings between two organizations to build regional network and strengthen the linkage between grants and concessional loans.

- Integrated Strategies, But Not Integrated Implementation System
  - Korea proposed ‘A Unified CPS’ which means the formulation of CPS on priority partner country by unifying the strategies for grants and loans.
  - However, currently CPSs are being prepared by individual ministries, not government-wide Country Teams.
  - This is because of ambitious plan to make 26 CPSSs in such a short period of time.

- Uneffective Coordination Mechanisms
  - There is a total lack of coordinating role of the CIDC, which is a top coordinating body, and that results in aid fragmentation between loans and grants, as well as within grants.
  - The KOICA-EDCF Senior Officers’ Meeting is held regularly, but effective discussions are not made, which leads to...
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<tr>
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| 9. The increasing geographic focus of Korea’s aid is welcome. As Korea scales up it should stay focused, and be aware that 59 partner countries/23 priority countries remains relatively high compared to DAC members with similar levels of ODA. It should create a single list of partner countries consistent with overall policy and objectives. | **Integrated List of Priority Partner Countries**  
- In order to ensure predictable and systematic aid delivery, ‘Regional Policy Frameworks and Budget Allocation for 2011-2015’ was defined in the Strategic Plan. It will be subject for review and adjustment every five years to be better aligned with Korea’s strategic priorities. For 2011-2015, Asia remains as the biggest region for Korea’s assistance, followed by Africa.  
- Based on the Regional Policy Frameworks and Budget Allocation for 2011-2015, Korea also came up with newly integrated list of 26 priority partner countries*. The list was approved at the 7th session of the CIDC. The 26 priority partner countries were selected from countries, which are under the middle-low income groups, based on their level of GNI and attainment of the MDGs, governance, further cooperation potentials, and their alignment with foreign policy priorities. Korea is now concentrating over 70% of its bilateral ODA in these countries to achieve greater impact.  
* Asia [11], Africa [8], central and south America [4], Middle East and CIS [2], Oceania [1] | **Ambiguous Criteria and Procedure to select Priority Partner Countries:**  
- The list of 26 countries and criteria for their selection were not made public.  
- The government has argued this secrecy was necessary to preserve diplomatic relations with countries not selected as priority partner countries.  
- This lack of transparency in the selection of partner countries resulted in the breaking of a corruption scandal. In 2010, the Korean government selected Cameroon as a priority partner country. But recent revelations shone light on the government’s hidden agenda to support a Korean mining company named CNK and help it win a permit to mine diamonds in Cameroon. After CNK received permission to develop the mines, Cameroon became a priority partner country and ODA for Cameroon surged from 0.46 million dollars in 2009 to 1.77 million dollars in 2010, and 313 million dollars in 2011.  
- Korean CSOs, including ODA Watch, have expressed strong doubts as to whether Cameroon truly needed to be selected as a priority partner country. However, the government still doesn’t make public core information regarding priority partner countries.  
**Formulated CPS without Public Consultation**  
- Civil society was unable to take part in the process to select priority partner countries and access information pertaining to this process. |
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10. Korea could develop an over-arching strategy for all multilateral aid, spanning the MDBs, UN and other international organizations, assessing the contribution that each organization can make to Korea’s development objectives. It should be driven by, and fit within, the overall aid strategy, and it should complement and reinforce bilateral aid. Further, it would be advisable to reduce significantly the number of organisations (80) that are funded.

- **Efforts to Develop Multilateral Assistance Strategy**
  - The Strategic Plan includes a comprehensive multilateral partnership plan, strategic focus, detailing scope, sectors, and methods of assistance. Through the Mid-term ODA Policy for 2011-2015, the Korean government devised aid strategy for MDBs (supervised by MOSF) and for the UN and other multilateral organizations (managed by MOFAT). In particular, the Multilateral Assistance Committee, which is a sub-committee of the Inter-Agency Grants Committee led by MOFAT, is a mechanism for cross-governmental coordination on contributions to the UN system and other multilateral organizations.

- **Efforts to Develop Multilateral Assistance Strategy**
  - Meanwhile, PMO surveyed Korea’s contribution to trust funds in multilateral organizations in December 2011, as an effort to gain lessons-learned for enhancement of efficiency and effectiveness of multi-bi ODA allocations. Based on the findings, MOSF and MOFAT are in the process of developing a comprehensive plan, which will include reshuffling the structure of trust funds, as well as the management systems.

- **Integrated Strategies, But Not Integrated Implementation System**
  - Korea proposed ‘A Unified CPS’ which means the formulation of CPS on priority partner country by unifying the strategies for grants and loans.
  - However, currently CPSs are being prepared by individual ministries, not government-wide Country Teams.
  - This is because of ambitious plan to make 26 CPSs in such a short period of time.

- **Uneffective Coordination Mechanisms**
  - There is a total lack of coordinating role of the CIDC, which is a top coordinating body, and that results in aid fragmentation between loans and grants, as well as within grants.
  - the KOICA-EDCF Senior Officers’ Meeting is held regularly, but effective discussions are not made, which leads to.
IV. Organisation and management of Korean development co-operation

|-----------------------|---------------------------------------------------|---------------------------------------------------|
| 11. With a less fragmented aid system, and more unified strategies, particularly at the country level, the coherence efficiency and potential impact of Korean development activities could be increased. Country Assistance Strategies should be used as active management tools to develop integrated implementation plans for all Korean aid agencies operating in a country. | - Formulating Country Partnership Strategy(CPS)  
  - Korea furthers its efforts to devise a CPS for each priority partner country and to use it as the basic guideline for delivering aid at the country level. [Country Assistance Strategy (CAS) has been changed to Country Partnership Strategy (CPS)].  
  - In each CPS, two or three core sectors are identified for each country to enhance aid effectiveness, and a mid-term budget plan is incorporated to improve predictability. This helps development players and stakeholders to carry out development cooperation projects in a more consistent and coherent manner. | - Fragmentary Formulation of Country Partnership Strategies(CPSs):  
  - The Korean government has changed CAS to CPS with a purpose to focus on each partner country level. This strategy is called "Unified CPS(통합 CPS)" which consolidates the strategies on grants and loans.  
  - However, when taking a close look at the process of formulating CPSs, the following problems are found:  
    - There is insufficient time for consultation to formulate CPSs, whereas there are more than 30 ministries and organizations participating in ODA to work with.  
    - For this reason, current CPSs are being prepared by individual ministries, not government-wide Country Teams.  
    - In the case of many DAC member countries and international organizations, to prepare country strategies, a ‘Country Team’ is set up by gathering various government officials from relevant ministries and government agencies who have a professional knowledge and experience on said country.  
    - However, in the case of Korea, there was not enough time and resources to form Country Teams. Instead, each ministry was assigned a number of CPSs. Mostly, the Ministry of Foreign Affairs and Trade and the Ministry of Strategy and Finance have respectively prepared draft CPSs and the Committee confirmed these drafts. Even though there is a circulation and feedback process among different ministries, the consultation has been very limited so far. |
Annex I. Follow-up to the DAC Special Peer Review for Korea 2008; Progress Still Needed


12. As Korea scales up its ODA it will want to professionalize its staff further and attract and retain quality staff. Greater co-ordination and consolidation could lead to efficiency gains—working ‘smarter’ not ‘harder’.

- **Human Resources Development of Aid Agencies**
  - With the steadily increasing volume of ODA, KOICA and EDCF, as the major aid executing agencies, are making endeavors to reform the organizational structures and develop human resources. Given the importance of human resources development, measures to build up the professional capacities of their personnel are incorporated in the Annual Implementation Plan.

  - KOICA has developed the Mid-term Staff Training Strategy for 2012-2016 and plans to upgrade its professional capacity by recruiting more staff and mid-career level experts. Korea Eximbank also develops the Integrated Mid-term Training Plan for 2010-2015, which applies to the EDCF staff, and plans to consistently recruit experts in highly demanded EDCF sectors such as environment, transportation and IT.

- **Supporting Capacity Development of Civil Society**
  - With Korea’s plan to increase and improve its international development cooperation, Korea is in the process of creating and systematically managing a pool of human resources composed of country-specific experts, consultants, students, overseas volunteers and others.

  - KOICA’s International Development Education Academy, which has been established for training ODA professionals, is offering various training courses in areas such as emergency relief, health, education, and evaluation.

- **Integrated Strategies, But Not Integrated Implementation System**
  - Korea proposed ‘A Unified CPS’ which means the formulation of CPS on priority partner country by unifying the strategies for grants and loans.

  - However, currently CPSs are being prepared by individual ministries, not government-wide Country Teams.

  - This is because of ambitious plan to make 26 CPSs in such a short period of time.

- **Uneffective Coordination Mechanisms**
  - There is a total lack of coordinating role of the CIDC, which is a top coordinating body, and that results in aid fragmentation between loans and grants, as well as within grants.

  - the KOICA-EDCF Senior Officers’ Meeting is held regularly, but effective discussions are not made, which leads to.
### Recommendations (2008)

13. Korea would benefit from building a strong independent evaluation culture in line with international standards. This could include improving ongoing monitoring during project implementation, improving ex-post evaluation, and integrating lessons from evaluation into future programs. Evaluations could consistently be made public in order to improve accountability.

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<th>[The Korean Government] Progress in Implementation</th>
<th>[ODA Watch] Progress Still Needed in Implementation</th>
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<tr>
<td><strong>Integrated Evaluation System</strong></td>
<td>• Korea conducted an integrated evaluation in 2010, which covered ODA policies, strategy and projects, but it was a pilot program and an integrated evaluation mechanism was not established yet.</td>
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<td>• Korea established an integrated evaluation mechanism for its international cooperation development. Accordingly, the ‘Guidelines on Integrated Evaluation and its Manual’ were adopted, and the ‘Sub-committee for Evaluation’ was formed under the CIDC (December 2009).</td>
<td>• It is encouraging that M&amp;E system has been improved since 2008, but there are sill things to be changed.</td>
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<td>- The integrated evaluation system is divided into two tracks</td>
<td><strong>Lack of a Feedback Loop on Evaluation Results:</strong> Despite recent government efforts to improve M&amp;E, the major challenge is the lack of a feedback loop to ensure that the M&amp;E results are reflected in future development policies and practices. For example, even though KOICA and EDCF have invested in their project and program evaluations, there is no tangible evidence of changes or improvements in their project or programs which may be attributed to previous evaluation results. This implies that the feedback system has not settled in the Korean aid system as a whole yet.</td>
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<td>- i.e., Self-evaluation and Evaluation carried out by the Sub-committee. (i) Self-evaluation is conducted by aid executing agencies, which report the evaluation plans and the self-evaluation results to the Sub-committee for Evaluation before and after conducting its own evaluation; (ii) The Sub-committee conducts its own evaluations of selected projects and programs by policy and strategy, country, and sector in order to strengthen the objectivity of the evaluation.</td>
<td><strong>Limited Quality of Independent Evaluation:</strong> There are many challenges associated with the quality of M&amp;E. In the case of KOICA, the agency has improved its internal evaluation process and expanded external evaluation projects to independent evaluation. EDCF has recently started efforts to strengthen evaluation. However, other ministries do not delegate external evaluation to evaluation professionals. The overall quality of evaluation reports across governmental bodies remains quite limited due to the short history of having rigorous internal/external evaluations and the small number of private research institutes with professional skills in M&amp;E.</td>
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<td><strong>Strengthen Evaluation Capacities of Aid Agencies and Feedback Mechanism</strong></td>
<td>- This shows that participation and transparency which should be realized according to the Framework Act are lacking in the actual evaluation process.</td>
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<td>• Aid agencies take into consideration the suggestions and feedbacks from the previous evaluation results when planning, identifying and implementing new and similar aid projects in the following year, while reflecting them in the follow-up measures. Thus, the feedback mechanism has been institutionalized to improve the impact of aid.</td>
<td>• According to the Framework Act [Article 13] and the Guidelines on the Evaluation [Article 10], PMO reports the results of the integrated evaluation to the National Assembly and also posts them on the ODA web site. And, aid executing agencies [KOICA, EDCF] also release their evaluation results reports fully and openly on their websites.</td>
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<td><strong>Increasing Participation and Transparency</strong></td>
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V. Aid Effectiveness

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<td>14. Korea should be commended for signing the Paris Declaration and for taking part in the monitoring survey. Korea is advised to continue to make progress on aligning its aid with partner countries’ national systems. It is also encouraged to co-ordinate and harmonize with other donors, including through the use of joint projects and delegated co-operation, especially with donors in areas where Korea does not have experience or presence.</td>
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<td>- Participating in the Monitoring Survey of the Paris Declaration</td>
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<td>- Korea participated in the Paris Declaration Monitoring Survey for the third time in 2011. It showed improvement compared to the result of 2008 in seven indicators, - i.e., (3) aid alignment, (5b) use of country procurement system, (6) decrease of parallel implementation, (7) aid predictability, (8) untied aid, (9) use of common arrangement procedures, and (10b) joint country analytic work. In particular, the results of (3) aid alignment and (10b) joint country analytic work exceeded the average of donor countries.</td>
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<td>- More Efforts needed to Enhance Aid Effectiveness</td>
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<td>- More efforts are needed especially to improve alignment</td>
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- Efforts to Enhance Aid Effectiveness |
  - Korea has taken various measures to upgrade its ODA systems to achieve greater aid effectiveness based on the Strategic Plan. To comply with the ‘Principles of the Paris Declaration’ and the ‘Accra Agenda for Action’, Korea is making persistent efforts for alignment, harmonization, and result-based management. |
  - Alignment: Korea strongly believes in need-based identification, thus its CPS is fully aligned with national priorities of partner countries. In conducting international development cooperation projects, Korea is making full efforts to use the system of partner countries as much as possible. In case the system is deemed unreliable, Korea supports partner countries’ capacity building for enhancing public financial management system and procurement system. |
  - Harmonization: To strengthen its partnership with major donors and members of the OECD DAC, Korea is signing MOU with other governments and aid agencies by sectors to secure platforms for cooperation, to conduct regular policy dialogues, and to introduce joint projects. The Korean ministries and agencies responsible for international development cooperation are actively taking part in donors’ group meetings and policy dialogues hosted by the government of partner countries and MDBs. |
|-----------------------|--------------------------------------------------|--------------------------------------------------|
| 15. Korea is aware that it needs to untie its aid further. The ‘Roadmap on Untying’ is a positive start, but, significant progress is required, and the government should be mindful that it must fully comply with the DAC recommendation on untying within a reasonable timeframe after it joins the DAC. | **Untying Aid**  
• Korea has endeavored to increase the proportion of untied aid, including its scheme untying aid to 75% by 2015 in the policy document such as the Strategic Plan. Recognizing the necessity of further untying aid to LDCs and HIPCs, Korea has taken some initial steps in this direction. It will eventually include OLICs and MICs in its scheme of untying.  
• Korea has been progressively increasing the proportion of untied aid from 2% in 2006 to 36% in 2010, thereby increasing efficiency in aid delivery, value for money and access to developing countries’ goods and services. At the moment, KOICA is working to strengthen capacities of local and international bidding, use procurement system of developing countries while EDCF is making efforts to increase co-financing with MDBs and introduce program loan. | **More Untying Aid is needed**  
• The Paris Declaration suggested a desirable rate of untied aid of 89%, but the DAC members’ average rate remains lingering at 84% (OECD, 2011). The Korean government aims to expand the untied ratio to a historical high of 75%. But even if Korea achieves its goal, it will still be a lower rate than the other DAC members’. Active measures need to be taken. |
VI. Humanitarian Action

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| 16. The new policy on humanitarian aid should contain an explicit commitment to the Good Humanitarian Donorship principles and good practices, including the core principles of humanity, impartiality, neutrality and independence. | - Devising Policy Paper on Humanitarian Assistance  
• Policy Paper on Humanitarian Assistance drafted in July 2008 specifically underscores the humanitarian principles of humanity, impartiality, neutrality and independence. The policy makes a clear reference to the need to ensure that humanitarian activities are funded on the basis of needs assessments and in proportion to needs. | - NO Policy Paper on Humanitarian Assistance  
• There is no policy paper on Humanitarian Assistance.  
- It is not a draft policy paper, but rather a draft for discussion unofficially produced by the Humanitarian Assistance Division under the Ministry of Foreign Affairs and Trade.  
- For the same reason, in the conference organized by ODA Watch, Korea Civil Society Forum on International Development Cooperation(KoFID), and Korea NGO Council for Overseas Cooperation(KCOC), and held on the 23rd of May in preparation of Korea’s peer review, strong doubts were expressed from the floor as to whether Korea has a policy paper on humanitarian assistance. Mr. Soo-deok Park of Prime Minister’s Office who participated as a speaker admitted that it was an overstatement to say so.  
• There is a lack of legal basis on Humanitarian Assistance.  
- The Overseas Emergency Relief Act and the Plan for the Advancement of the Overseas Emergency Relief have been established.  
- However, on the issue of humanitarian assistance, which is a concept that includes emergency relief following a variety of disasters, there is a complete lack of policy and legal basis.  
• Joined the Good Humanitarian Donorship (GHD)  
• It is encouraging that Korea became the 36th member of GHD at the GHD’s annual conference held in July 2009. |

• Joined the Good Humanitarian Donorship (GHD)  
- Korea has joined GHD (Good Humanitarian Donorship) since July 2009. As a GHD member, the Korean government is doing its best to comply with the GHD Principles and Practices as well as the landmark resolution A/RES/46/182 and its ensuing humanitarian instruments adopted in the UN General Assembly.
17. Korea is commended for increasing humanitarian aid spending, as it scales up, and in line with the provisions of the Overseas Emergency Relief Act, it should ensure that its humanitarian activities are needs-based, not driven by visibility objectives, and are delivered within the framework of a coordinated international response. It should look to the experience of other donors who often predominantly use multilateral and pooled funding channels, rather than develop parallel bilateral delivery systems.

- **Need-based and Aligned to Global Standard Approach**
  - Korea is respecting GHD’s needs-based and demand driven funding principles. Korea is using either international (UNOCHA, other international organizations or NGOs) or bilateral (via Korean embassies, missions or KOICA country offices) needs assessments to identify the needs of affected countries.
  - Korea has been upgrading its humanitarian assistance to be more need-based and more aligned to global standards in order to ensure their effectiveness. Korea participates in the assessment of the UN Consolidated Appeals Process (CAP) and Flash Appeal, and in the pooled funding such as the Central Emergency Response Fund (CERF) or country-specific Emergency Response Fund (ERF), as part of the effort to ensure a flexible, predictable and timely funding. Korea earmarks its assistance very loosely as it only indicates the country, agency and cluster. Korea has also introduced multi-year funding for contributions to UNITAID, GAVI and NGOs with funds raised through the air ticket solidarity levy.

- **More Effective and Efficient Response to Overseas Emergencies**
  - Korean government devised the Plan for the Advancement of Overseas Emergency Relief in May 2010, which seeks the following: (i) More rapid decision-making; (ii) Rapid Search and Rescue (SAR) and other relief team deployment system; (iii) Education and training for higher level of expertise in emergency response activities; (iv) Strengthened partnerships with civil society; (v) Greater budget for emergency relief.

|-----------------------|----------------------------------------------------|---------------------------------------------------|
| 17. Korea is commended for increasing humanitarian aid spending, as it scales up, and in line with the provisions of the Overseas Emergency Relief Act, it should ensure that its humanitarian activities are needs-based, not driven by visibility objectives, and are delivered within the framework of a coordinated international response. It should look to the experience of other donors who often predominantly use multilateral and pooled funding channels, rather than develop parallel bilateral delivery systems. | - Need-based and Aligned to Global Standard Approach  
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  - According to an extract from an annual report published by the international organization Global Humanitarian Assistance (GHA), out of a variety of assistance sectors, Korea focused on reconstruction (42% out of its total aid) while its emergency response stood at 26% of its total aid, which shows that Korea has a clear tendency to assist through emergency operations rather than providing aid to complex or chronic disasters. |