

Opinions

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The Recent Development of Korea's ODA Policy



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Since joining the OECD Development Assistance Committee (DAC) in 2010, Korea pledged to the international community that it would expand its aid volume and has made various commitments to enhance the quality of its aid. As a new DAC member, Korea continues to increase its ODA to play a greater role in the global community and fulfill its responsibility as one of DAC's more significant donors. Korea is already a larger donor than twelve DAC members. It was ranked the seventeenth-largest donor among countries that provided preliminary data to OECD in 2013.

In particular, Korea has been actively carrying out reforms to improve its development aid system. Following the enactment of

the Framework Act on International Development Cooperation in early 2010, the Strategic Plan for International Development Cooperation was rolled out in October 2010, while the Mid-term ODA Policy for 2011-2015 provided a basis for implementing a more efficient and effective ODA system. These efforts have contributed to managing a well-integrated ODA system by reinforcing the role of the Committee for International Development Cooperation (CIDC). The CIDC held its twentieth meeting in January 2015, having held its first meeting in March 2006. The Committee has selected 26 priority partner countries out of 140 recipients and decided to introduce the Country Partnership Strategy (CPS), which aims to enhance the country-level approach by helping coordinate all of Korea's aid agency programs.

The CIDC has implemented diverse measures to reinforce collaboration across the project cycle. The "n-2 Preliminary Review" was adopted in 2013 on a trial basis to review and coordinate a project two years before its initiation. In addition, the Korean government strengthened its ODA evaluation scheme, and the CIDC established an evaluation committee to set up guidelines and manuals for the fundamental framework of the integrated evaluation system. Based on this, each ministry and implementing agency conducts self-evaluation under coherent standards and procedures. KIEP has undertaken a meta-analysis of development evaluation to assess the quality of 29 self-evaluation cases across nine agencies implemented from 2012 to 2013. This meta-evaluation identified strengths and weaknesses of the current evaluation system, and made mid-term strategy recommendations to improve its quality.

Despite its many achievements and remarkable progress, Korea still has a long way to go in terms of improving the quantity and quality of its aid. Korea pledged to the international development community to expand its aid volume to achieve an ODA to gross national income (GNI) ratio of 0.25 percent by 2015. In 2014, Korea contributed USD 1.9 billion of ODA (preliminary data), and its ODA to GNI ratio increased slightly from 0.12% in 2011 to 0.15% in 2014. Although the Korean government has expanded its ODA disbursements by 21.6% annually since 2001, there are considerable commitment gaps due to current fiscal pressures from increasing domestic welfare expenses. According to DAC statistics, the share of Korea's untied ODA (excluding administrative costs and in-donor refugee costs) was 49% in 2012, compared to the DAC average of 81%. Meanwhile, grants accounted for 94.2% of total ODA in 2012.

Although the scale-up of ODA volume is an ongoing task for improving Korea's ODA, one of the critical prerequisites is to gain public support and create a society-wide consensus on the

need for better and more aid. According to surveys conducted by KIEP in 2013, the most urgent issues in Korea's ODA policy are to enhance transparency and to promote information on aid projects. Focus on the content and result-based management of aid projects has been growing as the Korean public acquires better access to monitoring aid effectiveness. The government needs to pay attention to the fact that the general public has become more interested in the efficiency and effectiveness of aid policy.

In conclusion, the CIDC is currently reviewing the mid-term strategy of Korea's ODA policy to revise the 2nd Strategic Plan for International Development Cooperation by the end of 2015. In this regard, Korea's aid system needs to be developed further, in alignment with the Post-2015 Development Framework. The Korean government should strengthen the integrative ODA system and improve collaboration between agencies. The necessity for a coordinating system has been raised as an important issue in overcoming fragmentation of ODA managing system. To achieve its ambitious aid policy goals and mid-term strategies, Korea needs to actively participate in the global discussions on the Post-2015 Development Framework and to strengthen its partnership with diverse stakeholders to establish and implement the Post-2015 development agenda. [KIEP](#)