

Global Public Goods: New Paradigm and Korea's Response in Post-COVID Era



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As the global complex crisis in the international community grows, the paradigm of international development cooperation is also facing a major change. This is because international development conditions have rapidly deteriorated since the COVID-19 pandemic. To make matters worse, the strategic competition between the U.S. and China and the Russia-Ukraine war are weakening the international cooperation and solidarity in many areas, including pandemic response, and active responses and policy efforts are needed to integrate into the traditional economic development paradigm.

The negative impact of the global complex crisis, including the COVID-19 pandemic, is greater in developing countries than in developed countries, and has had a serious socio-economic impact on vulnerable countries and vulnerable groups, so support should be strengthened. Most developed countries can rely on their own capacities to recover from the shock of the COVID-19 pandemic, while developing countries will need substantial financial and technical assistance from development cooperation in the medium and long

term to recover from the shock of the COVID-19 pandemic. However, the volume of global ODA has not increased significantly, and the COVID-19 pandemic increases the risk of a reduction in development resources due to the financial crisis in advanced donor countries. Therefore, the lack of development resources for the implementation of the international community's common goal, the Sustainable Development Goals (SDGs), will intensify due to COVID-19, climate change, and the Russia-Ukraine war, so more emphasis should be placed on preparing strategies to expand development financing to solve global development challenges.

In particular, the response to climate change and a green transition will require the active use of ODA resources and the mobilization of insufficient resources from the private sector. During negotiations at the United Nations Framework Convention on Climate Change, developed countries agreed to raise \$100 billion per year in funding climate finance by 2020; however, the annual climate finance currently stands at around \$83.3 billion. Fortunately it is encouraging that an agreement was reached at the COP27 climate change conference to provide compensation and raise funds for loss and damage caused by climate change. In order to promote interest in the private sector for climate change projects in developing countries, governments and MDBs should provide economic incentives to address potential market failures and risks.

The Korean government has focused on post-Covid efforts to address the public health crisis, climate change response and digital transformation as its key areas for cooperation and expansion of its ODA support. In 2021, Korea's ODA reached \$2.87 billion, an increase of 27.7% from the previous year. The reason for this remarkable increase in ODA, the largest since Korea joined the OECD/DAC in 2010, was the resumption of multilateral cooperation projects led by the World Bank and the UN that had been put on hold due to the proliferation of COVID-19.

Korea expanded public health support for pandemic response by committing an additional \$300 million to the ACT-A initiative at the 2nd Global COVID-19 Summit in May 2022. The government plans to provide for ACT-A over three years, from 2023 to 2025, building on the \$212 million USD committed to the ACT-Accelerator since its launch. The fund will help developing countries move toward vaccine self-sufficiency by establishing WHO Global Biomanufacturing Workforce Training Hub and policy support for the pandemic preparedness and global health security fund at the World Bank. Korea also participated in the establishment of the Global Training Hub for Biomanufacturing in February 2022, and in the COVAX AMC mechanism to ensure equitable access to COVID-19 vaccines. It donated quarantine and humanitarian supplies and provided emergency loans of \$17 billion, while successfully expanding the scope of international cooperation and health ODA during the pandemic.

In July 2021, Korea established its national strategy to respond to the climate crisis and committed to expand its support for green ODA projects. In line with this strategy, Korea will increase the share

of ODA in the green sector above the OECD DAC average, to around 28% based on the 2015-2019 average, and will tailor ODA support based on each country's socio-cultural characteristics. Korea has donated and raised funds through various channels such as the Green Climate Fund (GCF), the European Bank for Reconstruction and Development (EBRD), the Global Green Growth Institute (GGGI), and the United Nations Framework Convention on Climate Change (UNFCCC).

In conclusion, as global issues such as climate change and public health crises emerge as challenges, development cooperation should shift to a new paradigm and seek ways to facilitate ODA that can contribute to the production and creation of global public goods to address the global complex crisis. In order to effectively increase global public goods, the issue of expanding development resources is urgent. In particular, the response to climate change and the green transition require the active use of ODA resources and the mobilization of insufficient resources from the private sector through development finance. **KIEP**