

# New Act and New Role: Recent Changes in Korea's International Development Cooperation



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In November 2020, the fully amended Framework Act on International Development Cooperation came into force. Since its first enactment in 2010, the Framework Act has functioned as a legal basis for the Korean ODA system, with this revision coming 10 years into its operation. The core contents of the revised Framework Act aim to further strengthen the authority and role of two major implementing ministries, that is, the Ministry of Foreign Affairs (MOFA) and Ministry of Economy and Finance (MOEF), and embassies in partner countries, centering on the Committee for International Development Cooperation (CIDC).

In Korea, the MOFA and the MOEF are in charge of grants and concessional loans, respectively, and over 40 government ministries and local governments execute their own ODA grant projects. The CIDC was established in 2006 to prevent redundancy in ODA projects and fragmentation of aid in the field. Established under the Prime Minister's Office, the CIDC serves as a central control tower for decision making and coordination, overseeing and directing all ministries and agencies responsible for ODA, albeit on a limited basis up to now.

With the full revision of the Framework Act, the CIDC's mandate is expected to go beyond “coordinating and reviewing” development cooperation – extending into a stronger role in policy formulation, including the mid-term strategy, so called Strategic Plan and country partnership strategies (CPSs), and undertaking strategic evaluations that have been recommended by the previous OECD DAC Peer Reviews. While the previous Framework Act only stipulated the CIDC can select a priority partner country in consultation with the MOFA and the MOEF, under the revised Framework Act, once priority partner countries are selected, the CPS for each individual country must receive final confirmation by the CIDC, based on drafts prepared by the two implementing ministries. In addition, the Act states that evaluation results of ODA policies and projects should be considered when establishing the next Strategic Plan for each five-year cycle and reviewing annual implementation plans.

The new Framework Act also explicitly specifies the establishment of a secretariat to support the work of the CIDC. Previously, the Directorate for Development Cooperation Policy served as a secretariat for the Office for Government Policy Coordination (OPC). Now the secretariat has been placed directly under the Minister of the OPC, and personnel in the secretariat have been nearly doubled. Though the organizational chart has not been made public yet, it is expected to have dedicated departments for establishing strategies and plans as well as evaluating the overall performance of Korea's ODA.

Ten years after Korea's joining the OECD DAC, a club of advanced donor countries, the newly revised Framework Act will strengthen the authority and functions of the CIDC and enhance the status of the secretariat, marking a new turning point for Korea's international development cooperation. It is hoped that Korea's ODA will truly grow in its effectiveness as the CIDC becomes an ultimate decision-making body in the planning and budgeting process. There are three points to be considered for this.

First, the CIDC should not micromanage individual projects but focus on more comprehensive, national-level strategies such as the Strategic Plan and CPSs. Time should not be spent on approving highly detailed implementation plans encompassing over 1,500 individual projects before submitting budget consultations. Doing so only limits the time available for more strategic-level considerations. Recently, the 3<sup>rd</sup> Strategic Plan for International Development Cooperation (2021-2025) was published. One of the roles of the CIDC is to review each CPS for major partner countries, as well as key outcomes and areas of cooperation in terms of the framework of the newly adopted Strategic Plan. Also, sectoral and thematic cooperation strategies need to be prepared. National strategies or policy documents for various global devel-

opment issues (e.g., climate change, fragile states, humanitarian assistance, multilateral cooperation, and private sector engagement) are required for each executive agency to refer to. The emphasis here should be placed on “coherence.” Coherence has regained its importance since adoption of the SDGs, and was recently added by the OECD DAC to its evaluation criteria. In Korea, where a large number of executing agencies disburse their budget for ODA, the CIDC should be the most important actor in pursuing coherence. Coherence is connected with the effectiveness and efficiency of international development cooperation activities.

Second, strategic evaluation must be performed, based not on the results of individual projects but on the outcomes and indicators developed for the strategies in advance. The Framework Act stipulates the purpose of evaluation is to improve the public understanding and transparency of international development cooperation projects. Prior to the evaluation, public awareness must be raised on what Korea's strategies and policy priorities are, followed by establishment of a plan to evaluate the performance of the strategies and policies. This is where the newly expanded and reorganized secretariat must play an important role. The secretariat needs to consider what systematic approach is necessary to monitor and evaluate the performance of strategies and policies decided by the CIDC. Rather than simply compiling the results of individual project evaluations made by executing agencies and evaluating their ODA project performance, it must assist the CIDC to establish its status as a top-level decision maker in Korea with regard to international development cooperation. Unfortunately, performance targets and indicators have not been set up in the current Strategic Plan, making it difficult to carry out monitoring and evaluation of strategy performance. Even now, the secretariat needs to formulate plans for monitoring and evaluation of the major strategies in Korea's international development cooperation.

Third, global development agenda must be identified to present strategic directions. The CIDC needs to come up with a strategic direction for matters in which no ministry in charge has been specified, such as responding to COVID-19. To support COVID-19 response in developing countries, there are several ways Korea can contribute: providing financial resources to multilateral organizations, or providing bilateral assistance to key partner countries in the area of strengthening their health system and facilitating the distribution of necessary diagnostic equipment and personal protective equipment (PPE), etc. Although the ODA strategy for COVID-19 was adopted at the 35th meeting of the CIDC last year, Korea's contributions still lack visibility in the international community. In such an emergency, the CIDC should systematically monitor and coordinate individual efforts by executing agencies.

The landscape of international development is rapidly changing and the number of development issues required for global cooperation continuously expands. It is hoped that the new Framework Act, and the new role to be played by the CIDC, will enhance the effectiveness of Korea's ODA and substantially contribute to development outcomes in its partner countries. **KIEP**