

KEY QUESTIONS

the big six

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How is the South Korean ODA budget structured?

Ministry of Foreign Affairs and Ministry of Strategy and Finance manage 88% of the ODA budget; the budget is very prescriptive

The vast share (88%) of South Korean ODA is provided by the Ministry of Strategy and Finance (MOSF, US\$1.1 billion, 53% of total ODA in 2016) and the Ministry of Foreign Affairs (MOFA, US\$757 million, 35%). The remaining 12% is spread across 25 other ministries and agencies. The detailed budget breakdown for 2017 is not available yet.

South Korea's ODA budget provides detailed information on planned spending; it includes breakdowns by sector, region, ministry, and implementing agency. It also sets out how much each ministry or agency should spend bilaterally and multilaterally. In addition, the annual budget lists concrete activities to be funded from each ministry's budget. This leads to very limited ministerial discretion over each ministry's budget once it has been approved by the parliament.

About two-thirds of the MOSF's ODA budget is delivered bilaterally (73%), almost exclusively as loans through the Economic Development Cooperation Fund (EDCF). Only a very small amount (US\$44 million, 4% of MOSF's ODA) is delivered as grant funding. The rest (US\$303 million) is in the form of contributions to international financial institutions, of which 87% are assessed contributions.

The ODA-related budget of the MOFA comprises two major funding lines, for bilateral grants and multilateral organizations. Bilateral grants account for 90% of MOFA's ODA, broken down into projects/programs, technical assistance (channeled through KOICA), and funding delivered through public-private partnerships. MOFA's multilateral ODA comprises assessed contributions to international organizations, as well as a budget line for voluntary contributions to international organizations.

Overview:	millions US\$	millions KRW
South Korea's 2016 ODA budget		
Ministry of Strategy and Finance	1,136	12,856
Bilateral	834	9,430
Economic Development Cooperation Fund loans	790	8,937
Grants (including Committee for International Development Cooperation spending)	44	493
Multilateral	303	3,426
Assessed contributions	265	2,994
Voluntary contributions (incl. Global Agriculture and Food Security Program)	38	432
Ministry of Foreign Affairs	757	8,563
Bilateral grants	688	7,787
Projects and programs	317	3,581
Technical assistance	194	2,191
Other spending	138	1,559
Public-private partnerships	30	345
Admin costs	10	111
Multilateral	69	776
Assessed contributions	32	363
Voluntary contributions (incl. Gavi and UNITAID and part of funding for the Global Fund)	37	413
Other ministries	263	2,975
Ministry of Health (incl. part of funding for the Global Fund)	37	416
Ministry of Agriculture (incl. Food and Agriculture Organization, International Fund for Agricultural Development)	20	225
Total ODA spending	2,156	24,394