

KEY QUESTION

4 = \$

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\$1.2 billion, 53% of total ODA in 2016) and the Ministry of Foreign Affairs (MOFA, US\$813 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\$47 million, 4% of MOSF's ODA) is delivered as grant funding. The rest (US\$325 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	1,221	12,856
Bilateral	896	9,430
Economic Development Cooperation Fund loans	849	8,937
Grants (including Committee for International Cooperation spending)	47	493
Multilateral	325	3,426
Assessed contributions	284	2,994
Voluntary contributions (incl. Global Agriculture and Food Security Program)	41	432
Ministry of Foreign Affairs	813	8,563
Bilateral grants	739	7,787
Projects and programs	340	3,581
Technical assistance	208	2,191
Other spending	148	1,559
Public-private partnerships	33	345
Admin costs	11	111
Multilateral	74	776
Assessed contributions	35	363
Voluntary contributions (incl. Gavi and UNITAID and part of funding for the Global Fund)	39	413
Other ministries	282	2,975
Ministry of Health (incl. part of funding for the Global Fund)	40	416
Ministry of Agriculture (incl. Food and Agriculture Organization, International Fund for Agricultural Development)	21	225
Total ODA spending	2,316	24,394