

KEY QUESTION

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Who are the main actors in South Korean development cooperation?

Ministry of Foreign Affairs and Ministry of Strategy and Finance steer policy; KOICA and the Korea Eximbank implement

The president leads the South Korean government and also defines broad strategic guidelines for development cooperation. The president's directions are honored by ministries and agencies, including on ODA volumes and thematic priorities. In December 2016, the South Korean Parliament impeached President Park Geun-hye, following a corruption scandal. The impeachment was upheld by the Constitutional Court in March 2017. Subsequently, South Koreans elected Moon Jae-in as president on May 9, 2017. This may affect the strategic priorities of South Korea's development policy.

Under the overall policy and decision-making authority of the president, two ministries guide the definition of development policy: the Ministry of Foreign Affairs (MOFA) and the Ministry of Strategy and Finance (MOSF).

- The MOFA, currently headed by Yun Byung-se, sets policies and priorities for bilateral grants and multilateral ODA channeled through the UN and other multilateral instruments, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria. Bilateral grants are implemented by the Korea International Cooperation Agency (KOICA), which is supervised by the MOFA (see below).
- The MOSF, currently led by Yoo Il-ho, sets policies for ODA loans and manages contributions to multilateral development banks. It also supervises South Korea's Economic Development Cooperation Fund (EDCF), which finances bilateral loans, and the Export-Import Bank of Korea (Korea Eximbank) that implements them (see below). In addition, the MOSF sets the national budget – including ODA channeled through MOFA – and its Budget Office can veto grants and loans that do not meet project approval criteria.

Government officials are not allowed legally to be affiliated with a political party. For this reason, ministers who have been previously affiliated with the leading Saenuri Party left the party when they came into office. The Saenuri Party changed its name to Liberty Korea Party in February 2017.

Major ODA-related policies are decided by the Committee

for International Development Cooperation (CIDC). The CIDC is composed of 25 members and includes the prime minister (who chairs the CIDC), 14 cabinet members, the president of KOICA, the chairman of the Korea Eximbank, and seven experts.

The CIDC was established in 2006 and has since then adopted major policies including the 'Strategic Plan for International Development Cooperation for 2016-2020' and annual ODA implementation plans. The CIDC meets approximately three times a year. The Sub-Committee for Evaluation composed of the directors-general of MOFA and MOSF, executives from KOICA and Korea Eximbank, as well as 9 representatives from academia and civil society, meets usually before each CIDC meeting. The Sub-Committee reviews the alignment of South Korea's ODA spending with the Sustainable Development Goals (SDG) agenda and gives advice to CIDC.

KOICA is a key player in the implementation of development policy. KOICA was founded in 1991, and is responsible for providing bilateral grant aid and technical cooperation. Over the past 20 years, almost half of total ODA spending (46%) and 75% of all grants were provided by KOICA. KOICA has country offices in 28 partner countries.

The EDCF was established in 1987, with the purpose of promoting economic cooperation between South Korea and developing countries, through loans. The direction of EDCF operations and policy-making responsibilities rest with the MOSF. The Korea Eximbank manages and implements EDCF loans.

The parliament (National Assembly of the Republic of Korea) can influence the directions of South Korea's development policy and budget. The National Assembly votes on and amends the budget bill presented by the government. Within the National Assembly, the Foreign Affairs and Unification Committee is responsible for development cooperation, and can change overall ODA spending amounts and specific allocations through its Sub-Committee on Budget. In November 2016, the Sub-Committee on Budget decided to cut South Korea's 2017 funding by US\$4 million (KRW4.2 billion). The parliament also provides the legal basis for South Korea's ODA policies, for example by approving the Framework Act on International Development Cooperation in 2010.

South Korean civil society organizations (CSOs) are involved in policy-making, yet they have raised concerns in recent years that the government has only consulted them in ad-hoc and selective ways. Nonetheless, six CSO delegates are members of the CIDC and are thus involved in setting priorities. CSOs play a minor role in implementing South Korea's ODA. In 2015, only 2% of South Korea's bilateral ODA was channeled through CSOs, well below the average of member countries of the OECD's Development Assistance Committee (17%).

SOUTH KOREA'S DEVELOPMENT COOPERATION SYSTEM

