SOUTH KOREA
Donor Profile

FUNDING TRENDS
South Korea’s ODA has been increasing steadily since the country became a member of the OECD DAC in 2010.

STRATEGIC PRIORITIES
The development framework outlines five strategic priorities, including poverty reduction and gender equality.

KEY OPPORTUNITIES
With expected increases in ODA, opportunities exist to shape South Korea’s future funding.

Vietnam is the largest recipient of South Korea’s development assistance, receiving 15% of the country’s ODA between 2013 and 2015, mostly as loans.
Funding trends

- South Korea is the 16th-largest donor country, spending US$2.0 billion on net official development assistance (ODA) in 2016 (in current prices). This corresponds to 0.14% of its gross national income (GNI).

- South Korea has increased its ODA steadily since becoming a member of the Development Assistance Committee (DAC) of the OECD in 2010. The government plans to further increase ODA to 0.2% of GNI by 2020.

Strategic priorities

- The ‘Strategic Plan for International Development Cooperation for 2016-2020’ outlines the current strategic priorities of South Korea’s development policy and indicative volumes of ODA. Among other things, it specifies that the country will continue to channel around 40% of its ODA in the form of loans.

- In 2017, during a presidential impeachment process and subsequent change in government, South Korea abolished its four flagship development initiatives. The initiatives were launched in 2016 and accompanied the country’s Strategic Plan 2016-2020: The ‘Better Life for Girls’ initiative supported projects on girls’ health and education (US$200 million); the ‘Science, Technology and Innovation for Better Life’ initiative aimed to promote science capacity, research and development, and entrepreneurship (US$200 million); the ‘Safe Life for all’ initiative focused on combating infectious diseases (US$100 million); and the ‘Better Education for Africa’s Rise’ initiative aimed to foster industrial and technical manpower (another US$100 million). It is expected that most of the committed funding will be allocated to other government programs with a similar focus.

Key opportunities

- Though South Korea is expected to increase its ODA in years to come, a large part of the anticipated additional funds has not yet been allocated. This provides opportunities to engage with the South Korean government and shape future funding allocations.

- 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.
How much ODA does South Korea provide?

**South Korea is a small yet growing donor; ODA set to increase to 0.2% of GNI by 2020**

The Republic of Korea (hereafter referred to as South Korea) was the 16th-largest donor country in 2016. It spent US$2.0 billion (in 2016 prices; US$2.0 billion in 2015 prices) in net ODA. This corresponds to 0.14% of South Korea’s gross national income (GNI). South Korea was an ODA recipient until 1995, and became a member of the OECD’s Development Assistance Committee (DAC) in 2010. Since then, it has increased its ODA volume steadily. ODA rose by 3% between 2015 and 2016. South Korea’s ODA/GNI share is projected to increase to 0.16% of GNI in 2017 (US$2.4 billion or South Korea Won [KRW] 2.7 trillion). In 2015, the government published a Strategic Plan for International Development Cooperation for 2016 to 2020, which foresees that ODA will increase gradually to 0.2% by 2020.

**SOUTH KOREA’S GROSS/NET ODA DISBURSEMENTS**

US$ millions; in 2015 prices

OECD DAC 2016 data according to OECD preliminary data [April 2017]. ODA estimates for 2017 are based on government data.
‘2016 prices’ refers to the actual ODA amount disbursed in 2016. This figure is commonly used when comparing ODA across donors in 2016. To compare ODA levels in 2016 with ODA levels provided in previous years, figures need to be measured in constant prices. This means that the ODA amounts for each year are adjusted to take into account the effect of inflation and of exchange rate fluctuations. In this profile, we generally state ODA figures in ‘2015 prices’, meaning that we use 2015 as a base year, to ensure data is comparable over time.

2 Dollar amount calculated using the 2015 annual average exchange rate: US$1 = ₩1053.1 (OECD DAC).
What are South Korea’s strategic priorities for development?

Promoting rural development is a key priority

The Framework Act on International Development Cooperation, published in 2010, outlines the overarching principles of South Korean development cooperation, and clarifies the responsibilities of different actors. The Framework Act sets out five guiding principles for development: poverty reduction, human rights, gender equality, sustainable development and peace and prosperity in the international community. The ‘Strategic Plan for International Development Cooperation for 2016-2020’, published in 2015, outlines current strategic priorities for development policy and indicative volumes of ODA. Among other things, it specifies that South Korea will continue to channel around 40% of its ODA in the form of loans. Compared to other donor countries, loans account for a high share of South Korea’s ODA portfolio (OECD Development Assistance Committee (DAC) member average: 10%). Loans are preferred as they limit the burden of ODA on public spending and are thought to incentivize fiscal discipline in the recipient country. A key priority of South Korea’s development policy is to promote inclusive and sustainable rural development based on the New Village Movement (‘Saemaul Undong’). The New Village Movement was a community-based approach that South Korea applied in the 1970s to raise the standard of living in rural in South Korea. Additionally, the current plan prioritizes the increase of aid to economic infrastructure and environmental policy issues, the alignment of aid with the Sustainable Development Goals (SDGs), and the focus of funding on girls’ health and education as well as agricultural development.

In 2017, during a presidential impeachment process and subsequent change in government, South Korea abolished its four flagship development initiatives. The initiatives were launched in 2016 and accompanied the country’s Strategic Plan 2016-2020: The ‘Better Life for Girls’ initiative supported projects on girls’ health and education (US$200 million). The ‘Science, Technology and Innovation for Better Life’ initiative aimed to promote science capacity, research and development, and entrepreneurship (US$200 million) The ‘Safe Life for all’ initiative focused on combatting infectious diseases (US$100 million); and the ‘Better Education for Africa’s Rise’ initiative aimed to foster industrial and technical manpower (another US$100 million). It is expected that most of the committed funding will be allocated to other government programs with a similar focus.

In addition to its thematic initiatives, the government has become more active in global debates on development over the past years. This was exemplified by South Korea’s hosting of the Fourth High Level Forum on Aid Effectiveness in Busan in 2011, as well as a range of high-level, post-Busan meetings.

Infrastructure is a focus area of bilateral cooperation

Supporting hard infrastructure through loans is a key area of bilateral ODA investments. In 2015, the government allocated 17% of its bilateral ODA to infrastructure projects. Key areas include transport and energy infrastructure. The vast share of infrastructure ODA is provided in the form of loans (85%). Geographically, South Korean infrastructure projects focus on Asia (81%), followed by sub-Saharan Africa (10%).

Other key areas of bilateral cooperation include education (15% of bilateral ODA in 2015), health and population (11%), water and sanitation (9%), and agriculture, including rural development (9%).

Key development funding priorities for 2016 to 2020:

- **Increased ODA:** Gradually increase total ODA to 0.2% of GNI by 2020 (2015: 0.14%)
- **Focus on bilateral ODA:** Maintain ratio of bilateral/multilateral ODA of 70:30
- **Loans as key instrument:** Maintain ratio of ODA provided as grants vs. loans at 60%:40%.
SOUTH KOREA’S BILateral ODA BY SECTOr, 2015

Total: US$1 549 million

- Infrastructure: 17.3% (US$209m)
- Education: 15.1% (US$234m)
- Agriculture*: 8.9% (US$138m)
- Health and population: 11.0% (US$170m)
- Energy: 11.1% (US$173m)
- Water and sanitation: 8.8% (US$137m)
- Government and civil society: 5.8% (US$90m)
- Other: 17.4% (US$270m)
- Unspecified: 4.5% (US$70m)

OECD CABS: *Includes agriculture, forestry, fishing, and rural development in 2015 prices.
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.

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.

**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.
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%).
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:**

<table>
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<tr>
<th>Ministry of Strategy and Finance</th>
<th>US$ millions</th>
<th>KRW millions</th>
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<tbody>
<tr>
<td>Bilateral</td>
<td>834</td>
<td>9,430</td>
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<td>Economic Development Cooperation Fund loans</td>
<td>790</td>
<td>8,937</td>
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<td>Grants (including Committee for International Development Cooperation spending)</td>
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<td>493</td>
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<td>Multilateral</td>
<td>303</td>
<td>3,426</td>
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<td>Assessed contributions</td>
<td>265</td>
<td>2,994</td>
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<td>Voluntary contributions (incl. Global Agriculture and Food Security Program)</td>
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<td>432</td>
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<th>Ministry of Foreign Affairs</th>
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<th>KRW millions</th>
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<td>Projects and programs</td>
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<td>3,581</td>
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<td>Other spending</td>
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<td>Public-private partnerships</td>
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<td>345</td>
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<tr>
<td>Admin costs</td>
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<td>111</td>
</tr>
<tr>
<td>Multilateral</td>
<td>69</td>
<td>776</td>
</tr>
<tr>
<td>Assessed contributions</td>
<td>32</td>
<td>363</td>
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<tr>
<td>Voluntary contributions (incl. Gavi and UNITAID and part of funding for the Global Fund)</td>
<td>37</td>
<td>413</td>
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<table>
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<tr>
<th>Other ministries</th>
<th>US$ millions</th>
<th>KRW millions</th>
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<tbody>
<tr>
<td>Ministry of Health (incl. part of funding for the Global Fund)</td>
<td>37</td>
<td>416</td>
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<tr>
<td>Ministry of Agriculture (incl. Food and Agriculture Organization, International Fund for Agricultural Development)</td>
<td>20</td>
<td>225</td>
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<table>
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<tr>
<th>Total ODA spending</th>
<th>US$ millions</th>
<th>KRW millions</th>
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<tr>
<td></td>
<td>2,156</td>
<td>24,394</td>
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</table>
What are important decision-making opportunities in South Korea’s annual budget process?

**Overall ODA levels are set by the Ministry of Strategy and Finance between January and April; specific allocations are made between July and October**

- **Ministries submit medium-term finance plan:** Until the end of January, each ministry submits a medium-term spending plan to the Ministry of Strategy and Finance (MOSF). On this basis, the MOSF draws up budget guidelines including spending limits for each ministry.

- **Ministries develop budgets:** Between May and June, ministries develop their budgets for the coming year, based on the limit set by the MOSF. At this stage, relevant ministries, particularly the Ministry of Foreign Affairs (MOFA), develop proposals for sectoral and geographic allocations of ODA. Key stakeholders are the directors-general of the ministries, as they submit the ministerial budgets for review in June.

- **The CIDC debates budget allocations:** Between July and September, ministries negotiate their sectoral and geographic allocations. This process is led by the Committee for International Development Cooperation (CIDC). It includes expert consultations followed by a review by the cabinet.

- **The government submits its draft budget:** By the beginning of September, the government submits its draft budget to the parliament (National Assembly) for debate, amendments and approval. Once the budget has been submitted, committees within the National Assembly review the budget draft in detail. The Foreign Affairs and Unification Committee is responsible for the ODA budget. Following the review, the Special Committee on Budget and Accounts conducts an overall review of the budget draft.

- **Parliament approves the budget:** in December, the National Assembly votes on the ODA budget in a plenary session.
How is South Korea’s ODA spent?

**Focus is on bilateral ODA; new multilateral ODA strategy highlights aim to enhance effectiveness**

South Korea provides most of its ODA in the form of bilateral funding. In 2015, the South Korean government channeled 78% of its ODA bilaterally, well above the average of the OECD Development Assistance Committee (DAC) members (61%). The government plans to keep the share of ODA spent bilaterally at about 70% for the period 2016 to 2020.

Loans accounted for 41% of South Korea’s bilateral ODA in 2015, almost four times the DAC average of 10%. South Korea’s emphasis on loans can be explained by the Ministry of Strategy and Finance’s (MOSF) strong preference for promoting fiscal discipline in recipient countries and by the positive experience South Korea itself has had with this instrument as an ODA recipient. The Ministry of Foreign Affairs, on the other hand, is more in favor of disbursing ODA as grants to prevent higher levels of debt in developing countries. Nonetheless, the government plans to maintain a focus on loans.

South Korea channels the majority of its bilateral grants and loans through its own implementing agencies (80% in 2015), mainly through the Korea International Cooperation Agency (KOICA) and Korea Eximbank. However, it has started diversifying its channels by promoting public-private partnerships such as the Global Corporate Social Responsibility Program, which promotes the involvement of the South Korean private sector in development cooperation.

Key recipients of South Korea’s core contributions to multilateral organizations in 2015 were the World Bank (39%), UN agencies (25%), and regional development banks (24%). In addition, the country channeled US$257 million, or 12% of its total ODA in 2015 through multilateral organizations for programs earmarked for specific thematic priorities or regions (this is reported as bilateral ODA, see figure above).

South Korea’s multilateral ODA is based on three principles: 1) creating synergies with bilateral funding, 2) enhancing effectiveness and ensuring sustainable development of developing countries, and 3) enhancing mutual cooperation among stakeholders.

South Korea is also progressively ‘untying’ its funding, meaning that ODA no longer has to be spent on goods produced in South Korea or services provided by South Korean companies. The Strategic Plan 2016-2020 states that South Korea will increase the share of ‘untied’ aid to 55% of concessional loans and 95% of grants by 2020; until 2006, 98% of South Korean ODA was ‘tied’.

Who are South Korea’s ODA recipients?

**South Korea’s bilateral ODA is concentrated on Asia**

South Korea’s bilateral assistance has a clear focus on Asia and on its Southeast Asian neighbors, in particular. Funding to Asia made up 51% of bilateral ODA between 2013 and 2015. The largest recipient over this time was Vietnam, which received around 15% of bilateral ODA, predominantly as loans.

South Korea has 24 priority countries for ODA. Eleven of them are in the Asia-Pacific region, seven in sub-Saharan Africa, four in Latin America and two in Central Asia (see box). The focus on Asia was reaffirmed by the 2017 International Cooperation Action Plan which allocates 57% of bilateral ODA to the Asia-Pacific region, 25% to sub-Saharan Africa and 11% to the Middle East/Central Asia. South Korea’s priority countries are mostly neighboring countries, many of which are lower middle-income countries (LMICs). LMICs received more than a third (36%) of South Korea’s bilateral ODA in 2015, well above the average of OECD Development Assistance Committee members (20%).
How is bilateral funding programmed?

Committee for International Development Cooperation sets priorities; country partnership strategies outline country-level priorities

Bilateral ODA priorities are articulated by the government in the Strategic Plan for International Development Cooperation for 2016 to 2020. The Committee for International Development Cooperation (CIDC) concluded its review of the list of priority countries in early 2016. Programming of bilateral funding for priority countries is set through Country Partnership Strategies (CPS). CPSs cover periods of three to five years, to match recipient countries’ national planning cycles; the strategies set out two to three priority sectors. Within ODA management, the Ministry of Foreign Affairs (MOFA) controls grants and technical cooperation, and the Ministry of Strategy and Finance (MOSF) is responsible for loans to developing countries. This process is coordinated by the CIDC. Priority sectors at country level can be influenced through engagement with involved desk officers during the update of the CPS (every three to five years). In December 2016, new CPSs were announced for Cambodia, Ethiopia, Ghana, Laos, Mongolia, Mozambique, Myanmar, Nepal, Pakistan, Peru, Philippines, Senegal, Sri Lanka, Tanzania, and Vietnam.

Based on a CPS, South Korean policy-makers develop concrete project proposals for the following year; a minimum of two consultations are undertaken with each priority country. This process is coordinated by inter-agency committees led by MOFA and MOSF, as well as the CIDC. The development of proposals takes place between July and September. However, once proposals are developed, the MOSF can still veto any grant or loan; this has happened repeatedly in the past.
THE TOP 10 RECIPIENTS OF SOUTH KOREA’S ODA
average 2013-2015, excluding debt relief; US$ millions.

SOUTH KOREA’S BILATERAL ODA BY INCOME-GROUP, 2013-2015
Total average 2013-2015: US$1.4 billion

OECD CRS: Gross disbursements, in 2015 prices
How will South Korea’s ODA develop?

- South Korea has increased its ODA steadily in recent years, and the government plans to continue to do so. ODA is expected to reach 0.2% of South Korea’s GNI by 2020, up from 0.14% in 2016.

What will South Korea’s ODA focus on?

- In 2017, South Korea abolished its four flagship initiatives in the context of the presidential impeachment and the change in government. The initiatives were launched in 2016 and accompanied the country’s Strategic Plan 2016-2020: The ‘Better Life for Girls’ initiative supported projects on girls’ health and education (US$200 million). The ‘Science, Technology and Innovation for Better Life’ initiative aimed to promote science capacity, research and development, and entrepreneurship (US$200 million) The ‘Safe Life for all’ initiative focused on combatting infectious diseases (US$100 million); and the ‘Better Education for Africa’s Rise’ initiative aimed to foster industrial and technical manpower (another US$100 million). It is expected that most of the committed funding will be allocated to other government programs with a similar focus.

- Overall, South Korea will likely continue to focus its bilateral investments on supporting transport and energy infrastructure projects in Asia, a vast share of which is in the form of loans. Eleven of the 24 priority countries are in Asia.

- South Korea will likely continue promoting rural development, however the community-based ‘Saemaul Undong’ (‘New Village Movement’) approach is expected to undergo scrutiny under the new leadership, as this approach was introduced by the current President’s father during his time in office as President from 1963 to 1979.

What are key opportunities for shaping South Korea’s development policy?

- ODA is expected to grow further in the coming years. As much of the increased funding is not yet strictly allocated to specific projects, this provides opportunities to engage with the South Korean government. This is especially the case for proposals that are linked to South Korea’s five-year flagship initiatives (see above).

- The impeachment of President Park Geun-hye in December 2016, which was upheld in March 2017, and led to a change in political leadership. South Korean voters elected Moon Jae-in as president on May 9, 2017. This will lead to shifts in South Korea’s priorities for its development cooperation, and provides an opportunity to engage with government and other stakeholders to shape the direction of South Korea’s development policy moving forward.
South Korea's global health ODA

South Korea has launched three new global-health initiatives for 2016 to 2020

South Korea's health ODA stood at US$203 million in 2015, equivalent to 10% of total ODA. This is slightly above the average share of ODA spent on health by other members of the OECD Development Assistance Committee (DAC; 9%).

Global health is not an explicit priority in South Korean ODA but has gained importance in recent years. Three of South Korea’s abolished flagship initiatives focused on global health. The ‘Better Life for Girls’ initiative aimed at assisting 15 priority countries in developing projects that aim to promote girls’ education and health. The ‘Science, Technology and Innovation for Better Life’ planned projects to build scientific capacity, conduct research and development (R&D), and encourage entrepreneurship, including initiatives related to health. Each of these projects was budgeted with US$200 million in financing over the five-year period. Lastly, South Korea introduced the ‘Safe Life for All’ initiative, which committed US$100 million towards combating infectious diseases. This initiative came out of the Second Global Health Security Agenda High Level Meeting that was held in Seoul in September 2015. It is expected that most of the committed funding will be allocated to other government programs with a similar health focus.

South Korea channels most of its health ODA bilaterally (84% in 2015). Bilateral investments increased by 10% from US$155 million in 2013 to US$170 million in 2015. Within bilateral health ODA, funding focused on supporting basic health infrastructure (26%), basic healthcare (16%), medical services (14%), and health policy and administrative services (14%). Funding is largely channeled through the Korea International Cooperation Agency (KOICA) and the public Korea Foundation for International Healthcare (KOFIH). KOICA’s health strategy for 2011 to 2015 highlighted health system strengthening (HSS) and the provision of essential health services for women and children as priority areas. Key objectives and programs include: nurturing human resources in the health sector, enhancing policies and institutions, improving maternal and child health as well as family planning, preventing infectious diseases, and strengthening management systems. The health-sector strategy for 2016 to 2020 has not been announced.

South Korea channeled around 16%, or US$33 million, of its health ODA multilaterally in 2015, far below the OECD DAC average (55%). Assessed contributions to the WHO and the World Bank accounted for 62% of this amount. The remaining 38% went to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund; 12%), Gavi, the Vaccine Alliance (Gavi; 12%), regional development banks (10%), and UN organizations (4%).

At the Global Fund’s September 2016 Replenishment Conference, South Korea committed US$12 million to the Global Fund for its 2017-2019 funding period. Funding for Gavi (an official pledge of US$8 million from 2016 to 2020, to be disbursed in 2016 and 2017, with contributions for 2018 to 20 still unclear) and UNITAID (US$20 million from 2013 to 2017) is raised through an air-ticket solidarity levy. In June 2017, South Korea has committed US$4 million to GPEI.

The Ministry of Foreign Affairs Development Cooperation Bureau leads on global-health strategy

South Korea’s global health policy is largely determined by the Ministry of Foreign Affairs (MOFA). Within MOFA, the Development Policy Division is in charge of developing global-health policies. The Multilateral Development Cooperation and Humanitarian Assistance Division manages relations with multilateral health initiatives like the Global Fund and Gavi.

The Ministry of Health and Welfare (MOHW), as well as the Korea Foundation for International Healthcare (KOFIH) under the MOHW, are also engaged in improving global health. Their global health programs include medical and health-care assistance programs, including the provision of medical devices and equipment, and disaster relief.
SOUTH KOREA'S ODA TO HEALTH
US$ millions; in 2015 prices

RECIPIENTS OF SOUTH KOREA'S HEALTH ODA, 2015
Total: US$203 million

OECD CRS and imputed multilateral contributions to the health sector; DAC secretariat's estimations.
SOUTH KOREA’S KEY GLOBAL HEALTH COMMITMENTS

US$ millions


Data from government and listed organizations
South Korea’s global health R&D

**Funding for global health R&D is currently low**

Funding by the South Korean government for global health R&D is low: South Korea invested US$561,000 in 2015 for research and development (R&D) on poverty-related and neglected diseases (PRNDs), referred to as ‘global health R&D’ in this profile. This level of funding makes South Korea one of the lowest-ranking donor countries to global health R&D.

In 2015, the Korean Ministry of Health and Welfare (MW) provided 79% of the funding for PRNDs, equivalent to US$442,000. The MW channeled all of this money through pharmaceutical and biotechnology companies and focused its investment on research on dengue fever. The second-largest funder of global health R&D in 2015 was the Korea Research Institute of Bioscience and Biotechnology (US$80,000, 14%; KRIBB). The KRIBB is a government research institute located in Daejeon which is dedicated to biotechnology research across a broad span of expertise including drug discovery.

Another provider of funding is the National Research Foundation of Korea (NRF) at US$39,000 in 2015. This represents a fairly low proportion of the NRF’s overall spending as its main focus is not on neglected diseases.

The NRF was established in 2009 as a merger of the Korea Science and Engineering Foundation, Korea Research Foundation, and Korea Foundation for International Cooperation of Science and Technology. The NRF is led by Dr. Moo-Je Cho under the direction of the Ministry of Education, Science and Technology, and is designed to enhance the efficiency of the national basic research support system.

Nearly all of the NRF’s and KRIBB’s financing for global health R&D is allocated to product-development partnerships (PDPs), largely through contributions to the Seoul-based International Vaccine Institute (IVI). The IVI is dedicated to research in vaccine development and delivery for developing countries. These investments mainly fund research on malaria and diarrheal diseases. Contrary to spending in former years, South Korea did not spend money on tuberculosis research in 2015.

South Korea’s Center for Disease Control and Prevention (CDC) takes on the lead role for disease control in South Korea. Within the CDC, the Risk Assessment and International Cooperation Division under the Emergency Operations Bureau manages operations in developing countries.

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1 According to G-FINDER data. G-FINDER is a data source developed by Policy Cures which provides information on global investments into neglected diseases and R&D. The figures are based on the G-FINDER survey; they include R&D for all medical products (e.g. drugs, vaccines, and diagnostics). The scope of funding included is defined by three criteria: the disease disproportionately affects people living in developing countries, there is a need for new products and the commercial incentives are insufficient to attract R&D by the private industry. For more information see: Policy Cures, Neglected Disease Research and Development: A Pivotal Moment for Global Health, G-FINDER 2016.
South Korea's education ODA

Education is a top priority; focus is on quality of education, inclusiveness, and vocational training

South Korea is the ninth-largest donor country to global education, spending US$255 million on education ODA in 2015. Education is a top priority of South Korea's development portfolio: In 2015, the country spent 13% of its total ODA on education, ranking fourth among OECD donor countries. This is well above the average spent on education by other donor countries (8%). However, to get a full picture of South Korea's education assistance, it is important to exclude scholarships and other costs of students from developing countries studying in South Korea; these costs are reportable as ODA but do not constitute cross-border financial flows. If these costs are excluded, education ODA decreases to US$219 million in 2015.

Education is one of four priorities of South Korea's 2018 International Development Cooperation Plan of Action (other priorities: transportation, health, and public administration). South Korea considers education a key sector through which it can achieve the SDGs. Education also featured prominently in South Korea's four flagship initiatives which were abolished during the presidential impeachment in 2017 and the election of a new government. Three of the four initiatives had a focus on education: 'Better Life for Girls' (US$200 million) focusing on girls' education and health, 'Science, Technology and Innovation for Better Life' (US$200 million), and 'Better Education for Africa's Rise' (US$100 million). It is expected that most of the committed funding will be allocated to other government programs with a similar focus. For example, education projects under the 'Better Life for Girls' initiative will be part of the maternal and child health outreach program in the future. Gender equality, linked to girls' education, remains a cross-cutting issue of South Korea's development policy. In addition, South Korea has increased its multilateral engagement in education. The country has joined the Global Partnership for Education (GPE) in 2014 and held the 2015 World Education Forum in Incheon, South Korea. At this meeting, 1600 representatives of governments, international organizations, civil society, and the private sector, defined key elements of the Education 2030: Framework for Action.

South Korea's education ODA has increased, from US$230 million in 2014 to US$255 million in 2015. This was driven by increased spending on vocational training, as well as primary and secondary education. Looking forward, education ODA is likely to continue to increase moderately, in line with the overall expectations for a growing ODA budget (for more details on ODA outlook, see Key Question 1).

South Korea provides the vast majority of its education ODA as bilateral funding: 92% or US$234 million in 2015. Most funding is allocated to 'post-secondary education', which accounted for 35% of bilateral ODA in 2015 (see figure below), and includes the majority of costs of hosting international students (US$34 million in 2015). Another funding priority is vocational training, which accounted for 28% of bilateral ODA to education in 2015. Smaller shares were spent on 'general education' (15%) and 'basic education' (13%)2.

This funding pattern is in line with South Korea's priorities for education as outlined in KOICA's education midterm strategy 2016-2020. The Korea International Cooperation Agency (KOICA), which is overseen by the Ministry of Foreign Affairs (MOFA), is South Korea's implementing agency for bilateral grants. The strategy envisions “inclusive development through quality education". Its mission is "to ensure rights to education for all by strengthening education systems in partner countries”. The strategy outlines three strategic objectives which are linked to the targets of SDG 4:

- Quality education and learning achievement, with a focus on training for teachers, a safe and healthy educational environment, and basic learning competencies.
- Inclusive education for disadvantaged groups, focusing on access to education for girls, people with disabilities, out-of-school children, and students from poor households, as well as providing facilities and aids.

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1 “General education” refers to OECD Creditor Reporting System (CRS) purpose code 111, “Education, level unspecified”, which includes 1) education policy and administrative management 2) education facilities and training 3) teacher training 4) educational research.

2 According to the OECD CRS methodology, “basic education” includes 1) primary education 2) basic life skills for youth and adults 3) early childhood education.
equipment necessary to operate educational programs in disaster and conflict-affected regions.

- Improving skills and technology for work by identifying skill shortages in local labor markets, supporting vocational training and the development of qualification frameworks, and investing in the quality of education and vocational training through capacity development and technical cooperation.

South Korea’s bilateral education ODA is focused on middle-income countries (MICs). On average, 50% of all bilateral education ODA went to MICs between 2013 and 2015. Funding to low-income countries (LICs) averaged 32%. This is in line with South Korea’s overall focus on MICs. Geographically, the funding focuses on Asia: 52% of all bilateral ODA to education went to Asia and only 15% was invested in sub-Saharan Africa. The list of top recipients reflects this focus on Asia: Vietnam, Jordan, Bangladesh together received 20% of all bilateral education ODA between 2013 and 2015. Education is a focus sector in 15 of the 24 priority countries of South Korea’s development assistance. Seven of these priority countries are in Africa, eight in Asia.

South Korea is not a major provider of multilateral ODA to education, spending only US$21 million in 2015 (8% of its overall education ODA). Most of this funding was channeled in the form of core contributions to the World Bank’s International Development Association (67%) and the Asian Development Fund (19%). In addition, South Korea joined the GPE in 2014 and pledged to contribute US$5 million for the 2015-2018 replenishment period.

The country has so far not financially supported the international initiative ‘Education Cannot Wait’, a special fund launched in 2016 that aims to improve access to education services in humanitarian emergencies and crises. Overall, South Korea does not report any education-related funding as part of its humanitarian assistance (according to data by the UN Office for the Coordination of Humanitarian Affairs (OCHA)). However, education and vocational training are two of three priorities for humanitarian assistance in South Korea’s 2018 International Development Cooperation Plan of Action, an indication that the country may increase spending on education in humanitarian emergencies.

**MOFA’s Development Cooperation Bureau guides international education policy**

MOFA drives the formulation of South Korea’s global education policy. Within MOFA, the Development Policy Bureau is responsible for developing policies (specifically the Development Policy Divisions within the Bureau). MOFA’s Multilateral Development Cooperation Division manages relations with multilateral education initiatives such as GPE. KOICA (overseen by MOFA) is responsible for the implementation of bilateral grants and other technical cooperation. It managed 47% of South Korea’s bilateral education ODA in 2015. The Korea Eximbank (managed 29% in 2015) implements projects for the Ministry of Strategy and Finance (MOSF), mainly in the form of ODA loans. MOFA’s Multilateral Development Cooperation Division manages relations with multilateral education initiatives such as GPE.

The global average share of humanitarian assistance spent on education was 2% in 2015, according to OCHA, half of the minimum 4% target established by the UN Global Education First Initiative (GEFI).
SOUTH KOREA BILATERAL EDUCATION ACROSS SUB-SECTORS
Total 2015: US$234 million

- General Education: 15.0% (US$35m.)
- Post-secondary Education: 34.8% (US$81m.)
- Basic Education: 12.0% (US$30m.)
- Secondary Education: 9.0% (US$21m.)
- Vocational Training: 28.3% (US$69m.)

*Note: This analysis is based on disbursements to the education sector in 2015. Due to rounding, the sub-sectors may not add up to the total bilateral education disbursement.*
South Korea’s agriculture ODA

ODA to agriculture is growing, with a strong focus on bilateral assistance

South Korea’s ODA for agriculture (which, as a sector category, includes forestry and fisheries) and rural development has increased continuously over the last five years, reaching US$175 million in 2015 and accounting for 9% of total ODA. This is on par with the average of other members of the OECD’s Development Assistance Committee (OECD DAC). South Korea has identified rural development as a priority sector of its development policy, arguing that it can share best practices in this area from its own history as a developing country. The focus on rural development is based on the country’s promotion of the New Village Movement (‘Saemaul Undong’) – a community-based approach that improved local economies in the South Korean countryside in the 1970s. Further funding increases for rural development are expected in the coming years.

South Korea channels most of its agriculture ODA bilaterally (US$138 million, or 79%, in 2015), focusing on agricultural development (46%) and rural development (19%). The Korea International Cooperation Agency (KOICA), South Korea’s implementing agency, has identified rural development as one of its seven priority sectors. In addition, the Ministry of Agriculture, Food and Rural Affairs and its International Cooperation Bureau allocate a small share of ODA to agriculture and food-related projects. Less than a quarter (US$37 million, or 21%) of agriculture ODA was channeled multilaterally in 2015, which is well below the OECD DAC members’ average of 45%. The vast share of this multilateral agriculture ODA represents contributions to the World Bank through the International Development Association (IDA; 44%), the Food and Agriculture Organization (FAO; 25%), and regional development banks (21%). South Korea pledged US$85 million to the Global Agriculture and Food Security Program (GAFSP) for 2011 to 2015, and has disbursed an additional US$15 million to it in 2016. South Korea is also a contributor to the International Fund for Agricultural Development (IFAD). It has consistently increased its contributions to IFAD’s core resources, rising from US$7 million 2013 to 2015 to US$8 million for 2016 to 2018.

Policy divisions within the Ministry of Foreign Affairs steer agriculture strategy

The Ministry of Foreign Affairs (MOFA) leads on the development of policies related to agriculture and rural development. The Development Policy Division, within MOFA’s Development Cooperation Bureau, is in charge of developing ODA policies, including on agriculture. The Multilateral Development Cooperation and Humanitarian Assistance Division manages relations with multilateral agricultural organizations like IFAD.
SOUTH KOREA’S ODA TO AGRICULTURE
US$ millions, in 2015 prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Multilateral ODA</th>
<th>Bilateral ODA</th>
<th>Agriculture ODA as % of total ODA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>156</td>
<td>76%</td>
<td>25%</td>
</tr>
<tr>
<td>2014</td>
<td>166</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>2015</td>
<td>175</td>
<td>79%</td>
<td>21%</td>
</tr>
</tbody>
</table>

OECD CRS, and imputed multilateral contributions to the agriculture sector. DAC secretariat estimates.

RECIPIENTS OF SOUTH KOREA’S AGRICULTURE ODA, 2015
Total: US$175 million

- Bilateral: 79.3% (US$139m)
- IDA: 9.2% (US$16m)
- FAO: 5.2% (US$9m)
- Other: 6.3% (US$11m)

OECD CRS and imputed multilateral contributions to the agriculture sector. DAC secretariat estimates.
South Korea’s nutrition ODA

Nutrition is not an explicit priority in South Korea’s development policy

South Korea has not made nutrition a top priority in its development policy. Though the Korea International Cooperation Agency (KOICA) defines improving the nutritional status of pregnant women and children as one of its focus areas within the KOICA mid-term health strategy for 2011 to 2015, nutrition has still not been explicitly mentioned in recent national ODA policy and strategy documents. It remains to be seen whether KOICA will prioritize nutrition in its forthcoming health strategy for 2016 to 2020.

Because of nutrition’s absence in strategy documents, it is difficult to quantify South Korea’s financial engagement around nutrition. South Korea does not participate in the reporting framework set by the ‘Scaling Up Nutrition’ (SUN) initiative to track nutrition-sensitive interventions. The country also did not make a commitment at the 2013 Nutrition for Growth Summit, a summit held in London where participating countries signed on to a ‘global compact’ to improve nutrition, and made a range of international commitments. According to OECD data, South Korea spent US$3 million on basic nutrition in 2015, an increase from US$1 million per year from 2012 to 2014. The still-low number, however, is an indication that funding for nutrition-specific interventions remains very low so far.

South Korea maintains a partnership with the UN’s World Food Program (WFP), and allocated US$34 million to the WFP in 2016. Since 2011, South Korea has built a partnership with the WFP to develop the ‘Korea-WFP Food for New Village’ (FFNV) initiative, a three-year project to increase food productivity and build self-reliance in agriculture across rural Nepal and Rwanda.

The Ministry of Foreign Affairs leads South Korea’s nutrition strategy development

South Korea’s nutrition policy is largely defined by the Ministry of Foreign Affairs (MOFA). The Development Policy Division, within MOFA’s Development Cooperation Bureau (Bureau), is responsible for nutrition policies. Within the Bureau, the Multilateral Development Cooperation and Humanitarian Assistance Division manages relations with multilateral organizations like the WFP.

The Ministry of Agriculture, Food and Rural Affairs and its International Cooperation Bureau are also engaged in nutrition. The Ministry’s total ODA budget for food and agricultural projects amounted to KRW22.5 billion (US$20 million) in 2016.
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