

KEY QUESTIONS

the big six

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How is South Korea's ODA budget structured?

MOFA and MOEF manage three-quarters of ODA budget; the budget is very prescriptive

The majority (73%) of South Korean ODA is provided by the Ministry of Economy and Finance (MOEF, US\$1.2 billion, 42% of total ODA in 2019) and the Ministry of Foreign Affairs (MOFA, US\$891 million, 31%). The remaining 27% is spread across 41 other ministries and agencies.

South Korea's overall ODA budget includes breakdowns by sector, region, ministry, and implementing agency. It also sets out how much funding is allocated to bilateral and multilateral channels within each ministry's budget. In addition, the annual budget lists concrete activities to be funded from each ministry's budget. This leads to very limited ministerial discretion over their respective budgets once each has been approved by the parliament.

The 2019 budget prescribes that 78% will be disbursed as bilateral ODA and 22% to multilaterals. Within bilateral assistance, 54% will be allocated as grants and 46% as concessional loans. South Korea will also continue to focus its development cooperation on Asia and Africa, with the latter receiving around 22% of bilateral ODA.

Within individual agencies, most of MOEF's ODA budget is delivered bilaterally (90%), almost exclusively as loans through the Economic Development Cooperation Fund (EDCF). Only a small amount (US\$50 million, 5% of MOEF's bilateral ODA) is delivered as grant funding. The rest of MOEF's budget (US\$118 million) comes in the form of assessed and voluntary contributions to multilateral organizations and international financial institutions.

The ODA-related budget of 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 and voluntary contributions to international organizations.

Overview:	millions	billions
South Korea's ODA budget 2019	US\$	KRW
Ministry of Strategy and Finance	1,178	1,331
Bilateral	1060	1,198
Economic Development Cooperation Fund loans	1009	1,141
Grants	50	57
Multilateral (assessed and voluntary contributions incl. Global Agriculture and Food Security Program)	118	133
Ministry of Foreign Affairs	891	1,007
Bilateral grants	800	905
Projects and programs	363	410
Technical assistance	177	200
Development consultation and other spending	194	219
Public-private partnerships	57	64
Admin costs	10	12
Multilateral (assessed and voluntary contributions incl. Gavi and UNITAID and part of funding for the Global Fund)	91	102
Other ministries	124	141
Ministry of Health (incl. part of funding for the Global Fund)	48	54
Ministry of Agriculture (incl. Food and Agriculture Organization, International Fund for Agricultural Development)	68	77
International financial institutions	494	558
UN and other agencies (including UNDP, WHO, UNICEF, UNHCR, WFP, UN Women)	131	148
Total ODA spending	2831	3,200