

KEY QUESTIONS

the big six

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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 sets 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 (Democratic Party) as president in May 2017. Moon appointed Lee Nak-yeon as Prime Minister shortly after his inauguration. Within the Prime Minister's office, Park Jin-ho is Director-General of the ODA Bureau. 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 Kang Kyung-wha, 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 (Global Fund). Bilateral grants are implemented by the Korea International Cooperation Agency (KOICA), which is supervised by the MOFA (see below). Within MOFA, a Director-General (currently Jeon Jin-kyu) is responsible for the development cooperation bureau. In its annual work plan, MOFA seeks to strengthen the partnership with domestic, regional, and international stakeholders and to broaden its agenda, increase the total ODA and humanitarian assistance budget, enhance synergies between development and foreign affairs, support the capacity of NGOs and other small-scale partners, and enhance accountability, effectiveness, and transparency of ODA.
- The MOSF, currently led by Kim Dong-yeon, 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, and its Budget Office can also

veto MOFA grants and loans that do not meet project-approval criteria. Within MOSF, a Director-General (currently Yook Tae-sik) is responsible for the development finance bureau.

Government officials are not legally permitted to be affiliated with a political party. For this reason, ministers who have been previously affiliated with a party must leave the party when they come into government office. 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 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 nine 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 (SDGs) 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 three-quarters of all grants (75%) were provided by KOICA through country offices in 28 partner countries. KOICA elected its first female president, Mi-kyung Lee, in November 2017. It is expected that KOICA's strategic priorities will be largely in line with its strategy for 2017 to 2021 and the wider Strategic Plan for International Development Cooperation (2016 to 2020).

The EDCF was established in 1987, with the purpose of promoting economic cooperation between South Korea and partner countries through loans. The direction of EDCF operations and policy-making responsibilities rest with the MOSF. The Korea Eximbank (Eximbank) manages and implements EDCF loans. The Eximbank was established in 1976 to support South Korea's economic development through strengthened exports, imports, and

overseas investments projects. Its goals include the promotion of economic cooperation with developing countries, development of South Korea’s strategic industries, and unification with North Korea.

The parliament (National Assembly of the Republic of Korea) can influence the direction of South Korea’s development policy and budget. The National Assembly votes on, amends as necessary, and ultimately approves 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. The parliament also provides the legal basis for South Ko-

rea’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 2016, 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 (16%).

SOUTH KOREA'S DEVELOPMENT COOPERATION SYSTEM

