The Transformation of the Republic of Korea’s Development Cooperation:
Reflections from the First Decade of OECD-DAC Membership

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Executive Summary

Having transformed from a least developed to a high-income country, the Republic of Korea (ROK) has emerged as one of the most successful cases of development in recent history. This has enabled it, among other variables, to transition into a well-established donor. Indeed, its status was affirmed through its accession to the Organization for Economic Co-operation and Development’s Development Assistance Committee (OECD-DAC) in 2010. As the ROK celebrates its ten-year membership anniversary in 2020, it enters the Sustainable Development Goals’ Decade of Action during a period when multilateralism is weakening and global challenges are on the rise. The outbreak of COVID-19 is reversing decades of hard-earned progress in developing countries, hindering the much-needed ability and willingness of the international community to jointly address these setbacks. At the same time, the fundamental essence of development cooperation is changing; the relative role of Official Development Assistance (ODA) is diminishing while the importance of South-South Cooperation is on the rise. Taking these issues into consideration, this paper will undertake a reflection into the past decade to discuss policies that can further the ROK’s status as a donor in the future.

During this time, the ROK has succeeded in creating a fully-fledged ODA system that mostly meets, and often, exceeds the ‘advanced’ standards expected of an OECD-DAC member. This can be affirmed as the ROK’s portfolio primarily includes least developed and low-income countries, while possessing a comparative advantage in certain sectoral areas. Indeed, both its experience with successfully transitioning away from being a recipient of ODA as well as the set of norms and standards established by the OECD-DAC, and shared through means such as its peer reviews, have enabled for such progress to be accomplished in an incredibly short amount of time.

 Nonetheless, there are still challenges ahead; certain aspects of the ROK’s development cooperation approach do not fully adhere to OECD-DAC norms. In particular, many sources highlight that the ROK could address its institutional framework, which is fragmented in both its governance and implementation structures. Others mention that the ROK could better balance its proportional usage of grants as opposed to loans, while increasing its support to fragile countries. Moreover, the ROK could also further adapt to the rapidly and drastically changing nature of the global aid architecture, which requires all donors to include principles such as sustainability, inclusivity, and effectiveness into their ODA approach to address the unprecedented set of global and country-level challenges.

Taking this into consideration, it is evident that the ROK has firmly established a position as a medium-sized OECD-DAC donor, the only one in East Asia. Thus, although the global ODA system has already benefited from the ROK’s contributions, this paper asserts that the ROK could strive to build on the following milestones in the upcoming decade.

To begin with, the ROK could strengthen its role as a ‘knowledge broker’ in its bilateral cooperation. This entails that the ROK continues to build on areas of progress while overcoming challenges in its development cooperation approach. By doing so, the ROK can better leverage its experience in overcoming development challenges to support other countries undergoing similar hardships through policy instruments such as the Development Experience Exchange Partnership and the Knowledge Sharing Program. Indeed, in an era of much uncertainty, development cooperation will require champions of change capable of sharing well-established best practices. Thus, a strong focus on the ROK’s unique development experience may not only become the trademark for its own development cooperation, but could also effectively strengthen the ability of countries around the world to effectively share their expertise in order to address global challenges as well.

Moreover, over the last decade, the ROK became an effective supporter of and even sometimes a ‘trend-setter’ in multilateral cooperation. That is, it has acquired a leadership position throughout a diverse array of international organizations, multilateral development banks, and global funds. This, combined with its successful experiences in using tailored, integrated solutions to overcome complex challenges, has enabled it to effectively lead international cooperation in areas such as green growth. Indeed, the ROK’s proactive position in environmental multilateralism has established a strategic basis for addressing future global and regional crises.

Finally, the ROK’s well-recognized status as a “middle power” has enabled it to continue playing the role of a normative ‘bridge’ between developed and developing countries, particularly in global debates pertaining to development cooperation. This is possible because of its unique standing in the
international community; its geo-political location in East Asia, history as a least developed country, and diplomatic position as a middle power, among other factors, has enabled it to engage actors from both the global north and south. Indeed, the ROK’s role was pivotal during the major milestones of the last decade such as the Busan High Level Forum on Aid Effectiveness and instrumental in facilitating the discussions on various topics regarding effective development cooperation such as co-prosperity. In the current context, such leadership is particularly important to make the international landscape for development cooperation fit for purpose in addressing global challenges of the present and future.
1. Development Cooperation in the Republic of Korea

This paper is intended to reflect on the Republic of Korea (ROK)’s experience as an official provider of development cooperation. To this end, it seeks to assess the recent history of the ROK’s development cooperation, which coincides with the first decade of its membership in the Organization for Economic Cooperation and Development’s Development Assistance Committee (OECD-DAC), so as to identify emerging areas of progress and potential challenges. Based on this, it will reflect on a way forward for the ROK as a bilateral and multilateral donor as well as a normative contributor to global debates on development.

In order to do so, this paper will begin by briefly recapping the ROK’s development journey. Indeed, having transitioned from a least developed to a high-income country renowned for its peaceful democratic reforms and innovative pandemic response, the ROK has emerged as one of the most successful cases of development in recent history.\(^1\) This was possible, among other things, through the support of US$12.7 billion in Official Development Assistance (ODA) from 1945 to 1995, which assisted the ROK in maintaining an unprecedented average GDP growth rate of around 9%.\(^2\) This process of economic transformation continued even after its official graduation from the OECD-DAC’s list of eligible ODA recipients in 2000.\(^3\) Such achievements are noteworthy as the ROK avoided the various ‘traps’ that stagnate development in many other countries. For example, subsequent to overcoming its history of absolute poverty and conflict,\(^4\) the ROK maintained its high economic growth rate even after becoming a middle-income country by investing in human capital,\(^5\) thereby bypassing the middle-income trap.

In this context, the ROK gradually strengthened its commitment to empower similar changes in other countries. Learning from its early experiences with providing technical cooperation, some of which were implemented through Triangular Cooperation modalities, in the 1960s and 1970s, this process gained inertia in the 1980s, when the Economic Development Cooperation Fund (EDCF) was established under the Ministry of Economy and Finance (MOEF) to serve as the primary provider of concessional loans. Moreover, such institutional progress continued in the 1990s, when the Korea Overseas International Cooperation Agency (KOICA) was created under the Ministry of Foreign Affairs (MOFA) to lead the provision of grants and technical assistance. Building on the global momentum of the Millennium Development Goals, this trend was accelerated in the 2000s, as the Committee for International Development Cooperation (CIDC) was set-up as the government’s coordinating body for international aid.\(^6\) However, it can be noted that many of the development cooperation initiatives that took place during this period exhibited the characteristics of South-South Cooperation.\(^7\) Indeed, this can be affirmed as the ROK was assessed to be the fifth largest South-South Cooperation provider in 2006.\(^8\)

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Building on such progress, and as the ROK’s position in the world economy continued to rise, the ROK began to explore the possibility of applying for OECD-DAC membership. This indicated the ROK’s determination to strengthen its international position as a contributor to international development by applying global standards and norms to its own ODA approach. However, there were some internal concerns that the decision was rushed; for example, some experts suggested that the ROK did not have the financial capacity to comply with the OECD-DAC’s ambitious standards. Moreover, there were some concerns due to the perception that the rigid set of rules traditionally associated with OECD-DAC membership rendered it difficult to pursue a ‘principled’ use and national ‘brand’ of ODA. Nonetheless, after much internal contemplation, the ROK joined the OECD-DAC in 2010. By doing so, it became the first former least developed country to have ever completed the accession process to this exclusive forum strictly composed of developed countries. Building on this, the ROK closed its United Nations Development Programme (UNDP) Country Office in the same year, symbolizing that its mission to support the development of the ROK had been fully realized. In its place, the ROK established UNDP Seoul Policy Centre in 2011 to share the country’s development experience, affirming its strong dedication to undertake a new role in the organization. In this regard, 2010 was the year in which the ROK became officially recognized for having transformed from a recipient to a donor country.

Entering the year 2020, the ROK celebrates its tenth anniversary as a member of the OECD-DAC. During this past decade, the country has received two peer reviews, which built on a special review that it underwent prior to joining the group. Moreover, it also received numerous donor profiles affirming that the ROK has firmly established a position as a medium-sized OECD-DAC donor, the only one in the

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12 Sangtae Kim, “Korea’s Development Cooperation.” 351.
context of East Asia. At the same time, it has also received several evaluations from other international indices. For example, it ranked 26th of 40 countries in the Center for Global Development’s Commitment to Development Index, which seeks to assess the development spillovers that can be accrued from national policies. In addition, it placed 16th of 29 in the Overseas Development Institute’s Principled Aid Index, which measures the extent to which countries use ODA to pursue long-term national interests. As such, these findings further substantiate the ROK’s position in the international architecture of development cooperation, while reflecting some of the challenges that could be addressed as it enters into the Sustainable Development Goals’ (SDGs) Decade of Action.

However, this upcoming period is one of much uncertainty. Indeed, this is best reflected by the advent of the COVID-19 Pandemic, which has accelerated some recent key trends in development cooperation. There is now a broad array of contemporary issues such as climate change and migration, many of which have experienced crucial losses in hard-earned progress, that require a global response. Despite this, countries are turning inwards due to the restrictions faced in their willingness and ability to jointly address such challenges. Concurrently, the fundamental essence of development cooperation is rapidly and drastically changing; the role of ODA is relatively diminishing while the importance of South-South Cooperation is on the rise. Accordingly, the post-crisis rebound will likely encourage more countries, especially from the global south, to become providers of development cooperation. In this context, the ROK could use this opportunity to solidify its emerging position as a ‘knowledge broker’ in bilateral cooperation, supporter of and sometimes even ‘trend-setter’ in multilateral cooperation, and normative ‘bridge’ in global debates to better deliver on the 2030 promise.

To this end, this paper seeks to address the following research questions. First, it will explore what are the overarching areas in which the ROK has made significant progress. Second, it will identify what are the challenges that the ROK could face going forward. Finally, it will propose how the ROK could strengthen its role in development cooperation going forward. With that said, this paper does not purport to be a comprehensive in-depth review, or even an evaluation, of all of the past accomplishments made by the ROK in the area of development cooperation during the last decade. This also holds true for current challenges and future recommendations. Accordingly, this paper welcomes discussion on both the topics analyzed herein and the other major topics that could not be incorporated into its scope of analysis.

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2. The First Decade

This section seeks to provide a compact overview of the progress that the ROK has made in its overall development cooperation approach. Through this analysis, this paper will highlight that the ROK has achieved rapid progress as a donor by incorporating both the lessons learned during its experience as a developing country and the guidance provided by the OECD-DAC, particularly through its peer reviews. Concurrently, this report will posit that there are still certain challenges, some of which are unique while others are commonly shared with other OECD-DAC donors or are derived from systemic changes, that could be met to further its position as a donor. Thus, this paper will begin by providing a brief overview of the ROK’s quantitative contributions to development cooperation. Subsequently, this report will analyze its bilateral and multilateral cooperation, as well as its normative contributions, which can be broadly defined as its influence on global debates on development.

To start off, the ROK has significantly increased its overall provision of ODA. In 2010, the ROK provided around $1.4 billion in total contributions, equaling 0.12% of its Gross National Income (GNI). In 2019, this increased up to $2.7 billion, or 0.15% of GNI. In this regard, this fell short of its domestic target of 0.2%, which is still lower than the 0.3% average provided by other OECD-DAC donors. Despite this, the ROK still maintained an impressive average annual increase of 11.9% throughout the past decade. Although this high average growth rate benefits from having started from a relatively low baseline, this is significantly higher than the 2.4% increase of its peers. Accordingly, this has enabled the ROK to position itself as a medium-sized donor, which can be affirmed as it is currently the 15th largest OECD-DAC donor in terms of ODA volume and 25th in terms of ODA as a percentage of GNI. In this context, it is clear that additional effort, in both the absolute and relative sense, is required for the ROK to become an advanced donor.

![Figure 2 & 3: The ROK’s Total ODA Contributions, Total ODA Contributions as GNI](image)

A. Bilateral Cooperation

In this sub-section, it will be argued that the ROK has emerged as a ‘knowledge broker’ in the area of bilateral cooperation. Indeed, the ROK’s development experience can be leveraged because the ROK has succeeded in creating a fully fledged ODA system that mostly meets, and often, exceeds the high standards expected of OECD-DAC members. This was completed in an incredibly short time frame,
which is commendable because no other country has achieved this level of transformation. At the same time, there are still areas requiring additional improvement. In this regard, the ROK is in a unique position as a donor; its development experience, along with the guidance provided by the OECD-DAC, does not only drive its own continued learning. Instead, it also contributes to supporting similar processes in other countries, much like it could potentially do in the area of development cooperation.

This is particularly true for the improvements made in its legal and institutional framework. Prior to joining the OECD-DAC, it was stated that “just as there is no over-arching development assistance legislation, there is no over-arching development assistance policy or strategy.” However, in 2010, the ROK enacted the Framework Act on International Development Cooperation in order to set basic principles and designate responsibilities. Moreover, in the same year, it passed the Strategic Plan for International Development Cooperation, providing a way forward for improving the ROK’s ODA performance. Building on this, two Mid-Term Strategies were released in 2011 and 2016, which were complemented by numerous other operational strategies in areas such as but not limited to supporting fragility. Based on these frameworks, the ROK has maintained a 75:25 allocation between bilateral and multilateral cooperation, which is similar to the ratio used by other OECD-DAC countries.

Although such institutional frameworks have been evaluated to be clear and effective in providing guidance, the ROK is the only country in the OECD-DAC with a dichotomized governance relationship between two line ministries. Indeed, the OECD-DAC emphasize the importance of an integrated approach, as opposed to having separate systems for loans, grants and technical assistance. Moreover, the ROK’s ODA implementation ecosystem is becoming increasingly fragmented, as is the trend in other OECD-DAC countries. Indeed, the proportion of ODA that is delivered by agencies outside of MOFA, MOEF, and their implementing agencies, has grown from 12% to 34.3% between 2011 and 2018.

Related to the issue of governmental fragmentation is the proportional allocation between the usage of grants and loans. To begin with, the ROK has traditionally sought to disburse 60% of its ODA in the form of grants, which is much lower than the 87% provided by its OECD-DAC peers in 2019. Although this can be attributed to the success that the ROK had with loans during its own development experience, and perhaps the strong influence that the MOEF has over ODA policy as mentioned by some experts, it is generally expected that lower income countries receive a higher share of grants while higher income countries receive a greater share of loans. This relates to the issue of debt sustainability, as countries with lower income levels find it more difficult to repay these loans. Accordingly, the OECD-DAC recommends that the ODA provided to least developed countries be essentially in the form of grants.

However, in the case of the ROK, it seems that there is still little difference in the proportional allocation of grants provided to specific income groups. In 2010, grants represented 62% of the ODA provided to middle income countries and 61% of the support given to least developed countries. Similarly, in 2018, the percentage of grants for upper-middle income, lower-middle income, and least developed countries were 58%, 44%, and 56%, respectively. In fact, as the ROK provides a higher percentage of grants to upper-middle income countries than to least developed countries, it could be important to review the appropriateness of such allocations. Nonetheless, this paper does recognize the advantages provided by loans, and thus concedes that such benefits should be maximized whenever necessary.

31 Bosch, Cerabino, and Elgar, “ODA as a Collective Effort.”
34 OECD, “Korea Peer Review 2012,” 47.
35 OECD, “Development Co-operation Profiles.”
36 Bosch, Cerabino, and Elgar, “ODA as a Collective Effort.”
37 Taekyoon Kim, “Reconsidering Korea’s Aid Policies in the New Era,” 104-105.
38 OECD, “Korea Peer Review 2012,” 53.
40 OECD, “Korea Peer Review 2012,” 53.
42 Taekyoon Kim, “South Korea’s ODA Policies at a Crossroads.”
Moreover, the ROK has concentrated its support towards the partner countries that are in most in need of it.\textsuperscript{43} From 2010 to 2018, its contributions to least developed countries increased from around $401 to $671 million whereas its support to low-middle income countries expanded from approximately $455 to $725 million. Although this represents a decrease from 36.2% to 35.1% and from 41.1% to 38%, respectively,\textsuperscript{44} it is still higher than the 23.8% and 25% provided by its peers in 2018.\textsuperscript{45} Similarly, the ROK’s contributions to fragile contexts have increased from around $423 to $773 million, which is a slight decrease from 43% to 40.5% of its contributions.\textsuperscript{46} However, this is lower than the 58% given by other OECD-DAC donors to fragile countries in 2018.\textsuperscript{47} Nonetheless, it is worth noting that the ROK’s 24 priority partner countries include 12 least developed countries and 8 fragile states, many of which have become the main beneficiary of the ROK’s support.

In addition, the ROK has strengthened its focus on priority sectors of cooperation. This can be confirmed, as the 2012 DAC Peer Review stated that there is “a need for greater focus within Korea’s wide-ranging thematic priorities.”\textsuperscript{48} In response, the 2\textsuperscript{nd} Mid-Term Strategy decided to place additional focus towards the thematic area of health, education and agricultural development, while expanding its support to economic infrastructure and the environment.\textsuperscript{50} As such, dispersed concentration in these strategic areas can be verified through its 2018 sectoral allocations, as the ROK provided 13%, 10%, and 11% of its bilateral funding for the areas of education, health, and agriculture, with even more being allocated to economic infrastructure. Going further, the ROK has identified key sectoral areas of cooperation in each of its priority countries through establishing Country Partnership Strategies.\textsuperscript{51} This approach plays an important role in ensuring that the ROK can build on its own comparative advantages without hindering the ability of other donors to do the same.\textsuperscript{52}

Furthermore, the ROK has made some progress in addressing cross-cutting issues from 2010 to 2018. This can be seen as the ROK’s support towards gender issues increased from 8% to 18% of its overall ODA, which is much lower than the OECD-DAC average of 42%. At the same time, it has slightly improved its support of the environment and climate change. In 2010, its support towards these two issues comprised 14.1% of its total bilateral aid. As of 2018, its support towards the environment and climate change is 10% and 7%, respectively. This is also lower than that of its OECD-DAC peers, who have an average of 33% and 26%,\textsuperscript{53,54}

\textsuperscript{43} OECD, “Peer Reviews: Korea 2018.” \textsuperscript{52}
\textsuperscript{44} OECD, “Development Co-operation Profiles.”
\textsuperscript{46} OECD, “Development Co-operation Profiles.”
\textsuperscript{47} “Compare Your Country,” Compare Your Country (OECD), accessed September 16, 2020,  
\textsuperscript{48} OECD, “Development Co-operation Profiles.”
\textsuperscript{49} OECD, “Korea Peer Review 2012.” \textsuperscript{52}
\textsuperscript{50} “ODA Korea” (Office of Government Policy Coordination, November 10, 2015), http://www.odakorea.go.kr/ODAPage_2018/category02/L02_501_02.jsp, 4.
\textsuperscript{53} OECD, “Korea Peer Review 2012.” 54-56.
\textsuperscript{54} OECD, “Development Co-operation Profiles.”
Finally, the ROK has made significant progress in the area of development effectiveness. In terms of alignment and ownership by partner country, funding recorded in countries’ national budgets went up from 52.5% to 71.9%, while funding through countries’ systems increased from 16.2% to 86.1% and untied ODA increased from 32.3% to 51.8%. With respect to predictability, annual predictability has improved from 73.6% to 93.1% and medium-term predictability has risen from 45.9% to 71.8%. However, there is also room for improvement. This can be confirmed as the area of transparency exhibits less progress. In particular, publishing to the International Aid Transparency Initiative (IATI) was deemed to be in need of improvement. Moreover, there are also areas of progress that were unable to maintain their momentum. For example, the use of country-led results frameworks dropped from 67.9% to 51.5%. Similarly, retrospective statistics decreased from excellent to good, while information for forecasting dropped from good to fair.

<table>
<thead>
<tr>
<th>Korea</th>
<th>Use of country-led results frameworks</th>
<th>Funding recorded in countries’ national budgets</th>
<th>Funding through countries’ systems</th>
<th>United ODA</th>
<th>Annual predictability</th>
<th>Medium-term predictability</th>
<th>Retrospective statistics (OECD CRS)</th>
<th>Information for forecasting (OECD PBS)</th>
<th>Publishing to IATI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>51.5%</td>
<td>71.9%</td>
<td>86.1%</td>
<td>51.8%</td>
<td>93.1%</td>
<td>71.8%</td>
<td>good</td>
<td>fair</td>
<td>needs improvement</td>
</tr>
<tr>
<td>2016</td>
<td>67.9%</td>
<td>60.0%</td>
<td>45.5%</td>
<td>48.7%</td>
<td>92.8%</td>
<td>78.5%</td>
<td>excellent</td>
<td>good</td>
<td>-</td>
</tr>
<tr>
<td>Baseline (2011)</td>
<td>-</td>
<td>52.6%</td>
<td>16.2%</td>
<td>32.3%</td>
<td>73.8%</td>
<td>45.9%</td>
<td>excellent</td>
<td>fair</td>
<td>-</td>
</tr>
<tr>
<td>Overall Trend</td>
<td>-</td>
<td>▲</td>
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**Figure 6: GPEDC Monitoring Results**

In this regard, the ROK demonstrates both strengths and weaknesses in development effectiveness. In terms of alignment and ownership, its funding recorded in countries’ national budgets and its funding through countries’ system is much higher than the OECD-DAC average of 47.9% and 34.5%, respectively. However, its use of country-led frameworks is lower than the OECD-DAC average of 61.2%. More importantly, its provision of untied ODA is lower than the OECD-DAC average of 79.5%. This is particularly concerning because it partially reflects how national commercial interests are engraved into its ODA program. With respect to predictability, the ROK recorded higher average scores in both annual and medium-term indicators, as other OECD-DAC members received an average of 81.5% and 48.4%. Finally, pertaining to transparency, the ROK’s score for the OECD Creditor Reporting System is greater than the average OECD-DAC score, which is between good and fair, while its score for availability on the OECD Forward Spending Survey is similar to its peers. At the same time, the ROK's availability of data on IATI is lower than its counterparts, who received an average score of fair.

In this context, the ROK can put forth its own development cooperation content by utilizing its rich experience of transitioning from a developing to a developed country. To this end, it has continuously improved the Knowledge Sharing Program, which is executed by the EDCC, the Korea Trade-Investment Promotion Agency, and the Korea Development Institute, while creating KOICA’s Development Experience Exchange Partnership in 2012. This knowledge sharing approach has become even more prevalent in 2020, as information on the various practices implemented in the ROK’s response to COVID-19, such as the K-Quarantine model, was widely requested throughout the world. Indeed, the ROK’s continued dedication to knowledge sharing can be demonstrated through its contributions to the G20 in 2010, when it selected knowledge sharing as one of the nine main pillars of the Multi-year Action Plan. Similarly, this commitment towards “mobilizing knowledge and promoting peer learning to achieve sustainable development” was re-affirmed during the United Nations High-Level Political Forum in 2020, when it hosted a side-event on knowledge sharing initiatives. This focus on its sharing its own

56 OECD, “Development Co-operation Profiles.”
58 OECD, “Managing Aid,” 17.
59 Global Partnership for Effective Development Cooperation, “GPEDC Monitoring Excel Database.”
63 Office of Government Policy Coordination, “Achievements and Changes.”
development experience was commended in the 2018 OECD-DAC peer review. Indeed, this can be further affirmed as many other countries such as Rwanda are hoping to benchmark this approach as a part of their own national development cooperation strategy.

B. Multilateral Cooperation

In this sub-section, this paper will affirm that the ROK has become a strong supporter of and sometimes even a ‘trend-setter’ in multilateral cooperation, as demonstrated in the area of environmental multilateralism. In other words, the leadership that the ROK has shown in certain platforms has enabled it to identify niche areas in which it could lead sectoral areas of development cooperation; this selective approach is necessary when considering the ROK’s national size. Indeed, many of these movements were based on its initial success in addressing its own development challenges, which provided the narrative necessary to justify such active initiatives. As such, studies show that, like other middle powers, the ROK turns to multilateral aid when addressing global and regional challenges.

This was possible through the improvements made in its institutional strategy. In the 2012 OECD-DAC Peer Review, it was mentioned that the ROK’s “support to the multilateral system should be more strategic.” In response, in 2016, the ROK released the ‘Multilateral Development Cooperation Strategy’ in 2016, outlining a way forward in channeling its core and earmarked contributions. This strategy has received positive responses, as it was evaluated to outline good practices. Accordingly, the 2018 OECD-DAC Peer Review evaluates the ROK’s multilateral ODA channels as effective. Yet, there have been calls for deeper engagements with fewer platforms to develop even more effective partnerships.

Building on this strategy, the ROK has expanded its leadership in promoting multilateral processes in three ways. First, the ROK has exercised an increased leadership role in the organizations to which it already had membership. This can be seen as the ROK is included in the government structures of all five of its priority partner organizations. Moreover, it chaired the executive board of UNFPA and UNOPS in 2019, while playing a similar role in other organizations, as shown by its vice-chairpersonship of the OECD-DAC. Furthermore, it is included in the governance structure for all eight of the international financial institutions that it contributes to. This is notable considering that there is no other OECD-DAC member included in the governance structures of over six regional development banks.

Second, the ROK has continued to support emerging multilateral funds. For example, it became the first Asian donor to the Global Alliance for Vaccines and Immunization in 2010 and has significantly increased its contributions since then. Moreover, the ROK joined the Global Partnership for Education in 2015. These are some of the many examples of such instances.

Third, the ROK has led the establishment of new global platforms and institutions. This holds true in the thematic sense, as the ROK has played a leading role in the formation of organizations such as MIKTA in 2013, which is a consultative network composed of middle income countries such as Mexico, Indonesia, the ROK, Turkey, and Australia. In this context, this group held its first meeting between development cooperation agencies during the ROK’s chairpersonship in 2020. Moreover, the ROK was one of the

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72 OECD, “Peer Reviews: Korea 2018,” 53.
73 OECD, “Peer Reviews: Korea 2018,” 69.
74 OECD, “Peer Reviews: Korea 2018,” 69.
75 Office of Government Policy Coordination, “Achievements and Changes.”
76 OECD, “Peer Reviews: Korea 2018,” 69.
77 Republic of Korea,” Gavi, the Vaccine Alliance (Gavi, the Vaccine Alliance), accessed September 14, 2020, https://www.gavi.org/investing-gavi/funding/donor-profiles/republic-korea.
founders of regional bodies such as the Trilateral Cooperation Secretariat in 2011.\textsuperscript{81} Similarly, the first development cooperation initiative took place during the ROK’s chairpersonship of the consultative board in 2018.\textsuperscript{82}

Through such active engagements, the ROK has used its position as a middle power to lead global partnerships on specific sectoral issues. Amongst them, the most recognizable is its contribution to environmental multilateralism. Indeed, this proactive multilateral strategy was built on the strong leadership shown by the ROK in promoting green growth at the national level; the GGGI states that the ROK is “the only country so far that has embraced green growth at a scale and speed never been demonstrated elsewhere.” As such, its experiences offer valuable lessons for both developing and developed countries alike.\textsuperscript{83} Currently, much like how it embraced green growth as a response to the Global Financial Crisis in 2008, it is being highlighted for its promotion of the ‘Green New Deal’ as a response to the COVID Pandemic.\textsuperscript{84}

In this context, the ROK used pre-existing engagements in order to facilitate cooperation in this sector. For example, UNESCAP’s East and North-East Asia Office (ENEA) was established in the Republic of Korea in 2010. Subsequently, the North East Asian Sub-regional Programme for Environmental Cooperation relocated its secretariat from the ESCAP headquarters to the ESCAP ENEA office. This decision was finalized in 2011, when the 16th Senior official meeting endorsed the decision to change secretariat status from interim to permanent.\textsuperscript{85} Moreover, the ROK established the Korea Green Growth Trust Fund through the World Bank in 2011.\textsuperscript{86} Through such efforts, it has mainstreamed green growth into the portfolios of various multilateral development agencies.

Furthermore, the ROK has supported the promotion of emerging partnerships on green growth. This can be verified as it was one of the key countries supporting Denmark’s Global Green Growth Forum in 2012,\textsuperscript{87} which later evolved into the Partnering for Green Growth and the Global Goals 2030 (P4G) initiative in 2018. Through this network of governments, businesses, and civil society, the ROK has fostered various multi-dimensional partnerships as a catalyst for green growth.\textsuperscript{88} In fact, the importance of its contributions can be recognized as the ROK decided to host the P4G Summit in 2020 before it was postponed to 2021 due to the COVID-19 Pandemic. Moreover, the ROK remains one of the eight funding partners to the UN Partnership for Action on Green Economy initiative.\textsuperscript{89}

Finally, this can be affirmed by the ROK’s contributions to institutionalizing a global regime for environmental cooperation. That is, it provided the political commitment, during a period where such leadership was absent due to global economic conditions, needed to elevate the Global Green Growth Institute to the status of an international organization at the Rio+20 Conference in 2012.\textsuperscript{90} Building upon this momentum, the ROK became the host for the Green Climate Fund in 2013.\textsuperscript{91} Going further, the ROK also exercised its leadership at the regional level, as it created the East Asia Clean Air Cities in 2016 and the Asian Forest Cooperation Organization in 2018.\textsuperscript{92\textsuperscript{93}}

Through such active engagements, the ROK’s contributions to sectoral issues such as green growth have been ubiquitously recognized. However, although its significant importance cannot be denied, the ROK’s ‘creationist approach’ poses a challenge in terms of effectiveness. This is because it hinders coordination between relevant organizations. Indeed, there are already many overlapping institutional mandates for the area of environmental cooperation.

\textsuperscript{91} "About Us," Green Climate Fund (Green Climate Fund, April 9, 2020), https://www.greenclimatefund.org/about/secretariat/headquarters.
\textsuperscript{92} "Who We Are," East Asia Clean Air Cities (East Asia Clean Air Cities), accessed September 14, 2020, https://www.eacac.net/who-we-are.
Concurrently, despite its initial progress, there have been concerns raised towards the ROK’s unambiguous commitments for its first set of Nationally Determined Contributions (NDCs).\(^{94}\) Indeed, a revision in the low-carbon green growth law in 2019 has changed the target for the ROK’s emission reductions from 37% to 24.4% until 2030. Accordingly, it seems that the government will submit the same NDCs in 2020 as it did in 2015.\(^{95}\) Moreover, the actualization of such climate action has the potential for further improvements, particularly because its progress thus far is still below the average of its OECD-DAC counterparts.\(^{96}\) In this regard, it seems that the ROK does not necessarily follow the traditional approach of fully achieving national success prior to spearheading international efforts. Rather, after initial domestic success, it positions itself as a leader in the relevant global agendas, using progress in one area as a means of promoting the other. This interplay that occurs between the ROK’s domestic and international processes is worth further consideration going forward.

C. Normative Contributions

In this sub-section, this paper will argue that the ROK has played a significant role as a normative ‘bridge’ between developed and developing countries throughout a range of global fora on development issues. This was possible because of the ROK’s unique position in the international community. That is, its geopolitical location in East Asia, history of having been a least developed country, and current diplomatic position as a middle power, among other factors, have placed it in a position where it is not misconstrued to be seeking control over key agendas. Through this brokering role, the ROK was able to contribute towards overcoming deadlocks in many multilateral negotiations.\(^{97}\) In particular, this holds true in regard to the discussions on the agenda of ‘effective development cooperation.’

This discussion is important because there are currently no universal norms and standards, amongst other things, incorporating the perspectives of all development cooperation actors. Such agreements are needed because of two rising challenges. The first pertains to the fact that traditional donor dynamics are rapidly and significantly changing. Partner countries are becoming increasingly less reliant on ODA while the objective of development cooperation is increasingly reflecting national interests. As such, many aspects of the ‘aid effectiveness agenda’ have begun to lose relevancy. The second reason can be attributed to the emergence of important development actors, particularly those from the south. Although there have been signs of recent progress, there is still no consensus within this group. Accordingly, the discussion on new global norms and standards could play a significant role in ensuring that all stakeholders contribute to the effective implementation of the 2030 Agenda.\(^{98}\)

Such dialogues began in 2010, when the ROK chaired the G20 summit, becoming the first non-G-7 country to do so. Based on its recent experience as an emerging economy, the ROK proposed that the G20 introduces topics that address the needs of non-G20 countries, resulting in the first development agenda. This was commendable because the club was comprised of both donor and recipient countries, leading many to argue that the G20 was not the right place for such discussions. As such, there had been much resistance on expanding the role of the G20 to include such topics until that point.\(^{99}\) Yet, through the leadership of the ROK, the G20 agreed to the Seoul Development Consensus for Shared Growth, confirming its commitment to work with developing countries. Moreover, this was supported by the Multi-Year Action Plan on Development, which served as a framework to pursue such objectives.\(^{100}\)

In the following year, the ROK hosted the 2011 Busan High-Level Forum on Aid Effectiveness. This event sought to discuss the relevance of the aid effectiveness agenda, especially in the wake of an evolving

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\(^{94}\) OECD, “Peer Reviews: Korea 2018,” 26-29.


\(^{96}\) “Measuring Distance to the SDG Targets – Korea,” OECD library (OECD), accessed September 14, 2020, https://www.oecd-ilibrary.org/sites/a8c4fa3f-112-2179-index.html?itemId=/content/publication/a8c4fa3f-en&_csp_=.c5c1432b7a7e6f5a0442ba189c039&itemIGO=oecd&itemContentType=book.


development landscape that was being increasingly influenced by the contributions of emerging actors. In this regard, the leadership exercised by the ROK brought together traditional DAC donors, emerging economies, and partner countries, along with a plurality of other actors, to jointly contribute to development cooperation. This has enabled it to successfully bring in actors, including some of the BRICS members, that were until then relatively disengaged from such discussions. Accordingly, this forum symbolized a paradigm shift from ‘aid’ to ‘development’ effectiveness, that is, from a system that only recognizes traditional ODA contributions to one that is inclusive of the support provided by all actors. This was captured by the Busan partnership for Effective Development Cooperation, which was the first institutional agreement on development cooperation that embraced traditional donors, South-South cooperation providers, and non-state actors.

This led to the creation of the Global Partnership for Effectiveness Development Cooperation (GPEDC), which includes the ROK as a member of its steering committee from 2012 to 2015, and again from 2019 onwards. As a multi-stakeholder forum jointly led by actors from both the North and South, this forum seeks to strengthen the development effectiveness of all stakeholders by using a country-led monitoring methodology. Moreover, it also supports mutual capacity building and knowledge sharing, while furthering collective understanding on development effectiveness within specific thematic contexts through its network of Global Partnership Initiatives. Indeed, the GPEDC is important as it is a unique platform where inclusive discussions on effective development cooperation can become mainstreamed as a widely-accepted global narrative. In this context, the ROK has been annually hosted the Busan Global Partnership Forum from 2014 to 2017 while hosting it bi-annually from 2019 to further complement such efforts. However, it is important to note that many of these efforts took place in parallel, rather than in coordination, with the UN Development Cooperation Forum (UNDCF), limiting the potential for a uniform set of global principles, norms, and mechanisms.

Nonetheless, such experiences have enabled the ROK to facilitate relevant discussions on key topics through a plethora of different platforms. For example, the ROK is a strong advocate of ‘co-prosperity’ within its external engagements, as can be seen its ubiquitous appearance throughout a variety of documents such as the New Southern and Northern Policy. Against this backdrop, the ROK led a discussion on ‘Promoting Co-Prosperity to Achieve the SDGs’ during the 2019 Seoul ODA International Conference. Although this topic was previously linked, often justifiably, to concerns regarding the potential exploitation of partner countries, such initiatives contributed to promoting the narrative that co-prosperity can also strengthen the sustainability, equity, and inclusiveness of donor initiatives.

Accordingly, the ROK’s ability to successfully propose alternative global norms has been widely acknowledged by its OECD-DAC peers. In the 2018 DAC Peer Review, it was stated that the ROK “is highly active on the global stage, playing a key role to drive global agreements on sustainable development.” In particular, its brokering role between developed and developing countries to facilitate the agenda on development effectiveness was positively highlighted. Indeed, this was only possible because of its unique position in the international community, which is an exclusive advantage unavailable to other OECD-DAC donors. Therefore, many experts seem to agree that the ROK has exerted a level of influence far beyond its national size.

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3. The Way Forward

Despite having been a least developed country afflicted by extreme poverty and conflict, the ROK has now solidified its position as a developed country. This highlights the importance of development cooperation in facilitating such monumental changes, and more importantly, the underlying potential of all countries in the global south. Yet, the ROK does not only play a symbolic role; instead, it actively contributes to the realization of such potential. Indeed, through continual institutional progress, the ROK has affirmed its position as an important provider of development cooperation by acquiring membership to the OECD-DAC.

In this context, the international community has now entered the SDG decade of progress during a period of much uncertainty. Taking this into consideration, this paper sought to provide a much-needed reflection into the progress made by the ROK during its 10-year tenure in the OECD-DAC, particularly regarding its bilateral and multilateral cooperation, as well as its normative contributions to global debates on development. Having done so, it would like to posit two overarching observations.

The first is that the ROK has succeeded in creating a fully-fledged ODA system that mostly meets the ‘advanced’ standards expected of an OECD-DAC member. Such accomplishments were completed in an incredibly short amount of time, which can be attributed to its own experiences as a developing country. This is because many of the characteristics of its approach, ranging from its aid modalities and areas of sectoral advantage to the thematic areas of its multilateral and normative contributions, are based on the lessons learned through its development journey. Moreover, this was also possible through the guidance provided by the OECD-DAC, particularly through the group’s peer reviews. Indeed, the ROK implemented, either partially or fully, 87% of the recommendations provided in its first peer review.111 As such, the ROK could continue to build on these areas.

The second is that there are still challenges ahead; certain aspects of the ROK’s development cooperation approach do not fully adhere to OECD-DAC norms. Some of these issues, such as its dichotomized ODA governance system, are unique to the ROK. This is problematic as this hinders the coordination needed to facilitate an integrated approach to development cooperation. Other issues, such as having a fragmentated ODA implementation ecosystem, are common concerns that are inherent in even the most ‘advanced’ of donors. Some can even be attributed to the rapidly and drastically changing nature of the overall aid architecture, which requires all donors to re-vamp their ODA approach to include principles such as but not limited to sustainability, inclusivity, and effectiveness. Accordingly, it will be equally important for the ROK to exert similar efforts to overcome such limitations.

As such, this paper aims to highlight the way forward in this section, so as to further advance its position as a donor. This begins with a general recommendation for its quantitative contributions. To be more specific, the ROK could make efforts to sustain progress in furthering its ODA contributions to 0.3% of its GNI by 2030, which was particularly empowered by the expected increase of 19% for its 2021 ODA budget.112 In order to do so, the ROK could continue to use its innovative public awareness tools to create a national narrative that can garner additional public support for such expansions.113 This is necessary, as a public poll taken in 2019 reveals that only 20.9% of citizens showed support towards such changes.114 Building on this, this paper would like to conclude by highlighting some specific recommendations towards the qualitative aspects of the ROK’s contributions to development cooperation. This includes three main recommendations, substantiated by multiple sub-recommendations, on the way forward in the SDG Decade of Action.

In regard to bilateral cooperation, this paper advocates that the ROK build on its role as a knowledge broker. This entails that the ROK continue to build upon the areas in which it has already excelled while displaying a high level of ambition to rapidly improve the aspects of its ODA approach that require additional progress. In this regard, the ROK could build on its experiences to not only inform its own cycle of learning, but also contribute in supporting such processes in other countries.

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111 OECD, “Peer Reviews: Korea 2018,” 12.
113 Taekyoon Kim, “South Korea’s ODA Policies at a Crossroads.”
- This could begin by making additional improvements at the institutional level. As the new mid-term strategy will be deliberated upon soon, this opportunity could provide the guidance necessary to empower a ‘whole-of-society’ approach that can account for the increasing number of actors in the ROK’s development cooperation ecosystem. Indeed, this could complement recent efforts to create a secretariat for the CIDC.115 Such changes could play an important role in strengthening the policy coherency needed to alleviate the governance issues between grants and loans.116

- Moreover, additional progress could be made to institutionalize an appropriate standard for proportionally allocating grants and loans to specific income groups, particularly least developed countries. Although the mid-term strategy for 2016-2020 states that countries in this income group will receive a higher percentage of grants,117 this could be more specific, so as to go beyond symbolic adherence.

- In addition, the ROK could build on its support towards least developed countries by strengthening its engagement with fragile states. In this regard, the New Southern and Northern Policy could be used as a basis to focus its support towards such countries, particularly in the context of Asia.

- Furthermore, the ROK could build on the progress made in establishing sectoral areas of comparative advantages by mainstreaming cross-cutting issues across its development cooperation portfolio. In doing so, it is important to go beyond the low-hanging fruit of simple and incremental modifications, rather moving towards concerted and sustained change at different systematic levels.118119 In this regard, this paper welcomes the efforts of the ROK to strengthen its Green ODA by linking its domestic SDG debates, such as the Green and Digital New Deal, to its development cooperation initiatives.120 Building upon such actions could help create synergies between its bilateral and multilateral priorities.

- Moreover, in the area of development effectiveness, the ROK could complement its normative contributions through leading by example. This can be done through maintaining the progress previously made in areas such as usage of country-led frameworks, middle-term predictability, and information for forecasting, which would put it above or similar to the averages of other OECD-DAC donors. More importantly, additional efforts could made to untie aid. Accordingly, although this paper acknowledges the commitment to maintain the current increasing trend,121 there is a need for a more ambitious approach, especially when considering the stagnation that has been taken place in recent years and the fact that its objective is currently set below the OECD-DAC average. Similarly, more intensive efforts could be made to strengthen the availability of data on IATI. For this reason, this paper welcomes the efforts made to improve the transparency of its ODA data through means such as enhancing its integrated reporting system. Moreover, it positively highlights the recent improvements it has made in utilizing this system, as it has improved its score from ‘poor’ to ‘good.’122

- Finally, the ROK could build upon the progress made thus far with its various knowledge exchange programs to further create its own national brand of ODA. In this regard, it is important that the ROK seeks to provide an ‘alternative’ rather than a one-size-fits-all’ model. To this end, the ROK could strive to provide a development cooperation approach that incorporates an appropriate balance between relevant international standards, the

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119 “Greening Development Co-Operation” (OECD, October 15, 2019), https://www.oecd-library.org/sites/62cc4634-en/index.html?itemId/content/publication/62cc4634-en&_csp_=ffbf48d394bc55639a880a0b0f00af3&itemIdGO=oecc&itemContentType=book
changing global political economy, and the ROK’s own distinct experience.123 Moreover, the ROK could consider ‘state-of-the-art’ principles in knowledge sharing when doing so.124 Taking such insights into consideration, one area of expertise in which the ROK could share its experience is development cooperation. On the supply side, the rapid learning that it has experienced with its own ODA approach during the past decade could play a significant role in enabling emerging donors to become more effective contributors to sustainable development. Moreover, on the demand side, this could accommodate the emergence of relatively new development actors; even low-income countries and fragile countries have begun engaging in these practices through South-South and Fragile-to-Fragile initiatives. Thus, as these actors are still in their initial operational stages, knowledge exchange on the issue of development cooperation could be a need that the ROK could uniquely fulfill.

In terms of multilateral cooperation, this paper asserts that the ROK could continue to capitalize on its role as a supporter and sometimes a ‘trend-setter’ in effectively addressing global challenges, particularly in the area of environmental multilateralism. Furthermore, the ROK could build on the success that it has in overcoming development challenges to facilitate regional cooperation in Asia, which has accrued less institutionalized progress compared to other regions. Indeed, this would be appropriate when considering the ROK’s increasing emphasis on the New Southern and Northern Policy.

- Accordingly, this paper welcomes the efforts being made by the ROK to further develop more strategic relationships, based on the utilization of innovative cooperation modalities, with its priority partners within the United Nations and Multilateral Development Banks. Indeed, the ROK is a strong advocate of multi-bi modalities with United Nation agencies as well as one of the leading donors to Multilateral Development Banks.125 Moreover, it supports the efforts to cooperate with new priority partners, such as the GCF and the GGGI, that operate in specific areas of sectoral advantages.126 However, in this process, it could be important to ensure that its increasing support to, and establishment of, a broad array of different organizations is not prioritized over the realization of sustainable development.

- In addition, the ROK could use its leading position in a multitude of multilateral engagements to promote key development cooperation issues throughout a variety of different international institutions. This could take place by continuing to facilitate the agenda on development cooperation within regional organizations such as the Trilateral Cooperation Secretariat, or perhaps even the ASEAN+3 platform, and thematic organizations such as MIKTA. These development cooperation agendas could initially be focused on sectoral areas of mutual interest, such as climate change and health.

- Continuing on, the ROK could better promote sectoral multilateral trends through further leading by example. In the area of environmental multilateralism, this could be done by enhancing its NDCs during the next set of submissions and by mobilizing the domestic effort needed to realize such ambitious objectives. Indeed, the ‘UN Group of Friends for Global Health Security’ initiative recently launched by the ROK was significantly empowered by its innovative domestic response to COVID-19.127

Pertaining to its normative contributions to global debates on development, this paper posits that the ROK could continue to use its role as a bridging actor to facilitate the discourse needed to reach additional agreements on effective development cooperation.128 To this end, this would take place by taking a much more pro-active role in a number of international fora regarding the future of development cooperation. This would allow it to play a leading role in the promotion of emerging concepts and norms.

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125 OECD, “Development Co-operation Profiles.”
One way that the ROK could do so is by enhancing the partnership between the GPEDC and the UNDCF. Indeed, as an active contributor to both platforms, the ROK is in the unique neutral position capable of addressing the dichotomy between them. In this context, further clarity in the delineation of respective functions could be an initial focus area, while the integration of similar functions is a more ambitious way forward.

Another way would be to utilize the opportunity presented by its recent invitation, if officially provided, as an member of the expanded G7 to actively contribute to, and eventually set, development agendas, much like it did during its chairpersonship of the G20. Given its unique position, the ROK could provide perspectives that normally would not be found in such ‘advanced’ forums.

Finally, the ROK could use its brokering position to promote the concept of development effectiveness across various sectoral areas of cooperation. In particular, the area of green growth would be one area that the ROK may be uniquely positioned to do so.

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