

# ODA

Official Development Assistance

**ODA Korea**  
Sharing Hope  
Sharing Future



# Korea

Official  
Development  
Assistance

## Sharing Hope, Sharing Future



To support the sustainable development of developing countries, we plan to more than double our ODA by 2030.  
President Moon Jae-in of the Republic of Korea (2019. 6)



The Republic of Korea has been extremely successful in addressing COVID-19. I hope that this example of the Republic of Korea will be followed by many other countries in the world.  
António Guterres, Secretary-General of the United Nations (2020. 5)



Korea, which serves as vice-chair of the OECD DAC, has been the driving force behind the global development and inclusive growth agenda and a source of inspiration for developing countries.  
Angel Gurría, Former OECD Secretary-General (2020. 11)



Korea is playing a role as a bridge in the international community as a responsible middle-power based on its own development experience.  
2018 OECD DAC Peer Review (2018.2)

Detailed information about the ODA of the Republic of Korea can be found on the website below.

**ODA Korea website:** <http://www.odakorea.go.kr>

**Issued by:** Committee for International Development Cooperation (Office for Government Policy Coordination, Ministry of Economy and Finance, Ministry of Foreign Affairs) | Government Complex 1, Sejong, 261, Dasom-ro, Sejong, Republic of Korea

## What is Official Development Assistance?

Official Development Assistance (ODA) refers to the flow of aid, including financial resources and technical cooperation, from donor countries to developing countries and multilateral agencies. ODA aims to promote economic development and social welfare in developing countries.



## Why do we provide ODA?

Global problems are on the rise with the rapid onset of globalization. These problems include climate change, environmental degradation, terrorism, communicable diseases, etc. and they require nations around the world to work together to resolve them. This is because global problems are more complex and nations around the world are more closely linked to each other than ever before. For example, we have witnessed that global poverty is no longer a singular problem that can be resolved by bringing about economic and social development, but is sometimes deeply intertwined with war, conflict, political instability, and/or climate change. Thus, tackling poverty requires a multi-faceted approach.

Also, as the global community has been working together under the leadership of the UN, Korea has been steadily increasing its ODA volume to help reduce poverty and bring peace and security to the world.

# 01

## Korea and ODA

Korea has a long history as an ODA recipient. From the ashes of the Korean War, Korea found an opportunity to escape from being the world's poorest country with aid from the global community. In particular, the inflow of foreign capital following the economic development policies instituted after the 1960s became the bedrock of the miraculous growth of Korea. Korea's development is recognized as an exemplary model for economic and social development based on ODA from the global community.



### Post-war Recovery and Grant Aid: Focused on Emergency Relief (1945-1961)

- 1945 Receipt of administrative relief assistance from the United States
- 1950 Receipt of civilian relief and reconstruction aid from the United Nations
- 1953 Receipt of economic rehabilitation aid from the United States
- 1958 Establishment of the National Medical Center



Unloading of American aid grain at the port of Busan (1957)



Delivery of relief supplies by the United Nations Korean Reconstruction Agency (UNKRA) (1959)

### Economic Growth and Loan Assistance: Focused on Development Loans (1962-2000)

- 1966 Establishment of the Korea Institute of Science and Technology (KIST)
- 1970 Completion of Gyeongbu Expressway
- 1973 Completion of construction of POSCO
- 1976 Establishment of Daejeon Vocational Training Center and Korea-Belgium Changwon Vocational Training Institute
- 1997 Application for IMF debt relief
- 2000 Removal of Korea from the list of DAC recipient countries



Groundbreaking ceremony for Gyeongbu Expressway (1968)



POSCO

### ODA Activities of Korea



Caracol secondary school establishment project in Haiti



Long Xuyen sewerage, drainage and wastewater treatment system project in Vietnam

With the launch of the Economic Development Cooperation Fund (EDCF) and the Korea International Cooperation Agency (KOICA), Korea began to provide assistance in earnest to developing countries in the 1980s. In 2010, Korea became a member of the Development Assistance Committee (DAC) of the OECD and officially established itself as a donor country. Based on its successful development experience, Korea is making efforts to build a new paradigm for development cooperation by acting as a bridge between developed and developing countries.



### Beginning of Korea's Aid Activities with the Invitation of Trainees (1963-1986)

- 1963 Invitation of trainees to provide training sessions for the first time
- 1967 Conducting of first expert dispatch projects
- 1969 Beginning of technical cooperation projects
- 1977 First grant of equipment and materials

### Full-scale Assistance Through the Establishment of Aid Organizations (1987-2009)

- 1987 Establishment of the EDCF
- 1989 Launch of the "Overseas Youth Volunteer Group" program
- 1991 Establishment of KOICA
- 2006 Establishment of the Committee for International Development Cooperation (CIDC)
- 2009 Launch of World Friends Korea (WFK)



Joined as 24th member of OECD DAC



KOICA signboard-hanging ceremony



EDCF signboard-hanging ceremony

### Advancement as a Major Aid Donor by Joining OECD DAC in 2010 (2010-present)

#### Global Leadership Demonstration

- 2010 Holding of the 2010 G20 Summit
- 2011 Holding of the 4th High Level Forum on Aid Effectiveness (HLF-4)
- 2016 Appointment as chair of the Multilateral Organisation Performance Assessment Network (MOPAN)
- 2019 Appointment as vice-chair of OECD DAC
- 2021 Holding of P4G Seoul Summit

#### System Improvement

- 2010 Enactment of the Framework Act on International Development Cooperation
- 2019 Establishment of the Basic Policy for Government-Civil Society Partnership
- 2020 Full revision of the Framework Act on International Development Cooperation
- 2021 Establishment of the Office for International Development Cooperation and Strategy Meeting on Development Cooperation



Unexploded bomb removal support project in Laos



Tablet-based child education app development project in Tanzania

# 02

## International Efforts for Development

### Start and Progress of International Development Cooperation Discussions

The Marshall Plan, which was sponsored by the US to ensure the rehabilitation of Europe after World War II, is considered the start of international development cooperation. In the 1960s, major developed countries established ODA institutions, and in the 1970s, began to focus on reducing poverty and resolving inequality. In the 1980s, development cooperation was set aside as a result of neo-liberalism and the spotlight was placed on debt issues.

In the 1990s, the transition of socialist economies into capitalism became the key issue.

### Sophistication of International Development Cooperation Discussions in the 21st Century

In the 21st century, development cooperation has been identified as an issue that requires joint global action. Accordingly, the global community endorsed the Millennium Declaration at the UN General Assembly in September 2000 and announced the Millennium Development Goals (MDGs) to eradicate extreme poverty in the following year.

Furthermore, in September 2015, the UN General Assembly adopted the Sustainable Development Goals (SDGs) for the years 2016 through 2030. The SDGs build on the outcomes and limitations of MDGs and consist of 17 goals and 169 target goals. In particular, SDGs can be differentiated from previous development goals with common goals set for both developed and developing countries and the objective of promoting balanced growth in social, economic and environmental sectors.



Tuberculosis management project in Morocco

**Sustainable Development Goals (SDGs)**



Community credit cooperative project in Laos

# 03

## Basic Spirit and Goals of Korea's ODA

The basic spirit and goals of Korea's ODA are included in the Framework Act on International Development Cooperation. As the philosophy and foundation of ODA Korea, the basic spirit of ODA serves as the basis for all decision-making related to policies and delivery of ODA in Korea. And it provides the following basic spirit, goals and principles.

### Basic Spirit

International Development Cooperation pursues the following as its basic spirit

- ❖ Poverty reduction in developing countries
- ❖ Protection of the human rights of women, children, people with disabilities, and youth
- ❖ Realization of gender equality
- ❖ Achievement of sustainable development
- ❖ Realization of humanitarianism
- ❖ Promotion of economic cooperation with partner countries
- ❖ Pursuit of peace and prosperity in the international community

### Goals

International Development Cooperation aims to

- ❖ Reduce poverty and improve quality of life in developing countries
- ❖ Develop developing countries and improve all systems and conditions for such development
- ❖ Promote cooperative relations and mutual exchanges with developing countries
- ❖ Contribute to solving relevant global problems
- ❖ Contribute to the achievement of the Sustainable Development Goals (SDGs)



Ethiopian food aid project

“The Framework Act on International Development Cooperation... aims to contribute to the co-prosperity of humanity and world peace through international development cooperation.”

### Principles

- ❖ Respect the principles of the UN Charter
- ❖ Support the self-help efforts and capability-building of developing countries
- ❖ Respect the development needs of developing countries
- ❖ Expand the sharing of development experiences
- ❖ Promote mutual harmony and cooperation with the international community
- ❖ Strengthen the linkage between bilateral and multilateral cooperation
- ❖ Strengthen the linkage between loan assistance and grant aid



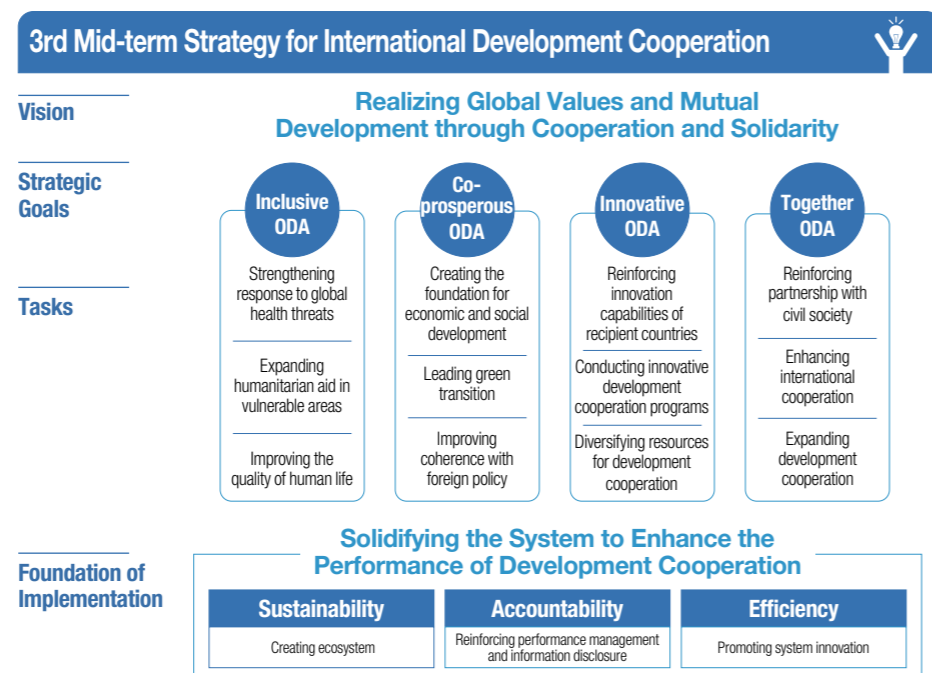
Overseas emergency rescue activities in the Philippines (Tacloban, Philippines)

## Direction of Korea's ODA

Korea has rapidly increased the volume of its ODA since joining the OECD DAC and is on route to becoming an advanced donor country. Furthermore, in its Peer Review in 2012 and 2017, the OECD DAC positively evaluated the role of Korea as a key bridge between developing and developed countries and its leadership in reinforcing development effectiveness in the global community.

Since joining the OECD DAC in 2010, Korea has nearly tripled its ODA budget as of 2021 (KRW 1.3 trillion in 2010 to KRW 3.7 trillion in 2021), and is making a continuous effort to expand its ODA through the plan to double the scale of its ODA compared to 2019 by 2030.

In particular, through the 3rd Mid-term Strategy for International Development Cooperation (2021-2025), the vision of “realizing global values and mutual development through cooperation and solidarity” was set, and four strategic goals—Inclusive ODA, Co-prosperity ODA, Innovative ODA, and Together ODA — and 12 key tasks were presented. In the process of promoting these goals and tasks, Korea plans to further expand the participation of civil society, academia, and corporations in the field of development cooperation and continue efforts to enhance transparency.



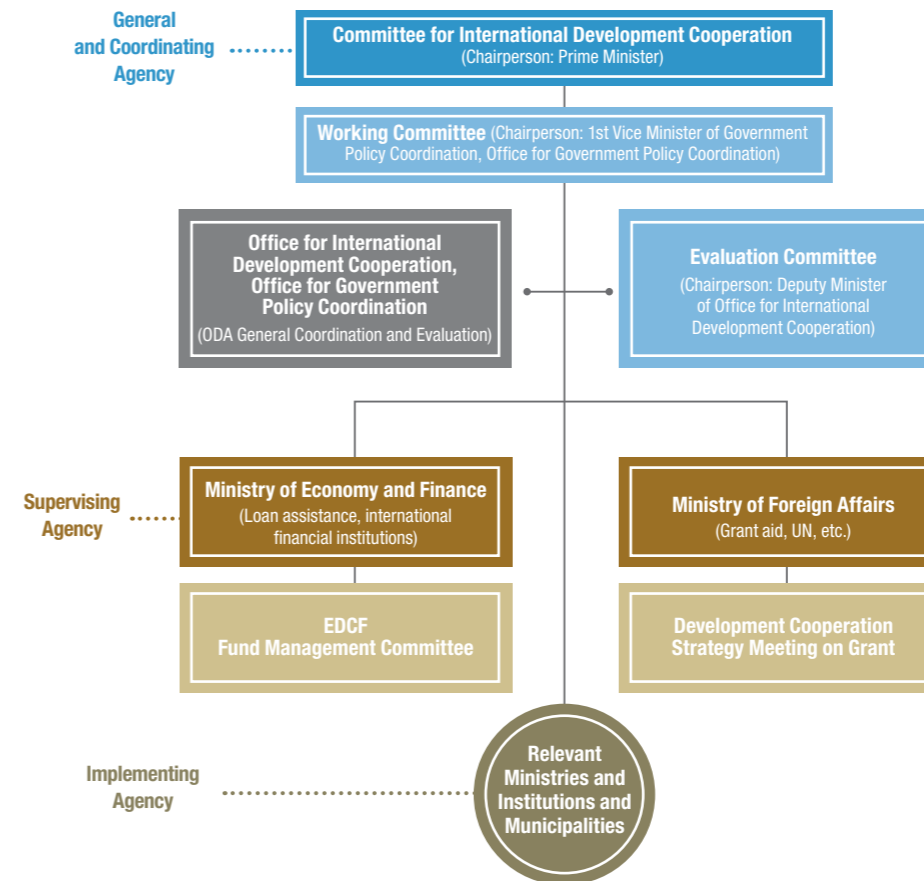
Myanmar K-Lab installation and operation project



Filipino vocational competency strengthening project for the urban poor

## Korea's ODA System

According to the Framework Act on International Development Cooperation, Korea's ODA system consists of a three-tiered structure: 1) general and coordinating agency, 2) supervising agency, and 3) implementing agency. The Committee for International Development Cooperation is the highest body that oversees and coordinates ODA plans, strategies, and policies. The Ministry of Economy and Finance and the Ministry of Foreign Affairs are in charge of policy establishment, project review and adjustment in concessional loans and grants assistance, respectively. Based on this structure, about 40 implementing organizations are carrying out ODA projects. Under this structure, the government ensures the harmonious and integrated ODA operation while using expertise of each institution. In February 2021, the Office for International Development Cooperation and Development Cooperation Strategy Meeting on Grant were established to strengthen the integrated coordination for ODA within the government.



Myanmar legal information system construction project



Tanzania construction of data centers for national ID system project

# 06



## Korea International Cooperation Agency (KOICA)

KOICA was established in April 1991 as a government-funded agency with the purpose to enhance the effectiveness and efficiency of Korea's ODA by unifying the segmented aid programs implemented by different ministries. Based on Korea's development experience and unique know-how, KOICA endeavors to end poverty across the globe and support sustainable socio-economic development of partner countries, and in doing so, strengthens Korea's friendly ties with partner countries. To meet these objectives, KOICA carries out various development cooperation activities such as projects, overseas volunteer groups, global training, public-private partnership, overseas emergency relief, and cooperation with international organizations, focusing on key areas such as healthcare, education, governance-peace, agriculture and fisheries, technology-environment-energy, and cross-cutting issues.

KOICA plays a role as a platform for nationwide participation in development cooperation through partnerships with various actors, such as governments, public institutions, NGOs, companies, academia, and citizens participating in international development cooperation.

KOICA's development cooperation projects not only contribute to eradicating global poverty and solving various global issues, such as environment, population, disease, and human rights issues, but also foster global talent and help Korean companies advance into global markets, thereby greatly contributing to mutually beneficial development between Korea and developing countries.



Provision of K-Quarantine products to Cote d'Ivoire



Project for the construction of Indonesia's Citarum River Flood Prediction System



In particular, during the COVID-19 crisis in 2020, 38 million people around the world received help through support programs driven by KOICA, such as rapid support for quarantine products and diagnostic equipment. Celebrating its 30th anniversary in 2021, KOICA is dedicated to practicing global social values and fulfilling its role as a leading global development cooperation organization through mutual development and cooperation activities for people-oriented peace and prosperity.

# 07

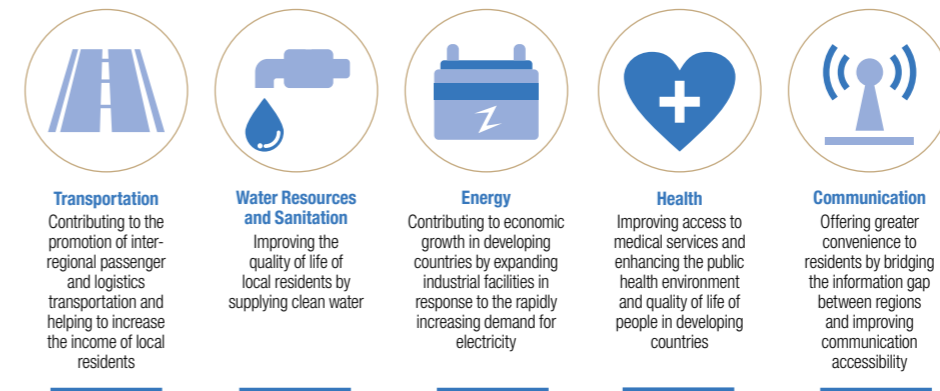


## Economic Development Cooperation Fund (EDCF)

The EDCF was established by the Korean government in 1987, to promote economic exchanges between Korea and developing countries and assist the developing countries in achieving industrialization and economic development. It provides the concessional loan on which the recipient country pays the principal and interest. The responsibility of making decisions on EDCF's financing policies rests with the Ministry of Economy and Finance (MOEF). Entrusted by MOEF, the Export-Import Bank of Korea conducts the operation and management of the EDCF.

The EDCF supports economic and social infrastructure construction projects in various developing countries, including transportation, water resources and sanitation, energy, health, education, and ICT. It secures financial resources through package support linking the EDCF, development finance, and export finance and expands cooperative loan projects with multilateral development banks (MDBs) to meet the rapidly increasing demand for large-scale infrastructure development in developing countries, while promoting the sustainable growth of developing countries and economic exchange with Korea in response to changes in the internal and external development cooperation environment.

Based on Korea's development experience, through which the country got back on its own two feet after receiving international aid, the EDCF aims to provide high-quality aid for economic development in developing countries.



In particular, in the face of the COVID-19 crisis in 2020, the EDCF minimized the economic and social damages within developing countries by providing a total of USD 480 million in emergency health sector and strengthened global solidarity through "K-Quarantine" (strategy used by the Republic of Korea during the COVID-19 pandemic to limit the spread of the virus).



Vietnam Vam Cong Bridge construction project

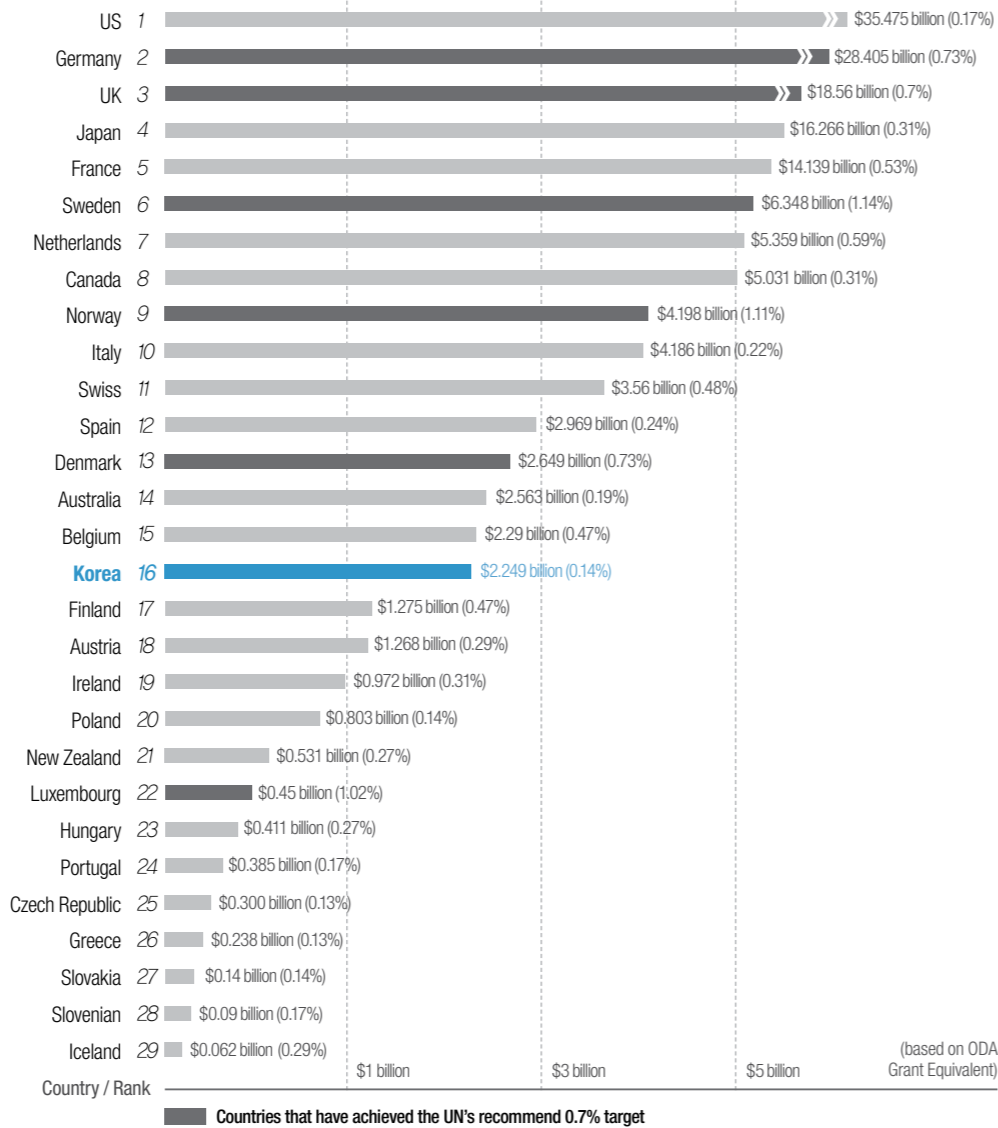


Establishment of Children's Medical Center project in Uzbekistan

## Korea's ODA Status (I): Overall Scale

In 2020, Korea's ODA totaled about 2.2 billion USD (based on ODA Grant Equivalent), ranking 16th among 29 OECD DAC members. Korea's ratio of ODA to gross national income (GNI) is 0.14%, ranking it 25th among DAC member countries. At the G20 Summit held in Osaka, Korea announced its goal to more than double its ODA by 2030 from its 2019 level, and to this end, it is continuously expanding its ODA.

2020  
OECD  
DAC



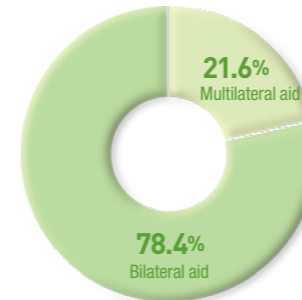
Laos, Integrated irrigated agriculture and rural development project



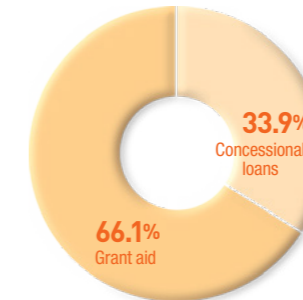
Nepal reconstruction and restoration support

## Korea's ODA Status (II): Detailed Status

Korea's ODA support method is divided into bilateral aid, which is directly provided to developing countries, and multilateral aid, which is provided through cooperation with international organizations. The ratio of bilateral to multilateral aid has been around 80:20 over the past four years. Bilateral aid is divided into grant aid and concessional loans depending on whether developing countries are obligated to repay. The ratio of grant aid to concessional loans has remained at about 40:60.

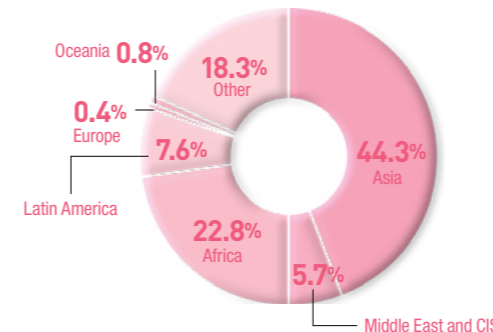


◆ Status of Bilateral and Multilateral Aid (2020) (Donation Equivalent Amount)

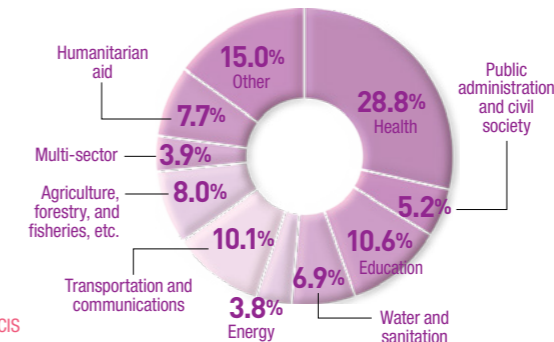


◆ Proportions of Loan Assistance and Grant Aid in Bilateral Aid (2020) (ODA Grant Equivalent)

Korea has focused on ODA support for the Asian region, followed by Africa, Latin America, and the Middle East and CIS. This Asia- and Africa-centric support will continue in the future. By income group, it is focusing on supporting the least developed countries that need the most development resources. By field, the focus is on health, education, and transportation/communication support, and Korea is planning to further expand the support for health and medical care in order to support developing countries' responses to COVID-19 in the future.



◆ 2020 Regional Support (ODA Grant Equivalent)



◆ 2020 Sectoral Support (ODA Grant Equivalent, Excluding other Sectors)



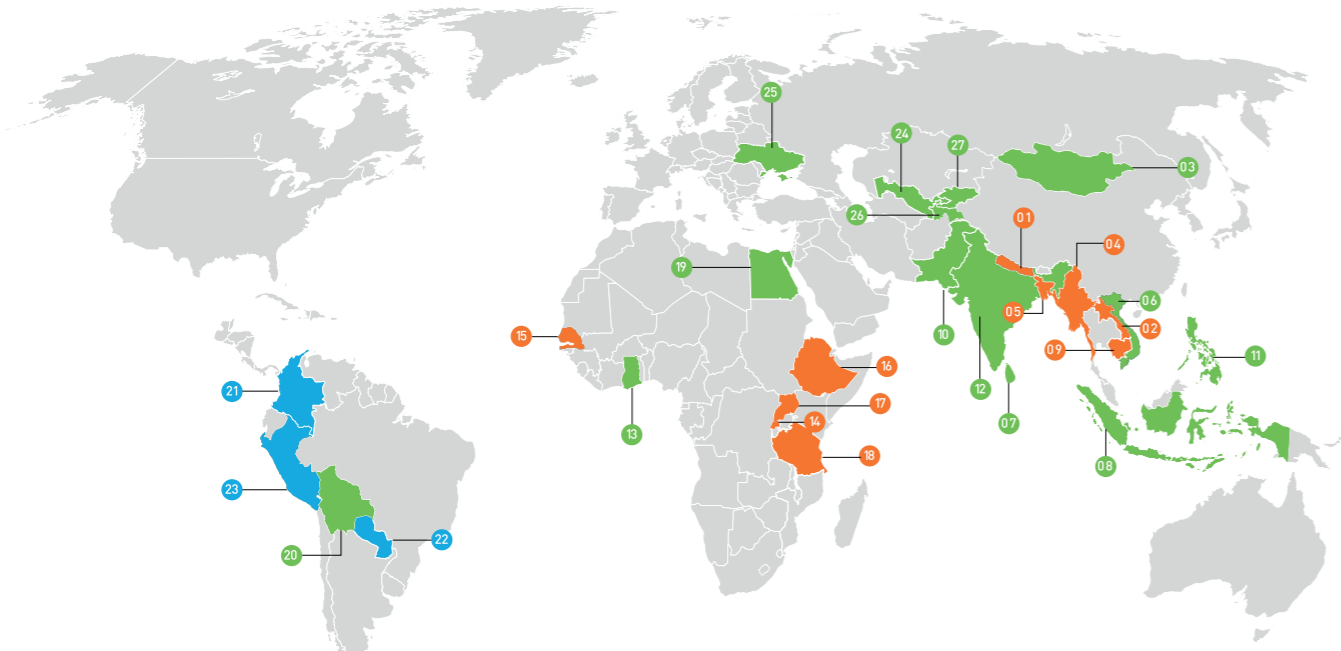
Operation management consulting business for Muhimbili Medical University Hospital in Tanzania



Provision of ambulance project in Mozambique

## Korea's ODA Status (III): Priority Partner Countries

Korea has selected 27 priority partner countries out of 130 partner countries based on their income level, political situation, diplomatic relations with Korea, and economic cooperation potential. To enhance aid effectiveness, the Korean government aims to concentrate at least 70% of its bilateral ODA on assisting the 27 priority partner countries. The priority partner countries are selected every 5 years after an evaluation at the Committee for International Development Cooperation.



■ Least Developed Countries  
■ Lower Middle Income Countries  
■ Upper Middle Income Countries

Asia (12)	Africa (7)	Latin America (4)	Central Asia (4)	Total
01 Nepal 20,29	13 Ghana 21,95	20 Bolivia 19,89	24 Uzbekistan 59,73	10 least developed countries
02 Laos 61,41	14 Rwanda 21,03	21 Columbia 24,29	25 Ukraine 0,85	14 lower middle-income countries
03 Mongolia 45,93	15 Senegal 34,21	22 Paraguay 14,23	26 Kyrgyzstan 9,37	3 upper middle-income countries
04 Myanmar 84,78	16 Ethiopia 71,46	23 Peru 15,38	27 Tajikistan 3,49	27 countries in total
05 Bangladesh 98,98	17 Uganda 27,37			
06 Vietnam 96,98	18 Tanzania 42,73			
07 Sri Lanka 37,57	19 Egypt 57,25			
08 Indonesia 39,95				
09 Cambodia 73,24				
10 Pakistan 55,65				
11 Philippines 65,68				
12 India 3,17				

(Based on 2019 ODA Grant Equivalent, Million USD)

## Leap to an Advanced Donor Country

### Demonstrating Global Leadership in Development

Since joining the OECD DAC in 2010, Korea has been leading international discussions on the development cooperation. At the G20 Seoul Summit in 2010, “development” was included in the G20 agenda for the first time. Korea hosted the Busan HLF-4 in 2011, leading the paradigm shift from “aid effectiveness” to “development effectiveness.” In 2019, Korea assumed the OECD DAC vice-chairmanship, and is now showcasing its leadership by establishing the Global Green Growth Institute and attracting investments to the Green Climate Fund. In particular, through hosting the P4G Summit in 2021 and participating in the G7 Summit, Korea demonstrates its global leadership in health care, climate change, and green growth.



4th High Level Forum on Aid Effectiveness, held in Busan in Dec. 2011



Support for overcoming COVID-19 (masks, etc.)



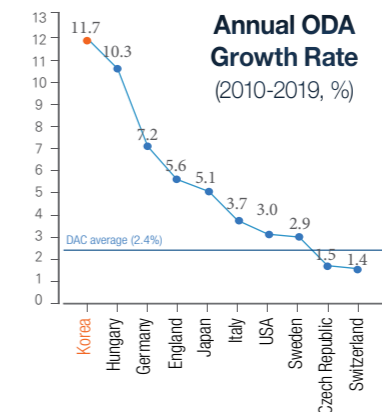
Peru child medical checkup vehicle support project

### Providing Korean-style ODA Content Using Comparative Advantage

Based on its development experience, Korea develops and disseminates the content for development cooperation, focusing on areas of comparative advantage such as ICT, public administration, education, and health. Based on Korea's ODA strategy in response to the COVID-19 outbreak in 2020, Korea is leading global solidarity in the health and medical sector by providing USD 600 million worth of quarantine materials and emergency disaster loans to 120 countries.

### Expanding Korea's ODA Budget

Korea's average annual ODA growth rate was 11.7% for ten years after joining the OECD DAC, the highest among DAC members. As of 2020, its ODA budget stood at KRW 3.7 trillion, almost three times larger than when Korea joined the OECD DAC. The Korean government aims to more than double the scale by 2030 from 2019.



Afghanistan peace-building project



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