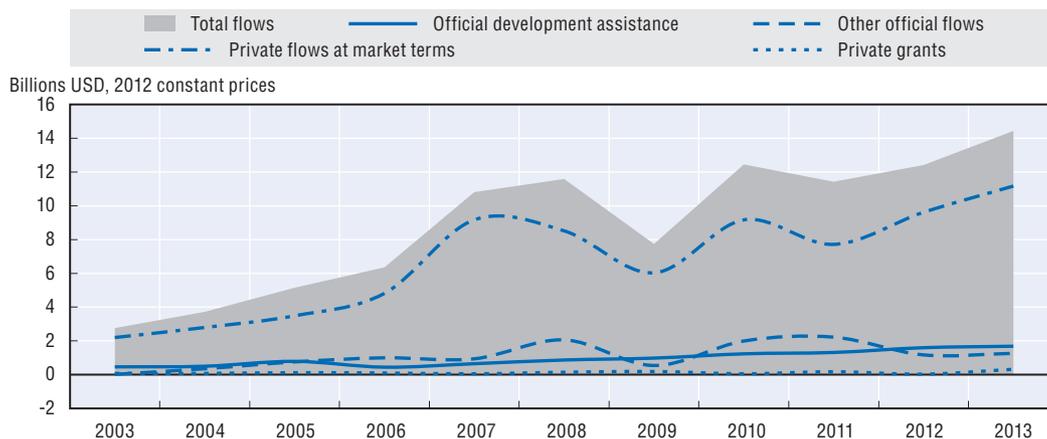


## KOREA

## Financial flows from Korea to developing countries

Figure 35.1. Net resource flows to developing countries, 2003-13, Korea



StatLink  <http://dx.doi.org/10.1787/888933245161>

### Korea uses ODA to mobilise other resources for sustainable development

- **Korea contributes to the mobilisation of domestic resources in developing countries by supporting their tax systems.** In 2013, it is estimated that Korea committed USD 9.6 million of its official development assistance (ODA) to tax-related activities in partner countries.
- **It promotes aid for trade to improve developing countries' trade performance and integration into the world economy.** It committed USD 704 million (34% of its sector-allocable ODA) to trade-related activities in 2013, a 13% decrease in real terms from 2012. The trend has been fluctuating over the past few years.
- **It invests in building up national statistical capacities and systems in partner countries so they can monitor their development goals.** It committed USD 3.1 million to this effort in 2013.
- **It invests in the "East Asia Climate Partnership", which supports low-carbon growth and climate change adaptation in East Asian developing countries.** Korea is the host of the Green Climate Fund, to which it has pledged USD 100 million. The fund plays a key role in channelling resources to developing countries and catalysing climate finance at the international and national levels.

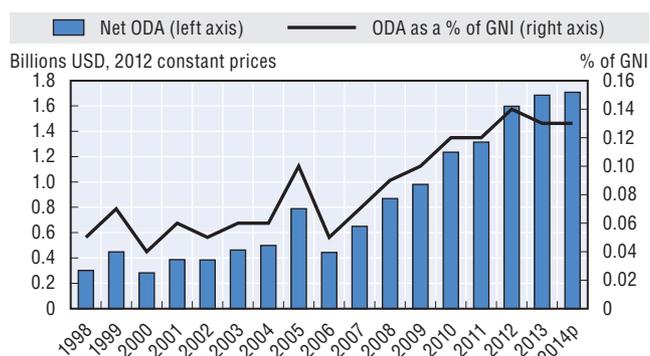
### Korea promotes the effective use of resources for sustainable development by:

- **Enabling developing country ownership through the way it delivers its aid.** There is scope to make further progress. In 2013, 54% of Korea's aid scheduled for the government sector in partner countries was recorded on partners' national budgets, while the agreed minimum target for 2015 is at least 85%. In 2013, 45% of Korea's development assistance to the government sector was channelled through partners' public financial management and procurement systems, below the 2015 target of 57%.
- **Committing to manage for development results** at the activity level.
- **Making its aid predictable.** In 2013, the annual predictability of Korean development assistance was 83% (the target for 2015 is to have 90% of funding disbursed as scheduled). Medium-term predictability was lower, at 46%.
- **Untying aid.** Korea's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 54.3% in 2013 (increasing from 49.4% in 2012), compared to the DAC average of 83.2%.

## Korea's official development assistance

In 2014, Korea provided USD 1.9 billion in net ODA (preliminary data), which represented 0.13% of gross national income (GNI) and a 0.8% increase in real terms from 2013.\* Korea is the 23rd largest Development Assistance Committee (DAC) donor in terms of its ODA as a percentage of GNI, and the 16th largest donor by volume. The Korean government is firmly committed to achieving its national ODA/GNI target of 0.25% in 2015. The grant element of total ODA was 95.1% in 2013.

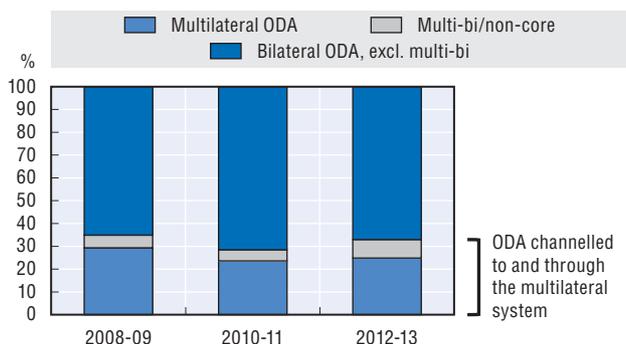
Figure 35.2. Net ODA: Trends in volume and as a share of GNI, 1998-2014, Korea



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In 2013, 76% of ODA was provided bilaterally. Korea allocated 24% of total ODA as core contributions to multilateral organisations (the DAC country average is 27%). It channelled a further 11% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

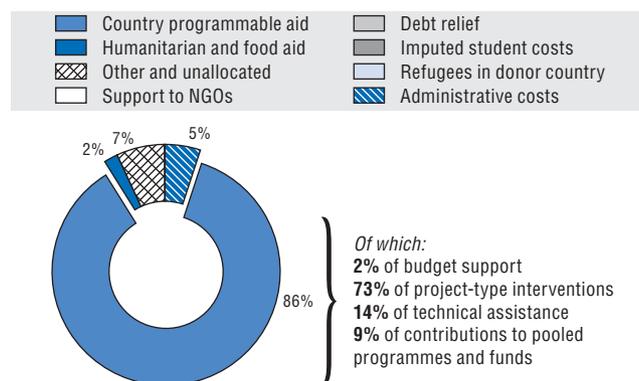
Figure 35.3. Share of ODA channelled to and through the multilateral system, two year averages, gross disbursements, Korea



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In 2013, 86% of bilateral ODA was programmed at partner country level. Korea's bilateral programme is characterised by a high proportion of country programmable aid (CPA), which was well above the DAC country average of 54.5% in 2013. Korea's high CPA figure is explained mainly by its low levels of other bilateral costs, such as in-donor refugee costs, humanitarian assistance and debt relief. Project-type interventions amounted to 73% of CPA.

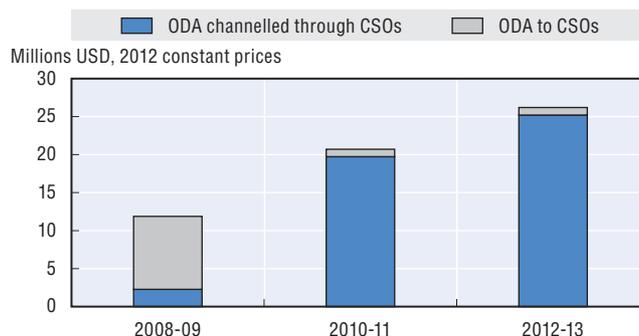
Figure 35.4. Composition of bilateral ODA, 2013, gross disbursements, Korea



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In 2013, USD 27.7 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Korea's ODA channelled to and through CSOs has increased in volume in recent years (+2.9% between 2012 and 2013). It has, however, been relatively steady as a share of bilateral ODA since 2010. This share amounted to 2% in 2013, compared with the DAC country average of 16%.

Figure 35.5. Bilateral ODA to and through CSOs, two year averages, gross disbursements, Korea

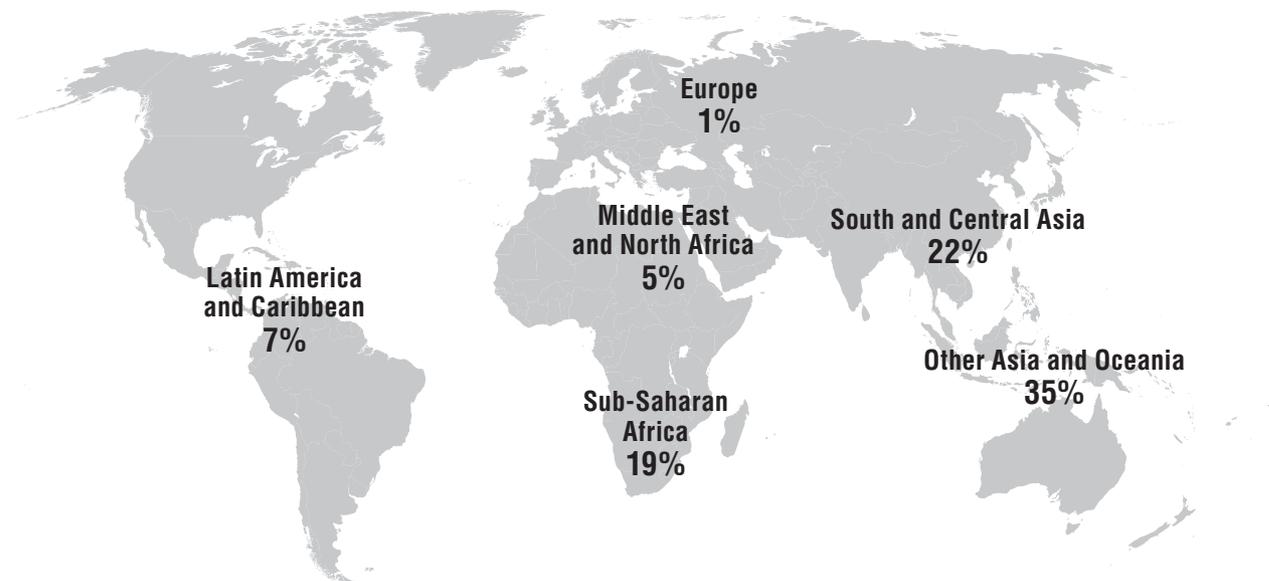


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\* Korea does not report to the DAC on ODA-eligible assistance to the Democratic People's Republic of Korea (DPRK). The ODA eligible portion of its assistance to DPRK was estimated at approximately USD 12.3 million in 2013.

**Bilateral ODA is primarily focused on Asia.** In 2013, USD 457.4 million was allocated to Far East Asia and USD 317.6 million to South and Central Asia. USD 252.3 million was allocated to sub-Saharan Africa.

Figure 35.6. **Share of bilateral ODA by region, 2012-13 average, gross disbursements, Korea**

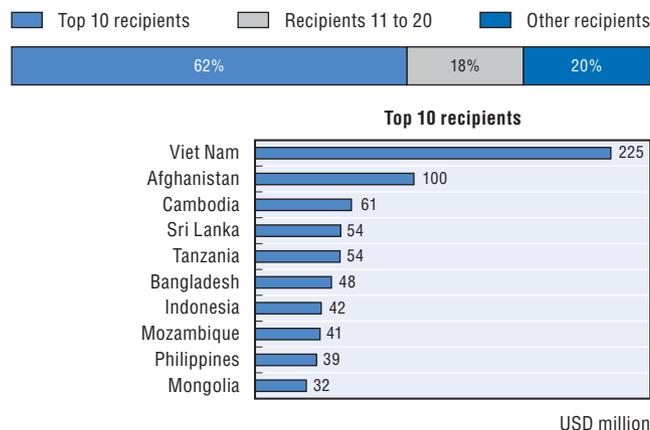


Note: 12% of bilateral ODA allocated was unspecified by region in 2012-13. This share is not represented on the map.

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**62% of bilateral country-allocable ODA went to Korea's top 10 recipients in 2012-13.** Eight of its 26 priority partner countries are among its top 10 recipients. Korea's support to fragile states reached USD 427.5 million in 2013 (31.1% of gross bilateral ODA).

Figure 35.7. **Bilateral country-allocable ODA to top recipients, 2012-13 average, gross disbursements, Korea**

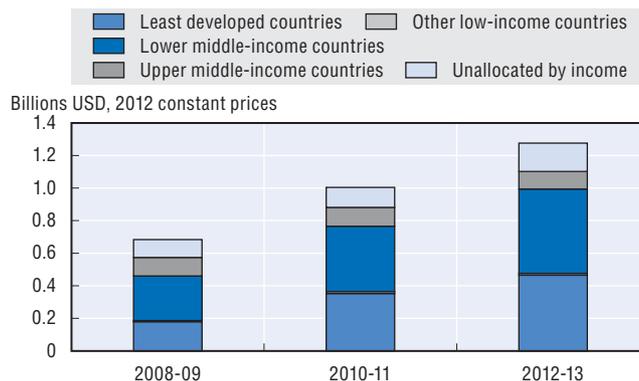


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**In 2013, 38% of bilateral ODA was allocated to least developed countries (LDCs),** reaching USD 526.6 million. The share has progressively increased over the past decade and is higher than the 2013 DAC average of 31%. Lower middle-income countries received the highest share of bilateral ODA in 2013 (40%).

At 0.05% of GNI in 2013, total ODA to LDCs was lower than the UN target of 0.15% of GNI.

Figure 35.8. **Bilateral ODA by income group, two year averages, gross disbursements, Korea**



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In 2013, 59% of bilateral ODA was allocated to social infrastructure and services, amounting to USD 1.3 billion, with a strong focus on water and sanitation (USD 365 million), education (USD 337 million) and health (USD 307 million). USD 563 million was allocated to economic infrastructure and services, mainly to transport and storage (USD 312 million).

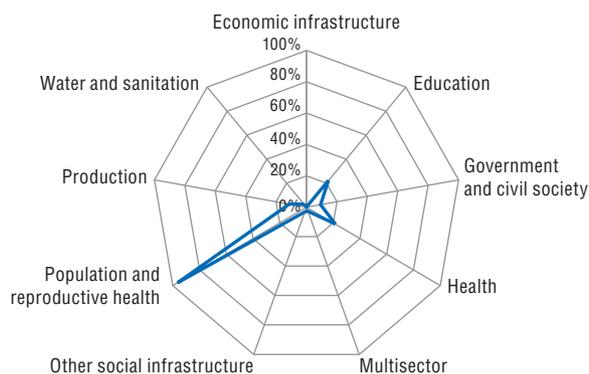
Figure 35.9. Share of bilateral ODA by sector, 2012-13 average, commitments, Korea



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**USD 215 million of bilateral ODA supported gender equality.** In 2013, 10% of Korea’s bilateral sector-allocable aid had gender equality and women’s empowerment as a principal or significant objective, compared with the DAC country average of 31%. This is up from 3% in 2008 and 7% in 2012. A high share of Korea’s aid to population and reproductive health focuses on gender. Gender equality is placed centrally in Korea’s Mid-term ODA Policy for 2011-15 as a critical element of its development co-operation programme.

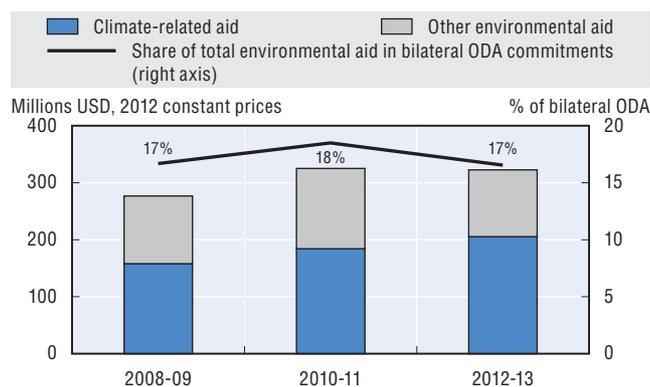
Figure 35.10. Share of bilateral ODA in support of gender equality by sector, 2013, commitments, Korea



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**USD 390 million of bilateral ODA supported the environment in 2013.** Korea committed to increase its green ODA to 30% by 2020 and is making an effort to improve the integration of the environment and climate change into its development co-operation. In 2013, 17% of its bilateral aid supported the environment, and 11% focused on climate change, compared with the respective DAC country averages of 23% and 16%.

Figure 35.11. Bilateral ODA in support of global and local environment objectives, two year averages, commitments, Korea



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Note to reader: Annex B provides “Methodological notes on definitions and measurement for the Profiles of Development Assistance Committee members”.



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