

Summary

I. Introduction

The importance of international development cooperation and the role and need of official development assistance (ODA) are growing important. Today, the international community expects Korea to play a more important role, which matches its economic volume and capacity, in the field of development cooperation. In February 2009, to meet these expectations and to enhance Korea's status, the Korean government officially applied to join the Organisation for Economic Co-operation and Development's Development Assistance Committee (hereinafter referred to as OECD/DAC). At this point, now that Korea has become the newest member of the OECD/DAC, a road map for the advancement of Korea's aid system and strategy is emphasized. In this research paper, we are going to look into the international principles on development cooperation and ODA, and through case studies, offer the rationale behind the advancement of Korea's aid and what such a policy implies.

In this research paper, the following will be discussed as the main thesis: (1) Analyzing OECD/DAC recommendations and evaluation standards by complete enumeration, (2) Deriving an exemplary model of the OECD/DAC from the analysis above, (3) Analyzing OECD/DAC member countries' activities through peer reviews, (4) Analyzing a diagnosis of the current Korean ODA system and expedition research of the Korea International Cooperation Agency's (KOICA's) preparation for OECD/DAC entry, and (5) Proposing short-term and long-term action plans for KOICA in order to be a leading assistance agency in international development assistance, under the guidelines of the OECD/DAC.

II. Analysis of OECD/DAC Guidelines and Evaluation Standards

The OECD/DAC, unlike the World Bank or the United Nations (UN), does not offer direct development assistance, but provides guidelines for promoting the efficiency of aid operations by providing statistics, data gathering, aid analysis, information, experience and sharing of examples performed by multilateral institutions and each donor country.

The OECD/DAC mainly handles the UN Millennium Development Goals (MDGs), poverty, gender, environment, peace and conflict (fragile states), trade, aid effectiveness, quality of aid and governance as main issues of aid, and presents doctrines and methods of approach it pursues by providing guidelines, manuals, reports and publications. In addition, through regular DAC peer reviews, its members work together to assess each other's aid policies and their implementation. In this paper, we focused on OECD/DAC guidelines and examined guidelines for each issue. The following includes the analysis results of each issue.

(1) Millennium Development Goals (MDGs)

First of all, the MDGs suggest a new way of development cooperation as well as provide the rationale behind the development cooperation for donor countries and recipients. Therefore, OECD/DAC members' combined efforts to achieve the MDGs are fulfilling the obligations of countries, which are an example of extending the roles of donor countries and raising their status. The MDGs provide specific goals of development cooperation for donor countries and recipients, as well as recommend increasing international cooperation and coordination of policies by sharing policy experiences, information on capacity development and analyses on approaching methods for each institution between policy enforcers.

(2) Poverty Reduction

One of the major issues in the world, solving poverty, requires global

cooperation because its causes are very diverse and complicated. Since it is difficult to reduce poverty in a short period of time, long-term and enduring policies are needed, but most important, not only the speed of growth but also the method of growth should be considered.

The OECD/DAC adopted “pro-poor growth,” which promotes both poverty reduction and development at the same time, as its core guidelines for poverty reduction. Pro-poor growth is a newly emerging term which recognizes the link between development and poverty and equally covers both economic growth and poverty reduction. Thus, it is a term for improving overall social inequality (to ensure fair benefits among the poor) and pursuing balance between development speed and quality.

The OECD/DAC emphasizes economic growth as a main measure for poverty reduction, as well as pro-poor growth, especially a market economic approach, which means market liberalization, deregulation and stimulating the private economy. The OECD/DAC also strives to improve cooperation between public and private sectors to lead the poor to participate in poverty reduction and to build the capacity of the recipient. In particular, the OECD/DAC emphasizes making a policy for the poor and to help the poor to build capacity, and to make sure that the poor receive equal benefits.

(3) Gender

At the Second High-Level Forum held in Paris, the OECD/DAC emphasized that gender inequality decreases aid effectiveness and hinders development, and that gender equality and empowerment are important for achieving the MDGs. Moreover, in 2008, at the Third High-Level Forum in Accra, it stated that gender equality continuously impacts on the lives and potential of poor women, men and children, and it is vital that all our policies regarding gender equality be systematically and consistently formulated. For this, the OECD/DAC established GENDERNET to help its member countries integrate gender equality

into development policy and execution, which brings together gender equality experts from bilateral and multilateral development agencies to define common approaches, share good practices, information and ideas.

The OECD/DAC recommends its members to set gender equality as a development objective and relate it with other aid objectives. Moreover, it emphasizes gender mainstreaming as the key strategy in support of gender equality and also suggests participating in building capacity and improving the system in recipient countries for gender mainstreaming. In addition, the OECD/DAC recommends taking gender equality, along with education, into account in all aspects of development cooperation as a systematic base to achieve gender equality.

The OECD/DAC also suggests adopting sector-wide approaches (SWAp) when aiding recipient countries in gender issues. Conducting a gender budgeting analysis and establishing a legal system which enables men and women to claim equal rights throughout the recipient society is especially emphasized. To strengthen women's rights, not only economic rights, but also women's sociopolitical rights such as providing an environment for broader education and guaranteeing political activity must be performed.

(4) Environment

Rapid industrialization and economic development, as well as two world wars, destroyed the environment. The international community strives to resolve the environmental problems. The approach of international society against environmental problems is “sustainable development,” which means the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. That said, the OECD/DAC established the Network on Environment and Development Co-operation (ENVIRONET) and also suggested specific strategies and recommendations for sustainable development as follows.

First, the OECD/DAC suggested applying environmental impact assessments (EIAs) and strategic environmental assessments (SEAs) as specific methods to achieve sustainable development. Through an EIA, a donor country can assess the possible impact that a proposed project may have on the environment. However, EIAs are less easily applied to broader country-level policies and plans. Thus, in the 2000s, SEAs, which are reformed EIAs, have been used instead ever since. SEAs aim to integrate issues which should be environmentally considered into policies, plans, and programs, helping governmental institutions promote environment-friendly development policies by concentrating in building institutional capacity.

Second, the OECD/DAC recommends carrying out consistent policies among donor countries and adopting SWApS and win-win strategies for the environment to donor countries. According to the OECD/DAC, when donor countries deliver aid, they should consider not only short-term development but also environmental problems in the long term. Moreover, donor countries should adopt win-win strategies which bring positive results to both donor countries and recipients in priority sectors such as agriculture, energy and forestry.

Third, because environmental destruction is the combined result of economic development and globalization, the OECD/DAC recommends donor countries to promote sustainable development as the mainstream policy.

Fourth, the OECD/DAC recommends strengthening the cooperation of the international community with regard to environmental issues, as well as country-level establishment of global companionship.

Fifth, the OECD/DAC suggests that donor countries cooperate in finding out the causes of climate change in recipient countries, most of which are vulnerable to climate change, and to support establishing a country-level program for mitigating climate change.

(5) Conflict and Peace

Violent conflict destroys the foundations for development, such as education, health, social infrastructure and human resources, widely spreads diseases and threatens regional or international security. That is, violent conflict hinders the achievement of the MDGs. The fragile states refer to countries that have no willingness or capability to offer basic public services, as well as social problems such as weak governance, limited administrative capabilities, constant poverty, inhumanity, lasting social conflicts, violence, civil war, etc. and have received attention especially since the 9/11 attacks. Most important, it is known that the fragility of those countries reduces aid effectiveness and increases the costs of development, making not only the execution of recipient countries' policies but also the provision of donor countries' aid more difficult. Thus, in 2007, the OECD/DAC made the following principles for fragile states: "Principles for Good International Engagement in Fragile States" and also provided the following guidelines on the issue.

First, donor countries should recognize the link between politics, security and development objectives, and set preventing conflict as a priority of development objectives.

Second, donor countries should introduce a conflict prevention mechanism to ensure long-term structural stability, policies in the recipient countries to make policies coherent and comprehensive, and also coordinate aid policies with other development agencies. In particular, when aiding fragile states, donor countries should consider the countries' priorities and deliver quick, consistent and long-term aid.

Third, for building peace in the fragile states, the OECD/DAC recommends donor countries to bear in mind the need for flexible approaches in different phases of conflict: before conflict flares, in open conflict, in fragile transitional situations and the aftermath. In every phase, donor countries should adopt

different approaches to keep peace in the recipient countries.

Above all, the OECD/DAC emphasizes the linkage between security and development, because the purpose of aiding fragile states is to establish peace in the region, as well as build the country, and especially suggests supporting increasing aid effectiveness and helping security system reform in the fragile states. Also, the OECD/DAC recommends donor countries to help raise the recipient countries' leadership and responsibility as well as to sustain support for building capacity, even in the case of fragile states.

(6) Trade

In an open economy with a trade-oriented strategy, the rate of poverty reduction and industrial growth is more rapid than in a closed economy. The international society has recognized the linkage between development and trade, and has been concerned about the impact of an open economy on economic growth, poverty reduction and aid effectiveness. Therefore, the OECD cooperates with the WTO in developing the field of trade and development assistance, and also includes "aid for trade" in the main objectives of development assistance.

The OECD/DAC provides the guidelines on trade as follows.

First, the OECD/DAC emphasizes cooperation among donor countries, as well as between donor countries and the recipient countries, consistency of the recipient countries' development strategies, and guaranteeing the participation of corporations and civil society.

Second, the OECD/DAC suggests that both donor countries and their recipients participate in monitoring and assessment for improving joint accountability and effective management of policy outcomes.

Third, the OECD/DAC recommends donor countries to help recipient countries

in flexing capabilities to make and conduct trade strategy.

(7) Effectiveness

As the volume of aid increased, it became apparent that the effectiveness of aid differed among the recipient countries. Thus, the international community began to emphasize improving aid effectiveness. For this purpose, in 2005, 22 donor countries and 57 recipient countries agreed on the Paris Declaration to continue to increase aid effectiveness and to achieve the MDGs. To raise the effectiveness of aid, the OECD/DAC emphasizes harmonization, alignment, and strengthening the system. The detailed recommendations are as follows.

First, the OECD/DAC published guidelines entitled, “Harmonising Donor Practices for Effective Aid Delivery.” That is, because the different interests among donor countries could reduce aid effectiveness, the OECD/DAC suggests strengthening the mechanism for harmonization of the policies among development agencies and harmonizing development assistance.

Second, the OECD/DAC recommends donor countries to increase the recipient countries’ responsibility and mutual accountability through effective and coherent partnerships, as well as to improve predictability and sustainability through consistent mid- and long-term development assistance.

Third, the OECD/DAC suggests supporting the capacity buildup of the recipient countries, in areas such as finance management, and cooperating with the recipient countries to reflect the aid in budgeting and planning the national development strategy.

(8) Quality of Aid

In 1972, the OECD/DAC classified the different types of aid into untied aid, partially untied aid and tied aid in accordance with procurement. Tied aid means

that the recipient country must procure goods and services produced from the donor country or a select few countries, which also restricts the recipient country to making supplies, equipment and service deals with corporations from the donor countries only. In contrast with tied aid, untied aid is defined as loans or grants which are freely and fully available to finance procurement from all countries.

As concerns about the tied aid's distortion of economic development in the recipient countries, and burdens have increased, the international community seeks to untie aid and improve the quality of aid. For improving the quality of aid, the OECD/DAC strongly recommends untying aid and also monitoring the aid for seeing the validity, sustainability and improvement of aid at the OECD/DAC level.

(9) Governance

As in 1989, the World Bank stated that one of the causes of poverty in Sub-Saharan Africa was “failed governance” building, and “good governance” emerged as one of the ways to reduce poverty. After that, the international community paid attention to the co-relationship between economic growth and political development. Therefore, awareness on the linkage between development and good governance has been raised even more. There is no agreed international definition of governance, but in general, governance refers to the relationship between the country and the society in economic, political and administrative terms. In particular, in developing countries, the definition of governance includes public administration systems, systems needed for the market to operate appropriately, and methods of exercising the authority of the government. For building good governance, the OECD/DAC emphasizes development assistance aiming at the overall social changes in developing countries as its basic objective. The OECD/DAC recommendations on such matters are as follows.

The OECD/DAC recommends “participatory development,” which requires active participation of developing countries in development. For participatory development, donor countries should support flexing the capabilities of developing

countries, by considering each country's situation at a multidimensional level. In addition, in the process of participatory development, the OECD/DAC emphasizes strengthening and supporting the strategic role of civil society.

The approaches of good governance are classified into economic approach and political approach. The OECD/DAC recommends market liberalization in developing countries, strengthening responsibilities in resource management, guaranteeing property rights and attracting investment and deregulation of the market economy as an economic approach. In politics, good governance includes human development, constitutionalism, democratization, and human rights. In particular, promoting human rights and freedom is crucial in a political approach in good governance. Therefore, assuring human rights, democratization, and constitutionalism is an essential element itself in development. Consequently, good governance is a vital tool for poverty reduction, as it enables socioeconomic growth. As a political approach, the OECD/DAC emphasizes the linkage between development and governance, and recommends preventing corruption and establishing constitutionalism through establishing legal environments and enhancing legal systems.

Lastly, the OECD/DAC recommends making a strategic approach and a long-term framework for building good governance within the recipient country, and strengthening policy adjustment and ensure consistency by taking the situations of developing countries into account.

III. OECD/DAC Aid Model

1. Aid Models of the OECD/DAC

In this paper, to establish an analytical framework, we are going to divide the issues dealt in the OECD/DAC into two categories: the purpose of aid, and the system of aid. The purpose of aid refers to the ultimate goal of development

assistance, that is, the reason donor nations give aid in the first place. The system of aid system refers to donor countries' capacity and infrastructure which support the achievement of the aid's purpose. Among the above-mentioned issues, poverty reduction, gender, environment, peace and conflict, trade and governance are included in the category of the purpose of aid, while aid effectiveness and quality of aid are included in the category of the system of aid. Additionally, the MDGs could serve as a rationale behind the direction of the purpose of aid by the OECD/DAC.

The OECD/DAC aid model can be defined as an aid model that harmonizes the purpose and the system. In other words, an aid model desired by the OECD/DAC would try to achieve the purposes of aid, such as poverty reduction, alleviation of gender and environmental problems, peace and conflicts, governance, etc. as well as trying to improve the quality of aid itself.

Based on the guidelines and recommendations by the OECD/DAC, we made indicators on each issue. Using the indicators, we evaluated, reviewed, and analyzed the member countries' aid projects. We concluded that the Dutch model of aid was the closest aid model to that recommended by the OECD/DAC. We have also selected Ireland, whose aid volume is similar to Korea and which follows OECD/DAC recommendations.

2. OECD/DAC Aid Model Indicators

In this section, we divided OECD/DAC aid model indicators into common and individual indicators to better understand OECD/DAC recommendations. Also, we have developed these indicators to use them in assessing ODA projects of a specific donor country. In other words, by using indicators developed in this section, one could assess how close a specific donor's aid activity is to the OECD/DAC's ideal aid model. We categorized aid effectiveness, aid quality, gender, environment, pro-poor growth, and the MDGs as common indicators. These common indicators could be used for all kinds of projects regardless of their sectoral focus.

We also developed individual indicators to assess whether a particular aid project follows DAC recommendations in the process of its implementation. For issues including poverty reduction, gender, environment, peace and conflict, trade, and governance, we have developed individual indicators. By applying common indicators to a specific aid project, one could assess the aid system (aid effectiveness and aid quality). Also, by applying individual indicators, one could identify major DAC recommendations of a particular aid issue and make sure that the specific aid project follows DAC recommendations.

IV. Analysis of OECD/DAC Members

1. Analysis of Aid Activity of OECD/DAC Members

In this section, we have examined the main goals and specific action plans, and tools adopted by OECD/DAC members to achieve these goals through an analysis of the most recent OECD/DAC peer reviews. Also, we have investigated what kinds of efforts have been made by DAC members to improve their aid system. We believe that DAC peer reviews provide more objective data in analyzing aid activities of DAC members as they exclude such promises made by donors but have not actually been realized. In particular, we focused on how each member applied OECD/DAC major aid issues including poverty reduction, environment, peace and conflict, governance, and aid effectiveness in their aid activity.

OECD/DAC members have adopted various policies, mechanisms, and tools to achieve DAC recommendations. In response to DAC recommendations, a number of DAC members have used mainstreaming, SWAp, and whole-of-government approaches as major mechanisms. Also, through various policy papers and announcements, DAC members made it clear that poverty reduction, gender equality, governance, peace and conflict are their major goals of ODA. In addition, following the OECD/DAC's emphasis on improving aid effectiveness based on the Paris Declaration, many DAC members have developed (or are in the process of developing) specific action plans to adopt principles of the Paris Declaration.

2. Case Study: The Netherlands and Ireland

In May 2009, we visited the Netherlands and Ireland and researched what mechanisms the two countries established in order to follow OECD/DAC recommendations, based on interviews and data we collected during the field trip. The analysis of each step of the project cycle management (PCM) of the Dutch and Irish aid models are as follows:

(1) Mainstreaming

The OECD/DAC recommends its members to adopt mainstreaming policies on poverty, environment and gender. The Netherlands and Ireland have adopted and aggressively implemented such strategies in order to achieve these cross-cutting issues. The mainstreaming strategy is phased in every stage of aid from planning to evaluation.

Recently, by accepting the OECD/DAC recommendations, Ireland adopted the mainstreaming strategy. In 2007, Ireland established a two-year term mainstreaming strategy and affirmed Ireland's priorities in development: gender equality, environmental sustainability, HIV/AIDS and good governance. The Irish Aid Director General and heads of field offices in the recipient nations lead the mainstreaming strategy. The Policy Planning Unit in the Irish Aid Headquarters is in charge of mainstreaming the above-mentioned four priorities in Irish Aid. In addition, all sub-divisions of Irish Aid sends one or two members of their teams to organize a mainstreaming reference group, which advises and trains the Policy Planning Unit on mainstreaming issues. This group also hires external experts and consultants to train the members of the Irish Aid Headquarters in their understanding of the mainstream issues. Through these training programs, the staff of Irish Aid can understand the mainstreaming strategy and also acquire techniques to incorporate the mainstreaming strategy into planning, implementing and evaluation.

(2) Aid Effectiveness

The Paris Declaration (2005) and the Accra Agenda for Action (AAA) (2008) support the Irish and the Dutch aid models. The Paris Declaration emphasized ownership, alignment, harmonization, results and mutual accountability, while the AAA was drawn up in 2008 to strengthen the Paris Declaration by building commitments. The AAA suggests the principles, such as predictability, conditionality and untied aid, to accelerate the Paris Declaration. The OECD/DAC adopted the Paris Declaration and the AAA on aid effectiveness in the OECD/DAC recommendations and guidelines, which Ireland and the Netherlands plan to fully implement.

The Dutch Ministry of Foreign Affairs made programs and implementing tools to implement the Paris Declaration both at headquarters and embassies in the recipient countries. For aid effectiveness, the Netherlands established the Harmonization Desk and the Effectiveness and Quality Department (DEK) in its Ministry of Foreign Affairs. In 2002, the Harmonization Desk of the Ministry of Foreign Affairs plays a role in adopting the principles of the Paris Declaration and the AAA into real-time policies of the Dutch Government, as well as taking part in aid harmonization in the EU. The DEK of the Directorate-General for International Cooperation (DGIS) plays a crucial role in adopting and implementing the Paris Declaration into Dutch development cooperation. The DEK Reporting and Monitoring Division (RM), DEK Policy Analysis and Advice Division (BA) and DEK Aid Modalities and Instrument Development Division (HI) constitute DEK. The DEK has a broad mandate to oversee effectiveness and quality within the Ministry of Foreign Affairs, collects and records data, makes policy recommendations, and develops and maintains instruments for implementing policy on cross-cutting and cross-country issues. It also trains staff, supports embassies in the partner countries, makes policy implementing tools and evaluates track records and multi-annual strategies.

(3) Aim and Policy

The Netherlands and Ireland affirm sustainable poverty reduction as an important aim of their development policy, and also use the MDGs to set clear and practical goals. This helps to increase aid effectiveness which was emphasized in the Paris Declaration and the AAA. When selecting the recipient countries, donors including the Netherlands and Ireland consider the degree of poverty, governance, political will and capacity. For achieving poverty reduction, the Netherlands and Ireland consider the degree of poverty and sustainability of poverty when they select partner countries. Moreover, two countries prioritize the countries that have been suffering from poverty for a long time as recipient countries, and also consider the historical relationship and governance.

One of the characteristics of the Dutch and Irish aid models is that both are strongly supported by political leadership. The Netherlands and Ireland believe that development assistance helps raise their power and status in the international community. The Netherlands' 3D policy, which incorporates development with diplomacy and defense can be an example. Moreover, development agencies of the Netherlands and Ireland belong to the Ministry of Foreign Affairs and the Department of Foreign Affairs, respectively. Although Ireland has reduced its aid volume due to the current financial crisis, poverty reduction is still an important aim of aid policy with the notion that development assistance is one of the most important elements of diplomacy.

To improve policy coherence, the Netherlands and Ireland have organizations which minimize conflicts among ministries and consistently deliver aid. The foreign aid-related divisions of the government show very little or no conflict with each other, and show cooperative atmospheres among themselves. In the Netherlands, within the Ministry of Foreign Affairs, the DGIS is the organizational heart of Dutch foreign aid. In Ireland, within the Ministry of Foreign Affairs, Irish Aid is in charge of development cooperation.

According to OECD/DAC recommendations, the Netherlands established the Policy Coherence Unit (PCU) and Ireland established the Interdepartmental Committee on Development (IDCD). The PCU provides coordination among departments, enabling the Ministry of Foreign Affairs to work pro-actively and intensively on coherence. The IDCD was established in 2007, it is consultative and advisory, and is chaired by the Minister of State for Overseas Development. It is composed of senior officials from Irish Aid and the Ministry of Foreign Affairs, as well as senior officials from 14 other divisions of the government.

The IDCD's role includes consultations and suggestions that aim to improve policy coherence of foreign-aid related departments within the government.

(4) Planning

The OECD/DAC recommends its members to support the capacity building of the recipient countries, by making use of resources in the recipient countries, efficiently allocating budgets, making specific targets per project, and planning/ implementing/evaluating aid models by categorizing them by field type. In the Netherlands and Ireland, embassies in the recipient countries play a leading role in planning, implementing and evaluation, while the Netherlands grants more autonomy to embassies than Ireland does. In the case of Ireland, Irish Aid and the Irish government take part in planning foreign aid to the recipient countries from the start. On the other hand, in the Netherlands, embassies, which have autonomy and independence, plan and implement development projects by themselves.

Reflecting the results of former programs, development agencies plan aid programs. Based on the evaluation of the situations of the recipient countries, development cooperation experts plan country programs (Netherlands – four-year term, Ireland – six-year term). In embassies, development cooperation experts play a leading role in planning country programs. In the case of Ireland, to reflect recipients' needs into the program, the Irish embassies hire experts from the recipient countries as regular staff.

(5) Delivery

After making plans and strategies for development assistance in the recipient countries, aid is delivered to the recipient countries through the DGIS and Irish Aid, respectively. At the stage of implementation, both countries adopt OECD/DAC recommendations on capacity building, coordination and policy dialogue with their partner countries. The embassies are in charge of aid delivery. The DGIS and Irish Aid headquarters help in providing political and technical support needed by the embassies. The headquarters also have established separate departments for country programs to help deal with any problems that might arise during the process of aid delivery. In the case of Irish Aid, if any problems occur during the process of aid delivery in the recipient country, the problems are directly reported to the person in charge in Irish Aid. The notified person would then discuss the problem with all related divisions within the Irish Aid, including the Head of Development Cooperation, and notify the decision to the embassy. The tight but flexible network among the staff of Irish Aid facilitates fast decision-making processes. Also, the Netherlands has established the Country Team in its headquarters for effective and consistent aid delivery. The Country Team is composed of representatives from various foreign aid-related government divisions including the Ministry of Financial and Economic Affairs and DEK, and they regularly visit the embassies in the recipient countries.

(6) Evaluation

The Netherlands and Ireland adopt OECD/DAC recommendations on evaluations which suggest the following elements be included: participation of the recipient country, evaluation mechanism by stage, effectiveness, efficiency, sustainability and influence. The results of the evaluation are released to the public and are also reflected in future aid policies and planning. In order to establish an effective and professional evaluation system, the Netherlands and Ireland have allocated professional consultants in the evaluation process while trying to guarantee the participation of the recipient countries in the process as

well. In principle, two countries aim at a disintegrated evaluation system which means that while the evaluations on the important development programs are conducted by headquarters, small projects are evaluated by the implementing agencies in the embassies in recipient countries.

In the Netherlands, aid evaluations focusing on broad policy and cross-cutting themes are generally undertaken by the central Policy and Operations Evaluation Department (IOB). To ensure transparency, the IOB is an independent “Inspection Unit”, which takes on the responsibilities of evaluating foreign affairs as well as foreign aid. Evaluation reports and reaction reports are produced as the result of evaluations every year. These reports are then submitted to the Standing Committee on Foreign Affairs for review based on effectiveness, sustainability and efficiency. The results of the committee’s review are released to the public but the coordination organization refines the results to prevent spreading negative effects on ODA to the public. In Ireland, within Irish Aid, the evaluation department is in charge of managing the evaluation process. However, the evaluation department is small, and thus aid evaluation is usually conducted by outside experts.

IV. Current Status of KOICA and Its Challenges in Implementing the Recommendations and Evaluation Standards of the OECD/DAC

In this chapter, we have divided the ODA of Korea into several PCM stages and analyzed each stage. In addition, we provide recommendations for Korean foreign aid policy based on OECD/DAC guidelines. In order to analyze KOICA’s preparedness for the ascension to the OECD/DAC, we have conducted a three-level study of KOICA employees: (1) a web survey with all KOICA employees (2) focus group discussions with mid-level KOICA officials and (3) in-depth interviews with the top leadership of KOICA. The analysis was conducted at three levels in order to allow for all employees of KOICA to freely express their opinions. We will provide an Action Plan for KOICA in the context of Korea’s foreign aid policies in the future as a member of the OECD/DAC.

1. Survey Results of KOICA Employees

A web survey was conducted from June 30 to July 6, 2009 with all employees. 72 out of a total of 190 employees participated in the survey. Overseas employees also participated in the survey. The key findings from the survey are as follows:

KOICA employees recognized the need to take preparatory steps including training and education in order to be ready for the ascension to the OECD/DAC, in which Korea's aid activities will be evaluated using the guidelines of the OECD/DAC. The employees expressed the opinion that training sessions should be provided by KOICA, and that attendance at such training sessions should be reflected in individual evaluations for promotion. For the development of training programs, the employees wanted the programs to be conducted by KOICA staff, so that the content would be directly relevant to KOICA's tasks. The employees recommended that KOICA's lecturers (mid- to high-level staff) should be active in visiting and learning about new training programs developed overseas (especially in advanced donors and the OECD/DAC).

2. In-depth Interviews with the KOICA Leadership

In order to allow for senior officials of KOICA to freely express their opinions, the Principal Investigator conducted in-depth interviews with all available Vice Presidents as well as the President of KOICA. Individual interviews took place in their respective offices for one hour each on July 7, 2009. The interview questions were provided to the President and Vice Presidents prior to the interview.

The senior officials were duly aware about the significance of Korea's ascension to the OECD/DAC. Although they were very excited about the prospects of joining the OECD/DAC and were keenly interested in showing how Korea could contribute to the discussions at the OECD/DAC, they were less aware of how Korea should be preparing to conform to OECD/DAC guidelines. Thus, they appeared to be less prepared for OECD/DAC peer reviews that would happen once Korea

joins the OECD/DAC. The senior officials also asserted that the division of labor between KOICA and the Ministry of Foreign Affairs and Trade (MOFAT) should be clearly established in order to improve Korea's aid activities.

In sum, we would like to recommend that there should be a clear set of priorities within the OECD/DAC guidelines as they pertain to Korea. The interviews at KOICA affirmed that there are no clear agreed-upon priority areas of Korean ODA among various stakeholders—i.e., MOFAT, the Ministry of Strategy and Finance, KOICA, Korea Eximbank, etc. Thus, this was not just a problem of KOICA, but reflected a problem in the Korean government as a whole. All KOICA employees, regardless of their rank, appeared to support the need to develop KOICA's capacity to communicate with other aid agencies in the world. The senior officials emphasized the role of external experts to raise public awareness on various ODA issues.

3. Focus Group Discussions with Mid-Level KOICA Employees

We conducted focus group discussions with mid-level employees from June 30 to July 1, 2009. A collective interview on all the employees was conducted from June 30th to July 2nd. Groups were allocated by level and division of the employees, from groups of two to groups of six.

Many of the mid-level employees did not have a clear opinion on the issues and recommendations discussed in the OECD/DAC. Moreover, they did not seem to understand how their work at KOICA is related to the OECD/DAC guidelines. The employees pointed out that KOICA's level of understanding of the OECD/DAC guidelines was somewhat low. The study showed that while the employees were aware of the need to implement the guidelines of the OECD/DAC, they did not know how. Most of the employees thought that Korea's aid system was not ready to implement the OECD/DAC guidelines, and thus, they saw the need to reform KOICA. They felt that the current top-down hierarchical system restricted reform, and the establishment of an independent evaluation agency or of an independent

agency for handling OECD/DAC-related issues was strongly suggested.

The employees of KOICA felt strongly that the policy and directions of the organization must be firmly established in order to implement the guidelines and evaluation standards of the OECD/DAC into their everyday work. The opinions of the employees can be summarized as follows: First, the senior officials of KOICA should constantly update their knowledge about aid activities of advanced donors, and introduce new programs and update existing programs and organization of KOICA. Second, the senior officials must help retool the relationship between the MOFAT and KOICA. In particular, they noted that KOICA cannot initiate projects in the field, since new project development is under the jurisdiction of MOFAT. They felt that KOICA should be able to initiate new projects. Third, many employees expressed that the current training/education programs need to be improved in order to increase participation and maximize efficiency. Although KOICA provides incentives to employees to participate in the training programs, these programs show very low participation since mid-level managers do not understand the significance of such training programs. Some employees complain that their workload is too high, which prevents them from learning and retooling their knowledge and skills. Some employees suggested that KOICA should focus more on providing internal training and lectures by KOICA staff with overseas experience and/or experts from international aid agencies rather than other Korean experts. These opinions were similar to the web survey results.