

Abstract

The volume of Korean Official Development Aid (ODA) has been increased rapidly in the past decade. The burden of managing this rapidly-expanding ODA volume and keeping up with the quality standards of the OECD DAC are some of the challenges the Korean ODA faces. This research aims to review the experience with the Country Partnership Strategy, the tool which the Korean ODA system adapted to coordinate aid so as to improve the quality of aid.

The recent Peer Review report identified the fragmented administrative structure had not been solved, especially in terms of coordinating Korean ODA among the Korean government actors. Since the special review, the Korean government launched several new strategies and institutions to enhance their in-country coordination. One of such means was the Country Partnership Strategy (CPS).

Country strategies with various names and formats are used by many donors in order to enhance aid effectiveness and efficiency. The OECD DAC defines such strategies as: “documents that set out the planned programme of assistance provided by a donor to a country, usually for a set period.” They usually include various activities such as grant and loan plans and are used as a tool to coordinate the aid activities of the donor as well as activities with partners such as partner country governments, other donor agencies, and civil societies.

The first such strategy used by Korean ODA was the Country Assistance Strategy (CAS). The CAS was the first strategy the Korean government adopted to manage aid at the country level. However, despite the intention to coordinate aid through the CAS, a separate CAS was developed by EximBank and the Korean International Cooperation Agency (KOICA), which are in charge

of the loan and grant components of Korean ODA, respectively. Despite limitations, each agency had gained valuable experience to manage aid at the country level. The lessons learned were—at least partially—used to build the foundation for the CPS.

The CPS was officially adopted by the high-level Committee for International Development Co-operation (CIDC) as an improved alternative of the CAS in terms of coordinating aid activities in the year 2010. For the first time, all of Korea's ODA activities in each of the 26 priority countries were expected to be regulated by a single, cohesive strategic document. However, experience thus far indicates that in order to achieve what the CPS was expected to achieve, the following issues should be addressed.

First of all, the CPS must define its purpose in clear and operable terms. There are two parallel opinions on what type of document the CPS should be: 1) a general policy guideline listing general but cohesive directions of where and which sector the Korean ODA will work on in a partner country, and 2) a comprehensive strategic document containing detailed description on what should be done in a particular partner country, which is what the CPS was intended to. The former will lift the heavy burden of preparation but may not be enough to coordinate the fragmented aid administration. On the other hand, the latter will require more attention to rigorous planning and strengthening several components in the CPS including budget and result framework.

The current CPS contains a result framework as a form of logical flow in selecting sectors and connecting higher development goals to lower-level activities. However, it does not include the indicators and targets which would guide the result measurement and the eventual evaluation of the results achieved by the partnership strategy.

Depending on the decision made regarding the role of the CPS, the procedure for planning and executing the CPS should be reinforced. Currently, more attention is being given for the planning stage of the CPS, which is appropriate

since many of the CPSs are currently under the planning process. However, for the completed CPS, there seems to be no arrangement for how to monitor and enforce the implementation of the CPS. For instance, the Korean CPS has a limit of three sectors for the Korean ODA implementation agencies to concentrate on, and it allows for a ‘special sector’ as long as its budget share is less than 30% of the whole budget for the country. However, there is no monitoring body to ensure proper budget allotment and/or effective agency coordination.

Furthermore, the current system is more focused on short-term project-type interventions partly due to the lack of a long-term, result-based policy or a strategy to define the goals of all of the ODA activities. This weakens the basic principles as well as the guidelines set for selecting the priority sectors in a partner country. The projects that are selected and implemented during the current CPS often end during the next CPS period. This creates a problem in evaluation and results management for the CPS. Since there is no long-term agreed goal to be achieved, the strategy may switch its focus each period, while the projects will produce results in the next CPS period thus creating a time gap. A long-term, results-based goal that is agreed upon is essential not just for the sake of the CPS but also for Korean ODA's effectiveness.

Currently, the CPS planning is suffering from the lack of time and manpower, which is common problem throughout the Korean ODA administration. This also often results in not reflecting enough of the partner country's input. Thus, enhancing stakeholder consultation is required in order to achieve a better ‘partner-owned’ CPS. Korean ODA administrators should come up with the ways to make a single, coordinated conversation channel to enhance stakeholder consultation. On the other hand, however, the fragmented administrative structure makes this difficult.

The CPS, as proven in other donor's practices, can be an effective tool for managing aid at the country level. The Korean CPS was also expected to be used as a coordination tool to reduce the impact of the fragmented administrative

structure of Korean ODA. Overcoming the challenges listed above would be a great step forward to improving Korean ODA's efficiency and effectiveness in the future.