

Executive Summary

Since joining the Development Assistance Committee (DAC) in January 2010, Korea has worked hard to strengthen its aid and to contribute to global development efforts. Korea's DAC membership followed an extensive accession process and a special session of the DAC on 25 November 2009. At this meeting, members expressed genuine admiration for Korea's success in transforming itself from an aid recipient (as recently as 1995) to an important aid donor in such a short space of time.¹⁾ However, it also addresses that the Korean government must manage the steep increase in ODA volume carefully to ensure its effectiveness. Korea tries to build on ODA commitment on increasing volume and establishing stronger legislation and aid policies.

Currently, Korea is facing new challenges for improving the quality of aid programs and reducing considerable gaps between fast aid policy reform and ongoing slow changes in effective project management systems. Project management system consists of Project Formulation Phase – Project Planning Phase – Project Implementation Phase – Regular Monitoring and Project Evaluation Phase.

The purpose of this research is on analysis of major foreign aid agencies and their recent attempts to improve linkages between major policies, key strategies and project/program system. To pursue this aim, research questions and focus have been set as follows:

1) OECD (2012), OECD DAC Peer Review of Korea 2012에서 발췌

First, what are the key characteristics of a selection of major foreign aid agencies; AusAID of Australia, SIDA of Sweden, AFD of France and New JICA of Japan?

Second, what is the overall flow in policy establishment and project implementation system of the four aid agencies? What are characteristics of their programs/projects, their policy/strategy formation, their program/project planning, their implementation and monitoring, and their evaluation and feedback?

Third, what are the characteristics of each aid agency in attempting to effectively introduce key policies and strategies into program/project cycle management?

This research utilizes following methods to pursue the purpose: collection of written materials and analysis, field research and in depth-analysis in four aid agencies and in four countries. It is a qualitative research utilizing literature reviews as well as individual and focus group interviews at both the domestic and international levels.

<Table> Four aid agencies : ODA volume and current status

	AusAID	Sida	AFD	JICA
Legal Foundation	• Named as AusAID in 1995 • Appointed as Executive Agency in 2010	• Established in 1995 • Aid executing agency under Ministry of foreign affairs, appointed by Parliament and government	• Established in 1941 • Double function as public aid agency and development bank	• Established in 1974 • Changed the system as the independent agency (October, 2003)
ODA volume & Delivery channel	• Total ODA: USD 4,983 m (2011) (OECD) • Per GNI 0.34% (2011) • AusAID: execute 83% out of total ODA • AusAID support: AUD 4,141.5 M (2011-2012) (about 86% out of total ODA) • Support forms: Bilateral 58%, Multilateral 42% • Thematical: sustainable economic development 27%, saving lives 16%, promoting opportunities for all 17%, humanitarian and disaster response 11%, effective governance 19%, cross-cutting 10% • Regional: Asia/Pacific 47%; Western Asia 10%; Sub-	• Total ODA: USD 5,603 m (2011) (OECD) • Per GNI 1.02% (2011) • Sida: execute 50% out of total ODA • Sida support: USD 2.53bn (2012) • Support forms: Bilateral 70%, Multilateral 30% • Thematical: Democracy and Human rights 29%, Humanitarian Assistance 16%, Health 10%, Sustainable Environment 10%, Others • Regional: Africa 32%, Asia 8.6%, Eastern Europe 6.6% • Delivery channel: Multilateral organizations 30%; Public 21%; intl. NGO 10%; nat. NGO 14%; local NGO 4%;	• Total ODA: USD 12.7 bn (2011) (OECD) • Per GNI 0.46% (2011) • AFD: execute about 20% out of total ODA. 42% out of total Bilateral ODA • AFD support: 2.54 bn (2011) • Support forms: Bilateral 67%, Multilateral 33% • Sectoral: education 17%, health 2%, agriculture 4%, energy 4%, econo/socio infra 16%, multisector 5.5%, environment protection 12%, etc. • Regional: Sub-Saharan Africa 44%, Asia 18%, Middle East/North Africa 14%, Latin America/Caribbean 14% • Forms: general budget	• Total ODA: USD 10.60 bn (2011) (OECD) • Per GNI 0.17% (2011) • JICA: execute 60% out of total ODA • JICA support: 6.36 bn (2011) • Support forms: Bilateral 80% (Grant 10%, TC 20%, Loan 70%), Multilateral 20% • Sectoral: social infra 22.5%, economic infra 47.9%, production 5.9%, multisector 8.7%, humanitarian assistance 4.1%, others • Regional: Sub-Saharan Africa 11%, Asia 60%, Middle East/North Africa 5%, Latin America/Caribbean 6%

	Saharan Africa 7%; Others • Delivery channel: Multilateral organizations 42%; Private consulting firms 17%; NGO 14%; Universities/Institutes 8%; Partner country governments 9%; Others	others 21%	support 5%, investment 42%, debt relief 16%, others	
Relation with aligned Ministry	• AusAID acquired the position as main aid Executive Agency in 2010 under the Ministry of Foreign Affairs • Responsible for advisory function toward Australian aid policy/related policy	• Emphases re-establishment of roles between Ministry of Foreign Affairs and SIDA. • Headquarter: government -Sida • Field: Sida belongs to Embassy • Field: close implementation by MFA and SIDA • Headquarter: Parliament/ government provide directive to Sida	• Aid executing agency under Ministry of foreign and european affairs and Ministry of Economy, Finance and Industry • Aligned ministries- support grants • AFD- mostly in forms of loans	• Unified aid executing agency (loans, grants, T/C) under Ministry of Foreign Affairs • Divided roles between MOFA and JICA: policy(MOFA)-strategy(JICA)-implementation(JICA)
Recent change after reform	• Doubled size • Effective system emphasis • Utilizing in-house expertise for aid expansion/sector expertise • 'Corporate Enabling Division' for strengthening the emphasis of the result management	• Modified to horizontal system of 10 departments • Excluded policy-related part • Emphasis on contribution management • Embassies mostly in charge of previous regional department tasks	• Emphasized the decentralized aid management by allocating 40% of total staff • Established Cross Operations Issues & Operational support team • Expanded Risk Department	• Strengthened the role of Operations Strategy Dep. • Established 'planning division' in each department for better, effective communication • Established SMEs division in Operations Strategy Dep.

Key features of the four aid agencies

■ Australia, AusAID

Following the DAC Peer Review of Australia in 2008, Australia went through dramatic ODA reforms in order to achieve the political objective of increasing the ratio of ODA to GNI 0.5% by 2015. Firstly in 2010, 'Independent review of Australia's aid effectiveness' was conducted. And mid-term ODA policy, 'Effective Aid' (2011) and 4 year mid-term ODA plan by AusAID (2012) were published respectively.

The Australian ODA system mainly consists of 2 entities: the first being the Department of Foreign Affairs and Trade, the other being AusAID, with involvement from a few other ministries, such as Ministry of Agriculture, Fisheries and Forestry. ODA policy is established by the Department of Foreign Affairs and Trade, while AusAID is the implementing entity of policies and strategies through its aid programs. As a result of the ODA reforms, AusAID has been able to provide advice on ODA policy more actively, positioning itself as the main ODA executing agency since 2010. The creation of the new position of Minister of international development within Department of Foreign Affairs and Trade on July 1, 2013 served as a momentum to strengthen ODA reform procedure.

As the main ODA executing agency, AusAID implements 83% of overall Australian ODA. It provides advice on development policy to the Government at policy level and is in charge of program management, planning, organization and evaluation, etc at implementation level. Additionally, AusAID attends various meetings and conferences regarding international development and cooperation on behalf of the Australian government. Its headquarters are

located in Canberra, and it consists of 3 major groups: The country Program Group, The Humanitarian and International Group, The Corporate Group. The number of AusAID staff is about 2,124 (June, 2012)– 1,301 employed in the organization's headquarter, while 823 (Australian nationals 227, local 596) work in approximately 40 field offices.

■ Sweden, SIDA

As an active contributor in OECD DAC and other international development arenas, Sweden contributed about 5.6 billion US dollars (1.02% of Swedish GNI) in 2011. Sweden also ranked 1st in 2011 on the Commitment to Development index (CDI), published by CGD (Center for Global Development), and 3rd out of 27 countries in 2012.

The Swedish ODA system consists of four major entities; the parliament, government, government offices and SIDA. The Ministry of Foreign Affairs is in charge of ODA policy establishment and financing management, while SIDA is an ODA implementing agency of governmental policy and strategy, under the Ministry of Foreign Affairs.

SIDA, established in 1995, provides about 50% of Swedish ODA. Its three main functions are as follows: First, it suggests policy and strategy for Swedish development and cooperation upon government request. Second, it manages policy implementation and project support. Third, it participates and attends to advocacy activity, policy dialogue with other countries, international organizations and other interested parties. The headquarters are located in Stockholm, and the number of staff is about 730– 570 in the 10 departments at headquarters, with 160 work in field offices (December, 2012).

■ France, AFD

France, one of top five contributing OECD DAC members, contributed 12.7 billion US dollars in 2012. Major development policies and strategies are established by MAEE (Ministry of Foreign and European Affairs) and MINEFI (Ministry of the Economy, Finance and Industry), with AFD being the main implementing agency of policies and strategies. Other aligned ministries provide ODA as well. CICID (Inter ministerial Committee for International Co-operation and Development) is co-managed by MAEE and MINEFI, and as the main body in charge of overall ODA policies, it links the two ministries and AFD. Established in 1941, AFD has the double function of being both public aid agency and development bank, so it provides a relatively high ratio of ODA loans. Here it differs from AusAID and SIDA that both provide grant aid.

AFD provides about 20 % of overall French ODA, and 42% of bilateral ODA. In 2012 AFD provided 84% of loans and 4% of grant. Separately, MAEE and other aligned ministries also provide their own grant ODA. Traditionally, France has supported African countries due to its historical ties. However, it is now increasing ODA to other partner countries. In addition, AFD is attempting to strengthen ODA budget predictability through a 3 year contract with French government.

■ Japan, JICA

Japan has maintained strong support of ASEAN countries and is also currently increasing contributions to the Sub-Saharan African region. In 2012 Japan was the 5th contributing OECD DAC member, contributing about 10.5 billion US dollars, a considerable reduction in ODA since 2000.

Development policies are developed by MOFA (the Ministry of Foreign Affairs), whereas JICA is responsible for project implementation. It is responsible for about 60% of overall Japanese ODA, and provides about 70% of loans, 10% of grants and 20% of technical cooperation.

In 2008, New JICA was established with the merging Old JICA and JBIC (Japan Bank for International Cooperation). This is now the body in charge of grant aid, loans and technical cooperation.

JICA is responsible for about 60% of overall Japanese ODA, and provides about 70% of loans, 10% of grants and 20% of T/C. Japan has maintained a strong support toward ASEAN countries. Yet currently it is increasing contribution to Sub-Saharan African region as well.

JICA has recently formed a cooperative matrix system between regional department and sectoral department for efficient and effective project management at both headquarters and field office. It is consistent throughout— from project identification and formulation to the stages of implementation and evaluation. In addition, a 'planning division' was established as a focal point within and outside JICA for better communication and internal cooperation. Each department planning division works as a communication window within and outside JICA, functioning as linkage between department—department and department—other agency/governmental bodies. The planning division also has authority over overall task management within the department and budget distribution to each division. JICA also emphasizes the need for delegation of responsibility and authority to field office for flexible project management.

<Table> Approaches to 'project' and various forms of project/support

	AusAID	Sida	AFD	JICA
Main function of Aid Agency	• Advice on development policy • Aid program management • Project plan and organization for poverty reduction • Evaluating aid program and improvement • Collecting materials, information on development • Leading and organizing for humanitarian crisis and disaster response	• Suggest development cooperation policy/strategy of Sweden, when requested by the government • Implementation & Contribution management • Advocacy, policy dialogue with other countries/intl. organizations, etc.	• Financial support on development aid program • T/C, collection of documents/information on development	• Advice to MOFA on development policy • Manages Japanese aid program • T/C to partner countries, dispatch of experts and training • Financial support by grants/loans • Multilateral cooperation • Researches on development cooperation • Humanitarian assistance
Core Aid Sector/Theme	• Thematical-oriented support under 5 strategic objectives	• Thematical-oriented support according to aid priority	• Sector-oriented support (education, health emphasized)	• Sectoral support: Socio/economic infrastructure
Forms/Characteristics of project management	• Consider project as 'investment' • Intensive participation on project formulation and planning • Focusing on management at implementation and evaluation stages	• SIDA defines that it is not the owner of project, but supports or contributes. • Emphasizes result-management stage	• AFD defines that it is not the owner of project, but provides financial support • Emphasizes the decision of financial support, contract through MOU . • Emphasizes project evaluation	• Management efforts of balance between program and project • Emphasizes PCM • Efforts to project identification/formulation/plan and evaluation

Formation of Policies and Strategies

■ Australia, AusAID

Since 2008 Australia has tried to actively establish systematic structure at policy–strategy–implementation stages, and it emphasizes the linkage with higher–level policy/strategy and effective implementation.

Effective Aid, the Mid–term ODA policy, shows 5 strategic objectives of Australian ODA: saving lives, promoting opportunities for all, sustainable economic development, effective governance, and humanitarian and disaster response. The Comprehensive Aid Policy Framework (CAPF) was established to suggest a 3–stage result framework to strengthen ODA mid–term predictability by means of 4 year regional budget distribution and development result assessment.

AusAID, is currently in the process of strengthening its country cooperation strategy, of which it has direct charge. The strategy is divided into two in order to improve actual strategy implementation; Program Strategy and Delivery Strategy. Furthermore, country strategy is selectable under 5 strategic objectives according to partner country's development priority. And thematic/sectoral strategies are located under the strategic objectives. An example is shown in the 3 specific targets of 'promoting opportunities for all', comprising women (gender equality strategy), children (education sector strategy), and the disabled (the disabled–inclusive development strategy).

■ Sweden, SIDA

Swedish aid policy was set down in 2003 with the policy document 'Policy for Global Development'. This stressed consistency among aligned ministries

which now shared the common policy objective of 'equality and sustainable development'. In ODA policy, there are 2 important paradigms: A Rights perspective, and a Perspective of the Poors. However, because the country's complexity of policy and strategy have been criticized in the OECD DAC Peer Review, the Government will be establishing a unified policy as of 2013, tentatively-named 'Aid Platform'.

For country strategy, emphasis was placed on result management to achieve development objective. Based on result management in 2012, the Ministry of Foreign Affairs and SIDA began a country cooperation strategy which made it possible to recognize the limits of sectoral composition and to realize that different combined sectors could work together to achieve one unified result.

■ France, AFD

France has sought to reform the overall French ODA system over the past decade. MAEE has established various policies, such as mid-term development policy, DCPs (Partnership Framework Documents), Cross-cutting issue policy paper, etc. Accordingly, AFD has developed a 5 year strategic plan for implementation (Strategic orientation Plan 2012–2016, POS 3). AFD sectoral strategies and guidelines have also been written in order to strengthen sectoral expertise. AFD supports partner countries with financial support according to the proposal contents and capacity of the partner, which makes AFD's characteristics in forming policies and delivering aid different from other donor agencies.

■ Japan, JICA

Major ODA policies have been established by MOFA, with JICA-level strategies and plans for project implementation developed by JICA. But

clear-cut division of responsibilities between MOFA and JICA is not easy, because JICA is also involved as advisor in developing policies by MOFA such as CAP (Country Assistance Policy). Following the ODA Charter and MOFA's mid-term policy of MOFA, JICA established mid-term strategy. Every year JICA develops 'JICA's Path for Development Activities' document in order to determine and clearly share the priority issues within the general budget.

<Table> Policy establishment and Comparison of implementation system

Main Stage	Detailed Stage			
	Australia AusAID	Sweden SIDA	France AFD	Japan JICA
1. Country Strategy establishing stage	Program Strategy (PS)	Result-based Country Strategy establishment	Country Strategy establishment DCPs (Partnership Framework Documents)	Ministry of Foreign Affairs: CAP (Country Assistance Policy) and Rolling Plan
	Delivery Strategy (DS)			JICA: JICA CAP
2. Formulation Stage	Investment Concept	Plan Appraisal	Project screening & Decision of support Receipt of project proposal Screening of proposal Formulation of screening team at field Formulation of project preparation team Feasibility Study Project screening Plan of financial support Decision of financial support MOU of financial support	Project screening & Decision of support Propose of project plan Preparation of formulation research Preparation of formulation research Preparation of research team Conducting research Officially receive proposal from the partner country Decision of support MOU with partner country Ex-ante evaluation
	Investment Design			
		Appraise and Agree		
3. Implementation Stage	Implemented by partner	Implemented by partner	SIDA support managing in-charge: performance management & monitoring	Procurement conducted by JICA headquarter & Overseas office
4. Evaluation and Feedbacks	Conducted by external experts	project completion Evaluation and feedbacks	project completion, evaluation	project completion, evaluation
			Ex-post evaluation	Ex-post evaluation/Ex-post monitoring

Characteristics of the 4 aid agencies in project management

■ Australia, AusAID

AusAID identifies its institutional characteristic as a managerial agency of results and quality at project implementation procedure. Therefore, AusAID does not necessarily implement the projects directly, but utilizes various implementing bodies as a delivery channel. It is important to note that in 2011–2012, AusAID bilateral ODA was distributed through commercial suppliers (17%), NGOs (14%), Universities/Institutions (8%), Partner government (9%).

Compared to other aid agencies, AusAID is actively involved in advising and establishing aid policy and strategy. Since the reform of 2010, AusAID has further reinforced this role and has published various aid policy/strategy/plan. With emphasis placed on unified and systematized policy and strategy, major policy and strategy is being extended to the agency level, resulting in various policies/strategies at different thematic/target levels. Through these measures, AusAID is seeking to strengthen the link between higher policies and recent aid policy/strategy with systematized implementation.

In its advisory role to MOFA, AusAID's position has been upgraded to being the main executing agency of ODA, and compared to other aid agencies, it fulfills an important role with great authority in the Australian aid system. AusAID is also responsible for the direct implementation of projects, while in other aid agencies such as JICA and AFD, the roles between policy/strategy establishment and implementation are strictly divided.

The Aid Management System of AusAID consists of 4 stages: Policy & Direction Setting, Plan & Design, Implementation & Performance Management,

Review & Evaluation.

There are various points to note regarding these 4 stages.

First, with regard to the approach to implementation and management methods, it is important to note that AusAID applies the concept of investment in project support by stressing the importance of development result and value for money, thus stressing the importance of development result achievement. Accordingly, AusAID participates intensively in the project formulation stage. An investment planning document is prepared with the focus on results and quality control, followed by monitoring at implementation and evaluation stages.

Second, in the identification process of projects, it is important to note that AusAID formulates the projects through a consultation procedure in order to identify the quality of the projects to be undertaken. This is conducted in a team composed of a regional department at headquarters, an in-charge-of-program group at the field office, a cooperation partner and various interested parties at the identification and planning stage. AusAID endeavours to lead project planning and screening with its in-house staff/experts both at headquarters and in the overseas offices but will employ external experts when necessary. In deciding size of projects to be undertaken, the preference is for larger programs with clear and specific targets.

Third, at the implementation stage, AusAID works closely with the various cooperation partners which are the main implementing bodies of its projects. These include the partner country, the NHO, consulting firms, etc. It is also important to note that AusAID cooperates differently with the headquarters

and embassies according to the size of its presence in the partner country—the larger the overseas office, the greater its authority in decision-making and implementation. Correspondingly, smaller offices enjoy less autonomy and are more dependent on the local headquarters and the embassy.

Emphasis is placed on risk management ('Investment concept Risk and Value Assessment'), where potential risks are identified, thus impacting the decisions for implementation. Likewise, AusAID also stresses the importance of result management. A result management system has therefore been created at the institution-program-project level, enabling consistent development results-program results-project results. This approach of improving aid effectiveness is reflected in 'The Performance Management and Evaluation Policy' (PMEP)(2012). Furthermore, both internal lessons within the AusAID and quality management are emphasized for result management within the project implementation system, and a balance between result monitoring and quality management is sought. For better quality control of projects, AusAID demands written QAI (Quality at Implementation) for every 'Activity' and an APPR (Annual Program Performance Review) which is based on the QAI results.

At implementation, AusAID also focuses on risk management by emphasizing 'Investment concept Risk and Value Assessment'. It is utilized to recognize risks at identification stage and it makes impacts on decision making of implementation.

Fourth, AusAID has prepared documents setting out policy, guideline, tool, instruction, templates, etc, for AusAID staff to perform effectively at project implementation. In addition, human resource plan has been created to manage

the staff increase which has doubled in 3 years, and to strengthen internal empowerment.

Fifth, AusAID seeks to utilize the partner country system by allocating to it portions of ODA. It intends to utilize about 20% of overall bilateral ODA to the partner country system by 2014.

■ Sweden, SIDA

Over the past few decades SIDA has been actively involved in advising Sweden's aid policy/strategy, advocacy activities and policy dialogue. However, as a result of criticism over the multiple policies and strategies, SIDA is now simplifying policy/strategy for increased efficiency. SIDA is also re-establishing its roles with Swedish MOFA, seeking a clear division of responsibilities between the two organizations with regard to policy and implementation.

SIDA identifies that its role as the ODA implementing agency is to implement policy and strategy, and to manage "contribution". Distinguishing between project/program and "Contribution" in the project implementation system, it determines the owner and decision maker of the actual project/program as its cooperating partner. As a result, SIDA makes an effort to consult with cooperation partners at the project planning and formulation stage. Overall, SIDA stresses the contribution management for the project, and it focuses on achieving its development objective at each level of policy/strategy/project.

SIDA works with various cooperating partners of bilateral ODA: national/international NGOs (28%), the partner government (21%), Swedish government offices, consulting firms, etc. It also established a 'Framework

Agreement' system, making a contract for long-term partnership to implement some of its projects. Partners through 'Framework Agreement' are not only responsible for implementation but also for evaluations. Though SIDA has a monitoring and evaluation unit (UTV), it only deals with strategic evaluation on strategies and methodologies.

In March, 2012, SIDA developed new country strategies and a new contribution management system in its project implementation system. These are evolving at the time of writing this report. New country strategies have now added a section at the top of the strategy paper for stating programs and activities within the strategy under the heading 'Expected Results'. In this way it is intended to unify strategy and program within the same result objective.

The new contribution management system consists of 4 stages: Plan Appraisal, Appraise and Agree, Performance Monitoring, and Contribution Completion. Of these, performance Monitoring is given the major focus. By means of this system, SIDA evaluates the appropriateness of a project, the result framework, effectiveness, institutional capacity, sustainability, ownership, alignment and harmonization. At this point, it is important to note that risk analysis is embedded in the various screening standards. Risks are defined as follows: external risks related to achievement of result, risk of inadequate control, risk of corruption, risk of inadequate ownership, and failure to sustain results.

Main features of the contribution management system:

First, unlike a Korean aid agency, the SIDA field office is situated within the Swedish Embassy in the partner country, and it identifies projects by

verifying the project proposed by the partner and the Swedish development objective. In the field, it has authority to approve a project budget of up to 50 million Swedish kroner (about 8.5 billion KRW), thus giving the field office great authority in project identification, formulation and implementation. The consultation process with cooperation partner is considered significant.

Second, SIDA stresses result and quality management for development objective achievement during implementation, so it manages the quality control through 4 monitoring mechanism: yearly budget plans, yearly technical and financial reports, yearly audits and monitoring of payment.

In addition, there are 3 stages in the quality management system: SIDA staff, a supervisor at the upper level, and independent review by external experts.

Third, with regard to aid effectiveness implementation, SIDA takes a 'Program-based approach(PBA) as its starting point, and also seeks to utilize the partner country system as a way in which to apply PBA, even when this may only be partly feasible. For quality control of the partner system, SIDA uses prognosis tools at international level. It also provides a lot of support to strengthen the partner system.

■ France, AFD

AFD differs from other aid agencies in that it has the double functions of being both a public aid agency and a development bank, thus supporting a high portion of ODA loans than other agencies. There is a clear division of responsibility between AFD and MOFA: MOFA is responsible for higher levels of policy, while AFD creates strategies and implements them through financial support. It is important to note that both MOFA and AFD apply different

sectoral/cross-cutting strategies according to priority areas in each region/country. In addition, AFD offers support in other areas such as art/cultural development, which is not the case with other agencies.

In AFD-funded projects, the partner country/other partner is considered the owner of a project for the whole project cycle. Thus, AFD limits its role to providing basic guideline rather than being actively involved in project implementation. Project procedure is as follows:

AFD receives the project proposal from the partner country and initiates the screening process. When the proposal matches the development policy of the partner country and French ODA policy, AFD approves the proposal and is ready to provide financial support. Aid modality is decided upon the project's contents and the capacity of the partner. Great stress is placed on risk management, especially in financial management, as AFD provides much of the ODA loan money. The project (including procurement procedure) is conducted by the partner, while the quality of procurement is managed by the AFD field office through a 'No-Objection System' and it maintains quality control through regular monitoring.

AFD allows firms/service providers to utilize universally-accepted rules or guidelines, such as those of the World Bank, although, in principle, AFD respects the partner country's system. Where this system is absent, however, AFD allows for informal action, permitting informal communication channels with firms/service providers in order to enable effective project implementation. In light of AFD providing financial support, criticism has been levelled at the agency (along with JICA) over insufficient result-management and unclear result objectives.

AFD focuses on project-level evaluation, most of which is carried out by external evaluators. In addition, evaluations are conducted by the Evaluation unit (EKDU) at headquarters, as are strategies, financial-related evaluations, etc. In addition, an External evaluation committee meets on a regular basis to uphold the quality and objectivity of evaluation results.

■ Japan, JICA

JICA is the main aid executing agency of grants, loans and T/C as a unified aid agency. Thus, like AFD, it also provides a high portion of ODA loans. Although the roles of the MOFA and JICA are divided in principle, the division is unclear because of JICA's advisory role to MOFA. Currently, JICA is engaged in handing over more authority to the field and overseas offices in overall project procedure. In the field, JICA overseas office and ODA T/F team in embassies cooperate to achieve combined effective results.

JICA is preparing JICA CAP (Country Analysis Paper) of partner countries (in total, 56 partner countries), which documents in detail the background and situation of the country concerned. (The MOFA CAP – Country Assistance policy– is based on JICA cap (1~2 pages) together with a Rolling Plan. Additional papers to supplement JICA CAP are being developed. JICA also seeks to strengthen sectoral expertise with sectoral guideline/strategies and a pool of experts. Since the merger of JICA and JBIC, JICA has established 3S (Speed up, Scale up, Spread out) as its slogan for effective, accelerated project management.

The agency's focus is on the planning, implementation and evaluation of projects. Thematic/sectoral guidelines established by the agency are used by overseas offices and partners for project implementation. JICA is currently

seeking to change the way in which projects are identified – from 'request-based' to 'consultation through dialogue'. Its project implementation system differs from that of other agencies in that it plays a leading role with regard to implementation. Consequently, JICA emphasizes the need for formulation and feasibility studies at the project identification/formulation stage.

At this stage, JICA seeks to create a policy dialogue with the partner country for project formulation, rather than on request-basis. Since it attempts to utilize established consulting firms/service providers and external experts in implementation, JICA works with various partners, not only in formulation or feasibility studies but over the entire project procedure. And JICA policy is to give more authority to overseas offices to deal with these partners, most bidding and procurement procedure fall directly under the responsibility of field offices, while the procurement department at headquarters limits its role to guideline provisions and training of field office staff, etc.

Since project implementation is conducted by external firms/service providers or experts, it is the field office that maintains quality control through regular project monitoring in cooperation with regional and sectoral experts. At the evaluation stage, JICA focuses on project-level evaluation with special efforts made in conducting ex-post evaluation. Hence, every year, ex-post evaluation results are rated based on a 'rating system' with the published results available to the public. In this way, feedback from evaluation results provides lessons for future projects implementation.

Implications and Recommendations

As a result of the research on 4 aid agencies, ten implications and recommendations have been deduced under 4 themes with regard to AusAID, SIDA, AFD and JICA.

These are: 1) Review of the aid agency's role, 2) Reform of the policy-strategy formulating system, 3) Advancement through reform of project implementation system, 4) Environmental change for the aid agency's system reform

1. Review of aid agency's role

Recommendation 1

As the executing agency of ODA, KOICA needs to clearly define its own development objective, priorities, main functions and strategic task range. Each of the four above-mentioned aid agencies has established its own role as an continuously functioning ODA specialized agency, preparing its strategy and focusing on the priority sector/theme. Therefore, it is necessary that KOICA defines its own role, determine its priority areas, function, task ranges.

Recommendation 2

Definition of MOFA-aid agency's strategic role is of the greatest importance. It is necessary to clarify the strategic division of responsibilities between MOFA and KOICA in policy/strategy establishing procedure. In practice, it would be possible to use the format of JICA in the short term, and that of SIDA in the long term establishment of a country strategy/program.

2. To strengthen Policy-Strategy formulation system

Recommendation 3

It is important for KOICA to adopt the CPS implementation plan to strengthen connectivity with CPS. It is possible to refer to AusAID's and JICA's country programs in order to develop implementation plans for a country program.

Recommendation 4

It is essential to prioritize for CPS, and for the CPS implementation plan to change from sectoral to thematic strategies. Changing to thematic-oriented strategies would effectively establish strategies based on development results and result management in the mid-long term. In practice, it would be possible to refer to the example of JICA in the short term and to SIDA and AusAID for long term projects.

Recommendation 5

It is necessary to establish simple and efficient CPS based on results. In the case of SIDA, it has a short and comprehensive country strategic document, together with a more specific and detailed document for convenient, practical use in policy discussion and dialogue with the partner country.

3. Project Advancement through the reform of project implementation system

Recommendation 6

Current concepts and approaches regarding projects must be reviewed and reassessed. Currently, KOICA seeks to create an appropriate environment to enable effective strategy establishment, implementation, and project management in the short term. Yet it is important to refer to various kinds

of partnership, contract methods, and systematized expert recruits used in other aid agencies for long-term endeavours. This would result in firmly securing KOICA's role in the project implementation system.

Recommendation 7

It is important to clarify the role of KOICA at the stages of project identification, formulation and plan— project identification through policy dialogue and consultation, systematization of project planning and also at the screening stage. Long-term endeavour is essential in project identification/planning/screening procedures through consultation, and active participation is also crucial in thematic/sectoral meeting among donor countries to find out the practical proceedings. Therefore, it is important that embassies and overseas offices will be involved more actively in these activities.

Recommendation 8

It is important to strengthen the specialized aid management within project implementation system— result management, quality control management, evaluation management, and risk management. At present it may not be easy to create and maintain sufficient result and quality control reports in the light of the current situation of KOICA's human resources. Yet by referring, for example, to the QAI report of AusAID, it would be possible to maintain both result and quality management. It is also necessary to improve awareness on evaluation. Furthermore, KOICA needs to continue researching feasible risk management methods at implementation as well as step-by-step methods for risk management beyond mere awareness.

Recommendation 9

It is important to improve cooperation and management methods with partner countries. Other aid agencies seek mid-long term partnerships in

order to maximize effective management and to minimize the administrative burden. By making clearer division of responsibilities, KOICA could attempt more effective project management with its various partners.

Recommendation 10

It is important to clarify the function, role and expertise of the aid agency, and accordingly to prepare plans for human resource management and expertise strengthening. The Korean aid environment needs to be considered when strengthening the role of KOICA in policy/strategy establishment and improving program management. At the MOFA level, it is essential to reduce the number of grants-projects dramatically as well as to increase the size of projects to be taken on. Thus, it is important to introduce effective programs that bring results and to adopt new aid modalities. Meanwhile at aid agency level, it is crucial to have close cooperation with the various partners for research, to strengthen plans for strategies, and to recruit/train the necessary personnel. In order to achieve these results, it is essential to unify projects that are similar, to clarify the main function of the agency, and to make them transparent to the public.

It is also necessary to develop a more active and detailed plan for KOICA's human resource management. AusAID, which has doubled its staff number, could be used as a model. AusAID modified its main role from that of managerial responsibility to planning and formulating policies/strategies, managing quality of individual project, overall evaluation and quality. In order to achieve this, human resource plans were established to maintain human resource management and inner-capacity empowerment.

Above are ten implications and recommendations for KOICA advancement, deduced from the research on the four aid agencies.