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A Study on the Strategy for Cooperation with Enterprises
in Development Cooperation Agency





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The Korea International Cooperation Agency (KOICA) is the representative development cooperation agency of the Republic of Korea, pursuing global social values. KOICA has been endeavoring to eradicate poverty and improve the quality of life as well as the human rights of women, children, the disabled, and adolescents in developing countries. In addition, KOICA is committed to realize gender equality, sustainable development and humanitarianism and contribute to the peace and prosperity of the international community by promoting economic cooperation and partnership with developing countries.

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Executive Summary

The private sector is increasingly engaging in development cooperation. This study narrowed down the scope of cooperation to companies, focusing on Private-Sector Engagement (PSE).

As the demand for private sector participation in development cooperation increases, major donor agencies are developing strategies to strengthen partnerships with the private sector. US USAID, which is undergoing a major shift in institutional culture and operations to expand PSE, announced its new PSE policy in December 2018, emphasizing that it values market-based approaches and evidence bases, and reflects this policy stance in its projects. The Australia's Department of Foreign Affairs and Trade (DFAT) is pushing for PSEs that focus on cooperation with enterprises by designating the private sector as enterprises, and values the creation of shared (economic and social) values of development cooperation agencies and enterprises. Although there is no separate strategy for private sector engagement, Sweden's Sida works with a wide variety of stakeholders and applies the most complex high-level of financial structure to projects. The UNDP focuses on the role of stakeholder platforms and consulting and capacity building to enhance development effectiveness, and discovers and plans projects considering inclusive business models that promote economic activities for the poor.

At the KOICA level, cooperation with companies is also a very important challenge. First of all, it is necessary to expand the scope of partners not only to a single company but also to related associations or chambers of commerce, other ministries and institutions in Korea. Second, it is required to diversify KOICA's existing types of corporate cooperation. In particular, the types of policy dialogue and capacity building can be considered important. Finally, enterprise cooperation can be mainstreamed in KOICA organization and business.

I. Introduction

With the recent expansion of the scope of the development cooperation system, the need for private participation in development cooperation and attracting private funds has increased. In particular, the role of the private sector is important in the large-scale funding required to meet the surging demand for development in the era of Sustainable Development Goals (SDGs).

Private-led development cooperation is a system that ultimately must be pursued for the development of developing countries by themselves. In order to promote private participation in development cooperation, private resources should be able to be leveraged, and the scale and impact of leveraged private resources should be measured in an objective and scientific manner.

As the demand for private sector participation in development cooperation has increased, major donor agencies have established strategies to strengthen partnerships with the private sector. In particular, the government is promoting cooperation in various forms with companies that have played a key role in national economic growth and building a democratic society by promoting the creation of jobs and income and encouraging the participation of a large number of people in the production and decision-making processes.

The purpose of this study is to provide information on the possibilities and prospects of cooperation between development cooperation agencies and enterprises. To this end, it examines the reasons and justification for the development cooperation agencies to promote cooperation with companies and predicts the possibility and promising modality of cooperation. In addition, we would like to present the direction of sustainable and effective KOICA's corporate cooperation. By comparing and analyzing the causes and trends of companies participating in development cooperation, strategies and business cases of each donor institution, KOICA's direction of cooperation with companies that meet the domestic situation is presented.

II. Cooperation between development cooperation agencies and businesses

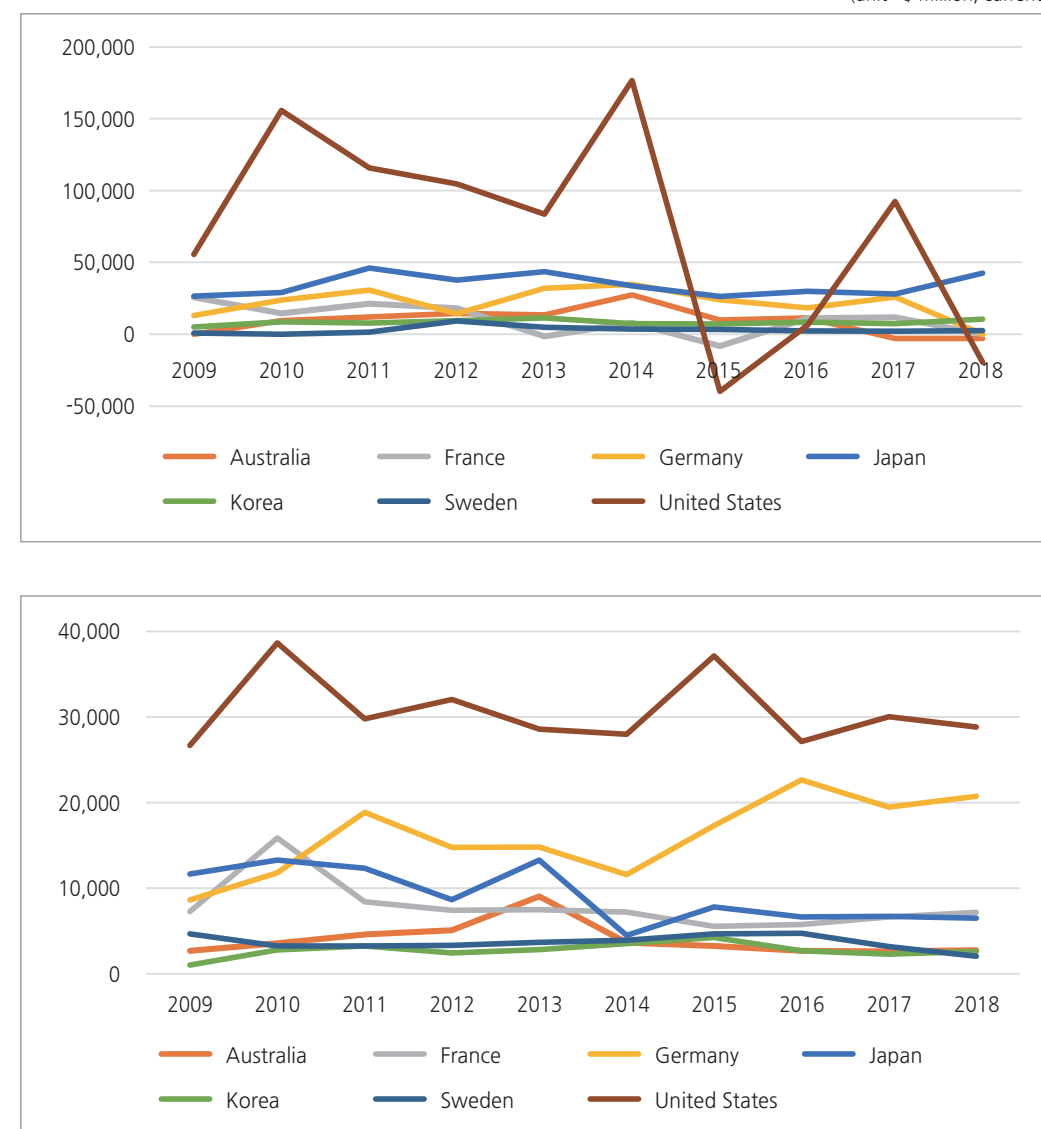
1. Significance and effect of the cooperation between development cooperation agencies and businesses

The development method that development assistance ultimately pursues is the development by the private sector, the self-sustaining development entity. Therefore, cooperation with private-sector centered on businesses will become an important form of development in the future. Cooperation with companies can help enable market-based sustainable development of developing countries, which can be the driving force for self-sustaining development of developing countries even after development assistance is terminated.

Considering the considerable amount of private funds flowing into developing countries, support for the need to expand development resources and enhance development effectiveness through cooperation with companies can be secured in implementing development cooperation. Of the net inflow to developing countries, private resources, including direct investment and private capital, are larger than the size of public resources, including Official Development Assistance (ODA) and Other Official Flow (OOF) (see Figure 1). The average annual net private inflow into developing countries during the 2017–2018 period was about \$150 billion, while the net public inflow was about \$100 billion.

〈Figure 1〉 OECD DAC selected countries' private vs. public support

(unit : \$ million, current)



Source: OECD 2020

Private–Sector Engagement (PSE) is the term for cooperation between development cooperation agencies and businesses. The OECD has simplified the definition of PSE as "an activity that aims to engage the private sector for development results, which involve the active participation of the private sector (OECD 2006)," broadening the scope of PSEs. USAID, on the other hand, defines PSE very specifically as "a strategic approach to planning and programming through which USAID consults, strategizes, aligns, collaborates, and implements with the private sector for greater scale, sustainability, and effectiveness of development or humanitarian outcomes (USAID 2019a)". The cooperation between the development cooperation agencies and businesses that we would like to discuss in this study is most similar to the cooperation that other agencies have classified as PSEs. The scope of cooperation has been narrowed down to that with companies among the private sector.

The expected effects of development cooperation between development cooperation agencies and businesses are as follows; (i) increasing in development finance, (ii) sharing risk, (iii) enhancing the effectiveness and efficiency of development finance by utilizing the expertise and creativity of enterprises, and (iv) development cooperation agencies can focus on comparative advantages of themselves, such as streamlining fiscal spending, improving project management and supervision, by specializing in public functions such as policymaking and quality management of public services (KOICA 2011).

2. Categorization of cooperation

The biggest factor that has made the development cooperation community feel the need for cooperation with enterprises and recognize them as an important development entity is the growing demand for development and the need to secure resources to meet it. Discussions on corporate participation in development cooperation emerged around the development finance meeting. Starting with the Monterrey Consensus, which was adopted at the Monterey International Conference on Financing for Development in 2002, the role of private resources for effective development cooperation was further highlighted through the Addis Ababa Action Agenda, which

was adopted at the third International Conference on Financing for Development in 2015.

Cooperation between development cooperation agencies and enterprises can be divided into direct and indirect cooperation according to the form of cooperation. It can be distinguished by whether development cooperation agencies and enterprises are directly connected and cooperated, and whether brokerage role institutions (consulting companies, NGOs, fund managers, academic and charitable foundations, etc.) serve as intermediaries. In addition, the strength of cooperation can be strategically chosen depending on the purpose of cooperation, the nature of the participating agencies and available resources.¹⁾ It is also possible to distinguish between cooperative governance methods. The participation of the private sector in a legally binding contract, board of directors or standing committees of development cooperation agency, MOU/MOA, etc. are types of private sector engagement classified by the cooperative governance approach (DCED 2019).

III. Strategies for Business Engagement of Selected Donors

In this chapter, we analyze and compare the strategies of the two organizations (USAID, Australia's Department of Foreign Affairs and Trade) and the UNDP, which have recently newly established the strategies or policies for PSE.

1) For example, inform → consult → involve → collaborate → empower (The more to the right, the stronger the cooperation.)
 – Inform: Balanced and objective information to help companies understand problems or alternatives. i.e., fact sheets, websites, open houses, etc.
 – Consult : Gathering feedback on analysis, alternatives and performance. i.e., collecting opinions, focusing groups, surveys, public meetings, etc.
 – Involve: Workshop and public opinion survey
 – Collaborate: Corporate consultation and innovation integration in joint planning and development solutions. i.e., joint funding, service and capacity sharing
 – Empower: Decision-making
 (DCED 2019)

1. US Agency of International Development (USAID)

Recently, USAID has been making a major transformation in its institutional culture and operations to integrate its PSE. By announcing a new PSE Policy of USAID, Private-Sector Engagement Policy, in 2018, USAID began the process of institutionalizing PSE as a key principle of the USAID operating model. The new PSE policy presents countermeasures for USAID to cooperate with the private sector in designing and implementing development and humanitarian programs in all sectors.

In promoting PSEs, USAID and the private sector have different value propositions (see Table 1). USAID can help form relationships by providing networks within developing countries that are inaccessible to the private sector, and provide expertise and knowledge in the field of development cooperation as well as supporting the creation of an enabling environment for business activities. It also shows convening power and helps ease risks and call up stakeholders, which are the biggest obstacles to the operations of private sectors in developing countries. On the other hand, the private sector can contribute to expanding the scale of development cooperation projects, enabling innovation and professional application. In addition, it has the strength to be able to carry out projects in a flexible and speedy manner and can contribute to enhancing the efficiency and effectiveness of the projects.

〈Table 1〉 Value Propositions: What USAID and the Private Sector Bring When We Work Together

USAID Offers	Private Sector Offers
- Strong in-country networks and relationships - Support to strengthen enabling environments - Sectoral expertise and knowledge - Risk-mitigation and flexible authorities - Reputation and credible convening power	- Scale, sustainability, and reach - Ability to influence policy - Innovation, expertise, and capabilities - Flexibility and pace - Efficiency and effectiveness

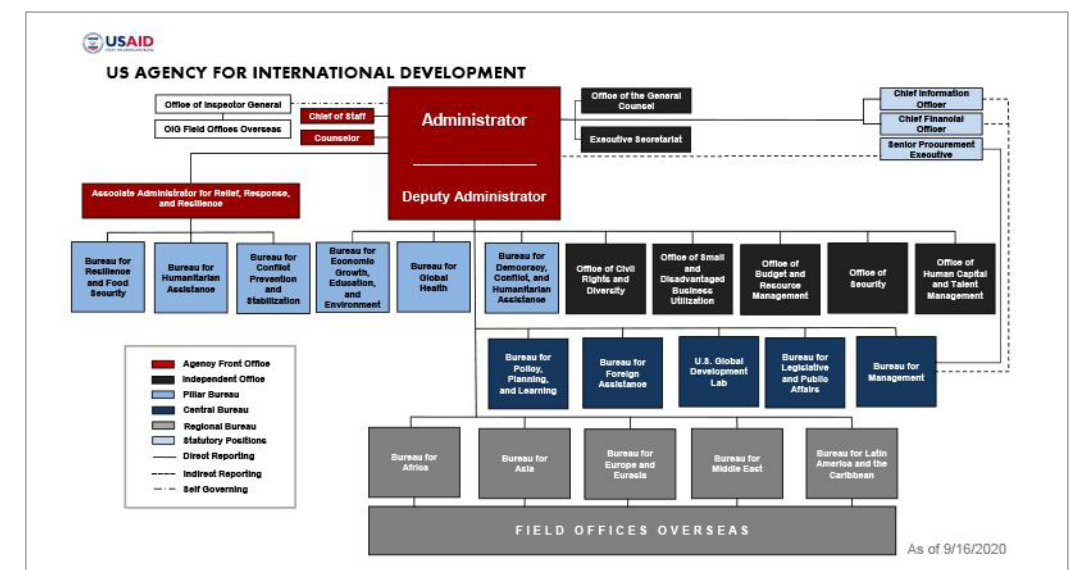
Source: USAID 2019a

The policy commits USAID to adopting the following principles to integrate PSE effectively into its operating model.

- ① Principle 1: Engage early and often
- ② Principle 2: Incentivize and value PSE throughout planning and programming
- ③ Principle 3: Expand the use of USAID's approaches and tools that unlock the potential of the private sector
- ④ Principle 4: Build and act on the evidence of what works, and what does not, in PSE

The USAID units involved in the development cooperation project consist of five regional bureaus and seven functional bureaus (see Figure 2). The Office of Private Capital and Microenterprise (PCM), which is related to PSE, belongs to the Bureau for Economic Growth, Education, and Environment. It supports and develops tools, approaches, and intermediaries that can mobilize private finance at scale in the developing countries. USAID has the will to pursue strategic relationships with private investors enough to separate PCM independently.

〈Figure 2〉 USAID Organization Chart



Source: USAID 2020

2. Australia's Department of Foreign Affairs and Trade (DFAT)

Australia's Department of Foreign Affairs and Trade (DFAT), for the first time in 2014, launched a new aid policy that clearly defined the private sector as a key partner. In addition, the Australian DFAT issued a Ministerial Statement on Engaging the Private Sector in Aid Development in 2015 and published relevant guidance note in 2020. The Australian DFAT defines PSE as “working with commercial enterprises, including informal sector micro-enterprises (like farmers and street traders), high-tech and other start-ups, small and medium-sized enterprises, large locally-owned companies, and multinational conglomerates. The objective of engaging with the private sector is to deliver on shared interests (increased development impacts and sustainable commercial returns).

<Table 2> Investment Priorities of Australia's DFAT and Value Proposition between DFAT and Private Sector

DFAT offers business	Investment Priorities	Business offers DFAT
Credibility, convening power, knowledge of in-country environments, gender lens, experience, influence, technical capabilities, development expertise	– Agriculture, fisheries and water – Building resilience: humanitarian assistance, disaster risk reduction and social protection – Education and health – Effective governance: policies, institutions and functioning economies – Gender equality and empowering women and girls – Infrastructure, trade facilitation and international competitiveness	Innovation, business expertise, networks, new technologies, market insights, reputation, technical capabilities, advocacy for sustainable and responsible business

Source: DFAT 2015, DFAT 2020

DFAT employs two main modes of engaging with the private sector: Collaborating and Partnering. Although Collaborating and partnering do not necessarily have to be implemented sequentially, it is common for partnering to take place after solid collaboration.

The 'collaborating', which includes from exploratory conversations to regular meetings, is the approach with the lowest level of formalities, duties and risks. DFAT promotes a cooperative way to meet the needs of development and enterprise, mainly through convening, brokering and influencing, through global platforms such as the UN system, G20, APEC and various trading initiatives, or through business councils and chambers of commerce in-country.

On the other hand, 'partnering' is characterized by a more formal relationship between the parties and generally includes higher levels of structure and obligation. DFAT has a long history of partnering with NGOs, other governments and multilateral organizations. Current partnering methods include memorandums of understanding, funding (or co-funding) facilities, or cost and risk-sharing arrangements (DFAT 2015).

The five approaches of the PSE action plan of DFAT are 'engage', 'equip', 'support', 'innovate', and 'incentivize'. 'Engage' means promoted opportunities for collaboration and partnership with the private sector in the aid program, including indigenous business. 'Equip' is an approach that designs and equips staff with tools to engage with the private sector in a development context. 'Support' is the provision and support of an internal enabling environment that delivers advice, systems and processes for private sector engagement. 'Innovate' is an investigation and test of alternative approaches to establish effective solutions to development challenges. 'Incentivize' is an approach to nurture and reward catalytic private sector engagement to amplify the reach and impact of development activities.

〈Table 3〉 Approaches of the PSE Action Plan of DFAT

Approach	Actions
Engage	Policy Coordination On-line Business Hub Private Sector Network Relationship Managers
Equip	Guidance Business Engagement Support Unit Learning and Development
Support	Managing Relationships Reporting Tools Simplified Processes Private Sector Specialist Advisory Services Risk Management
Innovate	Strategic Analysis and Planning Business Partnerships Platform Sustainable Business and Development Lab
Incentivize	Private Sector Advocates Secondment and Mentoring Career Recognition

Source: DFAT 2020

3. UN Development Programme (UNDP)

The UNDP has been active in private sector development for more than 50 years. It has been promoting cooperation with private sectors in various ways, including development of the strategies, joint support for industrial development, and establishment and operation of platforms for the promotion of the cooperation with private sector.

With cooperation with the private sector as an organization's strategic priority, the UNDP continues to establish, revise and supplement related strategies. In 2007, the UNDP established a Private Sector Strategy. Since the establishment of the strategy

in 2007, the UNDP has implemented various projects in which private sector participates. These projects have achieved remarkable growth in quantity and are considered to have played various roles through technical/financial support, private investment and value chain links.

In 2012, the UNDP announced a 'Strategy for Working with the Private Sector', which complements the 2007 strategy by reflecting changes in the internal and external environment that have occurred since the establishment of the strategy, and updating the PSE section. The 2012 strategy has not changed much compared to the 2007 strategy, but there have been some improvements. The UNDP has set the goal of supporting the sustainable and inclusive development of the recipient countries and enhancing private sector engagement from the perspective of the UNDP's mid-term strategy, focusing on accelerating economic recovery through job creation.

Subsequently, in 2016, 'UNDP's Private Sector and Foundations Strategy for the Sustainable Development Goals 2016–2020' was established and announced to reflect the adoption of SDGs and the reorganization of the UNDP. The 2016 strategy consists largely of two parts: cooperation with the private sector -- enterprises, business intermediaries, social enterprises, mutual credit organizations and state-owned enterprises -- and cooperation with charitable foundations.

In August 2020, UNDP announced 'Private Sector Development and Partnership Strategy 2018–2022'. The strategy was formulated to help countries meet the 2030 agenda for private sector activities and investment. In particular, the focus is on seeking partnerships between governments, businesses and civil society to ensure that the market conforms to SDGs while embracing the poor and marginalized communities. The UNDP's private-sector strategy has put strategic priorities on ① the mobilization of private finance to achieve SDGs, ② the alignment of corporate strategy and management with SDGs, and ③ the establishment and implementation of policies for promoting inclusive green economy, and proposed 14 service offers to advance them.

IV. Case Studies of Cooperation with Businesses

1. Overseas cases

A. US Agency of International Development (USAID)

USAID has been a pioneer in private sector engagement and has recently focused on institutional-level transformations for more effective private sector engagement. In May 2001, USAID advocated the Global Development Alliance (GDA) initiative as a flagship model for partnerships with the private sector to achieve development goals for developing countries through enhanced cooperation with various private entities. USAID's partnership with private-sector has established some 3,500 partners and 1,600 alliances since its inception in 2001 with GDA(USAID 2019b).

The GDA business model usually maintains the highest level of institutionalization, consisting of USAID, one or more private enterprises, and one or more NGOs, while simultaneously pursuing corporate interests and development goals. Private entities participating in the GDA project are not subject to the pursuit of profits of a particular entity, but are often associated with direct business gains. In other words, USAID's PSE businesses historically have had a direct or indirect link to the entity's revenue activities significantly.

For example, NetMark Alliance seeks to enhance the capability of the recipient countries to respond to various health issues by ultimately improving local production capacity, but it is also closely related to the business or public relations activities of related companies in the United States. In the case of the Sustainable Tree Crop Program, it is strongly considered the activities for environmental sustainability in the recipient countries, but ultimately has features of implementation of CSRs and resource and network management of WCF, an association of enterprises that need cocoa bean(USAID 2019b) .

Meanwhile, USAID introduced a venture-type grant competition system called Development Innovation Ventures (DIV) to enable financial support for cost-effective and viable development solutions. It provided an opportunity to support small and

medium-sized enterprises through the Partnering to Accelerate Entrepreneurship Initiative.

B. Australia's Department of Foreign Affairs and Trade (DFAT)

Australia's DFAT is working with the private sector in a variety of ways, exploring innovative approaches and new ways of cooperation to solve development challenges. In particular, Australia's DFAT, which places importance on the shared value approach of generating both corporate revenue and social values, focuses on the projects that create shared value through the Business Partnership Platform (BPP).

The Business Partnership Platform (BPP) is a key program of DFAT that directly contributes to promoting cooperation with businesses in response to regional development issues. The BPP serves as an entry window for new private partners to begin working with DFAT. The partnership matches private finance to the projects that meet Australia's aid investment priorities and enhance the businesses' experience and ability to respond to development tasks that are difficult to resolve as well as achieve corporate commercial objectives. As of August 2020, the partnership is supporting the projects by mobilizing a total of about \$40 million (\$14.61 million by DPAT and \$25.85 million by partners).

The Affordable Solar Solutions in Papua New Guinea carried out as part of the BPP works with Australian DFAT, solar energy companies, payment service providers and solar product manufacturers to improve the power accessibility of Papua New Guinea residents and develop the business model of solar energy companies. The project used the pay-as-you-go business model to provide a set of quality solar energy at an appropriate price to households in rural Papua New Guinea. As a result, electricity was provided to 18,000 people in about 2,500 households in rural areas, and subsequently, local security and health were improved, and opportunities to generate income were enhanced. The solar energy company was able to generate revenue by expanding the size of its existing business model.

In this partnership, DFAT plays a catalytic role of mobilizing the financial resources

of partners and provides knowledge of the political and regulatory environment of the recipient countries, which was difficult for private sector to grasp. In addition, development expertise such as monitoring social impact, considering gender and disability, and financing was utilized to enhance the effectiveness of development cooperation projects. DFAT contributed to the smooth functioning of the partnership by making use of its comparative advantage in the intermediary and influence in the partnership.

In addition to the BPP, Australia's DFAT has recently raised funds and facilities as a means of boosting corporate participation in aid projects. These funds and facilities particularly focus on responding to the outbreak and spread of COVID 19. One of the most recent examples introduced by DFAT in terms of facilitating private development finance is the Emerging Markets Impact Investment Fund (EMIIF). The Fund advocates the role of Fund of Funds for that purpose of bilateral assistance of the Indo-Pacific countries hit economically by COVID 19 and includes support for small and medium-sized enterprises in the initial phase in these countries, especially those run by women.

C. Swedish International Development Cooperation Agency (Sida)

Although Sweden's Sida does not have a separate strategy for cooperation with the private sector. Instead, it has devised a variety of systematic cooperation tools through which it has performed cooperation with the private sector, including guarantee instruments, Challenge Fund, Public Private Development Partnership (PPDP), Swedish Leadership for Sustainable Development (SLSD) and Swedish Investors for Sustainable Development (SISD).

The Public Private Development Partnership (PPDP) is Sida's representative tool for cooperation with private sector. PPDP has the most important purpose of providing economic opportunities to the poor, and allows the poor to participate in the value chain of business activities as producers, distributors, innovators, consumers or owners. Sida jointly supports projects financially with private sector through PPDP and supports them through expertise related to development

cooperation. Sida contributes to PPDP by implementing pilot projects, providing technical support, training and capacity building, enhancing community development, and performing research and evaluation(SIDA 2020).

In 2013, Sida launched the Swedish Leadership for Sustainable Development (SLSD), a network for policy dialogue and knowledge sharing with business leaders. More than 20 Swedish leading companies are participating in the SLSD, establishing itself as a cooperative model that creates new partnerships and projects for poverty reduction and sustainable growth. It is pursuing cooperative projects in areas such as water conservation, vocational training and social dialogue through PPP(SIDA 2019). Meanwhile, in 2016, Sida and 13 investors, pension managers, and institutional investors joined forces to form 'Swedish Investors for Sustainable Development (SISD). SISD is serving as a platform to explore the role of investors in achieving SDGs and share values.

D. UN Development Programme (UNDP)

The UNDP's efforts to develop the private sector date back to the 1960s, with examples contributing to the development of airlines in developing countries through support for the aviation industry and the International Civil Aviation Organization (ICAO) (UNDP 2016). In addition, the UNDP established the Istanbul International Center for the Private Sector in Development (IICPSD) jointly with the Turkish government in 2011 to promote cooperation with the private sector and the foundation. IICPSD engages in research, advocacy for inclusive business, facilitation of public-private dialogue and multi stakeholder partnerships in key areas: inclusive business, private sector engagement in skills development, impact investing, and resilience and crisis response(UNDP 2020).

The UNDP serves as the secretariat of the Business Call to Action (BCtA), a collaborative initiative between donor agencies and businesses. Launched in 2008 by the United Nations, BCtA collaborates with businesses to develop an inclusive business model that includes the poor in the business. BCtA is a donor multilateral coalition with the Dutch Foreign Ministry, Sweden's Sida, Switzerland's Swiss Agency

for Development and Cooperation (SDC) and the UK's Department for International Development (DFID)²⁾(KIAT 2018) as partners. As of September 2020, 257 companies have joined the BCtA as members, and in over 70 countries carry out projects covering enhancing market access, financial services, health, water resources and sanitation, and education.

2. Cases of other ministries and agencies in Korea

Korea's Ministry of Trade, Industry and Energy has been carrying out the Technology Advice and Solutions from Korea (TASK) since 2016. In order to solve the technical difficulties of companies in developing countries by utilizing Korea's industrial technology capabilities, the TASK project designs and supports customized technical guidance programs for developing countries and promotes the development of local markets for domestic companies. Technical guidance is conducted by a group of experts visiting the site to thoroughly diagnose the capabilities of local companies, and establish and carry out a comprehensive technical guidance plan including improvement of process efficiency and quality. TASK differs from other grant technology assistance projects in that it designs and supports customized technology maps for companies by identifying the needs of local companies, not governments or public institutions in developing countries.

TASK is meaningful in supporting the strengthening of industrial technology capabilities in developing countries, while supporting the establishment of cooperative relations between small and medium-sized Korean companies and those in developing countries. Through this, it can meet the growing technological demand of developing countries while promoting diversification of export markets and entry of domestic enterprises into emerging markets. Domestic companies wishing to enter overseas markets can participate as experts in TASK projects and establish cooperative relations with companies in the countries concerned to help themselves acquire

market information, resolve entry barriers, and develop new markets(Yoo et al. 2018).

The Korea Trade-Investment Promotion Agency (KOTRA) is promoting the Global Corporate Social Responsibility (CSR) project as part of private sector engagement to fulfill social responsibility as a public institution and to meet the needs of the international community. In order to create a cooperative business ecosystem, enhance the image of the national brand, and solve social problems in developing countries at the same time, the project supports the entire process of finding out local needs, recruiting companies, carrying out projects, and providing feedback from the results.

The global CSR business is largely divided into four types: Type of experience in products and services of the company (type A), type of overseas technology and management school (type B), type of creating shared value (type C), and type of relocating idle equipment to emerging economies (type D). Type A is a business that provides opportunities for potential buyers or consumers to experience the products or services of Korean companies by donating them to local communities. Through the type B project, Korean companies and institutions can share their own technology know-how with emerging countries. Type C is a business that creates a sustainable business model in the local community by linking with the business of our company and helps increase income and enhance the local economy. Finally, Type D is a project through which Korean institutions and enterprises donate idle equipment that have been used for testing and certification, R&D, public services, and product production, etc. to emerging countries and share industrial standards and operating experience.

2) DFID merged with the Foreign, Commonwealth and Development Office (FCDO) in 2020.

〈Table 4〉 Development Cooperation Agency's Mechanism for Cooperation with Businesses

Mechanism	USAID GDA	Australia's DFAT BPP	Sweden's Sida PPDP	UNDP BCtA	Korea's MOTIE TASK	Korea's KOTRA Global CSR	Korea's KOICA CTS	Korea's KOICA IBS
Planning consulting	○	○		○	○		○	○
Stakeholders' platform	○	○	○	○	○	○	○	○
Policy dialogue								
Business link and business development support	○	○				○	○	
Capacity building	○		○	○			○	○
Technology assistance	○		○			○		
Finance								
Grant/donation	○				○		○	
Joint finance	○	○	○			○		○
Risk-sharing								

Source: Authors

V. Implication

1. KOICA's corporate cooperation

KOICA's corporate cooperation has been mainly made up of low-intensity cooperative methods in which companies participate as executing entities of KOICA projects through bidding and contracts, but began in earnest as a business cooperation project within PPP in 2010. Since then, business cooperation projects in PPP have been named the Business Partnership Program (BPP) in 2015. Separately, the Creative Technology Solution (CTS), which combines startup innovation technologies and ideas into the ODA projects, began in 2015. In 2017, the BPP was reorganized into an 'Inclusive Business Solution (IBS)' that introduced an inclusive business model to existing programs, and the CTS was renamed as an 'Innovative Technology Program (in Korean)'(KOICA 2020).

KOICA's Innovative Technology Program (CTS) is a project to enhance the effectiveness of development cooperation projects while finding solutions to development challenges that were difficult to solve with existing methods by applying innovative ideas and technologies of innovators such as prospective entrepreneurs and startups to ODA. The project aims to create social shared value by offering opportunities to create and get jobs in developing and global markets for innovators, and by providing residents in developing countries with opportunities to live better. Since 2015, KOICA has discovered a total of 66 projects in areas such as health, education, water, energy, and emerging issues through the CTS, supporting innovative companies to enter the global market.

KOICA's Inclusive Business Solution (IBS) is a program in which low-income people in developing countries participate in the business value chain as producers, distributors, sellers, consumers, etc. to solve economic, social and environmental problems. KOICA carried out 135 projects through IBS with a total of 136.8 billion won (78.6 billion won from KOICA and 58.2 billion won from enterprises) in the

2010–2019 period.

KOICA's Innovative Partnership Program (IPS) that forms KOICA's Development Innovative Program (DIP) with CTS and IBS is a program in which KOICA could enhance collaboration with specialized partners in new and diverse fields to improve the effectiveness of development cooperation projects. It expands and reproduces new business models to other departments in KOICA by internalizing the learning results. From 2015 to the present, a total of 13 projects have been carried out with various entities, including advanced donor agencies, private foundations, and impact investment institutions.

2. Suggestions to strengthen KOICA's corporate cooperation

From the perspective of KOICA, cooperation with the private sector, especially businesses, is a very important challenge to secure development resources innovatively to meet the ever-more complicated and deepening demand for development. To this end, it is proposed to actively promote the expansion of the horizon of KOICA's corporate cooperation method, taking into account KOICA's existing cooperation programs and other examples of cooperation by donor agencies.

First of all, there is a plan to expand the scope of partners in cooperation with businesses. For example, cooperation with related associations or chambers of commerce as well as a single entity may be promising. It can also consider linking the TASK program by the Ministry of Trade, Industry and Energy and the global CSR project by KOTRA and maximizing synergy with other domestic ministries. In cooperating with domestic ministries/public institutions to promote cooperation with enterprises, KOICA may also consider transferring its authority to domestic ministries/public institutions for the role of partnership operation and coordination with enterprises. In order to prevent the fragmentation of aid, the overall coordination on cooperation with enterprises may be delegated to the development cooperation agency, even if the relevant associations or research institutes perform the operation and coordination of individual projects.

Second, diversification of types of cooperation is required. KOICA's existing corporate cooperation is being promoted mainly to provide stakeholder platforms and financial support, while, in particular, the type of policy dialogue and capacity building is relatively less activated. In addition, KOICA's activities can be sought to upgrade through the extension of financial instruments that can further share risk burdening and ease corporate ownership problems for business profits beyond grants and fund-matching.

Finally, business cooperation can be mainstreamed in the projects of KOICA. In addition to the program dedicated to corporate cooperation, country programs can also be sought to enhance the possibility of cooperation with companies. To this end, joint design and planning of projects with enterprises, and development of projects through invitation of public participation may be considered. In addition, in order to promote mainstreaming of corporate cooperation into overall KOICA's operations, it is suggested that the organization of the control tower role that can aggregate and identify all activities related to business cooperation within the agency be arranged, keeping the elements of corporation cooperation in the other departments and projects within KOICA (i.e., procurement briefing sessions, workshops for enterprises, etc.) continued.

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