

Executive Summary

I . Introduction

This study analyzes the changes in the ODA implementation system since 2009 and the environment surrounding the ODA implementation system of donor countries similar to Korea, such as Japan and Germany. In addition, the study aims to investigate the distribution patterns and effectiveness according to changes in the ODA implementation system, derive implications for Korea's ODA implementation system, and suggest KOICA's partnership strategy in the future.

To this end, this study 1) presents the research framework through a theoretical approach to government restructuring and changes in international development cooperation implementation system, and 2) reviewed existing literature and analyzed statistical data on certain donor countries to analyze whether governance changes or maintenance is related to changes in ODA effectiveness and distribution methods, etc, 3) conducts the Delphi survey targeting a group of experts related to the domestic ODA implementation system and strategy.

Therefore, it shares findings and implications that would affect Korea's ODA governance and implementation system and suggests strategic plans to enhance effective partnerships with major donors in the future.

II . Changes in the donor country's ODA system

1. Theoretical framework for ODA system analysis

The main purposes of reorganizing the ODA implementation system are to respond to changes in the domestic and overseas environment, to increase the effectiveness of an organization's performance or specific functions through reorganization, and

to secure political or social legitimacy.

First of all, from the perspective of environmental change, the main purpose is to respond to changes in the political, economic, social and cultural, and recently rapidly changing technological environment. In the change of the technological environment, changes in the technological environment, represented by the recent digital innovation or digital revolution, and the use of data are affecting the design and operation of the implementation system. In addition, sudden crisis factors, such as a global pandemic, are also a driving force for change in the implementation system.

Next, the goals for performance, effectiveness, and legitimacy may differ from country to country or from organization to organization. The perspective on organizational effectiveness can be said to be an approach from the perspective that structures traditionally affect performance, which is focusing on achieving goals or satisfaction from the perspective of input and output. This can be applied from the perspective of aid effectiveness in the field of ODA. On the other hand, the legitimacy perspective corresponds to the viewpoint of looking at the reform of the implementation system from a political point of view. For example, government reorganization occurs mainly when a new government is established. At the global level, the introduction of a similar system, that is, the institutional homogeneity phenomenon, is sometimes promoted to secure legitimacy.

When designing or reorganizing the implementation system, the parts that should be considered along with the purpose of the reorganization are the institutional environment of each country, the key actors or stakeholders involved in the design and reorganization process, and their ideas. This means that, even if similar institutions are introduced, the key factors to be dealt with and the results of system introduction may be different because each country has historically different political, economic, socio-cultural backgrounds, i.e., institutional environments. The key actors can also change accordingly, and actors become the subjects of choice to accept or reject institutional change, and the framework of the implementation system is formed in the process of combining the ideas they propose.

Each organization selects a method of reorganization according to the purpose of implementation system reorganization and the institutional environment of each country. Typically, there are horizontal differentiation and vertical integration methods. This may mean a structural, functional, or authority allocation method, and each has advantages and disadvantages. In the meantime, studies related to the implementation system in the field of ODA have been conducted to suggest improvement plans based on the recognition of problems with the current segmented ODA Grants and ODA Loans system. However, in the case of ODA, it is necessary to consider the subject of cooperation when designing the implementation system together with the domestic and international factors listed above.

Based on the theoretical discussion and previous studies related to the analysis of the three implementation systems summarized above, this study examines the implementation system and change process of Korea and major countries through the framework of analysis that considers changes in the internal and external environment of the organization, the institutional environment of each country, and the implementation system method, and is intended to draw implications for changes in the Korean ODA implementation system.

2. Changes in ODA implementation system in OECD DAC donor countries: 2009

Based on the changes in the ODA implementation system of the OECD DAC donor countries since 2009, the flow was looked at and major countries for in-depth analysis were selected.

As of 2021, the integration of development cooperation and foreign policy into the Ministry of Foreign Affairs (a total of 16 countries corresponding to Model 1 and Model 2) is the dominant structural arrangement of OECD countries. Institutional integration is a government's intentional act to structurally change the governance relationship between agencies related to development cooperation and other

government ministries. This has been justified in terms of improving bureaucratic efficiency, strengthening the effectiveness of development, and efforts of the government as a whole for development (Troilo 2015). The opposite, ie segregation or de-annexation, rarely occurred (except in Italy).

The main starting point for government structural reform in the field of development cooperation is the purpose and result for the government to visibly control the direction of development cooperation policy and to derive tangible products through structural reform (Barder 2005). For example, the structural reforms that separated the development function from the British Foreign and Commonwealth Office (FCO) and the birth of the DFID are considered to be mainly a decision by the Labor Party government in 1997 to protect the independence of development policy from economic interests. In some cases, structural reforms of the development bureaucracy system, like the UK and Australia in 2014, are the result of a new government taking power. On the other hand, in the case of Canada, the existing government made the decision to consolidate in the middle of its term. There is also an opinion that, in general, government organizations in the field of development cooperation are vulnerable to the logic of restructuring due to the lack of political assets to protect institutional independence.

III. In-depth analysis of major donor countries

1. Cases of integrating the implementation system

1) Australia

Changes in Australia's implementation system for development cooperation and changes in detailed goals appear to have contributed to achieving the goals set by the Australian government empirically through the ODA grant pattern. To boost exports, Australia has strategically reduced support for least-developed countries and strengthened support for high-middle-income countries. Australia is implementing a policy of development cooperation centered on the India-Pacific region through

activities that have the closest impact on Australia's foreign policy and security and can prevent refugees. Indeed, Australia's ODA donation pattern also seems to be moving in line with this goal and achieving it. According to the OECD DAC report, this is an integrated implementation system of the Ministry of Foreign Affairs and Trade, and after such integration, it is evaluated that Australia's aid policy consistency has improved (OECD DAC 2018).

2) Canada

Canada's implementation system of the international development cooperation changed to improve organizational internal problems that had been continuously raised before integration took place in 2013 and the overall inefficiency of aid programs. According to the 2018 OECD report, it is evaluated that Canada's implementation system reform has laid the institutional foundation for linking development cooperation, diplomacy, and trade (OECD 2018). On the other hand, civic groups criticized that the changed system, unlike the existing CIDA, did not pursue the original purpose of development cooperation by prioritizing economic interests or security for the national interest rather than aid for ethical purposes for the least developed countries (Lim and Lee 2020). In other words, it is still difficult to accurately determine whether the change in Canada's implementation system has achieved its goal.

3) The UK

In September 2020, the British government merged DFID (Department for International Development), a ministry in charge of international development cooperation, with FCO (Foreign and Commonwealth Office) to launch FCDO (Foreign, Commonwealth & Development Office) as part of a plan to secure efficiency through the integration of foreign policy and international development assistance. Until recently, the UK has been recognized by the international community as an ideal model for international development cooperation, but voices of opposition and concern at home and abroad are increasing over these changes. The UK's DFID has been evaluated by the

international community for its efforts to implement the ideal international development assistance policy through institutional development, such as pursuing efficiency in performances by taking charge of aid and development by the UK and entrusting the formation of partnerships with international organizations and on-site execution to NGOs. However, due to the recent merger of DFID and FCO, a major change in UK aid and development policy is expected to be inevitable in the future (Lim 2020).

2. Country Cases of maintaining an ODA implementation system similar to that of Korea

1) Japan

The case of Japan's reform of the implementation system for international development cooperation provides us with various implications. First, the pursuit of national security, prosperity, and value plays an important role in the goals of international development cooperation, the more diversified the fields and means of international development cooperation projects, the more the executive agency with expertise in each field is needed and planning and coordination mechanisms should be prepared. Second, external factors can act as more powerful factors than internal factors in the reform of the international development cooperation implementation system. Third, in order to enhance core competencies through reorganization of the international development cooperation implementation system, a specific solution that goes beyond the basic level must be prepared.

2) Germany

Germany has determined the direction of its ODA policy to respond to new domestic and international demands and changes in a situation where the changing international situation and the fluid political situation intersect (Kim et al 2011). Germany's ODA implementation system has maintained a separate system for policymaking and enforcement. The Federal Ministry for Economic Cooperation and

Development (BMZ) is in charge of ODA policymaking, and ODA execution is divided into German Agency for International Cooperation (GIZ) in charge of technical cooperation and KfW Development Bank in charge of financial cooperation. In the case of Germany, it can be seen that the efficiency and effectiveness of international development cooperation have improved to some extent through the integration of ODA enforcement agencies (OECD 2015).

IV. A Delphi Survey on Improvement of Korea's ODA Implementation System

1. Method of Research

The Delphi survey was conducted three times over a period of 4 weeks (from October 18, 2021, to November 16, 2021) with 15 experts from government agencies, international organizations, civil society, and academia who had direct or indirect experience in the ODA implementation system and strategy establishment in order to derive Korea's ODA implementation system and strategy based on case analysis of major ODA donor countries.

2. Results

1) Awareness of the impact of changes in the external environment and governance

Domestic experts suggest that the US–China hegemony competition, the 4th industrial revolution, the acceleration of digital transformation, reorganization of the global value chain, climate change, and SDGs are factors that can influence the expansion of international development cooperation. However, rather than having a positive effect from these factors, COVID–19, the global economic downturn, and the transition to intact society are expected to have a negative impact on the expansion of international development cooperation.

Despite this negative consensus, experts agreed that donor countries will increase

their budgets in the future, and in the meantime, the tendency to pursue an interest in economic and diplomatic security will become stronger. In addition, experts generally responded positively to the fact that donor countries will change to a trend that emphasizes global implementation such as climate change and SDGs. However, with respect to multilateral cooperation, there was a tendency to view that the budget would be increased based on the interests of donors rather than within the framework of multi-lateralism, failing to reach an agreement on a relatively low average (3.2).

Regarding the effect of integrated governance, which was examined through the cases of Australia and Canada, it was positive in terms of securing policy coherence but negative in terms of strengthening the expertise of personnel and systems. This can be said to be consistent with the results of the previous post-integration effectiveness analysis in Australia. On the other hand, as the effect of non-integrated governance seen in the case of Italy, it was considered that it would be generally positive in strengthening the professionalism of manpower and systems and in communication with civil society and stakeholders. Among the questions asked about the effectiveness of governance changes, an interesting result was 'quick decision making.' Both the integrated and non-integrated types did not reach a consensus on this, and the degree of convergence and agreement also greatly deviated from the standard, and there was a large difference in opinions of experts on this point.

2) Governance of International Development Cooperation in Korea and KOICA

Domestic experts suggested COVID-19, global economic downturn, and transition to a contactless society as factors that could affect Korea's expansion of international development cooperation, and these factors were expected to have a negative impact on the expansion of international development cooperation. In contrast, however, experts responded that the implementation of the SDGs would have a positive (average: 3.8) impact, with no consensus on the rest.

Experts agreed that Korea's ODA budget will increase in the future, but like other

donor countries, the tendency to seek interest in economic and diplomatic security will become stronger. In the case of Korea's ODA governance, while the Office for Government Policy Coordination function is expected to expand in the short term, experts predicted that it would be necessary to establish an independent body, but it would face realistic difficulties. At the same time, when asked about KOICA's status and role amid changes in the international development cooperation environment at home and abroad, most respondents agreed that KOICA's status has continued to rise, and its role will be emphasized as the total budget increases.

V. Conclusion and Implications

This study demonstrated that the domestic and foreign environment surrounding international development cooperation is rapidly changing and donor countries are likely to continue their development cooperation activities centering on their own interests. Nevertheless, changes in the governance system of international development cooperation take place more likely due to the domestic political environment rather than reflecting external changes.

For instance, all the donor country's cases mentioned in the study reflect the internal circumstances and political and cultural characteristics of individual countries: the recent integration case of the UK's DFID into the Ministry of Foreign Affairs (MOFA), Australia and Canada's cases: the integration of development cooperation agency into the Ministry of Foreign Affairs, Italy's case of separating MOFA and development cooperation agency, Japan and Germany's cases of maintaining the separate system.

Moreover, this study suggests some implications for KOICA based on the Delphi survey results that it should prepare for some major functions in the changing environment. The study proposed that it can strengthen its major functions on highly advanced project planning, professional project performance management, and collaboration with various development partners. On top of it, all the functions could be improved based on securing budgets and manpower for each sector.