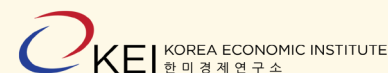




# KOREA COMPASS



TRACING THE IMPACTS OF KOREA'S ENGAGEMENTS AROUND THE WORLD

## INTRODUCTION TO THE KNOWLEDGE SHARING PROGRAM (KSP) OF KOREA

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### I. INTRODUCTION

This paper aims to introduce the Knowledge Sharing Program (KSP), which is Korea's representative knowledge-sharing initiative seeking to support the development of partner countries by sharing Korea's development experience.

The importance of knowledge for development gained global attention in the late 1990s. In efforts to identify the explanatory factors of development, attention was cast toward knowledge as a major factor accounting for the difference of outcomes in economic growth between states that have successfully developed and those that have failed to do so. In following years, knowledge was recognized as a key ingredient for successful development by various development actors. For instance, in the *World Development Report 1998-99*, the World Bank stated that “knowledge, not capital, is the key to sustained economic growth and improvements in human well-being.” As a result of such development, knowledge sharing is now increasingly viewed as an essential element for successful and effective development cooperation by many individual states and international institutions, which have in various forms integrated knowledge sharing in their development cooperation efforts.

Utilizing its unique development experience, Korea has positioned itself as an active promoter of knowledge for development. Taking the lead in building the knowledge-sharing discourse by emphasizing its importance in international agendas such as the G20 Seoul Development Consensus and the HLF4 Busan Partnership for Effective Development Co-operation, Korea is playing an important role in encouraging knowledge sharing. Thus, it is meaningful to look into its representative knowledge-sharing initiative, the Knowledge Sharing Program (KSP).

In the course of introducing KSP, the first section of the paper provides an overview of knowledge sharing within the context of development cooperation, analyzing two main background factors that have led to the emergence of “knowledge” as an important element for development. This will be followed by a brief examination of knowledge-sharing practices of states and international institutions including the World Bank, the Asian Development Bank (ADB), the Organisation for Economic Co-operation and Development (OECD) and other international development fora.

The latter part of this paper focuses on introducing KSP. Each of the three components of KSP—Policy Consultation for Partner Countries, Modularization Projects, and Joint Consulting Program with Multilateral Development Banks (MDBs)—are introduced along with their achievements.

The paper concludes by putting forth some implications and expectations of KSP.

### II. THE RISE OF KNOWLEDGE SHARING FOR DEVELOPMENT COOPERATION

The growing focus on knowledge for development can be explained in largely two aspects. The first is the voluntary recognition by development actors regarding the need to integrate knowledge sharing in development cooperation efforts. This recognition stems largely from self-reflection on development effectiveness. Despite decades of development aid, such an approach failed to produce tangible betterments in aid-receiving countries. This led to a growing sense of skepticism regarding aid among donor countries, which is referred to as aid fatigue. As skepticism grew, development practitioners and academics began inquiring why aid effectively brought about economic change in certain states while others remained in poverty. In the process, knowledge emerged as an influential factor accounting for such differences. The World Bank (1998) explained that knowledge, specifically the way a society produced, processed, and integrated knowledge into their lives, was a crucial factor that could explain the differing developmental outcomes.

As the causal link between knowledge and development was established, the necessity to support the capacity of underdeveloped countries to utilize knowledge as a development catalyst received greater attention. Helping underdeveloped countries endorse knowledge as a facilitator for development required two phases according to the *World Development Report 1998-99*. First, underdeveloped countries should be able to acquire and adapt global knowledge for the creation of local development opportunities as well as build capacity to create knowledge locally. Also, there must be appropriate human capital that is able to absorb and utilize such knowledge. Such realization necessitated the integration of knowledge sharing in development

cooperation efforts. Thus, as way of achieving development effectiveness, development actors voluntarily integrated knowledge sharing in their development cooperation efforts.

The second aspect accounting for the rise of knowledge sharing in development results from the recognition of knowledge as a new source of growth. In 1996, the OECD reported that “knowledge is now the driver for productivity and economic growth, leading to a new focus on the role of information, technology and learning in economic performance.” The widespread notion of knowledge as both the tool and product of economic activity signaled a paradigm shift from the industrial and capital-based economy to a knowledge-based economy. In spite of ongoing debates on whether the knowledge-based economy will be an alternative to the capital-based economy, it is widely accepted that knowledge is and will increasingly become an important source in accelerating and sustaining growth in the future.

In this understanding, knowledge is a double-edged sword which holds the potential to help bridge the gaps created by capital based growth as well as the possibility to exacerbate economic gaps resulting from the knowledge divide. In order to close the growing gaps between developed and underdeveloped countries, the knowledge divide which is already quite serious must be narrowed. Knowledge sharing has become a pivotal factor in development for such a reason.

Shedding light on the vulnerability of capital-based economies, the global financial crisis of 2008 was a critical formation that emphasized the need to build knowledge-based economies for stable and sustainable growth. This further encouraged development actors to perceive knowledge as an important source for development.

In this second aspect accounting for the rise of knowledge for development, knowledge is seen as more of a conditionality for development. In other words, the importance of knowledge will continue to grow, and knowledge for development will no longer be regarded as optional but as indispensable. This understanding constitutes a strong argument for the integration of knowledge sharing in development cooperation efforts.

Recognizing knowledge sharing as constituting a critical component of development, attempts to put knowledge sharing into practice have been active at various levels. One of the initial actors to shed light on knowledge for development was the World Bank. In 1996, the World Bank announced its plans to transform into a knowledge bank and designated it as a pillar of the Bank’s *1997 Strategic Compact for Operational Renewal and Reform*. Recognizing knowledge as a public good, on top of internal efforts, the World Bank designed various initiatives for the effective sharing and application of development knowledge. From fiscal year 1997 to 2002, the World Bank provided over \$220 million to support corporate, network, and regional knowledge-sharing efforts. Also, over \$60 million was provided to support the Bank’s three major global knowledge initiatives; the Development Gateway,<sup>1</sup> the Global Development Learning Network (GDLN),<sup>2</sup> and the Global Development Network (GDN).<sup>3</sup> The Knowledge for Development Program (K4D) is also overseen by the World Bank Institute to help promote the economic and social well-being of clients by building knowledge utilization capabilities. The program provides diagnosis tools such as Knowledge Assessment Methodologies and the Knowl-

edge Economic Index to identify strategies for knowledge based development. The World Bank continues to remain one of the most active international organizations promoting knowledge sharing for development, continuously seeking ways to integrate knowledge in all aspects of the Bank’s operation.

The Asian Development Bank (ADB) recognizes the increasing demands for the ADB to perform the role of an “effective knowledge broker” in the region. It also understands that knowledge sharing is in line with its goal to reduce poverty and raise the standard of living across the Asia Pacific region. In its *Long-Term Strategic Framework for 2001-2015*, the ADB put forth the goal of becoming a knowledge-based institution, quickly adopting knowledge from development experiences and disseminating such knowledge in forms most adequate to support the development of its members. To achieve the stated goal, the ADB mandated the Regional and Sustainable Development Department to advance the ADB’s knowledge agenda both internally and externally. Drawing out efforts to expand knowledge sharing, the *ADB Framework on Knowledge Management* was also approved in 2004. As part of such framework, a public information policy was introduced with the purpose of facilitating the two-way flow of knowledge between the ADB and its members, acting as a channel to disseminate the ADB’s knowledge products as well as gather valuable development knowledge.

The OECD is taking active part in research on the knowledge-based economy. Citing in *The Knowledge-Based Economy (1996)* that knowledge-based outputs constitute over half of the Gross Domestic Product (GDP) of major OECD countries, and that the high-technology share of OECD manufacturing and exports are growing at remarkable rates, the OECD projects that a knowledge base supported by knowledge and technology is central to economic growth. By establishing a strong link between knowledge and the economy and putting forth projections on the role of knowledge for long-term and sustained growth, the research outcomes of the OECD emphasize the importance of knowledge for development. The OECD further seeks to apply research findings to development cooperation by hosting international conferences and seminars regarding the topic. Through basic research and active efforts to apply research outcomes in development cooperation, the OECD is effectively supporting and promoting knowledge sharing.

Individual states are also increasingly integrating knowledge-sharing schemes in their development cooperation programs. In the United States for example, with the United States Agency for International Development (USAID) at the core, various development institutions and departments including the State Department, Department of Agriculture, and Department of Defense, etc., are participating in knowledge sharing for development. As a program that brings together the provision of loans, technical assistance, and capacity building through training, the Compact Programs and Threshold Programs of the Millennium Challenge Corporation (MCC) may be regarded as representative initiatives that utilize knowledge sharing as a distinctive development tool. The MCC provides grants to target specific areas of development, and integrates the sharing of knowledge to maximize the effectiveness of funds distributed. Major development institutes of other states including the United Kingdom Department for International Development (DFID), Deutsche Gesellschaft

für Internationale Zusammenarbeit (GIZ), Japan International Cooperation Agency (JICA) and the Australian Agency for International Development (AUSAID), are in their own various ways integrating knowledge sharing for development through independent and joint initiatives.

Last but not least, powerful agenda-shaping institutions such as the G20 also act as important supporters of knowledge sharing by actively shaping the international discourse on knowledge sharing. Knowledge sharing constitutes one of the nine pillars of the *G-20 Seoul Multi Year Action Plan on Development*:

“Sharing development experiences, including through North-South, South-South and triangular cooperation, contributes to the adoption and adaptation of the most relevant and effective development solutions.”

- *G-20 Multi Year Action Plan on Development*, Seoul, 2010

Knowledge sharing is identified as a cross-dimensional aspect of development that must be mainstreamed into other pillars. The G-20 Multi Year Action Plan has brought together the United Nations Development Programme (UNDP), the World Bank Institute (WBI), the OECD as well as the Task Team on South-South cooperation to cooperatively seek means to follow through on the plan.

The *Busan Partnership for Effective Development Co-operation* adopted at the Fourth High Level Forum on Aid Effectiveness (HLF-4) in November 2011 also highlights the importance of knowledge sharing, promoting it as essential to “increase and reinforce development results.”

As reviewed in this section, knowledge sharing has been recognized as a key development tool among development actors at all levels, and its importance is expected to grow in the future.

### III. THE KNOWLEDGE SHARING PROGRAM (KSP)

Korea has actively endorsed knowledge sharing in its development cooperation efforts. Finalizing the transition from aid beneficiary to aid donor by joining the OECD Development Assistance Committee (DAC) in November 2009, Korea has stepped up efforts to enhance the effectiveness of its development cooperation practices. For instance, the *Framework Act on International Development Cooperation* was enacted in January 2010, and the Committee for International Development Cooperation (CIDC), a coordinating body of aid-giving ministries and agencies chaired by the Prime Minister, adopted the *Strategic Plan for International Development Cooperation* in October of the same year.

Incorporating knowledge sharing has been an important strategy in such efforts to enhance the effectiveness of development cooperation. In line with the global recognition of knowledge as a tool for effective development policy, the *Strategic Plan for International Development Cooperation* states the need to utilize Korea’s unique development experience to make meaningful contributions to the international community. Having witnessed Korea’s unprecedented economic growth, developing countries have shown great interest in the economic growth model of Korea, and grant aid provided by the Korean government in the form of knowledge sharing has continuously increased in recent years, which implies that it has already become an integral element of Korea’s development cooperation efforts.

“SINCE IT’S INITIATION IN 2004, KSP HAS CONSISTENTLY ACTED AS A FRAMEWORK THROUGH WHICH KOREA COOPERATED WITH PARTNER COUNTRIES TO SEEK THE MOST FAVORABLE POLICY OPTIONS TO OVERCOME BARRIERS TO DEVELOPMENT.”

Among many projects that integrate knowledge sharing, the Knowledge Sharing Program (KSP), initiated by the Ministry of Strategy and Finance (MOSF) in 2004 and implemented by the Korea Development Institute (KDI), is increasingly gaining attention as Korea’s representative knowledge-sharing initiative. It was designated as one of the ten key projects to promote Korea’s national image during the inauguration of the President’s Council on National Branding in 2009. Further, its importance and potential were repeatedly emphasized in the *Strategic Plan for International Development Cooperation*. Beginning with the definition of KSP, this part of the paper will introduce KSP in close detail.

KSP is a policy research and consultation program that utilizes Korea’s knowledge and experiences accumulated throughout the era of development to assist the development of partner countries. Since its initiation in 2004, KSP has consistently acted as a framework through which Korea cooperated with partner countries to seek the most favorable policy options to overcome barriers to development. The role of knowledge in development is not limited to a single level or stage of developmental activity within a state. Among the various roles knowledge plays, KSP focuses on the role of knowledge as a basis for effective national policy making that will foster development.

To maximize the effectiveness of KSP, the program consists of three independent but interrelated components—Policy Consultation for Partner Countries, Modularization Projects, and Joint Consulting Program with Multilateral Development Banks (MDBs)—which are each implemented by institutions believed to be most suitable in serving the purpose of the program. Descriptions and achievements of each component of KSP will follow in the following part of the paper.

#### 1. POLICY CONSULTATION FOR PARTNER COUNTRIES

As Korea’s leading think tank which is widely recognized to have significantly contributed to the development of Korea, KDI implements the Policy Consultation for Partner Countries. The Policy Consultation for Partner Countries integrates research, education, and training with the aim to enhance policy-making capacities in partner countries. Believing that the value of knowledge is determined largely by the capability to produce, process, and apply such knowledge, the program is bilaterally carried out at the governmental level for the efficient exchange of development knowledge between the Korean government and the partner government.

The Policy Consultation for Partner Countries has successfully completed policy consultation for 107 countries accumulatively



Figure 1: Number of Partner Countries by Year



on more than 440 topics up to 2012.<sup>4</sup> Starting with two countries in 2004 and 8 countries in 2008, the number of partner countries has rapidly increased to 16 countries in 2010, and 33 countries in 2012 as can be seen in Figure 1.

Partner Countries are located in many continents including Asia, the Middle East, Africa, Central and South America, and East Europe. The countries and continents are summarized in Figure 2.

The budget has also increased, starting with 970 million *won* in 2004 and reaching 17 billion *won* in 2012 (see Figure 3).

The expansion in number of partner countries and budget reflects the rising demands for the program, which can be explained by heightened international interests in the Korean development experience.

There are three key characteristics of the Policy Consultation for Partner Countries. First, it is strictly demand driven. Respecting the ownership of partner countries, projects are initiated only upon request from a partnership country, and the needs of the partner country are fully reflected throughout the process. Written demand forms submitted by partner countries through official diplomatic channels are required for project initiation.

Also, when deciding the topics and areas of consultation or the methodologies to be used, the voice of the partner country is fully reflected through a process of thorough discussion and planning prior to the actual initiation of the project cycle. The second characteristic is that the program takes a policy-oriented approach. Based on the belief that good governance is essential for sustainable development, the Policy Consultation for Partner Countries provides help at the governmental level to build policy-making capacities and establish good governance. This comes from the recognition that governance

Figure 2: Expansion of the Policy Consultation for Partner Countries

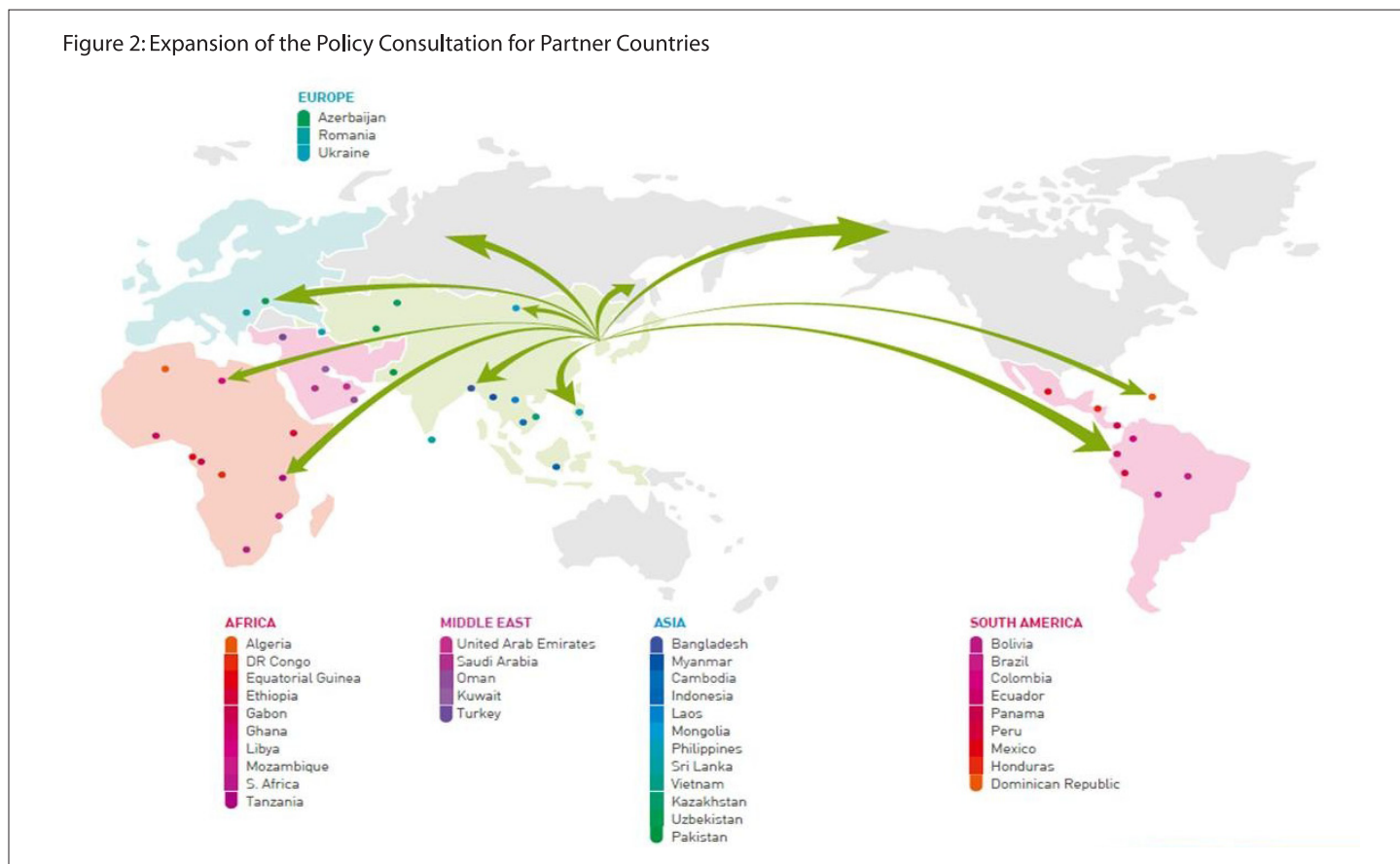
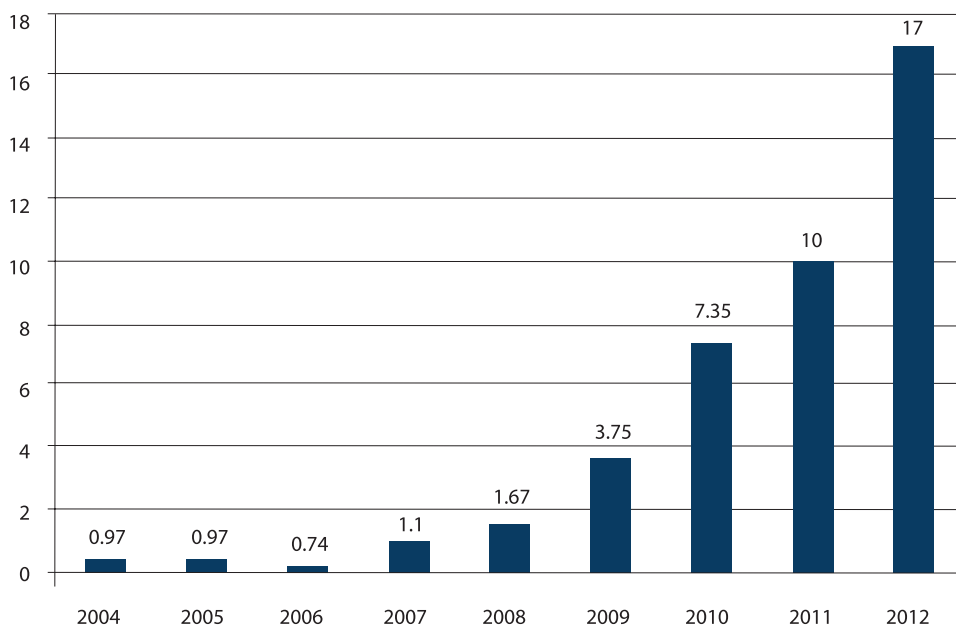


Figure 3: Annual Budget of the Policy Consultation for Partner Countries (billion KRW nominal)



has played a crucial role in the development of Korea. The third characteristic is that it is a comprehensive program, integrating tools such as research, training, and consultation to maximize effectiveness. Thorough research based on correct understanding of Korea's experience and acute analysis of the partner country, effective consultation provided in a manner the partner country deems helpful, as well as follow up measures such as linkage to loans or capacity building programs are all equally important factors that enhance the effectiveness of KSP. Thus, the program implements a multi-dimensional and comprehensive approach that will help provide practical support for partner countries.

The main objectives of the program can also be described in three points. First, the program aims

Figure 4: Project Cycle of Policy Consultation for Partner Countries

- 1 **Project Proposal:** Written demand forms are sent to candidate partner countries through an official diplomatic channel. Candidate partner countries fill in the demand forms and submit them to the Ministry of Strategy and Finance of Korea for project proposal.
- 2 **High Level Demand Study:** The Korean delegation, consisting of a high-rank government official and the Korean expert team, visits the partner country to consult high-rank government officials and relevant experts to identify policy priorities areas.
- 3 **Pilot Study:** The Korean expert team visits the partner country to learn about the development experience of the partner country and specify topics and scopes of the project. Local consultants are hired in this stage for the purpose of gathering research data and relevant information.
- 4 **Interim Reporting Seminar & Policy Practitioners Workshop:** A delegation, including local consultants, from the partner country visits Korea. Experts of both countries present their interim findings and discuss the contents. The visiting delegation conducts study tours to Ministries, agencies, and organizations related to the area of policy consultation in order to acquire on-site observations of Korea's development experience.
- 5 **Senior Policy Dialogue & Final Reporting Seminar:** The Korean delegation visits the partner country to participate in high-level dialogues with policy decision makers and present the final policy recommendations. A Final Reporting Seminar is hosted to share the final outcomes of the project with officials and stakeholders from related fields.
- 6 **Publication of the Final Report:** Upon completion of project, the final report is published after a thorough referee process. The final report is disseminated to the partner country via official diplomatic channel.

to seek practical solutions to current problems that developing countries are facing to help them overcome such development obstacles. The second goal is to enhance policy making and management capabilities of the partner country, so that the partner can establish a strong base for effective policy making to initiate a development momentum, eventually facilitating development to become a self-sustained process. Third, recognizing the value of knowledge and its two-way flow, the Policy Consultation for Partner Countries seeks to nurture mutually beneficial relationships that will become valuable assets for future cooperation.

The project cycle of the Policy Consultation for Partner Countries is highly consistent with the qualities that have been defined as best practices in knowledge sharing. Each step of the project cycle, as can be seen in Figure 4, will be introduced in line with the best practices defined in the Synthesis Report for the *Joint Workshop on Knowledge Sharing for Development: Taking Stock of Best Practices*, organized by the Center for International Development at the KDI and the OECD Development Centre in 2011.

The synthesis report states "demand driven" as a quality of successful knowledge sharing. The Policy Consultation for Partner Countries strictly meets this criterion, as formal request by the partner country through written demand forms is a pre-condition for the initiation of a project. Upon request, the Korean government and KDI annually select partner countries based on a few criteria including the KSP Index.<sup>5</sup> Partners are then closely consulted in order to finalize topics and areas of consultation, methodologies and other details. Such process assures that the demands of the partner are fully reflected in both the initiation and the designing of the project.

The synthesis report also states that "peer-to-peer interaction is critical for capacity development and tacit knowledge exchange, and also as a source of inspiration for change." This argument

is consistent with the second stage of the program, the Pilot Study. After topics are identified through demand forms, a Korean expert group possessing both theoretical and experiential development knowledge on the topic is formed. In order to accommodate the stance of partner countries and for the purpose of securing accurate data and information on partner countries, the expert team conducts a Pilot Study at the partner country. During this stage, cooperating institutions and local consultants who are to collaborate with Korean experts throughout the project cycle are chosen. In the next stage, the Interim Reporting and Policy Practitioners' Workshop, local consultants and policy practitioners from cooperating institutions visit Korea not only to share theoretical proceedings regarding policy research but also to participate in study tours which will act as opportunities for interaction with peers as well as the exchange of explicit and tacit knowledge.

As the last stage of the Policy Consultation for Partner Countries, the Final Reporting Workshop takes place at the partner country with high-level decision makers, policy practitioners as well as other key stakeholders as the audience. At this stage, policy practitioners who are the actual end users of the outcomes directly take part in the knowledge-sharing process. This helps initiate true change within a partner country by fostering change agents who can act upon the research outcomes.

Along with the Final Reporting Workshop, a High Level Policy Dialogue is conducted, seeking the leverage of high-level officials to enhance the probability that project outcomes will be reflected into the policy-making process. This is in line with the quality that "knowledge sharing should feed into a national strategy or plan to ensure follow-up and ownership."

It is easily visible that each stage of the Policy Consultation for Partner Countries endorses qualities that constitute best practices for knowledge sharing. As a result, the program has been well received by partner countries leading to tangible changes.

In Vietnam, which has been a partner of KSP Policy Consultation for Partner Countries since 2004, research on policy priority areas of macroeconomic policy, monetary and financial policy, industrial technology development policy, and enterprise policy was carried out. The 22 research papers that have been produced under KSP have been incorporated into the *2011-2020 Socio-Economic Development Strategy of Vietnam* which was approved at the 11th Party Congress of Vietnam in 2011. Similarly, Kuwait, Saudi Arabia, Algeria and DR Congo have also received support in establishing and revising their national vision and socio-economic development strategies through the Policy Consultation for Partner Countries.

Many partners have been tapping on Korea's knowledge in export promotion. As a partner country since 2008, the Dominican Republic has initiated Presidential and Ministerial level export promotion meetings that directly draw on the Korean experience under President Park Chung Hee in the 1960s. There are also ongoing efforts to establish a Dominican Republic Export Import Bank (DEXIM), which former President Leonel Fernández took great interest in. On top of prefeasibility studies and institutional arrangements such as the establishment of a legal basis for the DEXIM, educational support to build human capacity for the functioning of the bank was carried out.

The formulation of institutions that will play the role of advisory policy research institutes similar to the KDI in Korea is a popular area of cooperation. KSP is currently providing support for the establishment of the Saudi Development Institute (SDI) in Saudi Arabia, and the Myanmar Development Institute (MDI) in Myanmar. Such institutions are expected to play a leading role in development by providing policy related research and advice to the government within partner countries.

Mongolia, Cambodia, and Oman have been working on the formulation of a socioeconomic development cooperation platform between the private and public sectors. Through the program, knowledge has been shared regarding the installation of a Public-Private Partnership (PPP) framework, creating a legal base for PPP, building risk management capabilities, as well as implementing flagship projects.

Many other partner countries in various continents have shared knowledge through the program, and have successfully linked the research outcomes to their own national policies, tailoring and adapting such knowledge for local application gaining true ownership of the development knowledge. An inclusive project list for the Policy Consultation for Partner Countries can be seen in Annex I. It is expected that the Policy Consultation for Partner Countries will continue to expand due to increasing demands from partner countries. The program will utilize Korea's experience to help partners devise the most innovative and effective policies and implement them to achieve development in all aspects of the society.

## 2. MODULARIZATION PROJECTS

Utilizing the abundant expertise and research capacity of its faculty, staff and KDI fellows, the KDI School of Public Policy and Management has been overseeing the Modularization Projects since 2011.<sup>6</sup> The Modularization Projects were initiated based on the need to systemize and modularize Korea's development experience to enhance access to and applicability of knowledge gained from such experiences. The construction of a knowledge content base for the effective implementation of KSP was also a major factor necessitating the Modularization Projects. In order to provide consultation that can function as true policy alternatives for partner countries, building high quality content for KSP is essential. In other words, in order to put forth accurate analysis and policy alternatives based on the Korean development experience, it is crucial to have formed a clear and systemized understanding of Korea's experience. The Modularization Projects were devised to serve such purpose.

Topics for Modularization Projects are chosen considering four factors: the applicability and contribution of Korea's experiences, international demands for development experiences and knowledge in the sector, the possibility to link the sector to foreign entry of Korean firms, and lastly the sector's contribution to the Millennium Development Goals. Detailed analysis of policies, institutions and programs are documented. Changes in policies, the role of institutions, and the implementation of programs resulting from the evolving environmental conditions are also included. Problematic aspects and failures regarding the contents are also valuable lessons included in the Modularization Projects.



Before the Modularization Projects became a formal component of KSP, efforts to organize Korea's practices were undertaken through "Economic Development Experience Systemization Projects." In 2007, KDI carried out for the first time the systemization of Korea's highly successful policies that supported their development experience. Five topics were chosen including the First and Second Five-Year Economic Development Plans, Financing and Economic Development, and Korea's Industrialization Experience based on the Heavy Chemical Industry Drive. In 2008, vice-ministers and policy makers of related ministries decided to carry out the systemization of eight areas, including the Saemaul Movement and Export Promotion Policy.

In 2010, the Systemization Projects were transformed into the Modularization Projects of KSP. Such change spurred ongoing efforts to organize Korea's experience, leading to the modularization of 20 topics in 2010 by KDI, 40 in 2011 by the KDI School, and a goal to complete the modularization of 100 topics by 2012.

Bringing together related ministries, policy makers, and academics who possess expertise and experience in policy making during the era of rapid development, the Modularization Projects have systematically arranged and organized Korea's development experiences and best practices in various fields, availing the knowledge content to be utilized for the consultation projects of KSP as well as basic research material for other purposes. Areas of comparative advantage for Korea, including industrial policies by sector, health, education, and export promotion have been modularized. Also, reflecting the growing importance of issues such as welfare, social protection and environment in the global arena, KSP has modularized Korea's policy experiences on topics such as National Health Insurance, Industrial Accident Compensation Insurance, and the Garbage Disposal System, in hopes that such knowledge would be of help to the international community. Aside from providing a knowledge base for the Policy Consultation for Partner Countries, KSP seeks to promote further utilization of the Modularization Projects by establishing channels to share the contents with the international community.

### 3. JOINT CONSULTING PROGRAM WITH MULTILATERAL DEVELOPMENT BANKS

In attempts to enhance the prospects of KSP, the Joint Consulting Program with Multilateral Development Banks (MDBs) was launched as the third component of KSP in 2011. By bringing together Korea's unique development experience with the regional expertise and consulting know-how of MDBs, the program supports technical assistance (TA) and technical cooperation (TC) within a framework of triangular cooperation. Through such cooperation, KSP seeks to foster development effectiveness by overcoming fragmentation in order to prevent inefficiencies and overlap among donors and by promoting policy harmonization between various aid donor organizations, which Minister of Strategy and Finance Jaewan Bahk emphasized during his speech at the 4th HLF4 in Busan.

Utilizing its networks with MDBs, the Export-Import Bank of Korea is in charge of this program. Partners include the World Bank (WB), Asian Development Bank (ADB), Inter-American Development Bank (IDB), African Development Bank (AfDB), and European Bank for Reconstruction and

Development (EBRD). Along with such partners, the vision of the program is to optimize knowledge-sharing efforts and advance knowledge sharing beyond the mere transfer of development experience to create opportunities for continued learning for all parties involved.

Fields of cooperation include, but are not limited to, financial management, infrastructure development, promotion of small and medium businesses (SMEs), public-private partnership (PPP), education & skills training, urban planning, e-government, ICT, and green technologies. A list of projects completed in 2011 and ongoing in 2012 is available at Annex III.

## IV. CONCLUSION

Now eight years since its initiation, KSP is exerting continuous efforts to make the program more effective, efficient and demander friendly.

KSP strives to establish a more systematic management framework. For instance, various interim and final monitoring methods were introduced for efficient management of the program. KSP is also devising outcome evaluation frameworks in cooperation with international institutions such as the World Bank, OECD, and USAID.

Enhancing the quality of program content is another priority. First hand development experience is the core competitiveness of KSP, and the Korean government recognizes the importance of utilizing such experience to create quality content that provides practical assistance for partner countries. For such purpose, KSP is continuously tapping on the specialized knowledge of actors who have experiential and theoretical knowledge on development issues. By inviting the participation of knowledge holders such as former policy makers, government officials, scholars and practitioners as consultants, referees, and commentators within the framework of the program, KSP is focused on creating high-quality content for development cooperation.

KSP is also contributing to the creation of a stronger and coordinated development cooperation framework in Korea. In order to enhance consulting capacity in an international aid atmosphere which now requires donor competitiveness, KSP provides opportunities for state run research institutes and private consulting firms to build development consulting capacity by participating in the program as consultants. Further, the Young KSPians Program, which provides a window for undergraduate and graduate students to take part in KSP, was initiated with the goal of nurturing the next generation of development cooperation specialists. In order to enhance coordination among domestic ODA channels, KSP fosters inter-ministerial cooperation by inducing the participation of specialists from various ministries throughout the stages of the program. KSP also seeks to link outcomes to KOICA and EDF programs. International coordination efforts are also made by seeking triangular or multilateral cooperation with partner countries and international institutions.

The World Bank stated in the *1998 World Development Report* that "knowledge has perhaps become the most important factor determining the standard of living." Unlike capital, knowledge is not scarce. It is not a limited resource. Rather, it is widely available and multipliable. Due to this property, the potential

value that knowledge can create is unlimited, and the more it is shared, its value is amplified. Through the sharing of development knowledge, KSP will continue to support the enhancement of national development capacities of partner countries, contributing to shared growth and prosperity of the world.

## ABOUT THE AUTHORS

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### Annex I: Policy Consultation for Partner Countries

	Country	Title
2004	Vietnam	Major Policy Agenda and Policy Responses toward a Globalized Market Economy
	Uzbekistan	Industrial Development and Export Promotion Policy
2005	Turkey	A Way Forward for the Turkish Economy: Lessons from Korea's Experience
	Indonesia	Reforming Key Economic Institutions: Lessons from Korea's Development Experience
2006	Cambodia	Strategic Framework for Fiscal Resource Mobilization and Life Insurance
	Algeria	Enhancing the Consumer Credit Market: With Special Reference to the Credit Card Market
2007	Kuwait	Formulation of Long-Term National Development Strategy
	Azerbaijan	WTO Accession Strategies
	Ghana	Building the Basis of SME Development for Sustained Economic Growth
2008	Dominican Republic	Export Development for the Dominican Republic
	Oman	Crafting an Institutional Platform based on the Public and Private Sector Partnership for the Development of Strategic Industries
	Ukraine	Formulation of Mid-term National Development Strategies
	Azerbaijan	Follow-up Issues in Accession and Implementation of the WTO System
	Turkey	Models and Strategies for National Technology and Innovation Capacity Development
2009	Vietnam	Establishment of Mid- and Long- Term Socio-Economic Development
	Uzbekistan	Development of Navoi Free Industrial Economic Zone
	Indonesia	Developing Policy Solutions for Four High Policy Priority Areas of the Indonesian Government: Financial Supervision, Capital Market Development, Medium-Term Expenditure Management, and Competition Policy
	Cambodia	Microfinance and Public-Private Partnership Development
	Kazakhstan	Innovational Industrialization Plan
	Dominican Republic	Improving the Export Infrastructure and Electric Power System
	Ukraine	Achievement of Energy Efficiency and Introduction of Promising Technologies for the Use of Alternative and Renewable Energy
	Kuwait	Follow-Up Issues in Long-Term Development Strategy
2010	Vietnam	Supporting the Establishment of Vietnam's 2011-20 Socio-economic Development Strategy
	Uzbekistan	Mid-and Long-Term Plan for Promoting Innovation and Sustainable Economic Growth
	Indonesia	Toward a Dynamic and Efficient Economy: Mid-Term Policy Agenda for Indonesia in Finance, Energy and Investment
	Cambodia	Policy Agenda for Cambodia in Growth, Finance, Industry and Trade
	UAE	Formulating a Mid- & Long-term ICT Development Master Plan of the UAE
	Saudi Arabia	Policy Recommendations for Economic Development in Priority Areas of the Kingdom of Saudi Arabia
	Mongolia	Public-Private Infrastructure Investment and Deposit Insurance in Mongolia
	Kuwait	Implementing the 5 Year Economic Development Plan of Kuwait
	Ghana	Reform of Public Finance Management: Focusing on National Budget and Accounting System
	Azerbaijan	Digitalized Capacity Build-up for Effective Aid Coordination & Promotion of Entrepreneurship
	Kazakhstan	SME-centered Enterprise Development Strategy for Sustained Economic Development of Kazakhstan
	Laos	Strengthening Lao PDR's Research Capacity in Macroeconomic Stabilization Measures in the Time of the Crisis
	DR Congo	Establishment of an Innovative National Development Framework and Orientation of a New Development Strategy for DR Congo
	Peru	Linking with the New Era of Development: CEPLAN and the Integrated Information System
	Libya	National Strategy for Building Basis of Employment Absorption Capacity and Non-oil Export in the Private Sector
Dominican Republic	Support for the Establishment of an Export Credit Agency of the Dominican Republic	



2011	Vietnam	Support in the Establishment of Mid- and Long-term Socio-economic Development Policies for Vietnam
	Cambodia	Policy Agenda for Cambodia in SME, Industry and Trade
	Indonesia	Supporting Indonesia's Development Strategy in Key Policy Areas: Public Finance, Credit Infrastructure, and Water Resources Management
	Uzbekistan	Strengthening Uzbekistan's National Innovation System
	Mongolia	Macro Policy Framework for Sustainable Development in Mongolia
	UAE	Policy Recommendations for High Priority Initiatives in Abu Dhabi's ICT Development
	Saudi Arabia	Toward Knowledge-Based Economy of the Kingdom of Saudi Arabia
	Philippines	Preliminary Research on National Budget and Accounting System in the Philippines
	Myanmar	Priority Assignments for Economic Development of Myanmar
	Honduras	Strengthening of the ICT Sector in Honduras as a Tool for Development
	Tanzania	Modernization of Deposit Insurance System in Tanzania
	Equatorial Guinea	Economic Development of Equatorial Guinea in 2020 Horizon
	Panama	A Policy Study on Export Promotion and Logistics System of Strategic Agricultural Products in Panama
	Peru	The Regional Specialization Development Policies for SMEs in the Southern Economic Corridor in Peru
	Ghana	Strengthening the capacity of the Monitoring and Evaluation (M&E) System of Ghana at all levels of national administration
	Dominican Republic	The Implementation of Export Credit in BNVP (DEXIM)
	Laos	Promotion of Private Capital Flows for Infrastructure Development in Lao PDR
	Kazakhstan	Credit Guarantee and Credit Evaluation System for SME Development in Kazakhstan
	Brazil	Supporting the Establishment of Export Zone with the local government in Northern Brazil
	Gabon	Moving to the Diversification of Gabonese Economy: Lessons Learned from Korea
	South Africa	Methodologies and Tools for Integrated Infrastructure Planning and Rural Development in South Africa
	Bolivia	Mid & Long Term Fiscal Sustainability Policy in Bolivia 2011~2015
	Sri Lanka	Promoting Export and FDI & Enhancing the Competitiveness of SMEs Sector of Sri Lanka
Algeria	Establishment of Mid- and Long-term Economic Development Strategy: Capacity Building on Economic Development Strategy	
Ecuador	Prioritization of Industries for Export Promotion Policies: Assessment of the Current Status of Export Promotion Policies and Policy Recommendation	
Ethiopia	Promotion of the Micro and Small Scale Enterprises Sector, and Improvement of Addis Ababa City Transportation System	

## Annex II: Modularization Projects

	No.	Title
2010	1	<b>Experience of Overcoming the Economic Crisis and Creation of the New Growth Engine</b> (A) Heavy and Chemical Industry Drive (B) Information Technology Industrial Policy of Republic of Korea in 1980-2003 (C) Korea's Industrial Policy for Green Growth
	2	<b>Private Sector Development</b> (A) Financial and Tax Support for Promoting Businesses (B) Korea's Experience in Regulatory Reform and Achievements (C) Manifestation of Korean Entrepreneurship and its Achievement
	3	<b>WTO Accession Strategies</b>
	4	<b>FTA Strategies: The Korean Case and Its Implications</b>
	5	<b>The Credit Card and Cash Receipts Income Deduction Scheme</b>
	6	<b>Experience of Earmarked Taxation for Development Resource</b>
	7	<b>Establishment and Roles of Industrial Bank of Korea</b>
	8	<b>Establishment of Korea Credit Guarantee Fund and Its Operation</b>
	9	<b>Internet Education for All</b>
	10	<b>High-speed Internet Network Construction and Informatization Project Financing Scheme</b>
	11	<b>Cultivation of Highly Capable Scientists and Engineers Mainly at the KAIST</b>
	12	<b>Activation of Research and Development Activities</b> (A) Establishment and Management of Government-funded Research Institutes Beginning with the KIST (B) Establishment and Operation of the Daedeok Innopolis Special District
	13	<b>Establishment of Free Export Zones</b>
	14	<b>Introduction to the Export-Import Bank of Korea: Implications on the Establishment and Operation of an Export Credit Agency</b>
	15	<b>Establishment of a Trade Promotion Organization (TPO)</b>
	16	<b>The Role of Productivity Organization in Korea's Economic Modernization</b>
	17	<b>Industrial Standardization and Quality Management</b>
	18	<b>Establishment of Technical High Schools and Junior Colleges</b>
	19	<b>Establishment of Korea Education Broadcasting System</b>
	20	<b>Securing Stable Revenue Source for Education through Local Education Financial Grants</b>
2011	21	<b>Impact of Foreign Aid on Korea's Development</b>
	22	<b>Public Investment Management Reform in Korea</b>
	23	<b>Crisis and Corporate Insolvency</b>
	24	<b>Korea's Capital Market Promotion Policies: IPO and Secondary Market Policy Experiences</b>
	25	<b>Information Security Activities in Korea and Implications</b>
	26	<b>Safeguarding system for the cultural heritage in Korea</b>
	27	<b>Regulatory Reform and Economic Development</b>
	28	<b>Legislation on the Creation, Development, and Management of Industrial Complexes</b>
	29	<b>Experience in operating Anti-corruption criminal policies</b>
	30	<b>Legal Infrastructure for Foreign Investment</b>
	31	<b>Saemaul Undong (New Village Movement) and its Best Practice Cases</b>
	32	<b>The Introduction of E-Government in Korea</b>
	33	<b>The Operation of Agricultural Cooperatives for Rural Development</b>
	34	<b>Green Revolution in Korea: Development and Dissemination of Tongil Type Rice Varieties in Korea</b>
	35	<b>The Operation of Nationwide Health Insurance and its Implications</b>
	36	<b>Health Improvement Activities of Public Health Center in Rural Area</b>
	37	<b>Modernization of Public District General Hospitals</b>
	38	<b>Industrial Park Development Strategy and Management Practices</b>
	39	<b>Developing Skill-integrated textile industry</b>
	40	<b>National Grid Development Project for Stable Power Supply</b>
	41	<b>Rural Electrification Project for Expansion of Power Supply</b>
	42	<b>Building Technological Capabilities: Four Cases from Manufacturing Sectors in Korea</b>
	43	<b>Technical Engineering Education Model of Korea Polytechnic University (KPU)</b>
	44	<b>Small and Medium Enterprises Policy Funds Financing System</b>
	45	<b>Korean Intellectual Property Right System and its Application to the Phases of Industrial Development Focusing on the Patent System</b>
	46	<b>The Korea Customs Service and its Automation</b>

47	Vocational Training System for a Skilled Workforce
48	Role and Function of the National Technical Qualification System in the Development of Vocational Ability
49	Development and Operation of Workers' Compensation Insurance Scheme in South Korea
50	Successful Strategy for Training Teachers in Korean Education
51	Analysis on Development and Achievement of Compulsory Elementary Education after the Korean War
52	Development and Achievement of Adult Literacy Education in Korea
53	Operational Experience on Women's Vocational Education and Training Support System and Project
54	Policy for the Construction and Supply of Affordable Housing in Korea
55	Construction of High Speed Rail in KOREA
56	A Case Study on the Legal Framework and Financing of Transport Infrastructure
57	National Transportation Database System
58	New Town Development
59	Volume-based Waste Fee system in Korea
60	The Operation of the Environmental Charging System in Korea

### Annex III: Joint Consulting Program with Multilateral Development Banks

	Partner	Title
2011	ADB	<ul style="list-style-type: none"> <li>Conference on Knowledge Sharing and Development Effectiveness in Asia and the Pacific Region (Phase I)</li> <li>Comparative Infrastructure Development Assessment of the Kingdom of Thailand and the Republic of Korea</li> <li>Education and Skills for Inclusive Growth and Green Jobs (Phase I)</li> <li>Intelligent Transportation System for Better Urban Transport (Phase I)</li> </ul>
	IDB	<ul style="list-style-type: none"> <li>Design and Development of National Identification System in Jamaica</li> <li>Preparation of the Land Tenure Security Program</li> <li>Design and Implementation of the Emerging and Sustainable Cities Platform</li> </ul>
	WB	<ul style="list-style-type: none"> <li>Trade in Green Goods and Technologies: Opportunities for Developing Countries (Phase I)</li> <li>Leadership for Development (Public Private Partnership Projects) (Phase I)</li> </ul>
2012	ADB	<ul style="list-style-type: none"> <li>Conference on Knowledge Sharing and Development Effectiveness in Asia and the Pacific Region (Phase II)</li> <li>Education and Skills for Inclusive Growth and Green Jobs (Phase II)</li> <li>Intelligent Transportation System for Better Urban Transport (Phase II)</li> <li>Policies to Meet Global Economic Challenges – Asian Perspective</li> <li>Supporting Public Management through e-Government Capacity Development</li> <li>Establishment and Implementation of the Policy and Priority Technology Transfer for Climate Change Adaptation in Lao PDR (Phase I)</li> </ul>
	IDB	<ul style="list-style-type: none"> <li>Roadmap for the Implementation of the Broadband Platform for the LAC</li> <li>Design and Implementation of the Emerging and Sustainable Cities Platform</li> <li>Nurturing Micro and Small Businesses in Low-Income Communities of Northeastern Brazil</li> <li>Citizen Security Initiatives</li> </ul>
	WB	<ul style="list-style-type: none"> <li>Trade in Green Goods and Technologies: Opportunities for Developing Countries (Phase II)</li> <li>Leadership for Development (Public Private Partnership Projects) (Phase II)</li> <li>Leadership for Development (Financial Management Information System)</li> </ul>
	AfDB	<ul style="list-style-type: none"> <li>E-government Solutions for Africa</li> </ul>



## ENDNOTES

1. An interactive site for public and private actors to share information on development and poverty reduction.
2. A network consisting of distance learning centers, funding sources, and content providers that foster knowledge sharing and learning by providing learning courses, seminars, and cross-country dialogues regarding development issues.
3. A fund supporting research and policy institutions in developing countries so that they may conduct high-quality, policy-relevant research and bridge the chasm between knowledge and application
4. The total number of partner countries that have participated in the KSP reaches 39 in 2012.
5. The KSP Index is a composite index utilized to select partner countries which takes into account Human Rights Enhancement, Development Potential, Partnership, and Government Capacity of the partner country.
6. The Modularization Projects were managed by the KDI in 2010.

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