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The Direction of Inter-Korean Cooperation Fund Based on ODA Standard

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Abstract

This paper aims to evaluate IKCF (Inter-Korean Cooperation Fund) based on the ODA/DAC standard. For this purpose, the ODA expenditure in IKCF is investigated, after which the trend for the past 20 years is analyzed. By comparing with the ODA guideline suggested by the DAC, this paper suggests the future direction of IKCF as follows. First, S. Korea's humanitarian aid ratio to the North is too much compared to that of the DAC recommendation, therefore, much of it should be converted to development assistance. Second, the grant ratio is already high enough, and it is advised to use loan strategically to facilitate market economy of the North. Third, multilateral aid to the North is relatively low, and should be encouraged to grow up to the DAC standard. Fourth, untied aid ratio should be enhanced, but not to that of the DAC standard but to Korea's untied aid ratio to the other countries.

Keyword: ODA (Official Development Assistance), IKCF (Inter-Korean Cooperation Fund)
JEL code: O1

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1. Introduction

Twenty years ago in 1991, the Inter-Korean Cooperation Fund (IKCF) was first established to facilitate inter-Korean exchanges and cooperation.² The first use of the fund was in 1995 when 150,000 tons of rice was supplied to North Korea suffering from a flood. The total use of IKCF up to 2009 is 2.8 trillion won.

There are contrasting views regarding the effectiveness of the Fund. To a degree, it has contributed to the welfare of the North Korean people,³ but the chronic food shortage and the subsequent economic plight of the North have not been improved much.⁴

The studies on the evaluation of IKCF have focused on the procedural aspect, and were dominantly critical. The early study on IKCF such as Ryu (2000) criticizes that the operation process of the fund is plagued with red tapes. Lim (2003) also points out not enough transparency and ineffective planning and budgeting. Cho (2005) explains that excessive competition among private donors in South Korea seeking for IKCF supports has made the effectiveness of the assistance neglected. Kim (2008) also emphasizes a need for higher transparency of IKCF. The Evaluation Taskforce for Fund Operation (2008) commissioned by Ministry of Strategy and Finance rates IKCF below the average in terms of operational performance.⁵

As will be explained in the next section, there are many

² Ministry of Unification is in charge of the management of the fund, but its operation is commissioned to the Export-Import Bank of Korea (Korea Eximbank)

³ Lee and Lim (2008) shows that the underweight children in North Korea has been significantly reduced from 60.6% in 1998 to 20.0% in 2002 partly due to S. Korea's food and fertilizer aid.

⁴ The minimum necessary crop yield for North Korea is 5.35 million tons, but was 4.11 million ton in 2009, and 4.48 million ton in 2010 as reported by Ministry of Unification and by UN FAO and WFP respectively.

⁵ The report points out the lack of monitoring in the humanitarian aid and lack of clear outcome goal in the Gaesung Industrial Complex Project. There is also a view that the report is overly harsh because it is a report made in the first year of President Lee on the previous government's work under former President Roh.

similarities between IKCF and ODA, and IKCF will eventually have to follow ODA convention when North Korea opens its door to the international community. Therefore, it will be worthwhile to evaluate IKCF with the international criteria before a massive scale ODA to North Korea becomes a reality.

The idea that IKCF has many similarities with ODA, and should be evaluated from the ODA perspective is not new. Gil and La (2006) emphasize a multilateral approach to ODA to North Korea by suggesting a governance network with international organizations and NGOs. Kim (2008) estimates the necessary ODA volume by the international community to North Korea. Jo (2008) draws lessons on IKCF from the studies on the general ODA policy. Lee (2008, the co-author of this paper) tries to find IKCF expenditures that satisfy OECD's ODA requirement. Kim et al. (2009) points out that the statistics and transparency should be improved in development assistance to North Korea. Based on the experiences acquired from ODA to the other countries, Chun and et al. (2010) proposes candidate ODA programs to North Korea.

However, these prior studies on IKCF have been mostly process evaluation, not the formative evaluation⁶ as explained in the theoretical framework of ODA evaluation by OECD (2002). As a result of the process evaluation, there has been little analysis on the quality of IKCF based on numerical evidences. To fill this gap, the research questions of this paper are set as follows. What is the current standing of IKCF in terms of the recommended guideline of the OECD/DAC regarding the quality⁷ of ODA? And what should be the future direction of IKCF?

⁶ It is an evaluation to search for better implementation method and strategy.

⁷ The quantitative guideline is of course on the amount of ODA: at least 0.7% of donor country's GNI.

<Table 1: Types of Evaluation>

Category	Types
Timing	Ex-ant, mid-term, ex-post evaluation
Evaluator	Internal, external, independent, self, joint, participatory
Subject	Thematic, country, sector, cluster, program, project evaluation
Function	Formative, process, summative, meta evaluation

Source: OECD (2002)

For better quality of ODA, the OECD/DAC recommends four guidelines:⁸ more humanitarian component,⁹ more grant less loan,¹⁰ more untied than tied aid,¹¹ more multi-lateral than bilateral aid.¹² Chun et Al. (2006) and Choi (2011) applied those guidelines in evaluating Korea's general ODA to the other

⁸ Of course, these four guidelines cannot capture all the major evaluation standards on the quality of ODA suggested by the OCED/DAC. "The OECD/DAC issued the principal evaluation criteria in 1991. Five of these are widely used: relevance, effectiveness, efficiency, impacts, and sustainability." (MOFA of Japan, 2009, p.4).

⁹ Other sectors of ODA are: social infrastructure & services, Economic infrastructure & services, production sectors, administrative costs of donors, support to NGOs, and others. This recommendation shows the urgent need for humanitarian aid.

¹⁰ Grant is "transfers made in cash, goods or services for which no repayment is required." For a loan, on the other hand, a repayment is required. (http://www.oecd.org/department/0,2688,en_2649_33721_1_1_1_1_1,00.html). This recommendation is to minimize the risk of making developing countries debt-ridden. It also aims to reduce the transaction costs because the loan takes a longer processing time and administration costs without much real impact.

¹¹ Tied aid is "official grant or loans where procurement of the goods and services involved is limited to the donor country or to a group of countries which does not include substantially all aid recipient countries." (Ibid.) This recommendation is to enhance the efficiency through international competitive bidding and to minimize any possibility for abuse.

¹² Bilateral aid is a flow between a donor and a recipient country, whereas the multilateral aid has multilateral agencies as a vehicle of aid. This recommendation is to reduce the possibility of making a developing country dependent too much on donor countries, and to enhance the efficient use of the aid.

countries.¹³

In the next section, this paper probes the IKCF to find all expenditure items that satisfy the ODA requirement, and analyzes the trend of it for the past 20 years. After assessment on IKCF based on the four guidelines of OECD/DAC, this paper proposes future directions of IKCF.

2. Is IKCF an ODA?

Before evaluating IKCF based on the four ODA guidelines, we need to know whether IKCF can be classified to ODA. By OECD/DAC (2008), ODA is defined as “those flows to countries and territories on the DAC list of ODA recipient and to multilateral development institutions¹⁴” which satisfies four eligibility conditions: donor’s eligibility, grant element over 25%, beneficiary eligibility, and objective of the projects.

Many of IKCF projects can be categorized to ODA. IKCF satisfies the donor’s eligibility condition because it is administered by the official agency, Ministry of Unification. The grant element should be calculated project by project. Two remaining issues should be cleared to prove whether or not the IKCF can be classified to ODA. The first criterion is the eligibility of the North Korea as a beneficiary. North Korean territory is considered to be a part of the Republic of Korea by its Constitution. The Inter-Korean Basic Agreement¹⁵ also defines that inter-Korean relation is not between

¹³ Other recent researches on Korea’s ODA to the other countries are: KOICA(2003), PCSD (2004), Shim (2005), Kwon et al. (2006), Lee (2008), Lim et al. (2008), Choi (2011)

¹⁴ “which satisfies the following: First, Provided by official agencies, including state and local governments, or by their executive agencies; Second, each transaction of which: a) is administered with the promotion of the economic development and welfare of developing countries as its main objectives; and b) is concessional in character and conveys a grant element of at least 25 per cent calculated at a rate of discount of 10 per cent.” (OECD/DAC 2008)

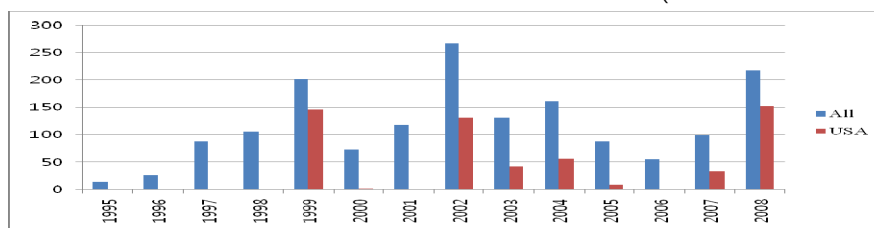
¹⁵ North and South Korea’s agreement made in the 5th High-level Government Meeting on December 13th 1991 specifying reconciliation, no invasion, and exchange

two countries.¹⁶ However, North Korea is a legitimate recipient country registered in the DAC List,¹⁷ being categorized to 'other low income countries' with less than 935 USD of GNI.

The international community has recognized North Korea as a recipient country as we can see in the ODA statistics to North Korea which can trace back as far as 1985. As the following figure shows, its volume, especially that of the largest donor USA has fluctuated depending on the NK's food and nuclear situation.¹⁸ Japan has relied only on multilateral aid through international organizations due to its domestic political reason. The most important donor to North Korea will be China with huge bilateral concessional loans for oil and food, but the official statistics is not available.

<Figure 1: International Community's ODA for N. Korea>

(Unit: million USD)



Source: OECD (2009)

and cooperation between two Koreas. It became ineffective after North Korea's withdrawal from NPT (Nuclear nonproliferation Treaty).

¹⁶ Based on this rationale, instead of the term export and import, ship-out and ship-in is official terms for inter-Korean trade, and thus no custom tax is applied. This is a rather gray area in the WTO regulation.

¹⁷ "The designations 'countries' and 'territories' are used as generic terms and do not carry special meaning as to the political or legal classification of the recipients concerned." (www.oecd.org/dac/stats/daclist)

¹⁸ The United States has excluded North Korea from the ODA beneficiary countries by Foreign Assistance Act. However, the U.S. has provided de facto ODA to North Korea limited to humanitarian food aid and emergency relief, not surpassing the line of development assistance. Since 1999, the DAC Report contains the U.S. aid to North Korea as an official ODA.

The second issue is the objective eligibility of IKCF. The law prescribes that IKCF aims to facilitate inter-Korean exchanges and cooperation, not to promote development and welfare of North Korea, which is the objective ODA. However, each project of IKCF should be evaluated by the DAC guidelines, not by the legal provision on the financial source of the project, IKCF. This paper reviews all the IKCF projects for the past 20 years to tell how much of the Fund use can be classified to ODA.

By the Ministry of Unification, IKCF has four categories: Humanitarian aid, support for social and cultural exchanges, and support for the exchanges of separated families, and support for inter-Korea economic cooperation including solutions for North Korea's nuclear problems. Among these categories, the humanitarian aid is all counted towards ODA. The food loan satisfies the grant element 74%.¹⁹ The fertilizer, emergency relief and the government subsidy part of the food aid all can be said to be a part of ODA.

On the other hand, the support for social and cultural exchanges such as concerts, exhibition, conference, religious assembly or sports events are generally ruled out of ODA. One exception is the support for training and education, or for constructing libraries and bread factories, which can be classified to ODA. All the expenses for the separated families are not categorized to ODA because they violate objective criteria for ODA.

The projects for inter-Korean economic cooperation are relatively complicated as the table shows. As for a solution to N. Korea's nuclear issue, construction of light water reactor is not a part of ODA. However, government support for implementation of the February 13th agreement such as provision of heavy oil and energy facility is broadly targeting the economic development of North Korea, and thus counts for ODA.

¹⁹ The interest is 1% payable in 30 years with a 10-year grace period.

Loans and transportation cost for railway connection is ODA because its grant element is 74%. Among many projects in the categories of support for Gaeseong Industrial Complex and for Mt. Geumgang Zone, only those projects targeting N. Korea as a recipient are counted towards ODA. Other Economic Cooperation Projects are categorized based on the type of each project. The following table shows whether or not each project is classified into ODA.

<Table 2: ODA Nature of Inter-Korean Economic Cooperation>

Program	Projects	ODA	Explanation
	Railway connection: loans and transportation costs	O	Grant element 74%
Support for Gaeseong Industrial Complex	Infrastructure	O	It stays in and benefits North Korea.
	Technology education center	O	Technical assistance
	General service center	X	For S. Korean companies' administration
	Apartment type factory	X	For S. Korean companies' need for rental
	Electricity and telecommunication loan	X	Loans for KEPCO and KT
	Management Committee's costs	X	To manage South Korean companies
	Loans to South Korean companies	X	For South Korea
	Coal briquette loan to Gae-sung residents	O	Grant element 53%
	Tax & accounting Training	O	Technical assistance for North Koreans
Support for Mt. Geumgang Zone	Road pavement	O	N. Korea's infrastructure
	Fire-fighting facility	O	
	Loans to South Korean companies	X	Loans for S. Korea

Other Economic Cooperat'n Projects	Pavement for road and runway in Mt. Baekdoo	O	N. Korea's infrastructure
	Exchange of products and natural resources	X	Swap trade
	Technical Assistance in Agriculture	O	Technical assistance
	Flood prevention projects for Imjin River	O	Technical assistance
	Communication and commute system	O	N. Korea's infrastructure
	Running costs for Arbitration Office	X	For dispute resolution
	On-site study for the summit agreement	O	Study for railway and N.K's special district
Solutions to NK Nuclear Problems	construction of light water reactor	X	Compensation for giving up nuclear power plant
	provision of heavy oil and energy facility	O	For N. Korea's economic development

Source: Names for program and projects are from White Paper on IKCF (2008). But the ODA eligibility test is done by the authors.

Other than IKCF, there are other types of assistance to the North that have ODA nature, but they are not included in this paper. An aid to North Korea by the other ministries and local governments, and the operation budget for EXIM Bank are counted towards ODA, but not included in this paper because they are not significant in their volume. A part of the relief for the North Korean refugees in S. Korea²⁰ is somewhat controversial whether how much of it should be counted towards ODA, and therefore not included in ODA here. This paper focuses only on ODA in IKCF.

There are both positive and negative impacts of the inclusion of

²⁰ A support for a North Korean refugee amounts to 20,000~30,000 USD per an individual, and the total expenditure during 1998~2008 was 240 million USD with steady increasing trend over the years. (Ministry of Unification 2008) The budget for this support is, however, included in the general budget account for Ministry of Unification, not in IKCF.

IKCF in the official statistics of Korea's ODA. The positive aspects are: It will raise our ODA/GNI ratio, and will improve the transparency based on the international principles and guidelines. There are negative aspects as well. It may jeopardize the special recognition by WTO regarding inter-Korean trade, and may impose on South Korea some constraints such as the guideline for untied aid. The Korean government has taken a middle-of-the-road policy: In the ODA report submitted to DAC, the government has attached notes on IKCF that satisfies ODA requirement.

The ODA classification of IKCF by the EXIM Bank has not been released, and is somewhat different from that by this paper. The biggest difference is the loan to the KEDO (Korean Peninsula Energy Development Organization) construction of light water reactor and operation budget of 2,000 million won of EXIM which is included in the statistics by EXIM but not in this paper.

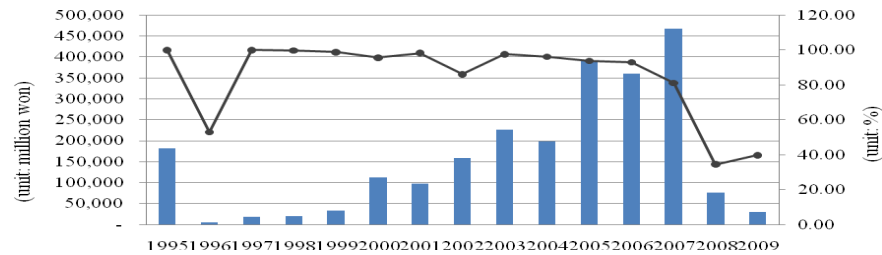
3. Trend of ODA to North Korea

The IKCF that satisfies ODA requirement started to grow since 2000, a year when the first summit meeting was held.²¹ The amount was at the peak during 2005~2007,²² but dropped after 2008, the first year of President Lee. Although the ODA volume varied during 1998~2007 under President KIM Dae-Jung (1998~2003) and ROH Moo-Hyun (2003~2008), the ratio of ODA nature over the total IKCF has been consistently very high above 80%. After 2008, however, not only the absolute volume of ODA to North Korea but also its ratio to the IKCF has plunged.

²¹ The year 1995 was an outlier; S. Korea provided to N. Korea domestically-produced rice of which price was three times higher than the world market level.

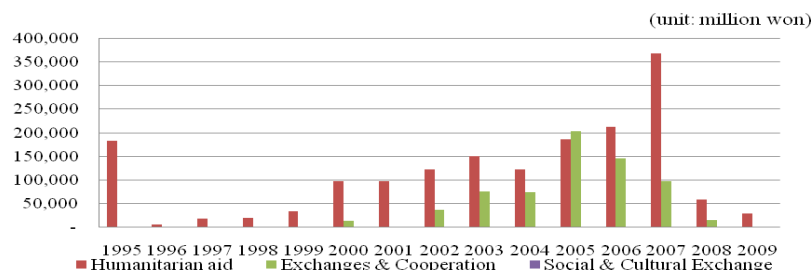
²² In year 2007, there were 2nd summit meeting between S. Korean President ROH Moo-Hyun and N. Korean leader KIM Jong-Il.

<Figure 2: ODA to NK: volume (the bar) and its ratio to IKCF>



As the following figure shows, among three components in ODA to NK, humanitarian aid has been dominant except the year 2005 when the Gaeseong Industrial Complex (GIC) projects were at the peak. However, the humanitarian aid was more broadly defined by Ministry of Unification than the one by the DAC.²³ The humanitarian assistance was in rising trend during 1998~2007, but its ratio to ODA to NK was declining since 2002 due to the expenditure rise on GIC. The social and cultural exchange was almost negligible over the years.

<Figure 3: Three components of ODA to NK>

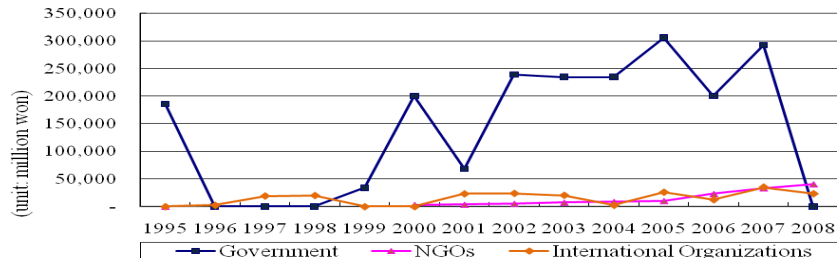


The government is the most important provider of humanitarian aid but the role of NGO and international organization is gaining

²³ Lee (2007) argues that even the food as well as the fertilizer aid is not out of humanitarian motivation. The different scope of humanitarian aid will be adjusted in the section 4.

its importance in a very gradual manner.

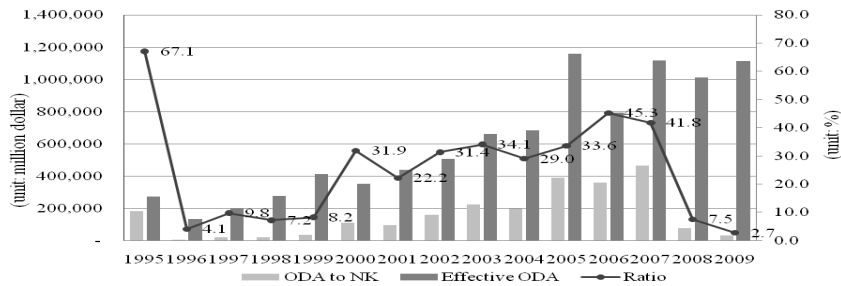
<Figure 4: Humanitarian aid by providers >



This paper defines ‘effective ODA’ as the sum of the traditional ODA to the other countries and the one to North Korea. The ratio of ODA to N. Korea over effective ODA was 7.2% ~ 31.9% during Kim administration (1998~2002), but was 29.0%~45.3% during Roh administration (2003~2007) as the following figure shows.

<Figure 5: Trend of Effective ODA >

(Effective ODA = ODA to the other countries + ODA to NK)



The inclusion of North Korea in the official ODA recipient increases ODA/GNI ratio by 0.01% ~ 0.02% point during Kim administration (1998~2002), but by 0.03~0.05% point during Roh administration (2003~2007) with the most outstanding ratio in 2007.

<Table 3: Effective ODA / GNI >

(unit: million dollar)

year	ODA	ODA+IKCF	GNI	ODA/GNI	Effective ODA/GNI
1995	115.99	352.54	515511	0.02%	0.07%
1996	159.15	165.99	555239	0.03%	0.03%
1997	185.61	205.71	513571	0.04%	0.04%
1998	182.71	196.93	340442	0.05%	0.06%
1999	317.49	346.00	439979	0.07%	0.08%
2000	212.07	311.41	509606	0.04%	0.06%
2001	264.65	340.27	481108	0.06%	0.07%
2002	278.78	406.13	547512	0.05%	0.07%
2003	365.91	555.33	606054	0.06%	0.09%
2004	423.32	596.38	682444.89	0.06%	0.09%
2005	752.32	1133.10	790092.65	0.10%	0.14%
2006	455.25	831.85	887339	0.05%	0.09%
2007	696.11	1198.58	971310.1	0.07%	0.12%
2008	802.34	870.89	934741.2	0.09%	0.09%
2009	815.54	839.23	837240.76	0.10%	0.10%

Source: http://stats.oecd.org/Index.aspx?DatasetCode=ODA_DONOR

The effective ODA, however, does not much enhance Korea's relative standing in the ODA. It improves South Korea's ranking by two steps in terms of its absolute volume, but not at all in terms of its ratio to GNI even with 2007 statistics when the ODA to N. Korea was at the peak. (See the tables of the appendix.)

4. The Direction for ODA to North Korea

How different is the ODA to North Korea from Korea general ODA without IKCF or from the ODA by DAC? For this comparison, the broadly-defined humanitarian aid of IKCF should be rearranged based on the definition of the DAC. The following table shows how IKCF is different from ODA by DAC and that by

Korean government to the other countries in terms of four guidelines.

Although much of IKCF can be classified to ODA, it should not necessarily follow those four guidelines of ODA. Choi (2005) also argues that although the aid to North Korea should follow the development assistance model, it should be different from the ODA to the other countries because IKCF has both similarities and dissimilarities with ODA.

<Table 4: Comparison of ODA of Korea and DAC Members>

Average of '91-'09 (%)

Criteria	DAC	Korea	
		ODA without IKCF	IKCF with ODA nature
Ratio of Humanitarian Grants	3.6	12.2	22.2
Grants	66.3	35.6	89.6
Multilateral Aid	29.9	35.9	9.46
Untied aids	77.9	9.73	0

Sources: Calculated from OECD-DAC (<http://stats.oecd.org>)

The first guideline is that the ratio of humanitarian aid should be expanded. However, ODA expenditure in IKCF has humanitarian aid ratio (22.2%) already much higher than DAC average (3.6%). Yoon and Yang (2005) advocates "economic cooperation that emphasizes mid- to long-term development of North Korea". Ryu and Lee (2006) suggest that the main focus of the assistance to North Korea should be converted from emergency relief to development assistance. As many other studies suggest,²⁴ the humanitarian grant should be converted to development assistance because the humanitarian aid has limited impact on changing the North Korean economy in a sustainable way. Although

²⁴ Gil and La (2006), Kim (2009), Chun and et Al. (2010)

development assistance to North Korea has many pre-conditions,²⁵ it is important to have a consistent policy direction before the dawn of the large scale ODA to the North.

The second guideline is that grant rather than loan should be expanded. Unlike the low grant ratio (35.6%) in Korea's ODA without IKCF, the ratio of IKCF (89.6%) is already higher than the DAC average (66.3%). Although the already high grant ratio should be maintained, the role of the loan should be more strategically utilized for ODA to North Korea when it comes to development assistance. Since the North has very limited experience in market economy, it needs to have a chance to experience a pressure for revenue generation. Ryu (2000) also argues that a loan is more cost effective and more easily repeatable.

The third recommended guideline is that multilateral rather than bilateral aid should be facilitated. IKCF shows very low multilateral aid ratio (9.46%) much lower than the DAC average (29.9%). S. Korean government already relies on the international organizations heavily (35.9%) for the aid to the other countries, but much less so (9.46%) for ODA to North Korea. Using international organizations as an ODA conduit is desirable because it may trigger the other countries' participation which will be very important when the total ODA volume to N. Korea grows along a steep curve. Of course, there is also a policy need to strengthen S. Korea's initiative in supporting North Korea. However, encouraging international participation is more important policy goal than S. Korea's dominant role since the former will facilitate North Korea's open door policy.²⁶

²⁵ Ryu and Lee (2006) sorts out four prerequisites for development assistance to North Korea: geo-political condition including nuclear issue, readiness of North Korea, understanding on North Korean economy, consensus building in South Korea.

²⁶ If S. Korea earmarks her contribution to international organizations so that it should be used only for North Korea, it will be classified to bilateral, not multilateral aid.

The fourth guideline is that the untied aid should be expanded. Korea's ODA to the third countries shows very low (9.73%) untied ratio compared to that of DAC, and ODA in IKCF exhibits even lower at 0% untied ratio. Although the untied aid ratio should be raised, the DAC average (77.9%) is too much for IKCF because S. Korea's involvement in the North will have much more significant impact in its economic transition compared to the other potential donors considering the same language both Koreas share. South Korea may encourage PPP (Public Private Partnership), which is expected to facilitate the growth of private sector in North Korea. However, too much influence by S. Korea in the earlier period of development assistance may make the North fear of economic absorption by the South. Therefore, South Korea's untied ODA ratio to North Korea should keep up with that to the other countries.

5. Conclusion

Most of IKCF can be said to be ODA. The ratio of ODA in IKCF has been consistently higher than 80% during 1998~2007. The humanitarian aid has been the dominant elements though it is defined in a broader sense than the international standard. However, ODA to North Korea has been reduced dramatically since 2008 when Lee administration came in.

Inter-Korean economic cooperation is the second important ODA element in IKCF, but it was dependent too much on one program, Gaeseong Industrial Complex. There is a need to develop more diverse projects in the economic cooperation field.

Even if ODA to North Korea is included in the official ODA statistics of S. Korea, its standing in the donor ranking does not improve much. Therefore, the ODA to North Korea should not be an excuse for not expanding S. Korea's ODA.

The ODA to North Korea should be directed as follows. First, S. Korea's humanitarian aid ratio to the North is too much compared to that of the DAC standard, therefore, much of humanitarian aid should be converted to development assistance so that it can move down to Korea's humanitarian aid ratio to the other countries. Second, the grant ratio is already high enough, and it is advised to use loan strategically to facilitate market economy of the North. It is advised to reduce the ratio down to DAC standard. Third, multilateral aid to the North is relatively low, and should be encouraged to grow up to the DAC standard. Fourth, untied aid ratio should increase, but not to that of the DAC standard but to Korea's untied aid ratio to the other countries.

<Table 5: Summary of Recommendation>

Criteria	Direction of ODA in IKCF
Humanitarian Grants	Be reduced to the ratio of Korea's humanitarian aid to the other countries
Grants	Be reduced to DAC standard for strategic use of loan
Multilateral Aid	Be expanded to the DAC standard
Untied aids	Be expanded to Korea's untied aid to the other countries, not to the DAC standard

North Korea is a potential or even current fragile state.²⁷ As more than a simple neighboring country, South Korea will have to be prepared in supporting N. Korea to become a part of the international community.

²⁷ For the ODA policy to these fragile states, see Kwon et al. (2011)

Appendix 1: ODA Ranking by Volume (2007)

(unit: M. dollar)

DAC ODA (2007)			Effective ODA (2007)		
Rank	Country	Volume	Rank	Country	Volume
1	US	21,787	1	US	21,787
2	Germany	12,291	2	Germany	12,291
3	UK	9,849	3	UK	9,849
4	France	9,884	4	France	9,884
5	Japan	7,679	5	Japan	7,679
6	Netherland	6,224	6	Netherland	6,224
7	Spain	5,140	7	Spain	5,140
8	Sweden	4,339	8	Sweden	4,339
9	Canada	4,080	9	Canada	4,080
10	Italy	3,971	10	Italy	3,971
11	Norway	3,728	11	Norway	3,728
12	Australia	2,669	12	Australia	2,669
13	Denmark	2,562	13	Denmark	2,562
14	Belgium	1,951	14	Belgium	1,951
15	Austria	1,808	15	Austria	1,808
16	Switzerland	1,685	16	Switzerland	1,685
17	Ireland	1,192	17	South Korea	1,202
18	Finland	981	18	Ireland	1,192
19	South Korea	699	19	Finland	981
20	Greece	501	20	Greece	501
21	Portugal	471	21	Portugal	471
22	Luxemburg	376	22	Luxemburg	376
23	New Zealand	320	23	New Zealand	320

Source: OECD-DAC website (<http://stats.oecd.org>).

Appendix 2: ODA Ranking by GNI Ratio (2007)

DAC ODA (2007)			Effective ODA (2007)		
rank	Country	ODA/GNI (%)	rank	Country	ODA/GNI (%)
1	Norway	0.95	1	Norway	0.95
2	Sweden	0.93	2	Sweden	0.93
3	Luxemburg	0.92	3	Luxemburg	0.92
4	Denmark	0.81	4	Denmark	0.81
5	Netherland	0.81	5	Netherland	0.81
6	Ireland	0.55	6	Ireland	0.55
7	Austria	0.50	7	Austria	0.50
8	Belgium	0.43	8	Belgium	0.43
9	Finland	0.39	9	Finland	0.39
10	France	0.38	10	France	0.38
11	Switzerland	0.38	11	Switzerland	0.38
12	Germany	0.37	12	Germany	0.37
13	Spain	0.37	13	Spain	0.37
14	UK	0.35	14	UK	0.35
15	Australia	0.32	15	Australia	0.32
16	Canada	0.29	16	Canada	0.29
17	New Zealand	0.27	17	New Zealand	0.27
18	Portugal	0.22	18	Portugal	0.22
19	Italy	0.19	19	Italy	0.19
20	Japan	0.17	20	Japan	0.17
21	Greece	0.16	21	Greece	0.16
22	US	0.16	22	US	0.16
23	South Korea	0.07	23	South Korea	0.12

Source: OECD-DAC website (<http://stats.oecd.org>).

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