

Korea's Knowledge Sharing Program (KSP)

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Korea's Knowledge Sharing Program (KSP), launched in 2004, is a policy-oriented development cooperation program in which Korea shares its development experience and knowledge to support the institutional and capacity building of partner countries through a series of collaborative research works, policy consultations, and technical assistance, on policy issues identified by the partner countries. KSP seeks to go beyond one-time, one-sided knowledge transfer and deliver development effectiveness through cross-country peer learning and within-country coalition building. It represents a key element of Korea's knowledge-intensive development cooperation program.

This chapter looks at the origin and evolution of Korea's KSP and assesses its accomplishments and challenges. Section 1 looks at the background of KSP, within the broad context of Korea's development cooperation program and changing international development landscape. Section 2 highlights the key design features of KSP. Section 3 looks at the governance and implementation of KSP. Section 4 assesses the accomplishments and challenges of KSP. Section 5 adds conclusions.

BACKGROUND

Korea's development cooperation effort took off when the Korea Development Institute (KDI) launched the International Development Exchange Program (IDEP) in 1982. Subsequently, the Economic Development Cooperation Fund (EDCF) and the Korea International Cooperation Agency (KOICA) were established in 1987 and 1991 to manage the provision of concessional loans and grants, respectively, under the supervision of the Ministry of Strategy and Finance and the Ministry of Foreign Affairs.¹ However, Korea's piecemeal and spray-gun approach to aid and development lacked direction and coordination. Korea's development cooperation program also did not adequately consider the socioeconomic conditions and needs of partner countries. In light of such shortcomings, the government searched for better ways to meet their policy priorities, taking into account Korea's comparative advantage. The goal was to reap synergies among development cooperation programs carried out by various institutions and to enhance Korea's role as a responsible member of the international community. In response to these challenges, the Ministry of Strategy and Finance (then known as the Ministry of Finance and Economy) launched the KSP in 2004, with KDI playing a critical role.²

By sharing Korea's experience and knowledge in industrialization and democratization with partner countries and by supporting their development efforts, KSP is expected to contribute to international development and enhance Korea's prosperity and security. Practical policy consultations based on Korea's successful transformation from an impoverished colony to an industrialized and democratic nation have credibility among developing partner countries. This is especially true in comparison with advice offered by advanced industrial nations, which may not reflect the development issues of today, and private consulting companies, which may lack policy experience based on tangible outcomes.³

In 2007, Korea set an ambitious goal of raising its ODA from 0.07 percent of gross national income (GNI) to 0.25 percent by 2015. However, the amount of ODA in absolute terms is still far from being in line with those of advanced economies with a much longer history of development assistance. To maximize development impact, Korea should focus on

integrating knowledge-intensive development cooperation programs such as KSP with other existing programs to strengthen its comparative advantage. Policy consultations through KSP should be coordinated with infrastructure projects supported by EDCF and human resource development projects supported by KOICA to maximize development effectiveness.⁴

Internationally, knowledge-intensive development cooperation projects have been in the spotlight since the Cold War ended and globalization accelerated in the early 1990s. As factors of production such as capital and labor are able to move more freely, the role of knowledge has grown in development. The weakening of political ideologies since the end of the Cold War has also facilitated discussions on what really works for development. Developing countries seek to find partners that can share experiences and knowledge on how to achieve sustainable development through collaborative exchanges. The proverbial story of teaching people how to fish instead of giving them fish has often been used as a parable for better and effective development cooperation. However, teaching people how to fish gives a misleading view of what is required for effective knowledge generation and exchange. What is required instead is working together to find effective ways to catch fish in a local context. Co-creating knowledge that is tailored to suit the local conditions of a partner country can have much greater acceptance and impact than one-way knowledge transfer or a one-size-fits-all approach to development.

When carrying out knowledge-intensive development programs, one must note that knowledge is evolving and is flowing in many directions, and not one way from the North to the South through knowledge transfers. The Brazilian Agricultural Research Corporation (Empresa Brasileira de Pesquisa Agropecuária, Embrapa) has been engaged with Ghana and Mozambique in sharing knowledge on developing agricultural technology for dry climates, which was developed from Brazil's own experiences, in cooperation with Japan.⁵ China is also actively involved in sharing its rural development experience with African countries such as Tanzania. The two most notable examples of knowledge flows from the South to the North are micro finance⁶ and conditional cash transfer (CCT) programs.⁷

Academically, there have been active efforts in search of a new paradigm in development economics based on actual knowledge acquired from experience.⁸ The poor growth records of countries that adopted neoliberal policies, combined with the global financial crisis of 2008, have dealt a severe blow to the credibility of the Washington consensus (focused on stabilization, privatization, and liberalization).⁹ Also, because the United Nations' Millennium Development Goals (MDGs) put much emphasis on human development such as education and health while tending to overlook the importance of infrastructure, trade, and industrialization, new thinking in development has been driving a shift toward a new paradigm that focuses on the virtuous cycle between human development and economic growth.¹⁰

There is a growing consensus on the need to look beyond the development perspectives of donors adopted by the OECD Development Assistance Committee (DAC) member countries, as the G20, whose members include many emerging countries, gains prominence in the international arena.¹¹ In particular, China, India, and Brazil emphasize sharing development knowledge and cooperation between South-South countries. This is expected to increase demand for policy consultation projects. Indeed, when Korea held the presidency of the G20 Summit in 2010, it put the agenda of "growth-centered development" on the table, naming knowledge sharing as one of the nine pillars of the Seoul Development Consensus.¹²

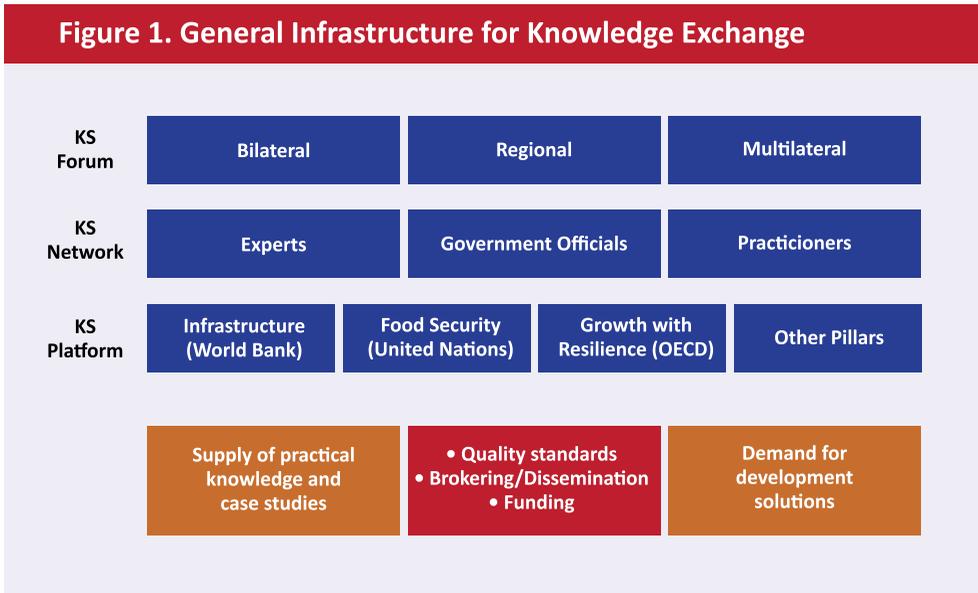
These developments at home and abroad serve as the background of KSP, in which Korea shares its development experience and knowledge to support the institutional and capacity building of partners. KSP is comprised of three parts: 1) the systemization and modularization of Korea's development experiences into case studies; 2) policy consultation through knowledge sharing with partner countries; and 3) joint consulting with multilateral development banks for developing countries. The first part looks at Korea's major policy experiences, such as the Five-Year Economic Development Plan and *Saemaul Undong* (New Village Movement). The policy experiences are analyzed in terms of their background, policy formulation, implementation mechanism, and outcome. Systemized case studies are further modularized by sector and topic; so they can be utilized as benchmarks by policymakers and experts in partner countries in establishing specific institutions, organizations, or projects. For example, Korea's "Export Promotion Policy" has been prepared as a systemized case study, and "Establishment of the Export-Import Bank" has been modularized to document Korea's export promotion experience. The modularization of Korea's development experience traces back to a policy's inception, recapitulating the rationale for its introduction, its main content, and the way it was implemented. The case studies also evaluate a policy's outcome and seek to draw lessons and insights from a global comparative perspective. These include literature reviews, surveys, and in-depth interviews with the policy practitioners and experts who played a key role in its implementation.¹³

With a demand-driven approach in mind, the Policy Consultation Program initiated in 2004 matches policymakers and experts on a given topic in Korea with their counterparts in partner countries in a series of collaborative research studies, consultations, and technical assistance and training, held alternatively in Korea and in the partner country. In principle, for low- and lower middle-income partner countries, Korea bears all the direct costs associated with the activities as part of its development cooperation efforts. For upper middle-income and high-income countries, Korea shares all direct costs with the partner countries.¹⁴

The third and final component of KSP includes joint consulting with multilateral development banks such as the World Bank, the Asia Development Bank, and the Africa Development Bank. Through partnership with multilateral development banks, Korea can benefit from comparative perspectives and enhance the global impact of its development cooperation efforts.¹⁵

DESIGN FEATURES OF KSP

Most of the knowledge-intensive development cooperation projects of the international agencies can be categorized into three groups: technical assistance/cooperation, study tours, and policy dialogue. In the case of technical assistance, experts are sent to a partner country and conduct pilot studies in the field, after which recommendations are drawn to complete the project. A set of policy recommendations is then submitted to the partner country. However, this mode of delivering policy recommendations has drawbacks, in that it is limited in fostering ownership within the partner country as well as in building capacity to convert these theory-based recommendations into actionable policies. During study tours, policy practitioners and experts of developing countries are given tours of industrial sites and relevant institutions, which may help give participants a different perspective. But unless the participants take specific actions to change, study tours have little chance of contributing to



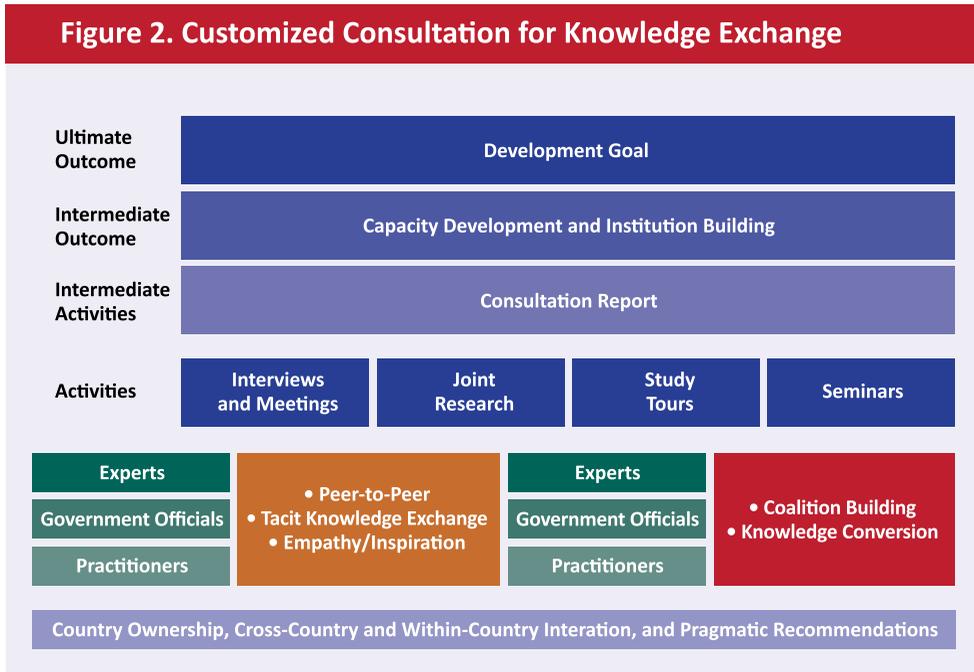
institution building. Bilateral and multilateral dialogue allow policymakers to have in-depth discussions and to build networks, but the actual outcome of these exchanges is still left as mid- and long-term tasks.¹⁶ All of these methods suffer from the one-sided and/or one-time nature of interaction.

What would then be an effective way to promote knowledge exchange for development? Imagine a two-tiered structure for knowledge exchange consisting of “Wikipedia” and “Facebook,” where: 1) Wikipedia represents the general infrastructure to share knowledge, and 2) Facebook provides customized consultation for knowledge exchange between participants.

(1) General infrastructure for knowledge exchange requires:

Knowledge exchange platform: This is a search-and-match platform that provides practical information on development solutions and case studies. A system operator should manage this platform and work with governments and international organizations to enrich its content and functionality. The operator should take stock of existing platforms that facilitate the exchange of development experience and knowledge and create a “map” with a view toward integrating them. The knowledge exchange platform could be organized by sector with international organisations playing a supportive role, e.g., the World Bank on infrastructure, the UN on food security, and the OECD on growth with resilience. A common quality standard should be applied to make the knowledge exchange platform(s) readily accessible.

Knowledge exchange network: This is a network of government officials, experts, and practitioners with an intimate knowledge of development challenges. They should work with their counterparts in partner countries to discover jointly what works in the local context. This could complement a “Gray Peace Corps,” proposed by Jagdish Bhagwati, which would hire large numbers of doctors, engineers, and scientists from aging industrial nations to deal with skill shortages in developing countries.¹⁷



Knowledge exchange forum: This is a regularly held policy dialogue to share knowledge on policy challenges. Figure 1 illustrates the general infrastructure of knowledge exchange.

(2) Customized consultation for knowledge exchange:

This aims to contribute to capacity development and institution building by addressing specific policy challenges. Activities include interviews and meetings, joint research and dialogue, study tours, and seminars, with a view toward building cross-country and within-country partnerships. The emphasis here is on horizontal or peer-to-peer interaction as it not only facilitates tacit knowledge exchange but also creates empathy and inspiration. This helps to build cross-country partnerships. For effective implementation, coalition building among government officials, experts, and practitioners is also important. This is the vertical or within-country reform partnership aspect. Figure 2 depicts customized consultation for knowledge exchange.

To optimize the search-and-match mechanism between demand and supply and to maximize development effectiveness through knowledge sharing, a two-stage process could be envisioned in which a centralized platform would provide practical information on development case studies in the first stage and development partners would get together to craft tailor-made cooperation programs in the second stage. To deal with resource constraints, international support should be provided so that low- and middle-income countries can share their experience and knowledge with their peers, for instance, through triangular cooperation managed by multilateral development banks.

For this interactive knowledge sharing platform to work, it is imperative that “customers” be able to select from a broad menu of options offered by “providers” to pinpoint the specific

expertise they need. This platform may be built by aggregating existing development platforms operated by international organizations, national governments, and think tanks, but, to be effective, it should be based on close interaction between “customers” and “providers.” For instance, a developing country interested in obtaining practical advice on operating a free economic zone (FEZ) should be able to compare and contrast various case studies on FEZs offered by other countries. Once this customer country finds the best match for its needs, it should be able to contact the provider country and work together to craft a tailor-made cooperation program, with support from international organizations if necessary. For instance, a country like Ghana may feel that it has a great deal to learn from Malaysia, an ethnically diverse, medium-sized country that has successfully diversified and upgraded its economic structure,¹⁸ and may so may want contact Malaysia for practical advice on FEZs through bilateral or trilateral cooperation.

In the case of KSP, under its objective of institution building and capacity building, experts and policy practitioners of partner countries are matched with their respective Korean experts. This close collaboration allows for active dialogue and research conducted both in Korea and its partner countries, where the final policy recommendations are co-authored. Therefore, the chance of the recommendations being implemented in policymaking is higher, especially when this is supported with financial assistance via the EDCF loans or KOICA grants to assist in implementing recommended development strategies. Study tours and on-site visits are planned under KSP, taking into consideration the needs of partner countries when determining the area and sector to be visited. This helps to build mid- and long-term working relationships between the participants of partner countries and of the organizations that they visit to produce practical outcomes in institution building. For example, site tours would be conducted at the Small and Medium Business Corporation and the SME Clusters if this were a KSP policy topic. Moreover, other teams of experts would go to the Korea Energy Management Corporation (KEMCO) if the topic were the “improvement of energy efficiency.” Likewise, a team of policymakers would visit the Korea Institute of Science and Technology (KIST) and the Daeduk Innopolis, a cluster of technology-oriented R&D centers and venture companies, to demonstrate the importance of institution and capacity building. These kinds of activities are relatively manageable under KSP because the participants are current policy practitioners and experts from Korea and its partner countries, ensuring that knowledge learned in the process can be applied in practice.

KSP has five main features. First, it is a policy-based development cooperation program that applies Korea's own experience in offering practical alternatives to partner countries. To this end, former high-level policymakers and experts, as well as current practitioners from the public and private sector, participate in the KSP.¹⁹ Second, it is a demand-driven program in which the development concerns and needs of high-level policymakers and current policy practitioners of partner countries are taken into consideration. Third, it is a capacity building program, aimed at enhancing the policymaking and implementing capabilities of the participants through sectoral research, consultation, and training. Fourth, it is a comprehensive program that seeks to help a partner country achieve its development goals. Instead of merely offering a blueprint for development or directional policy advice, it tries to assist in developing and implementing result-driven policies. Lastly, it is a flexible program in which projects can be developed into multi-year cooperation programs, if needed.

In the case of the Dominican Republic, a 2008 KSP project focused on “export promotion” and “export capacity building,” followed by projects on “Improving the Export Infrastructure and Electric Power System.” Relations were strengthened through development efforts. For the first time in Central and South America, the Korean Export-Import Bank assisted in helping to formulate a country’s national development strategy. This provided a solid basis for further cooperation. The Korea Electric Power Corporation (KEPCO), in cooperation with its counterpart in the Dominican Republic (Corporación Dominicana de Empresas Eléctricas Estatales, CDEEE), became involved in a electric power distribution project. In 2010, collaborative research was carried out on credit assessment and risk management to assist the establishment of an export-import bank in the future.²⁰

As seen in the case of the Dominican Republic, KSP can offer policy alternatives and it can also complement EDCF loans or other technical assistance projects carried out by KOICA to further assist developing countries to achieve tangible development outcomes. However, efforts to complement other loan-based projects should be approached with care; trust should be forged with the government of partner countries before discussing concessional or commercial loans projects. Failure to do so may undermine the effectiveness of KSP in providing policy consultations.

GOVERNANCE AND IMPLEMENTATION

KSP activities are carried out by the Ministry of Strategy and Finance (MOSF), Korea Development Institute (KDI), and other organizations including various private and public organizations and academia. MOSF acts as the supervisory ministry and commissions policy-oriented cooperative projects to KDI each year. Development partner countries are selected by the MOSF based on its own international economic cooperation policies and the potential of partner countries for economic cooperation. For policy consultation projects under KSP, the KDI Center for International Development (CID) mainly carries out the program in cooperation with the MOSF. KDI formulates the plans and detailed guidelines on research topics, consultations, and training activities. KDI carries out a large number of KSP projects, and also invites other organizations to participate through an open bidding process. If an external organization is contracted, then KDI appoints a Program Manager (PM) and a Program Officer (PO) from KDI to manage the project. The Program Manager plays a pivotal role in coordinating and setting research topics and in recruiting a team of experts for policy consultation. A Program Officer acts as a liaison and facilitates communications between Korean organizations and their counterparts of the partner country, ensuring the project runs smoothly.

In addition to the PM and PO, each country’s policy consultation team is comprised of a Principal Investigator (PI), a senior-level policymaker (or senior advisor) and other experts. Depending on the number of policy topics, the team is assigned four to six Korean experts and paired with an equal number of consultants from the partner country to form a one-on-one collaborative partnership. In addition to conducting their own research, the PI is expected to provide leadership in supervising and coordinating the work of the team members by deliberating on policy research topics with the policy coordinator from the partner country. The PI also presents the final policy recommendations of KSP research to

government officials and to the public of the partner country. Candidates for the position of PI must have extensive professional knowledge, policy experience, and international-oriented perspectives. In selecting PIs, KDI and other cooperating agencies involved in KSP must take into consideration the candidate's expertise, integrity, and international experience.

Policy experts from each team (by sector) are responsible for conducting pilot studies, drafting policy recommendations, carrying out consultation activities, and participating in various seminars and workshops as discussants and presenters. The basic requirement is to have at least five years of relevant experience. High-level policymakers are recruited as senior advisors to KSP programs to enhance the validity of policy recommendations and to strengthen relationships with high-level policymakers of partner countries. A senior advisor must have served in one of the following capacities: high-level policymaker, ambassador, head of an organization, or director of an international organization. Candidates for the role of Senior Advisor recommended by one of the KSP organizations are reviewed by MOSF, which finalizes the appointment after consultation with the implementing agency.

Local consultants of a partner country are asked to provide materials and relevant information on a given topic and can co-author the final recommendations with their Korean counterparts. Their involvement and that of policy practitioners are essential to sharing knowledge and making it more than a one-way transfer of knowledge. Their participation and identification of research issues allow for gaining contextual knowledge about partner countries. For instance, in the KSP for Turkey on building "Models for National technology and Innovation Capacity Development," local Turkish consultants were actively involved in researching and writing the final report. Organizations that implement KSP work together with the EXIM Bank of Korea and KOICA to conduct a preliminary country study and to secure support for their activities with the help of local representative offices in the partner country. Country experts from international organizations such as the World Bank and IMF become involved in policy consultations. International and KSP experts exchange views on a partner country. KSP also looks for ways to maximize the effectiveness of local activities through collaboration with diplomatic offices and field offices of KOICA and to coordinate assistance efforts by eliminating duplicative work.

KSP begins by identifying potential development partner countries one year before the fiscal year starts. KSP Index and qualitative variables are used by KDI to determine the suitability of potential partner countries, and then a written, pre-demand identification survey is conducted. The KDI Index quantitatively assesses five variables of a country including education level (primary and secondary admission rates), population, natural resources (weight given in the world's natural resources export ranking), political environment, and GDP growth to determine the growth potential of a candidate partner country. A qualitative assessment of it is also conducted to assess the willingness of the country to participate in KSP and the strategic importance of it to Korea. Also the results of high-level diplomatic efforts such as summit meetings are taken into consideration. They can provide the most effective means for assessing the policy agenda of top decision-makers and the level of willingness or interest of a potential partner country to participate in KSP.

After a pool of potential development partner countries is considered, dialogue is initiated through diplomatic channels. In most cases, surveys are sent via the Korean embassy

Table 1. Distribution of KSP Bilateral Policy Consultations by Topic

Policy Areas	Number of Specific Topics	Percent
Industrialization and Investment	88	14.5
Science, Technology, and Innovation	86	14.2
Macroeconomic Policy and Development Strategy	83	13.7
Financial Policy	63	10.4
International Trade	58	9.6
Sustainable Growth and Land Development	56	9.2
Public Finance and SOE Management	54	8.9
Human Resource Development	46	7.6
Entrepreneurship (including SMEs)	33	5.4
Agriculture and Fishery	25	4.1
Others	14	2.3
Total	606	100.0

to an agency/organization in a potential partner country responsible for development cooperation, which would then be sent to relevant government ministries and agencies. They are consolidated to prepare a collective response based on the policy priorities of the country. After the demand survey forms are returned to KDI through diplomatic channels, development partner countries for KSP are selected on the basis of content and strategic importance to Korea.

Once a country has been selected as a development partner country, determining its policy needs and researching them for policy consultation is required because it may have too many needs to be considered or the issues may not be suitable for policy consultation purposes. In addition to helping to determine policy topics, country studies are conducted to gather background information. Reviewed in the process are the Country Assistance Strategy (CAS) reports or Country Partnership Strategy (CPS) reports prepared by Multilateral Development Banks (MDBs), country reports prepared by international organizations such as the IMF and United Nations Development Programme (UNDP), and economic white papers issued by the governments of partner countries.

Country-by-country KSP policy consultations begin once the preparatory work has been completed, including the development partner country selection assessment, the demand identification survey, and the final selection process and finalization of policy topics (identification of workable topics, and country studies). KSP bilateral consultation projects proceed in six stages: two visits by a group of experts/policy practitioners of a partner country to Korea, three visits to the partner country at two-month intervals, and one dissemination seminar and program evaluation in Korea.

Table 2. Distribution of KSP Bilateral Policy Consultations by Region

	Asia	CIS and Europe	Middle East	Africa	Latin America	Total
2004	1	1	0	0	0	2
2005	1	0	1	0	0	2
2006	3	0	0	1	0	4
2007	1	2	1	1	0	5
2008	1	2	2	2	1	8
2009	3	3	2	2	1	11
2010	5	3	3	2	2	15
2011	8	2	2	7	7	26
2012	10	3	5	7	8	33
2013	19	5	4	7	10	35

ACCOMPLISHMENTS AND CHALLENGES

It is not easy to evaluate the outcomes of knowledge exchange projects such as KSP. First, one must evaluate if the research, policy consultation, and training programs were appropriately carried out and the final report issued. Second, one must look at whether policy recommendations made in the final report are linked with intermediate outcomes related to institution and capacity building. Lastly, one must evaluate if the goals in the final report were achieved. For example, if a KSP on export promotion recommends the establishment of a system for public-private cooperation such as monthly export promotion policy meetings and an export-import bank, one must determine first if these recommendations have been implemented and then if their implementation led to an increase in exports. Setting the counterfactual scenario and controlling all other variables to evaluate the effectiveness of a knowledge-sharing project is nearly impossible. Thus, in general, output and intermediate outcomes are evaluated instead. If tangible outputs such as policy recommendation reports or intermediate outcomes of building infrastructure and capacity are used in evaluation, then KSP has had many achievements since its 2004 launch. As Table 1 shows, from 2004 through 2013, KSP bilateral consultations were carried out in 46 partner countries over a wide range of policy areas, from industrial and investment policy to human resource development.

As Table 2 shows, the KSP, regional focus was Asia, especially Southeast Asia. Among the ten ASEAN members, the six low- or lower middle-income countries (Cambodia, Indonesia, Laos, Myanmar, Philippines, and Vietnam) were among the most active participants in KSP projects. Vietnam, in particular, was involved in KSP for every year except in 2005. Southeast Asian countries have a great deal of interest in learning about how Korea managed to escape from “the middle-income trap” and how they could formulate a development strategy in their own context.

In the case of Vietnam, the knowledge sharing program covered macroeconomic stabilization, the industrial structure, the trade system, and the reform of public enterprises. In 2009

Vietnam was selected as Korea's first strategy development partner country (SDPC), by which comprehensive policy consultations on topics related to Vietnam's ninth 5-Year Economic Plan were planned. Korea pledged multi-year support in establishing a planning system for credit guarantee and export finance and for building a system for macro-forecasting and early-warning measures.

For Indonesia, consultations covered topics related to finance, public expenditure, and energy. In 2005 and 2006, it covered the development of a bond market. Since 2009, knowledge sharing has been carried out in the areas of financial supervision and capital market development, modernization of budget planning, and water resource management. KSP stresses the importance of sound infrastructure, a strong credit evaluation system, and establishment of auditing and accounting standards to achieve sustainable financial development. Mid- and long-term policy training of prudential regulators has been carried out.

In the case of Cambodia, policy consultations covered such topics as investment finance, industry and trade promotion, microfinance, and securities. The final recommendations of the 2009 KSP on microfinance and public-private partnership (PPP) were enthusiastically received by the Cambodian government. The 2010 KSP consultations on upgrading the industrial structure were in line with its national industrialization policy. In addition, policy training on establishing industrial standards based on the outcome of the previous KSP recommendations has been planned.

Countries outside Southeast Asia have also benefited from KSP projects. In the case of Uzbekistan, policy consultations covered industrial and innovation policies. The 2004 KSP focused on development of the manufacturing sector and export promotion;—building a special economic zone was recommended. Also, the 2007 propriety report explored possible candidate sites for special economic zones. When the Uzbekistan government decided to build a Free Industrial Economic Zone (FIEZ) in the Navoy region, KSP consultations on the establishment and management of the FIEZ were carried out. A delegation headed by the Uzbekistan vice minister of External Economy visited Korea's free industrial economic zones, had consultations related to the Masan Export Free region, and secured support from the Korean private sector through KSP.

As mentioned, knowledge sharing on export promotion with the Dominican Republic was initiated in 2008. It adopted a system for public-private collaboration based on Korea's monthly export promotion meetings, and other projects have been carried out, such as building infrastructure for exports by the EDCF and improving power cable distribution by the Korea Electric Power Corporation. There is an ongoing project on policy support and training on establishing an Export-Import Bank. For Azerbaijan, several policy topics were assessed and discussed on developing a WTO accession strategy in terms of a negotiating plan and sectoral follow-up response measures. For Ukraine, KSP covered the topic of formulating a mid- and long-term economic development strategy in 2008 when Ukraine was hit by the global financial crisis. KSP has also been sharing Korea's experience in overcoming the financial crisis of 1997-98, when it enhanced its adaptability and flexibility to reflect the current international financial environment in real time.

KSP worked with Algeria on establishing a credit card payment system, which received high praise from the Ministry of Finance and Bank of Algeria. The 2007 Kuwait KSP, which focused on the establishment of Kuwait's 5-Year Economic Plan and Implementation, was

well received by the Kuwaiti government. Lastly, the 2010 consultations with the Mongolian government on the theme of public-private partnerships included a preliminary feasibility test on the deposit insurance system, which played a major role in building a statutory and institutional framework.

CONCLUSION

A great deal has been learned by trial and error since KSP was launched in 2004. The biggest obstacle in the early days was overcoming the tendency to transfer Korea's experience in a haphazard, uni-directional way rather than sharing knowledge that can be adapted to meet a partner country's policy needs. Other early problems were the recruitment and management of a team of experts including high-level officials, the cooperation of local counterparts and experts from partner countries, and the coordination with other development cooperation projects being carried out by Korea. To avoid indiscriminately transferring Korea's experience, the project of systemizing and modularizing its development experience is being implemented. In 2008, systematic reform of KSP was made with a focus on mutual and collaborative knowledge sharing. High-level policymakers able to genuinely contribute to the policy consultations were recruited under KSP. Their roles were clearly defined to cooperate with the other experts on the team. Changes have allowed more policy practitioners and experts to participate during training sessions and ensured that the policy topics covered in the research, consultation, and training were better aligned with their needs. KSP has also sought to improve coordination with other development cooperation projects carried out by the EDCF and KOICA. In 2011, a joint research program with an international organization was launched to enhance the effectiveness of policy consultations and to benefit from different international perspectives. As KSP continually improved, it has gained international attention for achieving tangible outcomes in supporting the building of infrastructure and capacity of partner countries.

With the end of the Cold War and the acceleration of globalization, knowledge-intensive development cooperation projects such as KSP have been attracting the spotlight. Against this background, Korea has been carrying out KSP and strengthening its cooperative relationships with the international community through joint research works, consultations, and international conferences. It has actively led discussions on the formulation of a development agenda for shared growth as host of the 2010 G20 Summit. Knowledge sharing has been established as one of the nine pillars of the G20 Seoul Development Consensus.

The G20 level knowledge sharing agenda has focused on the issues of meeting knowledge supply-demand, implementation, quality, and funding, which have been discussed with international organizations such as the UNDP, OECD, TT-SSC (Task Team on South-South Cooperation), World Bank, and members of the G20. The rationale is that developing countries may face difficulties in their search for knowledge on a country's development experience unless the knowledge is systematically delivered. Even if such knowledge is found, a developing country finds it difficult to secure the financial resources for policy consultations. Financial support is essential to gaining high-quality knowledge, and for systematically organizing a country's development experience. Systemized policy case studies must then be shared with countries that need the expertise through knowledge platforms, human networks, and policy forums while ensuring the implementation of such a knowledge sharing mechanism. Different countries, including Korea, China, Indonesia, and

Mexico, can draw on their own development experience of establishing special economic zones through a knowledge sharing platform. A developing country seeking to build special economic zones can go through the different experiences and case studies and form a partnership with the country that seems to have the most relevant policy experience.

Policy projects have been researched and documented in case studies through the systemization and modularization of Korea's development experience. They are transmitted by current and previous policy practitioners and experts, and draw on diverse experience through various policy forums with international organizations. This gives KSP a unique advantage in contributing to the G20 knowledge sharing agenda.²¹ Its collaborative approach to research activities is gaining international attention as a means to overcome the limitations of a single knowledge sharing cooperation project. Korea can use its leadership role among developing countries and its successful experience of industrialization and democratization in guiding the international development agenda by carrying out development cooperation projects that support the sustainable development of partner countries based on institution and capacity building. Continuous effort must be made in guiding the international development agenda in this direction for the effective formulation of a successor to the Millennium Development Goals for the years beyond 2015.

ENDNOTES

1. In international development cooperation, Korea has been playing the role of recipient as well as donor for 30 years. With support from USAID, Korea initiated its first development cooperation project, a 1963 training program for developing countries, in 1963. Two years later the government continued this effort, and in 1967 it started dispatching technical experts overseas. However, only after the 1980s did Korea establish dedicated institutions for facilitating knowledge sharing and ODA, such as concessional loans and grants.
2. For an overview of KSP with case studies on its impact in the Dominican Republic and Mongolia, see the KSP home page at <http://ksp.kdi.re.kr/> as well as KDI's Center for International Development (CID) home page at http://cid.kdi.re.kr/cid_eng/main/main.jsp. See also Lim Wonhyuk, et al., *Using Knowledge Exchange for Capacity Development: What Works in Global Practice?* (Washington, DC: World Bank, 2011), http://cid.kdi.re.kr/cid_eng/public/report_view.jsp?pageNo=1&pub_no=12146. Also see Ministry of Strategy and Finance, Korea Development Institute, and Korea Exim Bank, *A Ten-Year History of KSP* (2015).
3. Il SaKong and Youngsun Koh, eds, *The Korean Economy: Six Decades of Growth and Development* (Seoul: KDI, 2010), at: http://www.kdi.re.kr/kdi_eng/database/report_read05.jsp?1=1&pub_no=11571; Lim, Wonhyuk, Yoon Jung Kim, Jang Saeng Kim, and Minah Kang, "Knowledge Sharing Platform and Network for the G20," in Lim Wonhyuk, et al., *Using Knowledge Exchange for Capacity Development* (Seoul: KDI, 2010), at: http://cid.kdi.re.kr/cid_eng/public/report_view.jsp?pageNo=1&pub_no=11608.
4. Of course, KSP, EDF, KOICA are not the only players in the field of policy consultation, infrastructure building, and human resource development, respectively. Considering Korea's comparative advantage in development cooperation, a country partnership strategy (CPS) that simultaneously links policy consultation, infrastructure building, and human resource development can be expected to produce the maximum result.
5. Embrapa shares its knowledge of transforming the Cerrado region into farmland with Africa. Africa possesses 600 million hectares of uncultivated but potentially utilizable land, which accounts for 60 percentage of the world's uncultivated arable land. Michael Morris, Hans P. Binswanger-Mkhize, and Derek R. Byerlee, *Awakening Africa's Sleeping Giant* (Washington, DC: World Bank, 2009).
6. Bill Clinton mentioned the Grameen Bank's micro finance case as a practical way to improve finance targeting the poor in the United States. Muhammad Yunus, founder of the Grameen Bank, received the Nobel Peace Prize for his role in poverty reduction through micro finance. Muhammad Yunus, *Banker to the Poor: Micro-Lending and the Battle Against World Poverty* (New York: Public Affairs, 2003).

7. New York City's "Opportunity New York City Family Rewards Program" benchmarked the conditional cash transfer (CCT) programs of Central America. Ariel Fiszbein, Norbert Rüdiger Schady, and Francisco H. G. Ferreira. *Conditional Cash Transfers: Reducing Present and Future Poverty* (Washington, DC: World Bank, 2009).
8. The first generation development paradigm argued for a government-led, import-substitution industrialization. The second generation supported market-led liberalization. David L. Lindauer and Lant Pritchett. "What's the Big Idea? The Third Generation of Policies for Economic Growth," *Economia* (Fall 2002), pp.1-28, have argued for a third development paradigm based on actual development experience.
9. Disappointing performance records of Central America, Africa, and East Europe can be contrasted with the East Asian countries of Korea, Singapore, Taiwan, Hong Kong, and China, which utilized public-private interactions based on a market economy foundation to pursue export-oriented industrialization and human resources development, and thereby achieving rapid shared growth. Dani Rodrik, "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's *Economic Growth in the 1990s: Learning from a Decade of Reform*," *Journal of Economic Literature*, Vol. 44 (December 2006), pp. 973-987; and World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (New York: Oxford University Press, 1993).
10. The Millennium Development Goals are to: eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability, and develop a global partnership for development. For more information on the virtuous cycle of economic growth and human development, Gustav Ranis, Frances Stewart, and Alejandro Ramirez, "Economic Growth and Human Development," *World Development*, 2000, vol. 28 (2), pp.197-219.
11. Differences between the aid-centered development discourse of the G8 and the growth-centered development agenda are discussed in detail by Homi Kharas, "Bringing Development into the G20: Overarching Themes," in Colin I. Bradford and Wonhyuk Lim, eds., *Toward the Consolidation of the G20: From Crisis Committee to Global Steering Committee* (Seoul: KDI and Brookings, 2010), pp. 214-25. In the early 1990s, 93 percent of the world's poor resided in the low-income countries, partially providing a rationale for an aid-centered development approach. However, as latecomers such as China and India have emerged as middle-income countries, by 2007-08, 72 percent of the world's poor reside in the middle-income countries, which prefer an approach centered on knowledge sharing, trade, and investment. Andy Sumner, "Global Poverty and the New Bottom Billion: What if Three-Quarters of the World's Poor Live in Middle-Income Countries?" (Brighton, UK: Institute of Development Studies, 2010).
12. These pillars are infrastructure, human resource development, trade, private investment and job creation, growth with resilience, domestic resources mobilization, food security, financial inclusion, and knowledge sharing. Alan L. Winters, Wonhyuk Lim, Lucia Hanmer, and Sidney Augustin, "Economic Growth in Low Income Countries: How the G20 Can Help to Raise and Sustain It," (Seoul: KDI, 2010), http://cid.kdi.re.kr/cid_eng/public/report_view.jsp?pageNo=1&pub_no=11569.
13. The program to systemize Korea's development experience was initiated in 2007 and finished rather prematurely in 2009. The program to modularize Korea's development experience began in 2010. For the Systemization Program, the initial plan, drafted in 2008, sought to "systemize" Korea's 50 major policy experiences over the next five years. However, due to budget constraints among other things, only five case studies were completed in 2009. The Systemization Program was then replaced by the Modularization Program geared towards specific institutions, organizations, and projects in 2010. Under the new Modularization Program, a plan has been set out to complete 100 micro case studies within three years of its launch. These case studies are available at: <https://www.kdevelopedia.org/>.
14. In this sense, the KSP Policy Consultation Program may not be categorized as an ODA project. The OECD defines flows of official financing administered by donor government agencies of all levels to developing countries and to multilateral institutions as ODA if they meet the following three criteria: 1) objective—: the promotion of the economic development and welfare of developing countries, 2) condition—: concessional in character with a grant element of at least 0.25 percent, 3) recipients—: developing countries listed on the DAC List of ODA Recipients and multilateral institutions whose main beneficiaries are developing countries listed on the DAC List of ODA Recipients. The grant element is defined as the difference between the face value of the loan and the present value of debt service to be made by the borrower (at a fixed discount rate of 10 percent), expressed as a percentage of the face value of the loan. This ODA definition is about to be changed to better capture the grant element.

15. Joint consulting with multilateral development banks was launched in 2011. Korea should take caution in conducting such joint activities, because the international organizations' approaches to development problems may be different and there may be disagreements on who gets how much credit (or blame) for the result.
16. For international organizations (e.g., the OECD,) whose members are united by certain goals, peer review or mutual assessment among the members can be used as a catalyst for institutional reform.
17. Abhijit Vinayak Banerjee, *Making Aid Work* (Cambridge, MA: The MIT Press, 2007), p. 96.
18. Clemens Breisinger, Xinshen Diao, James Thurlow, Bingxin Yu, and Shashidhara Kolavalli, "Accelerating Growth and Structural Transformation: Ghana's Options for Reaching Middle-Income Country Status," IFPRI Discussion Paper 00750 (Washington, DC: International Food Policy Research Institute, 2008).
19. Japan has also been actively engaged in knowledge sharing, and introduced the Japanese model of quality and productivity improvement, *kaizen*, to Ethiopia and other African countries. See, for example, GRIPS Development Forum, ed. *Introducing KAIZEN in Africa*. Tokyo: GRIPS, 2009. Japan has tended to emphasize practitioner-level technical cooperation. By contrast, Korea has tried to promote high-level interaction as well as practitioner-level peer learning to maximize the effectiveness of its policy-oriented development cooperation efforts. Typically, a former Minister or Vice Minister travels with a KSP delegation as a senior advisor, and participates in high-level talks with a Minister-level official of a partner country to learn about the country's high-priority concerns and to communicate the main findings of the KSP report.
20. Lim, Wonhyuk, "Joint Discovery and Upgrading of Comparative Advantage: Lessons from Korea's Development Experience," in Fardoust Shahrokh, Yongbeom Kim, and Claudia Sepulveda, eds., *Postcrisis Growth and Development: A Development Agenda for the G-20* (Washington, DC: The World Bank, 2011), pp. 173-226, at: http://siteresources.worldbank.org/DEC/Resources/PCGD_173-238.pdf.
21. Bradford, Colin I., and Wonhyuk Lim, eds., *Toward the Consolidation of the G20: From Crisis Committee to Global Steering Committee* (Seoul: KDI and Brookings, 2010), at: http://cid.kdi.re.kr/cid_eng/public/report_view.jsp?pageNo=1&pub_no=11568.