

# Korea's EDCF Program

## Economic Development Cooperation Fund



July 2011

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# 1. Overview on EDCF

# Korea's Experience

**1950s**

- One of the most underdeveloped country  
(GNI per capita : \$86 (1962))

**2009**

- The world 15<sup>th</sup> largest economy  
(GNI per capita : \$19,830)

Major driving  
force ?

- 1) Government's export-oriented economic development strategy
- 2) ODA from the International community (for 50 years, \$12.8 billion)

- Bilateral ODA(36%) vs. Multilateral ODA(64%)
- Grants(21%) vs. Concessional loans(79%)
  - Grants : emergency aid for the people to survive from the Korean War
  - Loans : financing large-scale infrastructure investment
    - Ex) Seoul-Busan Expressway, Andong Dam, Korea Advanced Institute of Science and Technology (KAIST) etc.

# What is EDCF?



## Economic Development Cooperation Fund(EDCF)

### Establishment

- On June 1, 1987

### Form

- Bilateral ODA Concessional loans

### Purpose 1

To help developing countries and achieve industrial growth & economic stability

### Purpose 2

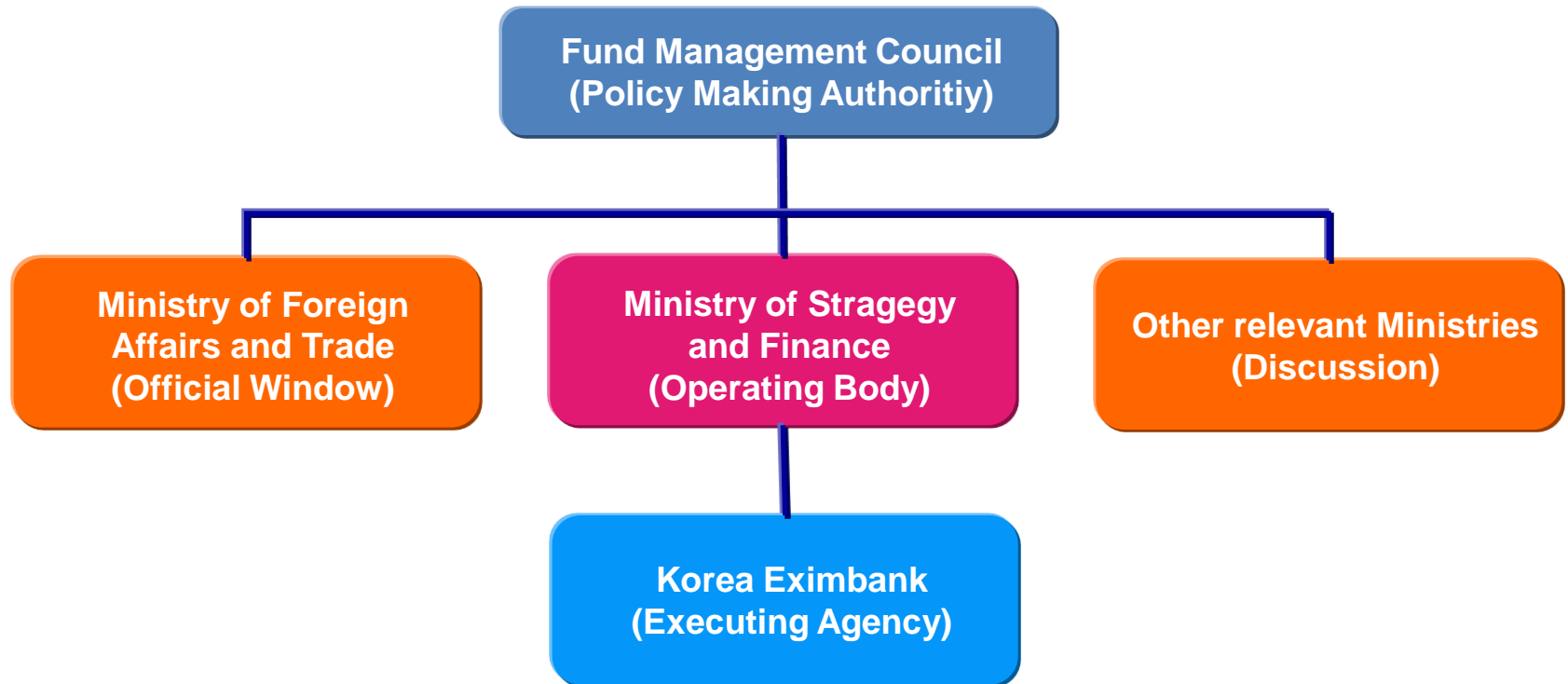
To share Korea's development experiences & knowledge

### Purpose 3

To strengthen bilateral economic cooperation and encourage sound development of partner countries

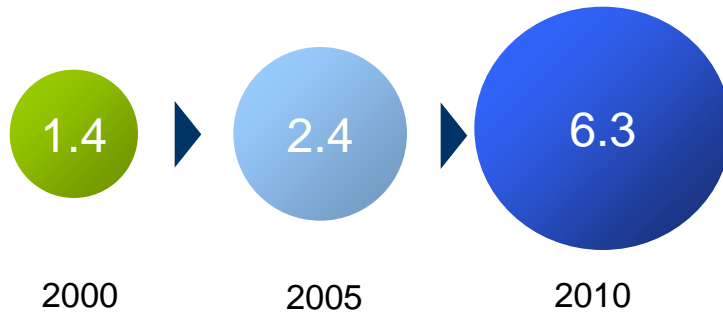
# Operational System

**Korea Eximbank is the Executing Agency for EDCF operation**



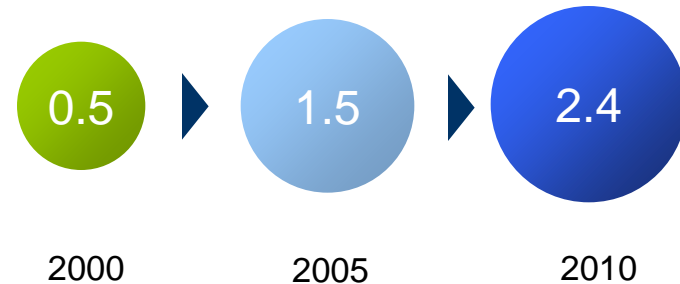
## Accumulative loan Commitments

(Bn\$)



## Accumulative loan Disbursements

(Bn\$)



- Total 231 projects in 47 countries
  - The Volume has increased steadily
  - Recently, Commitment scaled up dramatically

## EDCF Plan for 2011 Performance

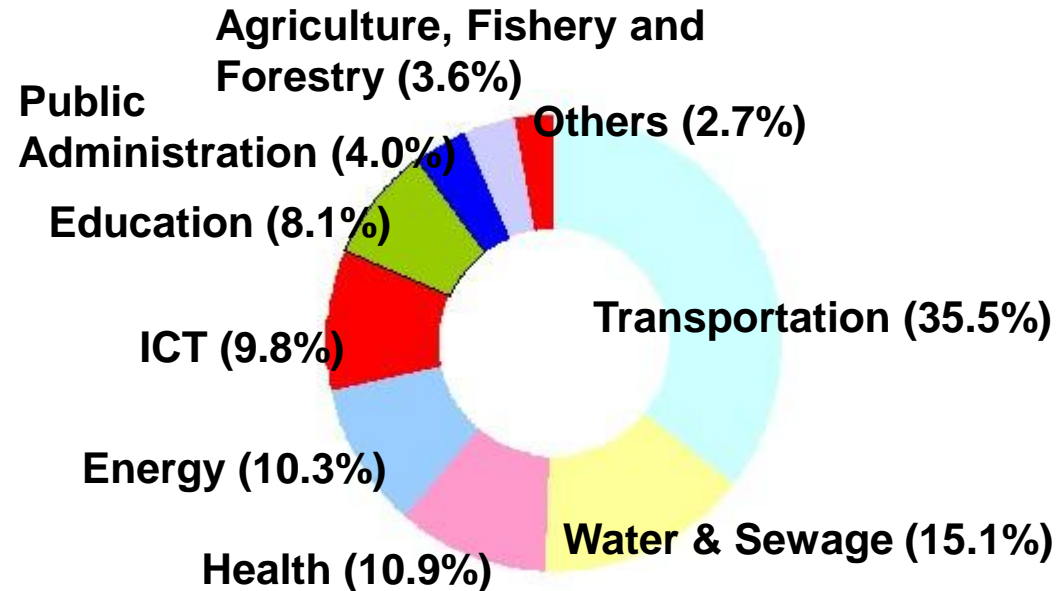
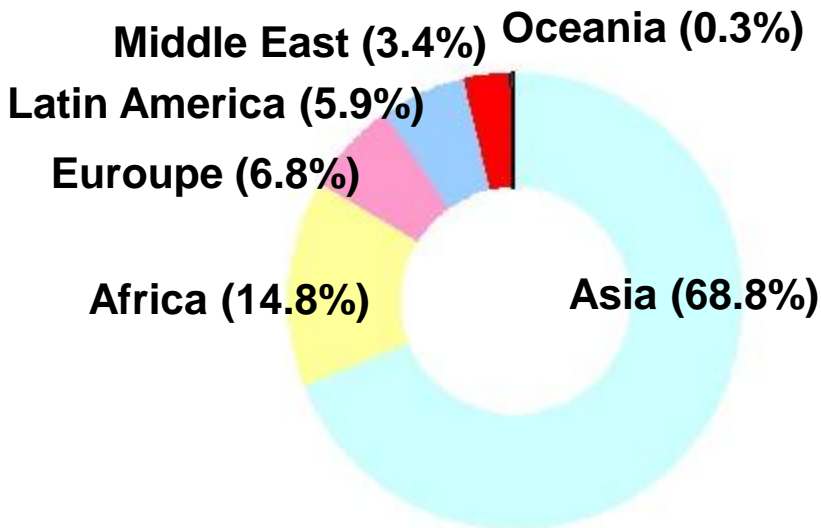
- 1) Commitments for new Project : About \$ 1.2 Billion
- 2) Loan Disbursements : About \$ 0.5 Billion

# Distribution of EDCF Loans



## Accumulative Commitments By Region

## Accumulative Commitments By Sector



## **2. EDCF Program**

## Loans

- Development Project Loan
- Equipment Loan
- Commodity Loan
- Public-Private Partnership (PPP)

- Co-financing with MDBs (IDB, World Bank, ADB, AfDB, etc.)

## Grants

- **Technical Assistance**
  - ➔ EDCF Project Preparation Assistance (F/S)

# Terms and Condition of EDCF Loans



<b>Loan Limit</b>	Up to 100% of Project Cost
<b>Interest Rate</b>	0.01% ~ 2.5% per annum
<b>Repayment Period</b>	40 years or less
<b>Grace Period</b>	15 years or less
<b>Repayment Method</b>	Semi-annual equal installments
<b>Interest Payment</b>	Every 6 months in arrears
<b>Collateral</b>	Guarantee of central government or bank
<b>Loan Currency</b>	Korean Won

## Criteria

- Support economic development plan of Partner Country
- Project to meet basic needs for human life
- Respond to climate change and protect the environment
- Increase agricultural production and supply stable foods

### TOP Priority Sector

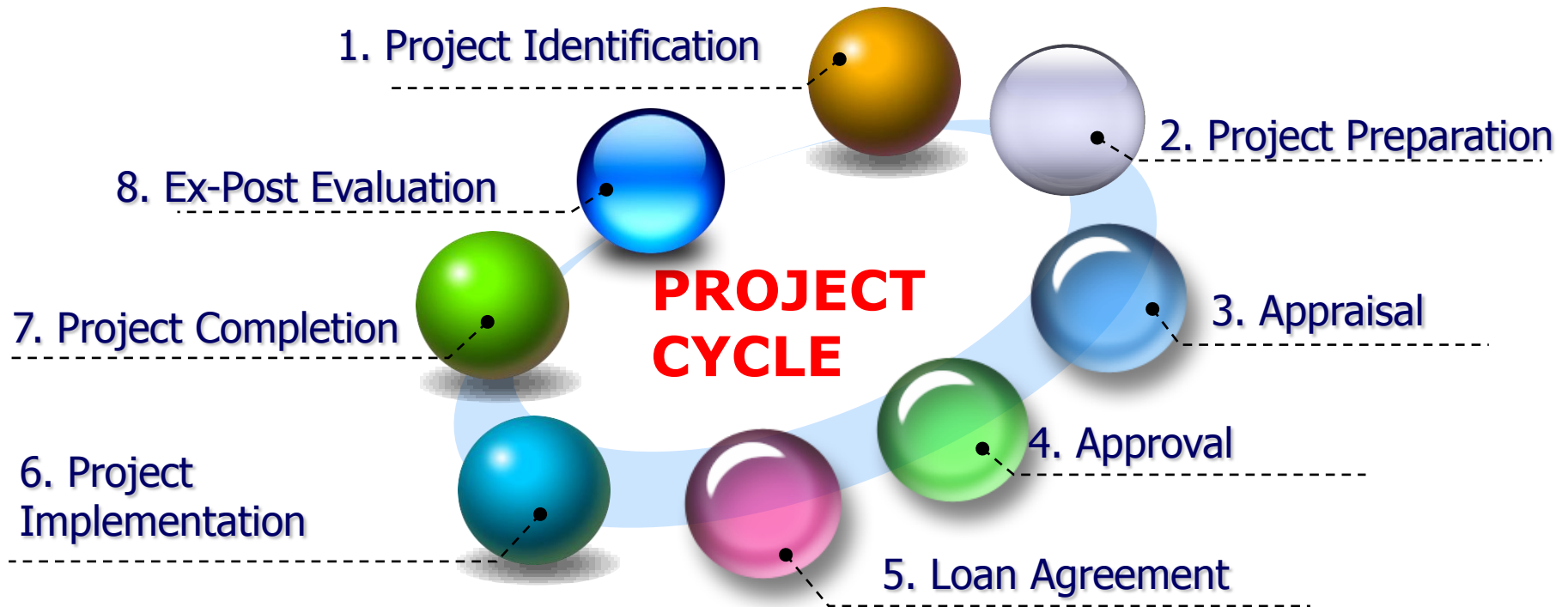
- Green Growth Sector
  - Renewable Energy
  - Energy Efficiency
  - Clean transportation (CNG Bus)
  - Water Treatment
  - Waste Treatment
- Agriculture Sector

### Priority Sector

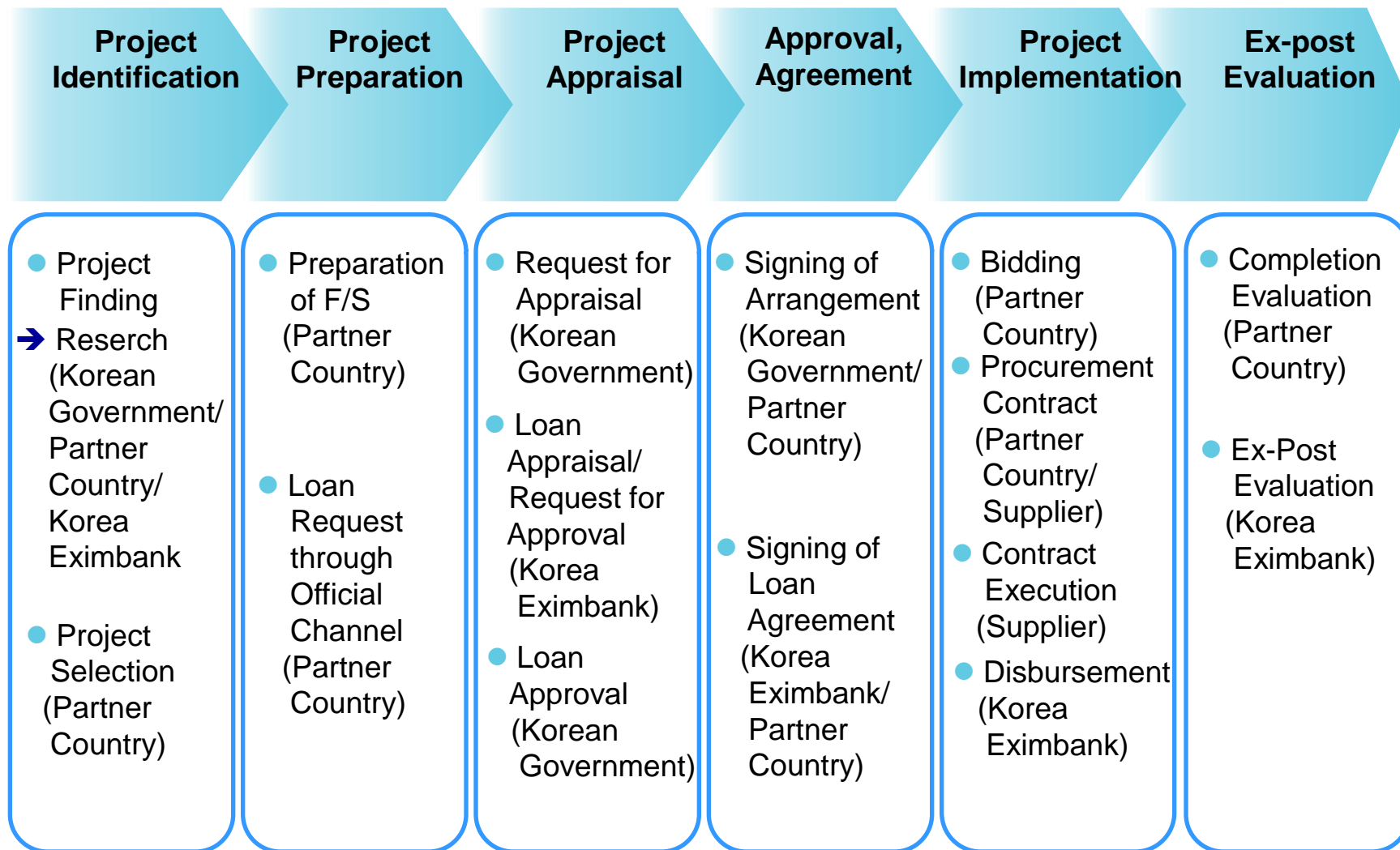
- Transportation Sector
  - Road, Transportation system
- Energy Sector
  - Generation, Transmission & Distribution
- Health and Sanitation
  - Hospital Construction, Medical equipment
- Human Development
  - Education, Vocational education
- ICT Sector

## **3. EDCF Procedure**

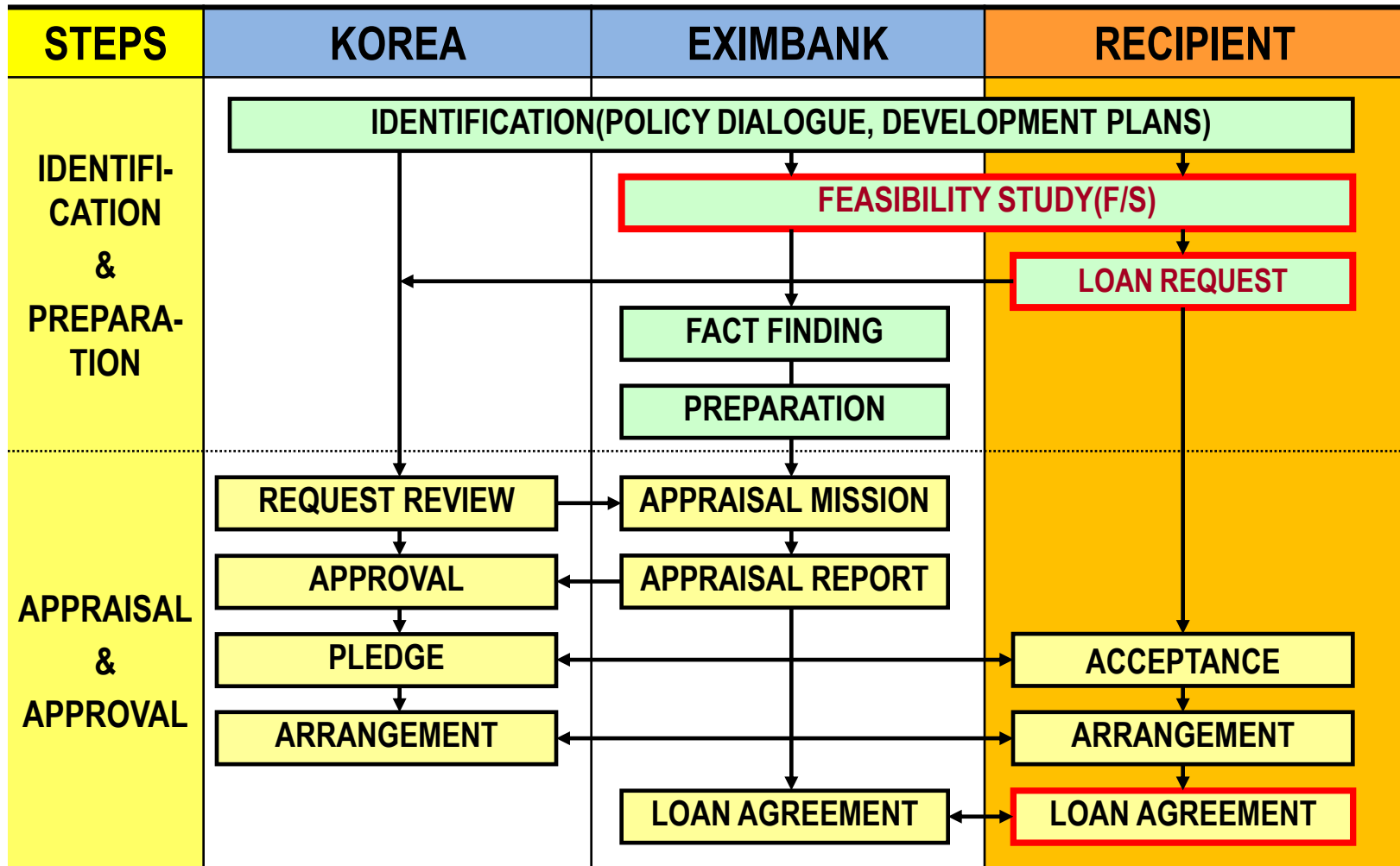
# EDCF Project Cycle



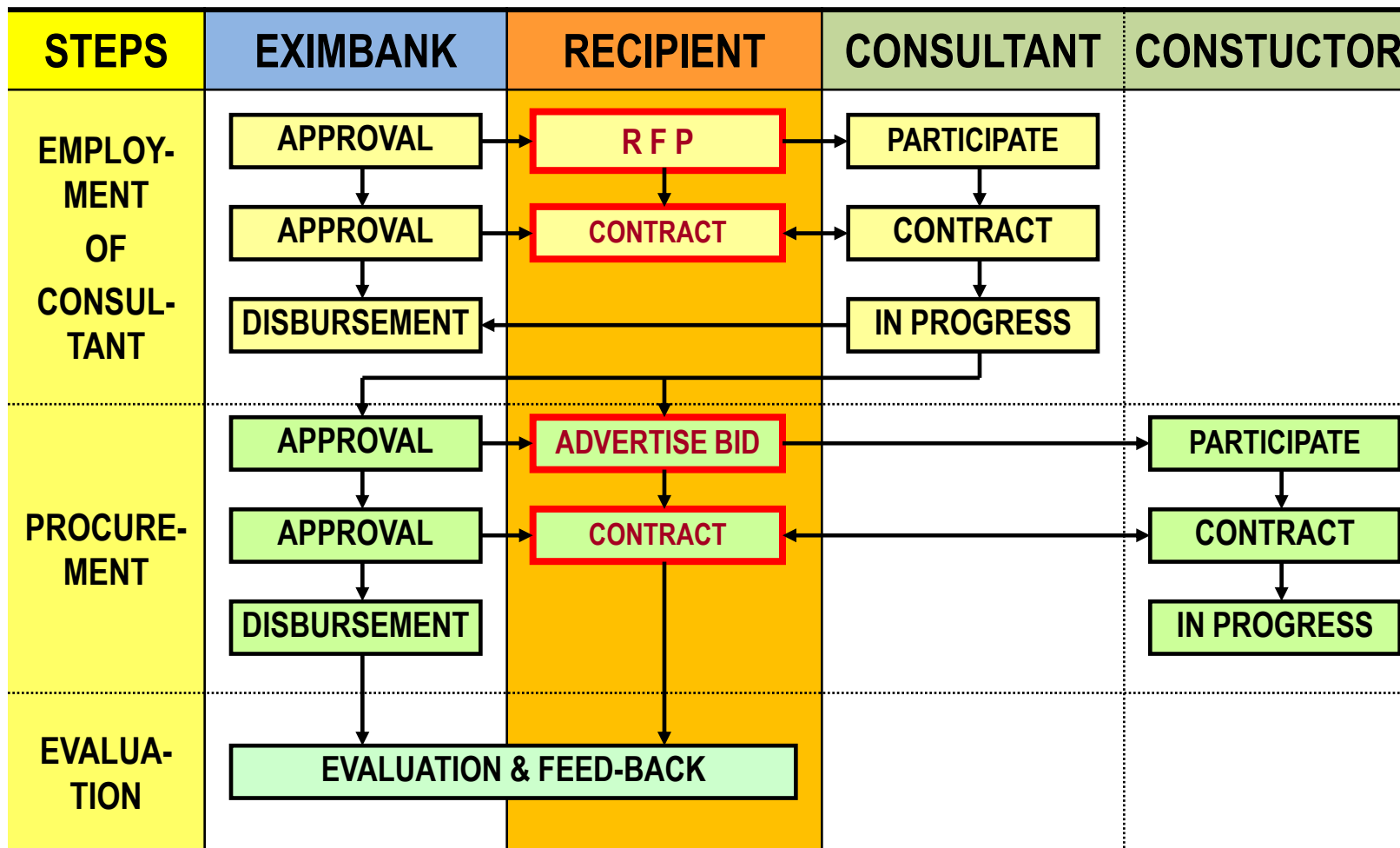
# EDCF Procedure in Detail



# Procedure Flow Chart I



# Procedure Flow Chart II



## **4. ICT Projects in EDCF**

# Cases Study



PROJECT	ICT R&D CENTER ESTABLISHMENT	ICT EDUCATION CAPACITY BUILDING	ELECTRONIC CUSTOMS SERVICES
RECIPIENT	COLOMBIA	COLOMBIA	DOMINICAN REP.
Loan Amount	EDCF : U\$10mil (Total : U\$15.5mil)	EDCF : U\$30mil (Total : U\$36mil)	EDCF : U\$23mil (Total : U\$28.9mil)
Project Scope	<ul style="list-style-type: none"> <li>- R&amp;D Center</li> <li>- Transferring related Technologies</li> <li>- Training</li> <li>- Consulting Services</li> </ul>	<ul style="list-style-type: none"> <li>- Education Center</li> <li>- Development of related Contents</li> <li>- Training</li> <li>- Consulting Services</li> </ul>	<ul style="list-style-type: none"> <li>- Development Trade Clearance System</li> <li>- Back-up Center</li> <li>- Training</li> <li>- Consulting Services</li> </ul>
Current Stage	L/A Effectiveness	Consultant Bidding	Implementation

# Thank You!!