

World Bank Group Korea Office Newsletter



Conflict-Affected Countries Learn From Korean Community Development Experience



A week-long knowledge exchange program organized in Korea by the World Bank (May 31—June 4) proved that Korea's classic community-driven development (CDD) program *Saemaul Undong* has much to offer to conflict-affected communities as they try to strengthen citizen participation, improve basic services, and reduce poverty.

Sponsored by the Korea Trust Fund for Economic and Peace-building Transitions (KTF), the *Knowledge Exchange on Rural Community Driven Development in Fragile and Conflict Affected Countries* brought together 14 government representatives from five countries: Afghanistan, Kenya, Myanmar, Nepal, and the Philippines. For one week these participants learned about and discussed potential approaches to improving their own community development efforts based on the implementation experiences and results of Korea's *Saemaul Undong*.

The event, hosted by the KDI School of Public Policy and Management brought together experts from universities and other institutions presented different perspectives on Korea's economic transformation through the lens of *Saemaul Undong*.

The participants learned that while *Saemaul Undong* had strong central direction and local government involvement and support, villages and villagers themselves took responsibility for defining specific community-level activities under the program, as is done under CDD operations.

Similarly, *Saemaul Undong* specifically aimed to empower women in rural areas by increasing their active participation and giving them the opportunity to be community leaders.

Another key factor in *Saemaul Undong's* success was the government's strong support in areas such as research, development and extension of agricultural technology. A visit to the Agriculture Technology Center of Sejong Metropolitan Authority provided participants with a first-hand glimpse of local government-led research and extension service that included support for urban farming, organic farming technologies, and machinery rental services.



As much as the program was learning about Korea's experience, it was also about South-South knowledge exchange between the five countries. "The program was specifically designed to allow participants to share their experiences and to discuss how CDD programs have evolved with the changing needs and risks in their countries, and to learn from one another how to resolve some of the challenges faced when scaling up CDD programs and approaches," said Susan Wong, World Bank Global Lead for Community Driven Development.

The event ended with a morning of reflection by each delegation on their key take-aways from the visit, and actions to be taken to incorporate some of the *Saemaul Undong* principles into their programs, or to continue the knowledge exchange effort with identified Korean experts.



Both the Afghan and Nepal delegations noted their desire to further collaborate with Korean experts and other countries to implement the concept of women's clubs in their countries, to learn more about farmers' cooperatives, and to share community training materials. The Nepali delegation also noted the important role of land reform, drawing on cultural practices, and the performance based approach applied under *Saemaul Undong*, which they saw as critical to the success of the program.

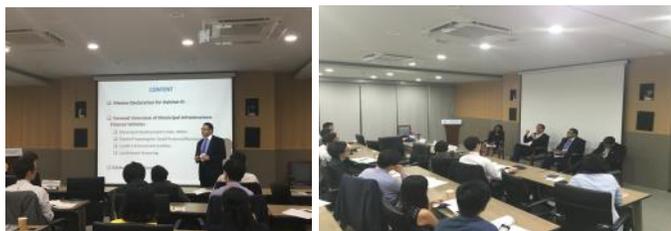
The Kenyan delegation also noted the importance of the performance-based approach of *Saemaul Undong*, and proposed enhancing their coordination with local government authorities and developing training programs based on the principles of *Saemaul Undong* for the coast region of Kenya.



The Myanmar delegation also highlighted local government linkages and in the future would look to develop a training program for local leaders modeled on *Saemaul Undong* experiences.

Such reflection and identification of follow-up actions was very much in keeping with the expectations expressed by the Korean Ministry of Strategy and Finance Director of International Finance Division, Joonkyu Park. In his opening remarks at the outset of the program, he underlined the importance of the event as an opportunity for the participating countries to promote agriculture and rural development in their countries by drawing upon Korea's knowledge and experiences.

World Bank Experts Discuss Financing Options for Sustainable Urban Development



Urban infrastructure and local basic services investments through public financing has slowed down in recent years partly due to fiscal austerity measures.

Leading experts from the World Bank explored two financing options for local governments – Public Private Partnership (PPP) and Municipal Development Funds (MDFs) at the International Forum on Urban Policy for the Sustainable Development Goals held in Seoul from June 8-10.

Cledan Mandri-Perrott, Head of Infrastructure Finance and PPPs of the World Bank, explained that bringing private sector for service provision is about increasing efficiency, technology as well as speed and transparency of implementation.

He also highlighted recent global shifts in the market and explained that traditional destinations for large Private Participation in Investment flows – Brazil, China and India – have declined. “However, other countries such as Turkey and Peru have begun to use PPPs more, showing that there is ability to mobilize capital in the market,” he said.

Ahmed Eiweida, World Bank Lead Urban Specialist emphasized that MDFs are about helping secondary or smaller cities having problems with accessing finance.

He explained that it is important to relate types and generations of MDFs to the status of fiscal decentralization and legislative framework in each country. “Successful implementation of MDFs depends on the quality of urban governance, financial management and investment appraisal,” he said.

The forum was co-organized by the Seoul Metropolitan Government, UNESCAP and CITYNET.

Open Learning Campus Builds on Korea's Experience in Development Learning



Earlier this year, the World Bank vitalized the revolution in development learning with the formal unveiling of its new Open Learning Campus (OLC) by the World Bank Group President Jim Yong Kim.

The OLC is designed to build the leadership and technical capabilities of Bank clients, staff and development partners through practice-based, actionable learning. It builds on the success of the e-Institute, which piloted e-learning for development practitioners, reaching more than 250,000 learners across 190 countries in just four years.

Following the global launch in January, the OLC Korea Launch held in Seoul on June 24 attracted high-level speakers as well as diverse participants with more than 50 attendees from 20 different organizations.

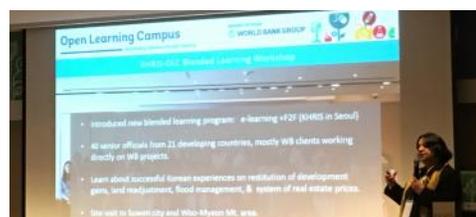
“Learning is key to solving development challenges, and to meeting the World Bank’s twin goals of ending poverty and building shared prosperity. E-learning is an increasingly integral component to supporting these international development efforts,” said World Bank Executive Director Heenam Choi in his opening remarks.

World Bank’s Lead Learning Specialist, Sheila Jagannathan explained that the OLC provides a dynamic ecosystem – which is open, interactive and networked – for people to learn at their own pace and access the knowledge they need to tackle the toughest development challenges.

The OLC benefits greatly from donor partners. In particular, the Government of Korea and Korean institutions have played a vital role in the development of the platform through their financial support and sharing of Korea’s own development experiences, which has enriched many courses.

The OLC benefits from a wide range of valuable Korean partnerships. Developed in technical collaboration with Korea Development Institute (KDI), an OLC Massive Open Online Course (MOOC) on Korea’s development experience will be launched in early October. “Korea’s unique economic development experience have been developed into e-learning contents and will reach hundreds of thousands of people living in developing and developed countries through World Bank’s OLC platform,” said KDI President Joon-Kyung Kim.

National Information Society Agency (NIA) announced that the OLC platform and content will be promoted and made available at NIA’s 46 Information Access Centers (IAC) in 43 developing countries worldwide. “NIA will provide a link to the OLC in its IAC webpage to enable use of various learning offerings of the Bank,” said NIA President Byung-jo Seo.



In a panel discussion moderated by Sheila Jagannathan, OLC’s partnership with Korea were highlighted by featuring speakers from KDI, NIA, Korea Research Institute for Human Settlements (KRIHS), Yonsei University, Seoul National University, and Global Green Growth Institute (GGGI).

Special Representative of the Word Bank Group Korea Office, Joyce Msuya, in her closing remarks said that the Office will play a pivotal role in working closely with its strong partners, who seek to collaborate on designing and delivering learning solutions for development.



Credit Guarantee Schemes Are Capturing Increasing Interest Around the World



Competitive small and medium enterprises (SMEs) sectors create more diversified, agile and resilient economies—improving productivity and competitiveness. However, access to finance is a major constraint for a majority of SME entrepreneurs globally.

In his keynote address at a seminar to mark the Korea Credit Guarantee Fund (KODIT)'s 40th anniversary on May 12, Simon Bell, World Bank Global Lead for SME Finance in the Finance and Markets Global Practice stressed the growing importance of credit guarantee schemes.

“Credit guarantee schemes are one of the most market friendly types of interventions, as they commonly combine a subsidy element with market-based arrangements for credit allocation,” he said. He explained that unlike other types of interventions, such as state banks or directed lending arrangements, they may generate fewer distortions in the credit market and may lead to better credit allocation outcomes.

According to Simon Bell, credit guarantee schemes are capturing increasing interest around the world as bank lending to SMEs struggles to return to pre-2007 crisis levels. He noted that Korea has experienced a healthy growth in SME lending since 2007—boosted by the support provided by credit guarantees.

“The credit guarantee system in Korea has fewer side effects than other policy options in the financial market, and thus is more effective in supporting SMEs,” he said, adding that the World Credit Guarantee System Report put together by the World Bank shows that KODIT is the most successful model for credit guarantee system around the world.

Established in 1976, KODIT is one of the oldest and one of the largest, and most effective credit guarantee agencies in the world. Throughout its history, KODIT has actively supported the SMEs of Korea, thereby promoting economic vitality, easing the inequalities within the economy and instilling the importance of credit.

Suh Geun-woo said that KODIT is out to support SMEs in the age of low growth by developing new guarantee products to expand its support to the SMEs with great potential for growth.



Since financial inclusion, particularly for SMEs is widely recognized as a key driver of economic growth and job creation in all economies, a key area of the World Bank Group's work is to improve SMEs' access to finance and find innovative solutions to unlock sources of capital.

The Seoul Center for Financial Sector Development, currently housed in the World Bank Group Korea Office is a bilateral partnership between WBG and the Ministry of Strategy and Finance of Korea. It was established in 2012 to deliver best-practice financial sector development assistance across East Asia and Pacific countries. For inquiries about the Seoul Center, please contact Ms. Youjin Choi, Financial Sector Specialist (ychoi@worldbank.org).



The First Open Learning Campus (OLC) Blended Learning Held

40 senior officials from 21 developing countries attended the first Open Learning Campus (OLC) blended learning workshop held in Seoul from May 30 to June 2.

Co-organized by the Korea Research Institute for Human Settlements (KRIHS) and the World Bank Group's Open Learning Campus and the Urban Global Practice, participants heard first-hand experiences and saw through site visit how Korea has approached urbanization. They also discussed the most critical issues faced in their cities, and presented ideas and action plans to address issues related to land use planning, management and finance.



This was the first OLC blended learning workshop to extend learning of OLC e-learning courses on Sustainable Urban Land Use Planning, Land Market Assessment, Land Readjustment, and Land-based Financing.

As such, the workshop gave participants an excellent opportunity to reflect and share more deeply what they have learnt in the e-learning course they took before the workshop, and they were able to better relate international and Korean experiences to their ongoing initiatives.

Many participants working on World Bank projects said the workshop would directly help their project implementation. For example, the Chairman of Tra Vinh city in Vietnam said the international and Korean experiences on land readjustment has greatly increased his confidence in successfully implementing the World Bank supported land readjustment pilot project in his city.

The Municipal Commissioner of Jaffna in Sri Lanka said the learning was very relevant for their World Bank funded city development project. The Principal Secretariat of Jharkhand State in India, said that he would initiate land readjustment pilot project to redevelop slum areas in his state.

GCF Executive Director Calls for “Balanced Approach” to Fight Climate Change



Green Climate Fund (GCF) Executive Director Hela Cheikhrouhou, who will step down in September at the end of her current term, shared GCF's journey to tackle climate change with the World Bank Group Korea Office at a brown bag seminar on June 14.

Since her appointment in June 2013 to serve as the Fund's first Executive Director, Hela Cheikhrouhou has set in motion the Fund's first resource mobilization process that resulted in more than USD 10 billion equivalent in pledges from 45 countries during her tenure.

Aside from mobilizing resources, she emphasized that the role of GCF is to trigger the “right” decision. “Between now and 2030, there will be 90 trillion dollars of infrastructure investment. Climate finance is about making that infrastructure green and resilient,” she said.

She also highlighted the importance of taking a balanced approach toward climate change adaptation and climate change mitigation. “In more than past 20 plus years, 90% of the investment went into climate change mitigation while only 10% went into adaptation. We have a target to allocate 50% of financial resources to adaptation and 50% to mitigation.”

Reflecting on her three-year tenure, she explained the best part of her work has been the interaction with countries, beneficiaries and counterparts. “I focused on those who do not have voices and are not presented at the boardroom but eagerly await investment, jobs, and new opportunities,” she said.

Special Representative Explains World Bank Group Evaluation Process



Special Representative of the World Bank Group Korea Office, Ms. Joyce Msuya, emphasized that evaluation helps the World Bank Group (WBG) to stay on the right track to achieve original purposes of development projects and deliver more effective results to clients.

During the invitational seminar hosted by the Center for International Development Evaluation (CIDE), she introduced the WBG's evaluation process to a group of outstanding international students at the Seoul National University on June 2.

She stressed that the World Bank Group conducts evaluation not only during different stages of projects but also across different levels from the project level to the country as well as the corporate level. "This enables the World Bank Group to engage with various stakeholders and provide timely support to their needs."

In addition, she explained that evaluation conducted by the Independent Evaluation Group (IEG) enhances efficiency of WBG operations. "As an independent unit that reports directly to the Executive Board of Directors, it helps ensure impartiality and transparency of our programs."

She also stressed the learning aspect of evaluation as it relates to enhancing the WBG's development effectiveness. "Evaluation provides lessons of what worked, what did not work and reasons behind."



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ACS Peer-to-Peer Learning Proves to be Enriching Experience



14 Administrative and Client Support (ACS) staff from five country offices (China, Korea, Mongolia, Singapore, and Malaysia) gathered at the Korea Office for the first ever Country Management Unit (CMU)-ACS peer to peer learning session. The two-day learning was organized and hosted by World Bank Group Korea Office in collaboration with the human resources department.

Topics discussed by participants ranged from ways to enhancing cross-support among country offices, sharing of workflow and best practices to cross-country/cross-unit career development.



Participants appreciated the content of the learning session and found the selected topics of high relevance for their work.

"The session gave the kind of guidance and support that you simply cannot get through a computer learning course. We shared and brainstormed innovative good practices amongst new World Bank offices and gained wisdom from established offices," said Gillian Chiah Ling Gan, Program Assistant from Malaysia Office.

Huzliza Bte Ismail from Singapore Office found the learning session to be a very enriching and informative sharing opportunity, and appreciated her fellow ACS colleagues for their valuable input, clarifications and enlightenments.