

## Republic of Korea Prepays Outstanding Credits to World Bank's International Development Association (IDA)

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**WASHINGTON, December 16, 2009** - The Republic of Korea today prepaid in its entirety its outstanding debt of USD 33.5 million to the International Development Association (IDA), the World Bank's fund for the 79 poorest countries in the world.

*"Korea has been a close partner of IDA for almost five decades, first as a recipient of IDA soft loans and later as a donor," said **Axel van Trotsenburg, World Bank Vice President for Concessional Finance and Global Partnerships**. "We greatly appreciate the Government of Korea's decision to prepay its outstanding credits, which will help increase IDA's capacity to provide additional support to the poorest countries in the world."*

A member of IDA since 1961, Korea received its first IDA funding in 1962, stopped borrowing from IDA in 1973, and became a donor to the Association in 1977. As a recipient of IDA funding the Korean government used IDA financing to support investments in areas such as agriculture, irrigation, education, and railroads. Since graduating from IDA, Korea had been paying off its outstanding debt with IDA. Today's prepayment was made in one lump sum.

*"Our economy is now recovering from the effects of the global financial crisis and we recognize the importance of assisting the world's poorest people as they continue to readjust to the shocks" said **Kyung-Wook Hur, Vice Minister of Strategy and Finance, Republic of Korea**. "IDA is a major source of financing for the poorest countries and my Government will continue to provide strong support."*

With the country's economy recovering solidly, Korea is well-positioned to scale up its development assistance to developing countries. The Government has announced its intention to increase its ratio of ODA to gross national income from 0.09 percent in 2008 to 0.25 percent by 2015. Korea acceded to the Development Assistance Committee (DAC) of the OECD on November 25, reflecting the country's objective to provide additional assistance to countries in need and according to DAC standards. Korea is the first former aid recipient to become a DAC member. Korea is also the next Chair of the G-20 forum in 2010. Having been an emerging market country when the G-20 was established and now successfully transitioned to the 10<sup>th</sup> largest OECD economy, Korea and is uniquely placed to demonstrate leadership by sharing with low income countries the lessons from its own development experience.

For more information on IDA please visit: [www.worldbank.org/ida](http://www.worldbank.org/ida)