



KGID
2026
SEJONG

Financing Instruments and MDB Cooperation in Land and Transport Sector

Moonbin(Diego) Jeong, Researcher

Korea Research Center for Overseas Construction(KRC)

International Contractors Association of Korea(ICAK)

1. Overview of ICAK and KRC

2. Financing Instruments in Land and Transport Sector

2.1. Land and Transport ODA

2.2. International GHG Mitigation

3. Strategic Cooperation with MDBs in the Land and Transport Sector

3.1. Engagement gap and strategic responses

3.2. Case Studies : From Upstream Support to MDB Linkage

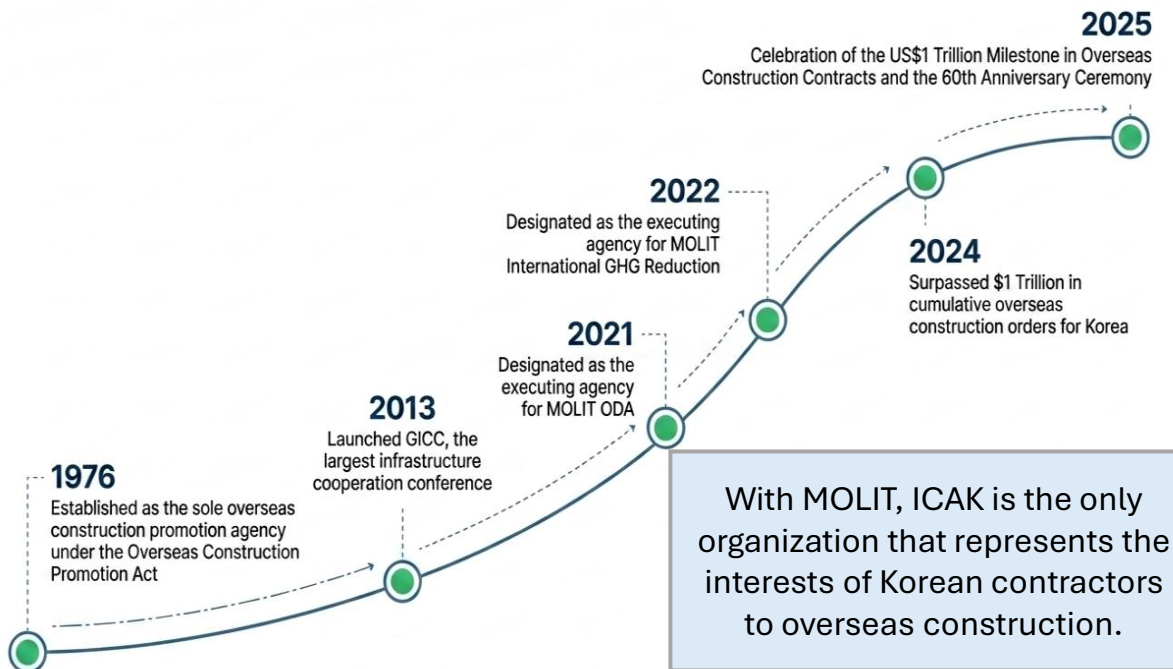


KGID
2026
SEJONG

1. Overview of ICAK and KRC

- ICAK was established in 1976 as **the nation's only promotion agency** for the overseas construction industry under the **Overseas Construction Promotion Act** and **MOLIT(Ministry of Land, Infrastructure and Transport)**
- Moreover, ICAK serves as **the executing agency for Land and Transport ODA and International GHG Mitigation**, helping **developing countries build the foundation** and creating an **enabling environment for Korean companies'** by sharing **korea's development experience**

ICAK and Overseas Construction



Two pillars of financing instrument

Land and Transport ODA



Purpose: Promote economic development and social welfare in partner countries (Sharing the Korean development model)



Fields: Housing/Urban, Roads/Transport, Spatial Information, Construction Technology



Features: Foster foundations for bilateral and multilateral cooperation across public and private sectors

International GHG Mitigation



Purpose: Respond to the climate crisis and achieve the 2030 NDC target (40% reduction compared to 2018)



Fields: Buildings, Transportation, Construction (Excluding shipping/ports)



Features: Consultation and Direct support (Linked with KIND)

- Established by MOLIT within ICAK, **Korea Research Center for Overseas Construction(KRC) conducts policy research on overseas construction markets and international financing cooperation frameworks and linkage strategies** between ODA, MDB financing, and private investment.
- **KRC Coordinates Korea's overseas construction support ecosystem — Land and Transport ODA strategies and International finance partnerships with MDBs, ECAs, DFIs** — to expand Korean companies' global project opportunities.

Core Functions



Policy Research

Focused on market intelligence, financing frameworks, policy suggestions and strategic global linkage strategies



Program Coordination

Coordinates infrastructure cooperation support program such as ODA projects, SMEs Support, and International GHG mitigation initiatives



International Cooperation

Facilitates international Cooperation with MDBs, ECAs, and DFIs through MDB Seminar, quarterly working groups, and other collaborative initiatives.

Global Networks

MDBs

World Bank Group, ADB, IDB Group, EBRD, CABEL, Etc.

ECAs

KEXIM, K-SURE, NEXI, UKEF, ICO, CESCE, ICIEC, Etc.

DFIs

KIND, USIDFC, BII, Proparco, COFIDES, DEG, etc.

Financial Cooperation strategies

ODA-MDB Linkage, Upstream support, Structuring Advisory coordination, Expert Exchange Platform



2. Financing instruments in Land and Transport Sector

2.1 Land and Transport ODA

Objectives

Supporting partner countries with effective and sustainable **land and transport infrastructure** through ODA projects based on the Korean development model, while **fostering opportunities for Korean experience to be applied globally**

Operating Ministry



Ministry of Land,
Infrastructure and Transport

Executing Agency



Support Areas (in detail)

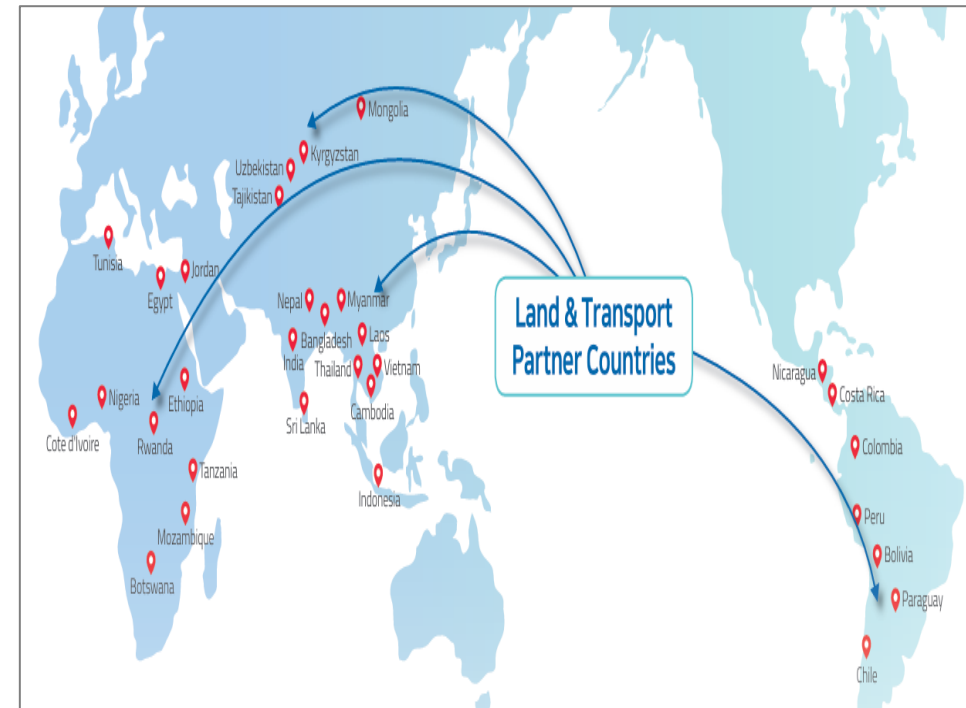
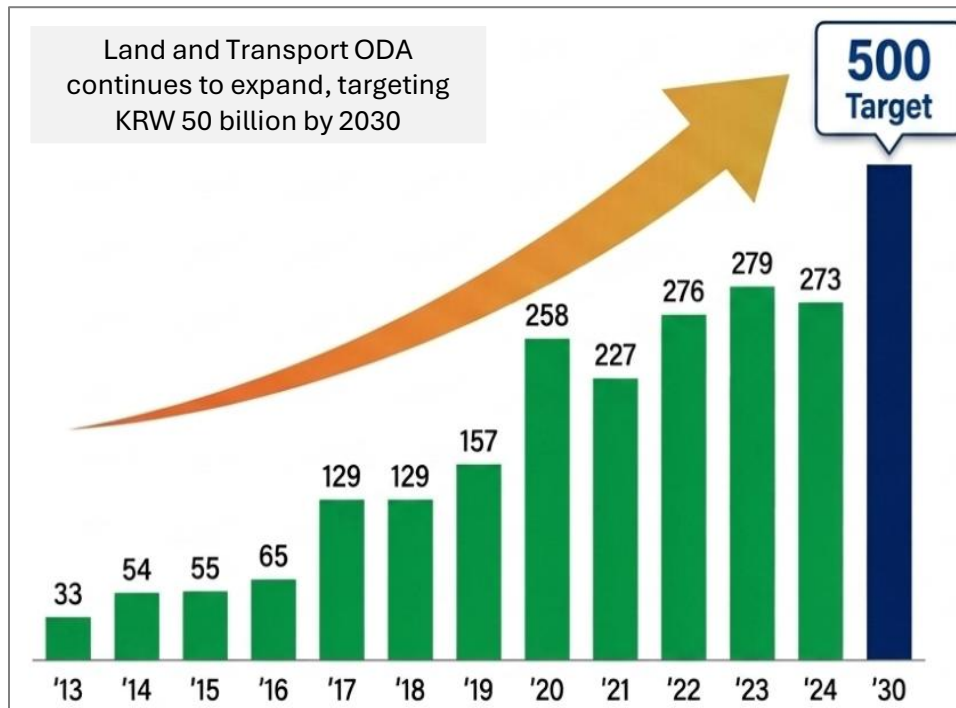
Housing, Urban development, Airports, Railways, Roads, Mobility, Logistics and Construction Technology in Land and Transport infrastructure sectors

2.1 Land and Transport ODA

Budget Status and Estimated Expenditure

* 1USD=1,400KRW

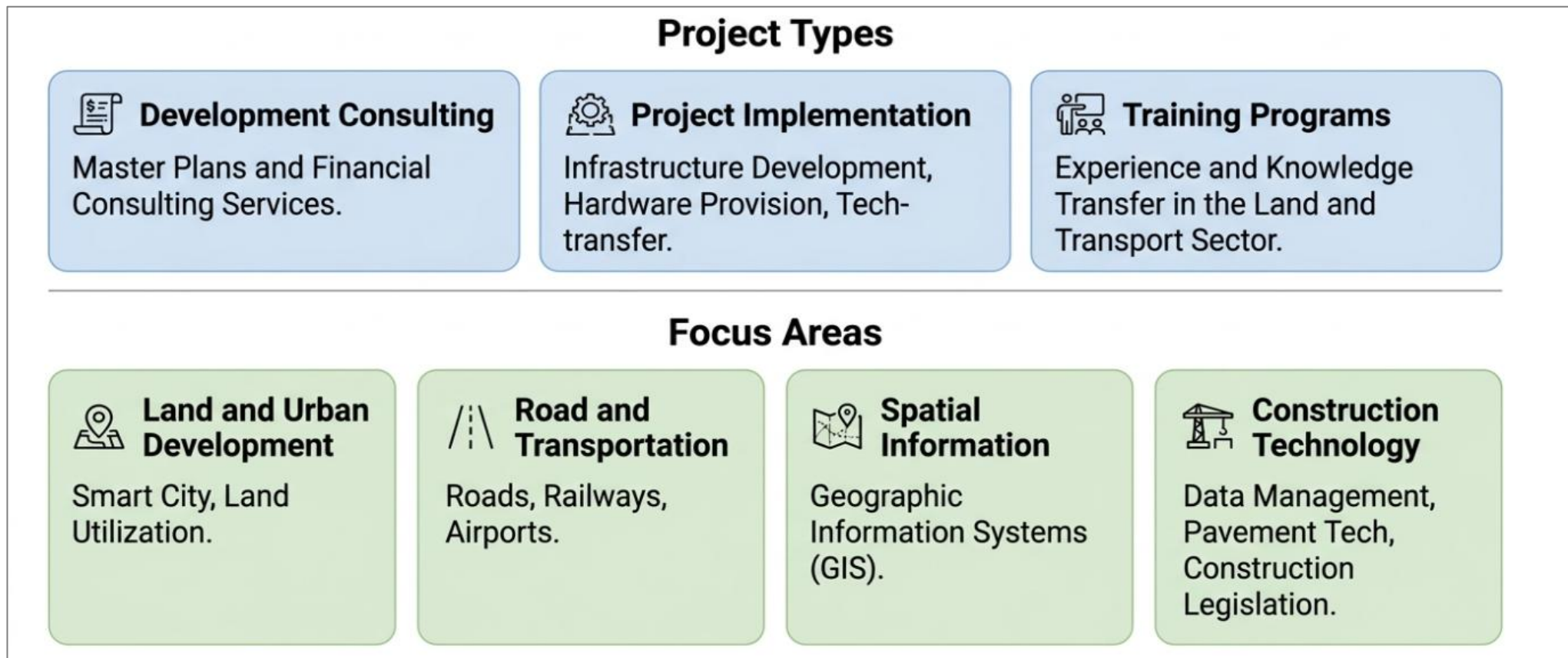
- KRW 201.8bil.(approx. 144.1 mill. USD) provided to 35 partner countries from 2013 to 2025
- Approx. 350 thousand USD TO 3.5 mil. USD for each ODA Project(Subject to change depending on the project content)



2.1 Land and Transport ODA

Project Types and Project Areas

- Land and Transport ODA supports partner countries through consulting, implementation, and training programs across key areas including urban development, transport, spatial information, and construction technology.



2.1 Land and Transport ODA

Assistance Scale by Region and Country

* 1USD=1,400KRW

- Cumulative disbursements from 2013 to 2025 were concentrated in Asia, which accounted for 52%, followed by Latin America(20%), Central Asia(16%), Africa, and MENA(6%).



Top 5 Countries

1. Indonesia	\$21.1M (14.6%)	e.g., Smart City Cooperation Center for New Capital.
2. Colombia	\$18.2M (12.7%)	e.g., K-ITS Traffic Information Center.
3. Cambodia	\$17.6M (12.2%)	e.g., Trapeang Srae Border Checkpoint Facility.
4. Vietnam	\$17.2M (12.0%)	e.g., Smart Maintenance Tech for Old Bridges.
5. Laos	\$16.5M (11.4%)	e.g., M/P for Luang Prabang Airport revitalization

2.1 Land and Transport ODA

ODA Process(N-2)

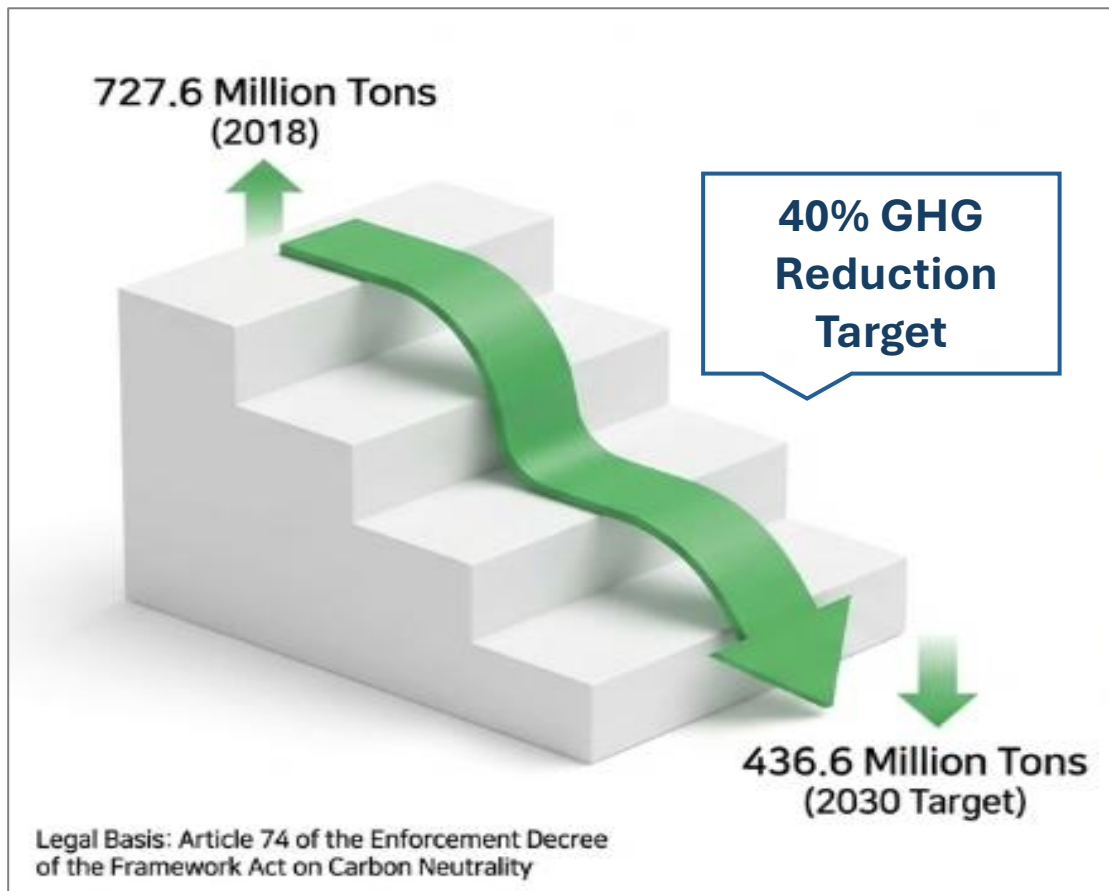
- The call for proposals for the 2028 project cycle is scheduled for May 2026 through the ICAK and IDCC Websites, followed by proposal preparation, advisory review, preliminary selection, and final government approval



2.2 International GHG Mitigation Program

Program Overview

- The program supports Korea's 40% emissions reduction target by 2030, focusing on mitigation projects in buildings, transportation, and construction, with ICAK commissioned as an executing agency.



Responsible Agencies



Building: Introduction of high-efficiency equipment, heat pump installation, renewable energy utilization, LED streetlight replacement



Transportation: E-Mobility (EVs/two-wheelers) deployment, shared bicycles, Mass Rapid Transit (MRT) projects



Construction: Landfill gas incinerators, utilization of low-carbon construction materials

2.2 International GHG Mitigation Program

Support types


- The program provides two-track support : ICAK manages implementation consulting and project identification, while KIND supports feasibility studies and direct facility investment.



Implementation & Consultation
(managed by ICAK)




Direct Financial & Facility Support
(managed by KIND)



Advisory Services
Provides tailored advisory services aligned with each project stage, supporting legal frameworks and lessons learned

Up to \$3.5M

Feasibility Studies Support
F/S support program(up to \$3.5M) to ensure alignment with national climate goals and ITMOs



Project Identification
Identifies potential projects through global partnerships and promotes sector initiatives

Up to 50%

Facility & Equipment Support
Equipment installation support program (up to 50% of total costs) for overseas GHG reduction projects aligned with Korea's NDC goals

2.2 International GHG Mitigation Program

Support types

* Under Paris Agreement Article 6.2

- After government-to-government cooperation frameworks are established, the program supports project development through consultation, feasibility studies, and facility/equipment investment.

Bilateral Framework Agreement for Cooperation on Climate Change



Establishing Joint Committee



Adoption of Annexes

Signed Countries(9)

Vietnam, Mongolia
Gabon, Uzbekistan
UAE, Morocco, Perú
Laos, Kyrgyz Republic

* MOU Countries : Kazakhstan, Panama, Malaysia

Joint Committee(3)

Vietnam('24.4)
Mongolia('25.5)
Kazakhstan('25.9,
MOU-Based)

International GHG Mitigation Cooperation through Consultation, F/S, Facility Support



3. MDB Cooperation Strategies for the Land and Transport Sector

3.1 Engagement gap and strategic responses

- While Korea contributes to major MDBs and has strong technical expertise, **Korean firms accounted for only around 0.3%** of major MDB procurement markets in 2024, pointing to the need for stronger early engagement and partnership-building.
- This **0.3% gap** is not a capacity issue — Korean firms have strong technical expertise. It reflects an **engagement gap** in how Korean institutions interface with MDB project cycles.

Korean firms in MDB Procurement(2022–2024)

* Unit : USD Million

MDB	Shareholding	2024			2023			2022		
		Volume	Awards	Rate	Volume	Awards	Rate	Volume	Awards	Rate
WB	1.67%	17,164	33.8	0.2%	15,768	107.9	0.7%	19,668	149	0.8%
ADB	5.03%	12,992	51.4	0.4%	14,389	54.3	0.4%	15,212	1,083	7.1%
AIIB	3.83%	2,298	0.7	0%	4,440	31.1	0.7%	3,544	4.4	0.1%
IDB	0.004%	2,446	30.6	1.2%	2,026	38.2	1.9%	2,277	1	0%
EBRD	1.01%	2,247	0	0%	4,536	31.2	0.69%	3,520	4.8	0.14%
AfDB	0.461%	2,335	0.5	0%	2,084	46.8	2.2%	1,900	2.5	0.1%
Total	-	39,482	117	0.3%	43,243	310	0.72%	46,121	1,245	2.7%

3.1 Engagement gap and strategic responses

- To **close this gap**, KRC, in coordination with MOLIT and KIND, focuses on **four strategic functions** that help Korean firms move from information access to upstream engagement and MDB-linked opportunities.
- The framework : **1. Information Access** → **2. Upstream Engagement** → **3. Knowledge & Advisory** → **4. ODA-MDB Linkage** — moving from awareness to active MDB participation.

KRC's Strategic Response for MDB Engagement

Information Access

Tender monitoring and information sharing

- MDB tender monitoring
- Tender information sharing
- Pipeline analysis and industry briefings

Upstream Engagement

Engage from early stages

- Firm-MDB matching sessions
- Bilateral dialogue with MDBs
- Annual MDB cooperation seminars

Knowledge & Advisory

Connect firms with experts and partners

- Joint research and policy studies
- MDB expert and advisor network
- Contract and procurement training

ODA-MDB Linkage

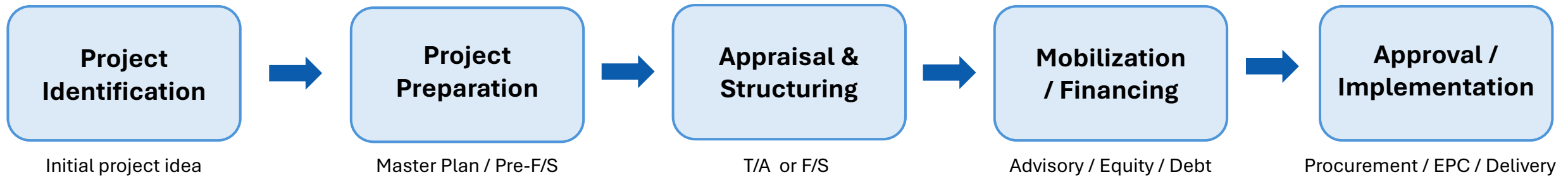
Link ODA with MDB project pipelines

- Korean ODA → MDB investment
- ODA-MDB project alignment
- Korean trust funds as bridge

3.2 Case studies : From Upstream Support to MDB Linkage

- ODA can serve as an **upstream instrument** that supports early project preparation and pilot projects, while KRC helps share information and explore possible MDB opportunities

Illustrative ODA–MDB Linkage Pathway

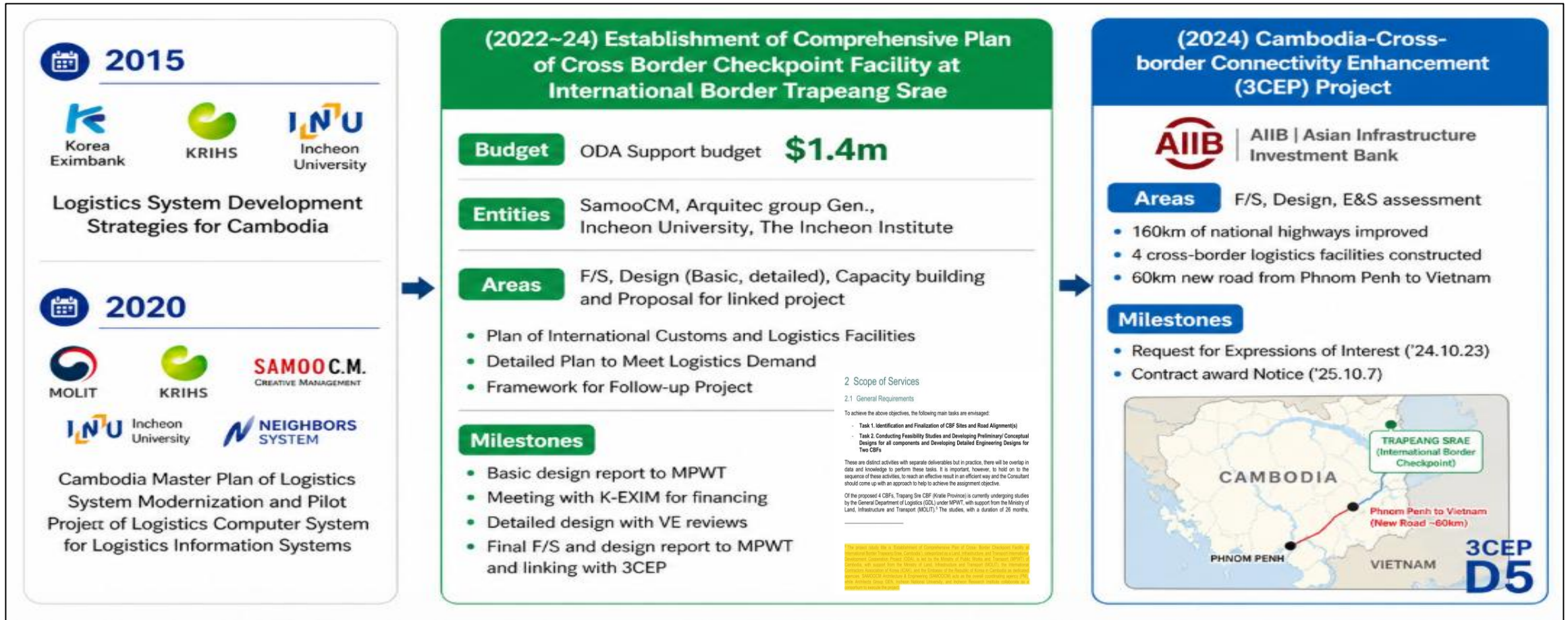


	Consulting	Technical Assistance	Investment Preparation	Financing	Implementation
Actor					
MDB	Project pipeline / TTL	TA coordination	Appraisal / due diligence	Debt financing	Procurement / contract
Land and Transport ODA	Training Program (Capacity building or Knowledge transfer)	Development Consulting (Master plan or pre-F/S)	Project Implementation (Pilot system or facility demonstration)	Bridge to financing	
KRC / ICAK	Information sharing & Joint Research	Early engagement	Advisory coordination	MDB linkage support	Support for Korean firms

3.2 Case studies : From Upstream Support to MDB Linkage

- This case shows how Korea's ODA consulting and master planning support evolved into a Land and Transport ODA consulting and was further linked to main technical assistance for the 3CEP project.

Cambodia Case : ODA Consulting to MDB T/A



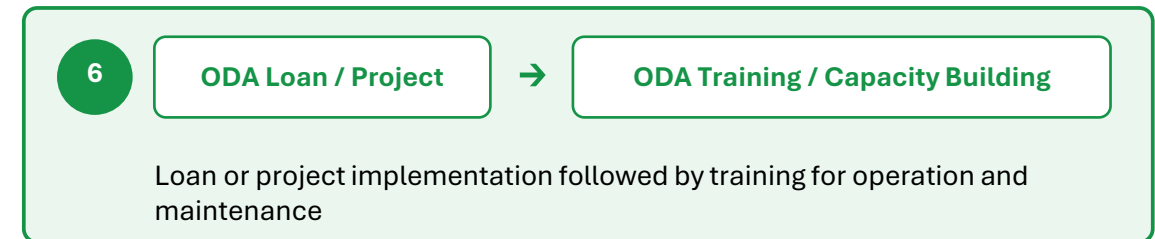
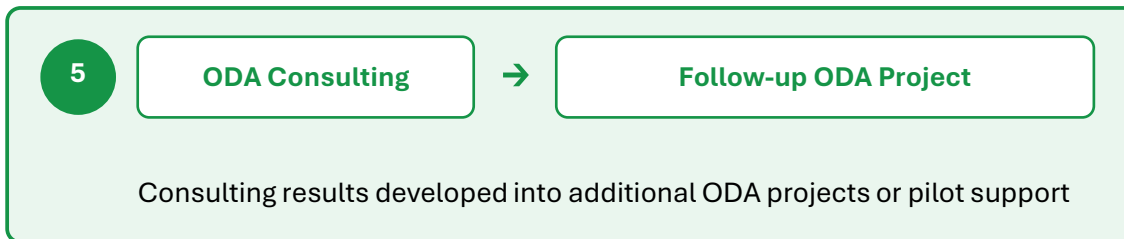
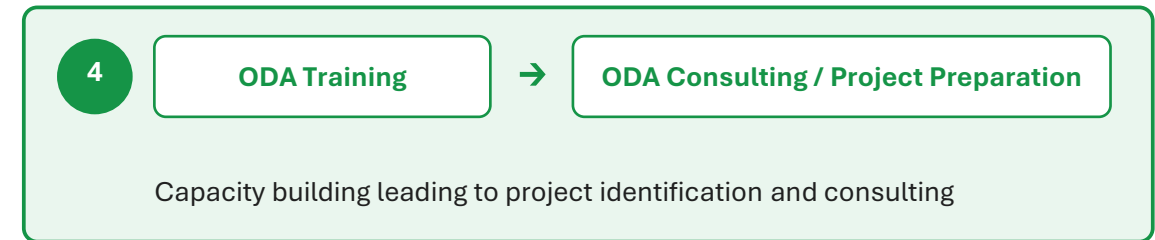
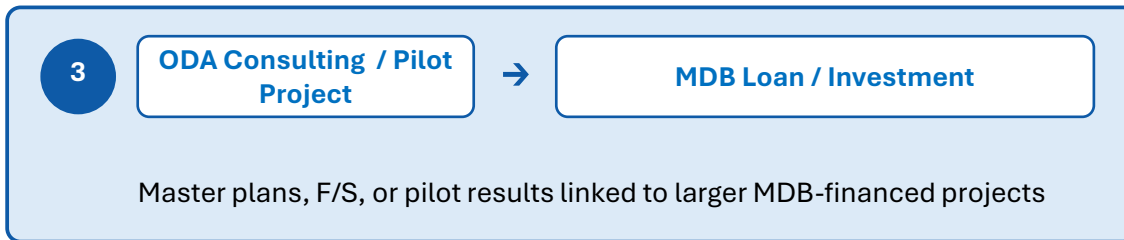
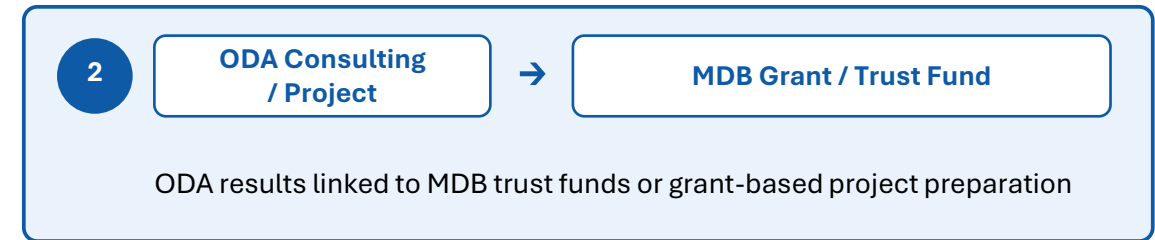
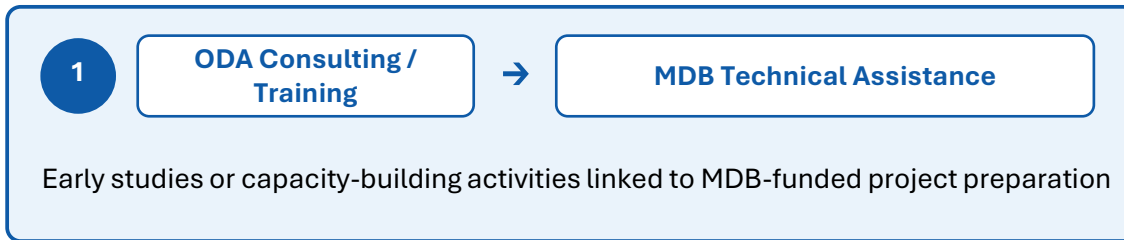
3.2 Case studies : From Upstream Support to MDB Linkage

- ODA can create **multiple follow-up pathways**, including MDB technical assistance, MDB financing, additional ODA projects, and capacity-building programs.

Key ODA Linkage Pathways

MDB-linked pathways

ODA follow-up pathways



These pathways show how ODA can move beyond stand-alone support toward follow-up cooperation, MDB linkage, and scalable project pipelines.



KGID
2026
SEJONG

Q & A

Moonbin(Diego Jeong), Researcher

International Contractors Association of Korea

C.P : 010-2913-2450

E-mail : mbjeong@icak.or.kr