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Experiences in Attracting ODA in Some Countries and Lessons for Vietnam

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Abstract
This paper systematically synthesizes and analyzes experiences in attracting Official Development Assistance (ODA) from some typical Asian countries—Thailand, Malaysia, and South Korea. Based on this, the article proposes policy lessons applicable to Vietnam to improve institutional mechanisms and enhance ODA mobilization effectiveness in pursuit of sustainable development goals.

Keywords: ODA, International Experience, Lessons for Vietnam

1. Introduction
Since the official concept of ODA was introduced globally, over 150 countries and territories have received ODA, according to OECD statistics. Among them, some have successfully used ODA as a development lever and transformed themselves into ODA partners. In Asia, three prime examples are Thailand, Malaysia, and South Korea. Thailand and Malaysia share certain natural-economic-social conditions and development strategies similar to Vietnam, while South Korea is currently one of the largest ODA donors to Vietnam. Analyzing these three countries' experiences as recipients provides valuable references for Vietnam's ODA mobilization.

2. ODA-Attraction experiences in selected countries
2.1 Thailand's experience in attracting ODA
Thailand is classified as an upper-middle-income country, with a GDP of USD 495 billion in 2022—accounting for 13.7% of Southeast Asia's total GDP—and a per capita GDP of USD 6,909, the fourth highest in the region. Between 2015 and 2022, Thailand attracted more than USD 11 billion in Official Development Assistance (ODA) from 62 international partners, and has also become one of the largest intra-regional ODA donors within ASEAN. Thailand serves as a prime example of how effective ODA mobilization can support a country's transformation from a low-income to an upper-middle-income economy.
At the core of Thailand's success is the establishment of a centralized, transparent, and well-coordinated ODA management system. The ODA Policy Coordination Committee plays the strategic coordination role; the Public Debt Management Office (PDMO) under the Ministry of Finance is responsible for financial oversight of aid, ensuring transparency and efficiency; and the Thailand International Cooperation Agency (TICA) acts as the focal point for negotiations, goal-setting, resource allocation, and monitoring and evaluation of project implementation. This clear division of responsibilities helps avoid duplication and enhances the efficiency of resource use.
Moreover, Thailand adopts a selective approach in attracting ODA, actively aligning it with long-term national development strategies such as the 20-Year National Strategy, integrated with the 5-Year Social and Economic Development Plans. This ensures that ODA is channeled into nationally prioritized goals, avoids fragmented investment, and amplifies spillover effects. The ODA attraction strategy also focuses on key sectors such as infrastructure, education, healthcare, and the environment. Thailand imposes borrowing limits (not exceeding 10% of revenue, 9% of export value, or 20% of annual budget expenditure) to ensure fiscal sustainability.
Notably, Thailand implements a results-based monitoring and evaluation system, with publicly available reports to enhance transparency and reinforce donor confidence. Projects are assessed for their social and environmental impacts to enable timely policy adjustments and ensure sustainable development outcomes.
Finally, Thailand actively participates in triangular cooperation and holds regular dialogue with bilateral and multilateral partners. It shares its experiences in mobilizing ODA with other developing countries, particularly within the framework of the

Greater Mekong Subregion (GMS). This model not only enhances Thailand's international standing but also promotes a development approach based on knowledge-sharing and sustainable technical cooperation.

2.2 Malaysia's experience in attracting ODA

After gaining independence in 1957, Malaysia faced numerous socio-economic challenges. Through sound policies in mobilizing and utilizing ODA, the country successfully used aid flows to fill capital gaps during the early stages of development, paving the way for its economic "take-off." Malaysia stands out as one of Asia's exemplary cases in formulating effective ODA attraction policies.

Malaysia has established a centralized and well-coordinated inter-agency ODA management model. The Economic Planning Unit (EPU) plays a key role in overseeing ODA, acting both as the policy coordination body and the authority responsible for approving project lists and allocating budgets. The Ministry of Finance is in charge of managing financial and accounting matters. The EPU also develops plans for ODA utilization and handles related issues. Project implementation challenges are first addressed at the local level by state development committees and development councils. Only when issues exceed their jurisdiction are they escalated to the central government. This mechanism shortens problem-solving time and enhances the governance capacity of local authorities.

Malaysia emphasizes integrating ODA into its medium- and long-term national development plans, particularly the five-year Malaysia plans, ensuring alignment between domestic development goals and the priorities of international donors. Malaysia's national development policies are designed to align with the United Nations Sustainable Development Goals (SDGs), focusing on poverty reduction, education improvement, clean water and sanitation, and sustainable economic growth. Clearly identifying priority sectors enables Malaysia to align aid intake with national development needs and improve the effectiveness of ODA use.

The country also implements strict monitoring and evaluation mechanisms, including financial audits and public reporting on the progress and impact of ODA-funded projects, to ensure transparency and accountability. Donor countries are encouraged to participate in joint evaluations. Assessments focus on how well projects align with policies and strategies, with an emphasis on performance improvement and effectiveness. Information technology has been used to enhance payment transparency, limit corruption, and improve accountability.

Notably, Malaysia has proactively transitioned from an aid recipient to a provider of technical cooperation and knowledge-sharing. A key example is the Malaysia Technical Cooperation Programme (MTCP), which by 2023 had provided around USD 200 million in technical assistance and training to over 140 countries. In addition, Malaysia has expanded South-South cooperation, offering knowledge transfer, development consulting, and technical assistance. This strategy marks Malaysia's transformation from an aid recipient to a development partner, underscoring the country's growing international stature.

2.3 South Korea's experience in attracting ODA

South Korea was once among the world's poorest countries following the Korean War. However, through the effective use of ODA, the country achieved a "miraculous" economic transformation and became an ODA donor itself starting in the 1990s. South Korea's experience offers valuable lessons on attracting and utilizing ODA in alignment with sustainable development.

The country has built a professional, transparent, and efficient ODA management system structured across three key levels: policy planning and coordination (led by the Committee for International Development Cooperation – CIDC, chaired by the Prime Minister), monitoring and implementation (the Ministry of Foreign Affairs manages grants through KOICA, while the Ministry of Economy and Finance oversees concessional loans through the EDCF), and project implementation with a clear process from needs assessment, planning, monitoring, to evaluation. This division of roles ensures close linkage between ODA and national development goals, enhances transparency, and strengthens accountability.

In addition, South Korea integrates ODA attraction into its socio-economic development strategies, aligning its national development plans with the priorities of international donors. The country focuses ODA on key sectors such as infrastructure, education, and industrial development. Particularly, human resource development is seen as a foundation: ODA programs supported the establishment of universities and research institutes (e.g., KAIST, KDI), the advancement of higher education and vocational training, thereby creating a high-quality workforce to serve industrialization.

South Korea also proactively adjusted its ODA structure over time: shifting from traditional aid to technical assistance and knowledge transfer; gradually reducing tied aid to increase autonomy; and engaging in global development cooperation initiatives such as the Knowledge Sharing Program (KSP), South–South cooperation, and triangular cooperation. This shift—from passive reception to active collaboration—helped enhance institutional capacity and allowed South Korea to share its development experience with partner countries. Each transition was aligned with the country's economic development context and strategies in different periods.

Moreover, South Korea maintained strict oversight of ODA usage through regular monitoring and evaluation mechanisms, as well as scientifically designed debt repayment plans, ensuring timely debt servicing and contributing to macroeconomic stability. The government established robust project evaluation frameworks, which helped control implementation processes and improve capital efficiency. The success of ODA projects in South Korea not only drove economic growth but also created a positive feedback loop—initially successful aid usage attracted more donor support.

Finally, South Korea strengthened its partnerships with bilateral and multilateral donors and actively participated in global initiatives on climate change, food security, and public health. The government regularly engaged in dialogue, negotiation, and alignment of its development objectives with donor priorities—such as those of the United States, Japan, and international institutions like the World Bank. This continuous interaction and alignment helped South Korea secure stable and sustainable aid flows.

3. Lessons for Vietnam from international experiences

From the successes of Thailand, Malaysia, and South Korea in attracting ODA, Vietnam can draw several important lessons to enhance the effectiveness of mobilizing and managing ODA for sustainable development.

3.1 Improving the organizational structure and establishing a centralized, transparent ODA management mechanism

Experiences from countries with high ODA management efficiency, such as South Korea and Malaysia, show that a centralized management system with clear task allocation and effective inter-agency coordination is a common key factor. South Korea established the Committee for International Development Cooperation (CIDC), chaired by the Prime Minister, to coordinate ODA policy among ministries, sectors, and local authorities. Similarly, Malaysia assigned the Economic Planning Unit (EPU) the central role in planning and implementing development projects, thus consolidating resources, minimizing waste, and improving aid efficiency.

Drawing on these examples, Vietnam should consider establishing a specialized national agency responsible for overseeing the entire ODA process—from negotiation and reception to monitoring and evaluation. A combined model of centralized management at the national level and reasonable decentralization to local authorities—with strict oversight—will increase flexibility, reduce waste, and better match the diverse development needs of different regions.

3.2 Developing an ODA strategy aligned with national development plans

From 1960 to 1990, South Korea effectively integrated ODA into its Five-Year Development Plans, focusing on industrialization, export promotion, and modern infrastructure, which helped it become a developed economy and an ODA donor. Similarly, Malaysia skillfully embedded ODA into its national development programs through the Malaysia Plans, prioritizing investment in key sectors such as education, healthcare, and infrastructure, thereby laying a solid foundation for sustainable development.

These examples show the significant impact of integrating ODA into mid- and long-term development plans. Accordingly, Vietnam should formulate a comprehensive ODA strategy with a long-term vision, ensuring close alignment with the national socio-economic goals outlined in the 10-Year Development Strategy (2021–2030) and the upcoming 5-Year Plan (2026–2030). This approach will help clearly define priority areas and enhance the effectiveness of ODA use.

3.3 Selective ODA mobilization aligned with national development priorities

International experience shows that countries like Thailand, Malaysia, and South Korea pursue a cautious ODA acceptance policy—prioritizing the quality and impact of projects over quantity. These countries leverage ODA as a tool for technology transfer, managerial learning, and innovation promotion.

Vietnam should clearly identify its priority sectors, focusing on areas that are innovative and sustainable—such as high technology, digital transformation, healthcare, education, environment, and climate change response. The selection of donor partners should also be selective, favoring non-politically bound relationships and promoting effective cooperation models such as co-financing, public–private partnerships (PPP), and triangular cooperation to generate long-term spillover benefits.

3.4 Strengthening ODA monitoring and evaluation policies

To ensure investment effectiveness, countries like Thailand and Malaysia have established scientific, transparent, and multi-stakeholder monitoring and evaluation systems. Thailand applies a multi-tier monitoring system from central to local levels, enabling comprehensive project performance tracking. Malaysia synchronizes its management and monitoring systems through digital platforms, actively collaborating with donors in project evaluations, thereby harmonizing assessment standards between recipient and donor sides.

Learning from these models, Vietnam should improve its monitoring processes starting from the project preparation stage, applying clear and phase-specific performance indicators, and conducting independent evaluations with the involvement of independent consulting firms to ensure objectivity. At the same time, anti-corruption efforts should be intensified through regular audits, transparent procurement processes, and clearly defined individual accountability in ODA management.

3.5 Developing a roadmap to transition from Aid recipient to Aid provider

A positive trend observed in South Korea, Malaysia, and Thailand is the proactive transition from aid recipients to aid providers. South Korea became an official member of the OECD Development Assistance Committee (DAC) in 2010 and is now one of Asia's leading ODA donors. Malaysia is notable for its Malaysian Technical Cooperation Programme (MTCP), which has supported over 140 developing countries in training, research, and technology transfer. Thailand, although a new donor, has quickly established its role in the region, becoming the largest intra-ASEAN ODA provider.

Vietnam can learn from this by building a roadmap to gradually reduce its reliance on ODA while transitioning to a development partner role. This can be achieved by creating a technical cooperation program focused on providing technical assistance and sharing development experiences with less developed countries—particularly in Vietnam's areas of strength such as high-tech agriculture, public health, vocational education, and climate and disaster response. This strategy will not only help reduce external dependence but also affirm Vietnam's role in the global development system and contribute meaningfully to regional and international sustainable development efforts.

3.6 Enhancing international cooperation with donors

Lastly, Vietnam should intensify international cooperation with donor partners—not only to diversify ODA sources but also to elevate its international profile and role. Active participation in regional and global development forums presents an opportunity to demonstrate commitment to sustainable development, share perspectives, and promote multilateral cooperation.

Vietnam should also strengthen regular dialogue mechanisms with donors to clarify development needs, set cooperation priorities, and explore long-term partnership

opportunities. During aid mobilization and implementation, the principle of mutual benefit must be upheld, ensuring that Vietnam both secures the necessary resources for domestic development and maintains autonomy without being excessively dependent on donor conditions.

4. Conclusion

Although each country has different economic, political, and development contexts, the experiences of Thailand, Malaysia, and South Korea offer valuable lessons for Vietnam. The key is to selectively adapt and flexibly apply these lessons in accordance with Vietnam's specific circumstances to improve the effectiveness of ODA mobilization and utilization, thereby supporting the country's long-term sustainable development goals.

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