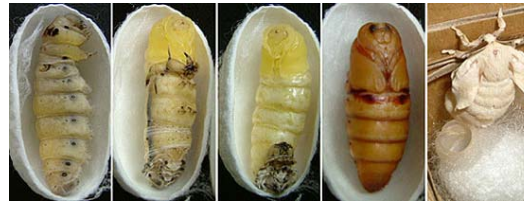


International Cooperation Strategy for Global Sericulture Development



2011 BACSA International Conference

Bucharest-Romania, 12 April 2011

SOHN Kee-Wook

Director, Korea Sericulture Association, Seoul

Introduction – Why Global Sericulture Development?



- ❖ The sericulture sector, originated in China, is more actively developed in the Tropics or Sub-Tropics than Temperate Regions in the world.
- ❖ Why Global Sericulture Development? – High silk price and continuous silk demand + Participation in ODA project for sericulture development
- ❖ **From Local business to Global business – Changing Sericulture Vision**

Fresh Cocoons Production in Major Sericult. Countries (ton)

Country	1995	2000	2005	2006	2007	2008
China	790,000	501,000	621,461	739,715	779,261	683,387
India	128,349	124,663	126,000	135,000	150,000	133,316
Vietnam	12,000	10,000	21,000	21,000	21,000	21,000
Uzbekistan	20,000	20,000	20,000	20,000	20,000	25,760
Brazil	16,260	8,473	7,146	8,051	8,617	6,266
Thailand	3,789	14,600	10,650	10,100	1,785	7,700
Iran	5,000	5,522	3,200	2,104	1,665	1,185
Japan	5,351	1,244	683	505	433	382
-	-	-	-	-	-	-
Total	981,021	686,408	809,728	937,009	983,062	879,179

Source: Japan silk report, March 2011

- 2010 China - Mulberry garden: 807,000 ha, Silkworm eggs: 1,576,000 boxes, Cocoon production: 616,000 ton, Fresh cocoon price: almost US\$5.00

Raw Silk Production in Major Sericulture Countries (ton)

Country	1995	2000	2005	2006	2007	2008
China	67,113	45,090	87,761	93,105	108,420	98,620
India	15,045	14,432	15,445	16,525	18,320	18,370
Vietnam	1,550	1,000	2,250	2,250	2,250	2,250
Uzbekistan	1,300	1,100	1,100	1,100	1,100	1,417
Brazil	2,468	1,389	1,285	1,387	1,220	1,177
Thailand	1,075	1,230	1,420	1,080	760	1,100
Iran	700	900	395	324	253	180
Japan	3,228	558	151	119	105	95
-	-	-	-	-	-	-
Total	92,519	65,829	109,849	115,926	132,457	123,233

Source: Japan silk report, March 2011

- The cocoon and silk production in China decreased in 2008 and 2009, the raw silk price in international market jumped to US\$50/kg in 2010 from normal price of US\$25/kg until 2008.

Change of Population and Economy in China

- Birth rate after 'one child policy': 5.5 (1970) → 1.54 children (2010)
- Life expectancy in China: 62 (1970) → 75 years (2010)
- Senior citizen (>65 years old): 4.3% (1970) → 8.2% (2010)
- Senior citizen in countryside: 7.0% (2000) → 20.2% (2030)
- Increase in labor cost: Labor intensive industry → Technology & capital intensive industry
- **The rapid change of population and industry in China will affect the production and trading in silk sector → The effects on global supply and demand of silk products need to be analyzed thoroughly.**

Why Sericulture Industry?

- High employment potential from agriculture to the industry
- Provides high economic gains in rural areas (case of Cambodia)

Crop	Product (kg/ha)	Unit price (US\$)	Gross income (US\$)
Rice	2 500	0.22	550
Corn	3 600	0.20	720
Soybean	1 400	0.45	630
Cocoon	750	3.00	2 250

- Cocoon harvest in short period (One month) – 6 crops/year in tropics
- Mulberry trees last for 20 years after planting
- Women friendly occupation and youth and aged people can handle
- Eco-friendly Activity
- Multi-purpose utilization of sericulture products

Various Types of Mulberry Cultivation



- Suwon, South Korea



- Pereira, Colombia

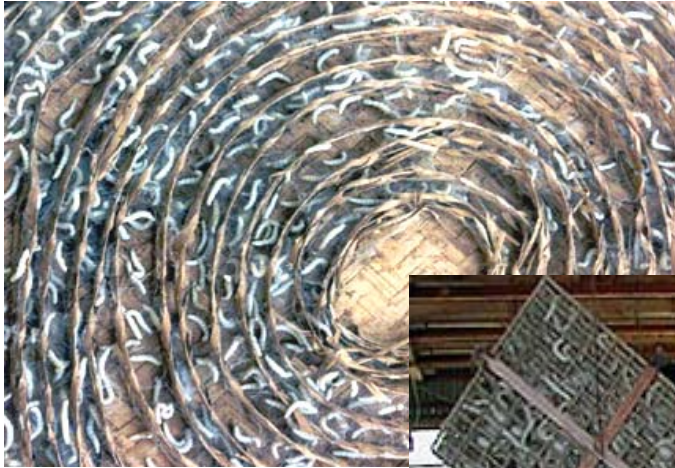


- Bursa, Turkey



- Campot, Cambodia

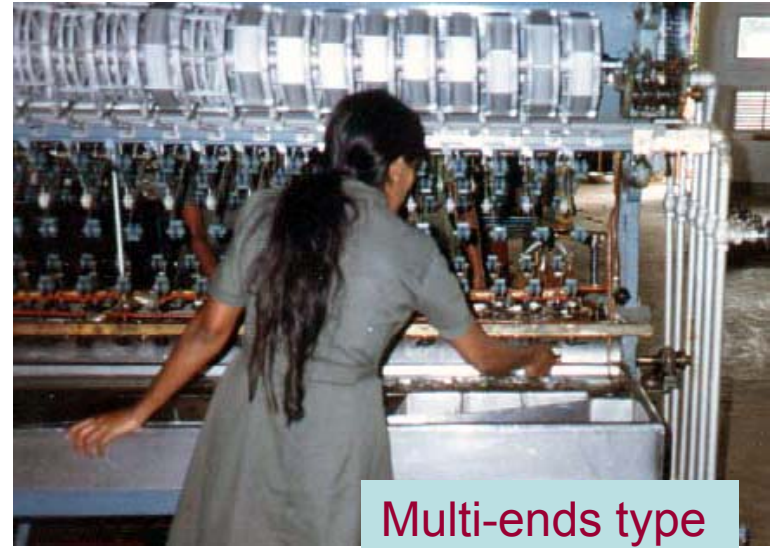
Various types of cocooning frames



Comparison of cocoon reeling machines



Treadle type



Multi-ends type



Automatic cocoon testing



Automatic silk reeling

Various types of silk weaving



Sites of Sericulture Demonstration Farms



Expected Outcomes and Outputs

<i>Items</i>	<i>Present (Estimated)</i>	<i>Target (2018)</i>	<i>Ex) S. Korea (1970s)</i>
Farmers (Family)	2,000	20,000	500,000
Mulberry field (Ha)	100	4,000	90,000
Cocoon production (ton)	50	3,000	42,000
Raw silk production (ton)	4	400	6,000
Value of raw silk (US\$)	160,000	16,000,000	500,000,000 (All silk products)
Number of reeling factory	0	4	60
Employment (people)	20,000	80,000	1,000,000

South Korea – Past and Present

- Small (99 km²), crowded (48.6 million) and divided country was one of the least developed countries until 1960s with GNI \$255 per capita.
- Increase of agricultural productivity in South Korea

Year	1970	1990	2008
Land productivity (1990 = 100)	4	100	189
Rice productivity (kg/ha)	3,300	4,510	5,200
Corn productivity (kg/ha)	1,460	4,610	5,050

- ❖ Green Revolution (1975): Self-sufficient rice production
 - ❖ White Revolution (1980s): Supply fresh vegetables all year round
 - ❖ Saemaeul (New Village) movement: Diligence, Self-help and cooperation
- Korea is ready to share the development experiences with developing countries. – **Widow knows widower best**

What is ODA (Official Development Assistance)?

- **Donors:** Official agencies
- **Purpose of assistance:** Promotion of the economic development and welfare of the developing countries
- **Grant Elements:** To be concessional in character and convey a grant element of at least 25 percent.
- **Recipient Countries:** Countries and territories on Part of the DAC List of Aid Recipients.
- Korea used to be Aid Recipient Country – US\$ 12.7 billion during 1945-1990.
- Korea joined **OECD-DAC** (Development Assistance Committee) in 2010 as 22th country in the world. – Total ODA budget: US\$802 million (0.1% of GNI) is to be increased to 0.25% of GNI (\$4 billion) by 2015.

The OECD-DAC is a unique international forum where donor governments and multilateral organisations come together to help developing countries reduce poverty and achieve the Millennium Development Goals (MDGs).

OECD-DAC Guidelines and Evaluation Standards - 1

- ❖ Korea was rated as **the lowest level** among ODA donor countries and institutions by evaluation of Brookings and Center for Global Development on 5 Oct 2010.
- **Millennium Development Goals (MDGs)** – Reduce famine people by half before 2015 through enhancing productivity and rural development
- **Poverty Reduction**: 2/3 of poor population are employed in agriculture, forestry & fishery and 3/4 of poor people live in rural area.
- **Gender Equality** - Impacts on the lives and potential of poor women, men and children
- **Environment** – Sustainable development in industrialization and economic development

OECD-DAC Guidelines and Evaluation Standards - 2

- **Conflict and Peace** – Assistance to prevent conflict and build peace
- **Trade** – Trade oriented strategy is more effective for poverty reduction and industrial growth than in a closed economy
- **Effectiveness** - Harmonize policies among development agencies and assistance, support the capacity build-up of recipient countries
- **Quality of Aid** – Untied aid is strongly recommended instead of tied aid in procurement of supplies, equipment and services
- **Governance** – Participatory development assistance aiming at the overall social changes in developing countries, supporting the strategic role of civil society and preventing corruption

Aid Types of ODA Implementation System in Korea

Types of Aid		Agency	Managing Ministry
Bilateral Grants	<ul style="list-style-type: none"> ➤ Material assistance ➤ Financial assistance ➤ Projects ➤ Technical cooperation (research, invitation of trainees, dispatch of experts and voluntary assistants) 	KOICA (Korea International Cooperation Agency)	MOFAT (Ministry of Foreign Affairs and Trading)
Bilateral Loans	Development assistance loan (Economic Development Cooperation Fund: EDCF)	EXIM (Export-Import Bank)	MOSF (Ministry of Strategy & Finance)
Multilateral	Contributions(□□□): UN system and other multilateral institutions	MOFAT	MOFAT
	Subscriptions(□□): International financial institutions	Bank of Korea	MOSF

KOICA Strategy by Sector

- ❖ Education
- ❖ Health
- ❖ Governance
- ❖ Rural Development
 - Support eradication of absolute poverty and hunger in developing countries by improving agricultural productivity and rural income
 - Transfer agricultural technology, improve agricultural policies and systems, develop irrigation, build rural infrastructure, and provide materials for agricultural production
- ❖ Information & Communication Technology
- ❖ Industry & Energy
- ❖ Environment & Gender

Types of KOICA Assistance

- ❖ Dispatch of experts
- ❖ Infrastructure building
- ❖ Materials assistance
- ❖ Invitation of trainees
- ❖ Development studies
- ❖ Dispatch of Korean Overseas Volunteers
- ❖ **Partnership with NGOs**
- ❖ Disaster relief
- ❖ Development projects with international organizations

KOICA's Evaluation on Sericulture Project

➤ No sericulture project succeeded in the past

- Select the countries and regions suitable to sericulture project
- Set up a control tower to collect information on natural and social conditions of recipient countries
- Prepare result-oriented sericulture development project (benchmarking good project models)
- Dispatch prepared experts by open discussion and frank exchange of opinions
- Modify Korean technology of sericulture for country adaptation

➤ Are there still Sericulture Experts in Korea?

- Lack of experts to carry out international cooperation projects
- Organize a NGO “Korean Service for International Sericulture Development (KOSISED)”
- Practical use of “Collective Intelligence” between Korea and recipient countries

Preparation for KOICA Sericulture Projects

- Visit regularly KOICA Homepage www.koica.go.kr/English to understand the policies and strategies of Korean grant aid.
- KOICA concerns on 1) how to make sericulture project successful and 2) the capacity of Korean Sericulture Experts.
- Cooperation needed between recipient countries and Korean experts in preparing results-oriented project proposals.
- Select major recipient countries by “select and focus” strategy – Priority of sericulture project in the developing country is essential and the country with natural resources and cereals is preferable.
- An NGO “Korean Service for International Sericulture Development (KOSISED)” to be organized invites specially foreign members.
- During “2012 International Congress of Entomology” in Taegu, Korea, a Sericulture Training Program in Korea is proposed (2012 Aug-Sep).

Proposed Activities for KOSISED (NGO) (Korean Service for International Sericulture Development)

- Prepare KOSISED homepage in Korean and English as project implementation agency
- Upload sericulture technical manual and recent information updated
- Dispatch KOICA sericulture expert to developing countries
- Arrange annually in-country training courses on functional sericulture products – for policy makers and working-level staff
- Support preparing long-term sericulture development project
- Provide various services related to sericulture
- Exchange information on sericulture sector between KOSISED and recipient countries

Recipient Countries Preferable for Korea ODA Project

➤ Countries with KOICA Overseas Office:

Region	Countries
Asia	Nepal, Laos, Mongolia, Bangladesh, Vietnam, Sri Lanka, Afghanistan, Indonesia, China, Cambodia, Philippines, Pakistan, Myanmar, East Timor
Africa	Egypt, Ethiopia, Tanzania, Nigeria, Senegal, Kenya, Morocco, Tunisia, Algeria, D.R. Congo, Ghana, Cameroon, Uganda
Latin America	Guatemala, Paraguay, Peru, El Salvador, Colombia, Ecuador, Haiti, Bolivia
CIS	Uzbekistan, Kazakhstan, Azerbaijan
Middle East	Jordan, Iraq (Bagdad and Erbil), Palestine

➤ Countries with KOPIA (Korea Project on Int'l Agriculture)

- 2009: Vietnam, Uzbekistan, Myanmar, Kenya, Paraguay (6 countries)
- 2010: Cambodia, Philippines, DR Congo, Algeria (10 countries)
- 2011: Major cooperative countries, such as Ethiopia (15 countries)

- Many Thanks for Your Attention –