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Organizational Reform

Introduction

At the United Nations Millennium Summit in New York in September 2000, representatives of 189 nations took stock of the most urgent and important challenges facing human development and agreed to resolve these issues together. The result: The Millennium Declaration, eight MDGs and 18 individual targets to be met by a deadline of 2015.

In 2010, we at the TaiwanICDF chose to refocus our attention on the eighth MDG, “Develop a global partnership for development.” This goal calls upon development actors to alleviate poverty and facilitate economic growth in developing countries by viewing the promotion of international cooperation and development as a collaborative effort, adopting bilateral and multilateral mechanisms of cooperation and ensuring that technical and financial assistance is made a priority component of official development assistance projects.

At present, governments in developed countries around the world are continuing to adjust their development aid policies in pursuit of this goal. Among this group of nations, Switzerland, Germany, the Netherlands, Japan, Australia and several Scandinavian countries have been particularly proactive in this regard.

During this process, the theoretical framework underpinning international assistance has gradually shifted from a “donor-driven” approach toward a more “recipient-driven” philosophy, allowing for better integration of the array of political, economic, social and environmental considerations that hold sway on development policy. In particular, the current consensus is that the work of donor countries should become aligned to the needs of recipient countries, and that recipient countries should become empowered to take ownership of the development process.

In this way, we arrive at an understanding in which donor countries respect the authority of leaders in recipient countries, along with their decisions and national development policies.

In return, these leaders must accept greater responsibility for bringing about economic development by themselves. Since this process of harmonization represents a partnership in a very real sense, we at the TaiwanICDF have adopted the term “partner country” to highlight the evolution of our relationship with recipient countries.

Looking back at Taiwan’s role in the history of international aid we find that over fifty years ago our country was exclusively a recipient of aid, in most part from the United States. In the 1960s, we then began to offer certain forms of development assistance as a donor country, and during the 1970s, our compatriots suffered much hardship in their tireless pursuit of further progress. Taiwan’s

development work continued to deepen in scope throughout the 1980s until finally, in 1996, our government launched a new era of international cooperation by establishing the TaiwanICDF.

By following global trends and fulfilling our responsibilities toward the international community, we at the TaiwanICDF hope to participate in a wider range of cooperative development projects and assist our partner countries to achieve our shared development objectives.

In recent years, we have adapted to the demands of globalization, now reaching the point where our operations agree with the norms and standards practiced by others in the international development community. Meanwhile, we fully





appreciate that in our position, our organization should expect to work under a more critical degree of public oversight, particularly in terms of project rationalization and budgetary transparency. Keeping pace with the times and effecting organizational reform will allow us to maintain our position as Taiwan's dedicated foreign assistance organization.

For this reason, we entered a period of transformation during 2010. Initially, we eliminated inefficient processes by streamlining our operations, which has strengthened fundamental management practices. We then went on to remove structural bottlenecks by making adjustments to our organizational framework, and introduced systems of performance and objective management that apply to the work of both domestic and overseas personnel. By continuing to build capacity amongst all of our staff, at home or abroad, the TaiwanICDF will not only become a more effective instrument of government policy, but will also be able to take on a leading role in government decision-making for affairs relating to international assistance.

Reform in Context

“A professional team capable of facing – and solving – today’s challenges to development”

The TaiwanICDF, founded on July 1, 1996, plays a significant role in official development assistance as provided by the Republic of China

(Taiwan). The organization was created to reduce poverty among Taiwan's developing partner countries and to champion the values of progress, development and humanity.

Our founding principles are influenced by Article 141 of the Constitution of the Republic of China (Taiwan), which stipulates that our nation should “cultivate good-neighborliness with other nations, [...] promote international cooperation, advance international justice and ensure world peace.”

The TaiwanICDF has overall responsibility for organizing and operating many of Taiwan's overseas cooperation projects. The founding principles of the fund are to strengthen international development, promote foreign relations and facilitate economic development, social progress and human well-being among Taiwan's developing partner countries. To realize these aspirations, we draw on Taiwan's comparative advantages and share our own successful experiences of economic development.

In September 2009, our government published its first White Paper on Foreign Aid Policy, which established a focus on “partnerships for progress and sustainable development” and set out future themes and strategies to be associated with Taiwanese aid. The White Paper echoed the spirit of the OECD's Paris Declaration on Aid Effectiveness, while also emphasizing the need for overseas assistance to focus on appropriate motives, due diligence and effective practices.

On June 15, 2010, President Ma signed a new International Cooperation and Development Act into law. This legislation clarified the scope of Taiwan's participation in the international cooperation and development community, and our goals and operational procedures. Furthermore, the act stipulated that foreign aid should be granted solely on the basis of professional judgment and given transparently.

In this way, the act has provided us with well-defined, unequivocal legal guidelines as to how we should handle cooperative affairs with partner governments and clarified our working relationship with other Taiwanese government agencies, particularly by spelling out how we should share and exploit the experience and expertise that our

organization has accumulated down the years.

Receiving such clear direction in policy and strategy has spurred us to promote growth and transformation within the TaiwanICDF at both an organizational level and at an individual level. As such, we are now implementing a host of control measures and adjusting our cooperation and development methodologies. At the start of 2010, we introduced many conceptual and practical reforms designed to really revitalize the TaiwanICDF and update the way we go about our business, which will enable us to make good on our government's objectives for overseas development assistance.

In addition to exploring the real needs of partner countries and associated development challenges, we have sought out professional guidance regarding our projects and endeavored to ensure that our new projects are genuinely viable.

In particular, we now recognize the need to place a much greater focus on "quality" rather than "quantity" in our projects. We tended to approve excessive numbers of short-term projects, which was a drain on both our material and human resources. This practice is being replaced by a system under which we will implement a smaller range of four- to six-year projects, with a focus on scalability, depth, managing for results and practical management — all of which will have a substantial influence on improving project outputs. Mechanisms will also be put into place to ensure that we effect closer cooperation with MOFA and Taiwanese embassies. This will ensure that all relevant parties are involved in planning and integrating project resources for the ultimate benefit of our partner countries.

Overall, we hope to play an increasingly significant role as an "implementation agency" in matters relating to Taiwan's endeavors in international cooperation and development. There is also recognition within the organization that we must boost technical expertise and play a bigger hand in government policymaking. By strengthening organizational efficiency and improving operational capacity, our government will continue to look to us to implement Taiwan's development projects. We will also earn the trust of our partner countries and secure the wider cooperation of international organizations.

In order to revitalize our organization and optimize our business, therefore, this year saw us focus on three key concepts: strategic innovation, organizational strength and professional capacity. We believe that the application of these concepts will cement the foundations of our organization and nurture a professional team capable of facing – and solving – today's challenges to development.

Key Aspects of Reform

"Structural and procedural reforms will create a better, more efficient organization"

The TaiwanICDF was established nearly 15 years ago. In this space of time conditions have changed both here in Taiwan and overseas, meaning that some of our departments and offices no longer function quite so effectively. On the back of recent legislation, we have taken the opportunity to implement reforms to our organization, so as to improve institutional capacity and achieve the right allocation of professional resources. Our primary objectives must be to raise the expertise of staff, refocus on our strategic priorities and, ultimately, become a better and more efficient organization.

At the 54th Board Meeting in July 2, 2010, the TaiwanICDF was restructured to comprise five departments, seven offices and 14 divisions. Following the approval of MOFA, the new framework formally came into effect on July 12.

Since this time, we have continued to transform our systems, processes and practices relating to personnel, financial management and public relations.

Procedural Legitimacy: Revisions to Rules and Regulations

As part of changes to our organization and associated business affairs, we proceeded to amend relevant institutional regulations. We drafted 31 revisions for submission to the Board during 2010, including revisions relating to several core guidelines: Organizational Regulations, Operational Rules, Personnel Management Regulations, and Fund Management.

In response to the promulgation of the International Cooperation and Development Act and associated amendments to the Statute for the Establishment of the International Cooperation and Development Fund, we have also redrafted rules and regulations governing the way that we grant donations and give aid, and practices related to lending, investment and technical cooperation. These revisions, which demonstrate our commitment to complying with the letter and spirit of the law, were forwarded to MOFA following the approval of our Board of Directors.

Personnel Rotation, Skills Upgrades and Staff Training

To encourage overseas technicians and personnel to return to our headquarters and share their experiences of working “in the field,” and to provide incentives for domestic employees to work overseas, we have revised guidelines relating to rotation of domestic and overseas staff, and for remuneration, bonuses and expense allowances for overseas staff. Three Mission Leaders and one technician have since been transferred back to Taipei, while two Division Chiefs and one senior specialist have taken up postings as Mission Leaders. Promoting personnel rotation is

increasing exchange and communication at the TaiwanICDF.

Training is an essential element of any person’s job and cannot be overlooked. All TaiwanICDF personnel should be equipped with technical and financial expertise as required by their specific profession. Reinforcing our training programs is therefore an exceptionally important task. Our intention is to ensure that the career plans and personal objectives of our personnel become integrated with, and complementary to, the core policies and strategies of our organization.

Independent Fund Management and Adjustments to Short-Term Investment Mechanisms

Fund and asset management at the TaiwanICDF is now being coordinated by a dedicated Financial Affairs Office. The operations of our Lending and Investment Department will now refocus on lending and investment as it directly relates to development.

We recently completed a plan of policymaking mechanisms relating to asset allocation, which has been submitted to the Board of Directors for review. This includes guidelines for short-



term investments in stocks and the management of uncommitted funds, which will safeguard funds and nurture stable growth via a prudent investment strategy. The plan expressly defines the role and functions of foreign aid from the TaiwanICDF and will therefore eliminate any potential misunderstandings as to how and why disbursements of funding are, or should be, made.

Public Relations and Publicity Enhances Professional Image

As part of reforms to the TaiwanICDF we established a dedicated Public Relations Office, which is now responsible for all publicity and communications at the organization. In July, the office published a new website in Chinese and English, with detailed content that explains recent organizational changes and the future direction of our business. We have also produced a new promotional film in four languages and released associated publicity material. The formation of a Public Relations Office and the publication of

our website represent a solid platform from which to increase the visibility of the TaiwanICDF and enhance our professional image.

Putting Reforms into Effect

“A focus on aid effectiveness, project-orientation and the integrated planning and application of resources”

In the past, the implementation of TaiwanICDF projects was not always overseen by a dedicated project manager. Quite often, staff at Taiwan Technical Missions or representatives of a local executing agency were assigned to such tasks, and once a project had been negotiated and signed for, we rarely supervised progress on site. Furthermore, we neglected to review whether project implementation was advancing in accordance with initial plans or meeting any



genuine local demand. Consequently, local stakeholders were unable to develop any capacity to take on and manage projects independently.

Given that we only have a limited amount of resources to offer our partners, we now recognize the need to take a much stricter, project-oriented approach to our work and focus on appraisal, planning and implementation, as well as post-evaluation — a progressive, step-by-step vision of project work.

All new projects must now set out a clear implementation schedule, annual objectives and handover targets and proceed in accordance with the project cycle. Projects will proceed within a results-oriented framework and we will measure the success or failure of our work against quantitative indicators. In future, all of our work will be project-oriented rather than oriented to the general operation of overseas missions.

Emphasizing Global and Local Connections by Transforming Technical Assistance

The priority of all of our technical cooperation projects will now be to improve know-how and build capacity among professionals in our partner countries.

For each project, we will sign a bilateral agreement with a partner government, in advance. Project implementation will then be expected to proceed in accordance with the signed plan. The TaiwanICDF will be responsible for overseeing project implementation, technical inputs and funding allocation; the partner government will be responsible for assigning a dedicated unit to take charge of project promotion. This local stakeholder will then play an active role in project implementation and take on the management of individual project operations in accordance with the handover schedule. These kinds of operations are standard practice within the international development community and show respect for partner countries' ownership of the development process.

In the past, we were too eager for our projects to have an immediate impact, for which reason

we often took over the operation of what were ostensibly bilateral cooperation projects, and acted unilaterally. The roles of our own personnel and local stakeholders became distorted; our own personnel dominated project implementation and local stakeholders were not granted sufficient input.

From now on, operations should make localization a priority. We will build capacity among local stakeholders by providing training and assistance as required, and ensure that such stakeholders are able to take on the operations of our projects in accordance with the handover schedule.

Under this project-oriented direction, we will define annual objectives and set annual transfer targets. Once completed, project components will be transferred on to local stakeholders, under supervision, after which TaiwanICDF personnel will act only as advisors or consultants.

Annual objectives will be measured and reviewed on an annual basis, with a system in place to roll an objective across into the following year, if absolutely necessary — that is, in cases where local stakeholders are not sufficiently equipped with either the technical capacity or financial preparedness to assume full and independent responsibility for operations. Nevertheless, we will ensure to the best of our ability that project components are handed over across different years as planned; otherwise, we would be required to hand over too many components within the final year of a project, which represents an ineffective use of resources. And if this were to happen, local businesses or commercial partners affiliated to the project may have serious misgivings about their continued cooperation in such endeavors.

Adopting a project-oriented outlook and implementing projects in accordance with a planned schedule will show the international community that we are serious about aid effectiveness, maximize the benefits of technical assistance from the TaiwanICDF and ensure that our operations proceed within a legitimate and rational framework.

Dual-Track System for Advancement of Project Managers and Professional Staff

Project managers should be equipped with a full complement of project management skills, for which reason we will arrange training programs dedicated to management, communication and coordination for these members of staff. When posted overseas, project managers will be responsible for overall project supervision, management and technical transfer; resident staff will be responsible for day-to-day project implementation. We will also recruit and dispatch technicians to provide short- to medium-term technical support on assignment, as necessary to meet the specific demands of the project. We will no longer post technicians overseas to work for long-term or indefinite periods of service.

The introduction of this system of project management has been a gradual process, determined by the number and nature of projects at each of our Taiwan Technical Missions. Initially, for 2010, we chose to assign project managers only to brand new projects. To date, dedicated project managers are working on new livestock and aquaculture projects in Palau, as well as certain projects focusing on ICT, and reporting the rate of progress directly to senior managers at TaiwanICDF headquarters.

Integrating Limited Resources for Maximum Efficiency

Taiwan Technical Missions will now be expected to maximize development outcomes by integrating investment and financing mechanisms into their technical assistance work. In 2010, we explored the practical problems and needs facing our partner countries by dispatching financial specialists to cooperate more closely with local stakeholders, starting with Belize, Guatemala, Nicaragua, Indonesia and Nauru. Using our technical missions as their base, these specialists have since provided guidance to farming households and performed research and

analysis to ascertain the credit needs of farming organizations. Supplementing existing technical and agricultural assistance with microcredit or Small Farmholders' Financing Schemes has also provided local farmers with the capital needed to perform their work, which is increasing prosperity in the agricultural sector.

Capacity Building

“Assisting partner countries to manage and operate projects by building capacity and mainstreaming aid effectiveness”

In 2005, the international community placed a renewed focus on aid effectiveness with the publication of the OECD's Paris Declaration on Aid Effectiveness, which represented the common aspirations and responsibilities shared between donors and recipients. The declaration was designed to promote capacity building by advancing the development process, and focused on managing for results and mutual accountability in the planning, management and implementation of development projects.

To assist partner countries to build sufficient capacity to assume the management and operation of projects, we are carrying out a range of professional training schemes designed to nurture well-qualified workforces and support human resources at a local level in each of our partner countries. Overseas missions are completing reports on the human resources needs of their host countries by gathering data on sectoral requirements and numbers of potential trainees, which we will incorporate into planning requirements for future training programs to be held in Taiwan. Adapting our international education and training operations to the specific needs of technicians and project managers who participate in such programs will reinforce the process of capacity building.

Conclusions

The process of economic development in Taiwan and the democratization of our nation were two sides of the same coin. The spread and practice of democracy gave rise to and now reinforces our status as an industrialized nation.

Yet democracy and free speech require checks and balances. Government and the civil service should expect to come under a degree of legislative oversight, and our organization is no exception. Under the guidance of MOFA, we must ensure that all of our project proposals include fully itemized budgets and expenses. We must also work under the expectation that final accounts can and will be audited. All aspects of our organization must be administered in accordance with relevant laws.

Elsewhere, the process of democratization is well under way in many of our partner countries, where the effectiveness of aid resources is coming under greater scrutiny amid growing public demand for higher quality development services. We and our partner governments must act accordingly and adapt to this increasing degree of public oversight and expectation.

In the past year we have established a more efficient and effective organizational structure by implementing organizational reforms and transforming our business. These efforts will ensure that our work continues to echo trends in international cooperation and development. By moving with the times, our organization is well placed to pursue sustainable development and face the ever growing array of challenges that lie ahead of us.

