

3

2011 in Focus— Upgrading

2011 was a year of progress for the TaiwanICDF. We put the five principles of the Paris Declaration into practice by transforming our own operations and strengthening project depth, and assisting partners to build the capacity they need to manage effective, sustainable projects. These efforts have led to a breakthrough in international cooperation, expanding the depth and breadth of our assistance.

To address food shortages, bridge the digital divide and promote the transformation of human resources, we are giving priority to three key development themes – agricultural development, ICT and vocational training – and exploring more advanced, innovative approaches to development. These endeavors are facilitating partners' economic growth and developing our own foreign aid operations sustainably.



Even in the 21st century, agriculture remains a key to sustainable growth and the fight against poverty. This is especially true in agrarian economies, where agricultural development and the development of related industries not only substantially reduces poverty, but also effectively stabilizes the food supply, which acts as a force for maintaining social stability.

In recent years, climate change-induced weather extremes have given rise to droughts and floods. The additional displacement of crops by other forms of production, combined with the effects of human manipulation, has continued to drive the price of commodities higher. Such instability has thrown many countries into political, economic and social turmoil.

The world is facing increasingly urgent food shortages at a time when many of our partners are suffering from long-term food insecurity. At the TaiwanICDF, our strategy has been to combine the resources of cooperating nations and, through the provision of technical guidance, establish a solid means of transferring associated technical skills. Furthermore, we have sought to meet demand for agricultural financing instruments by implementing a two-tier system of technical and

financial assistance, and continued to provide assistance to boost yields of grains and to develop industrial priorities in agriculture-related sectors.

Looking back at past experiences of cooperation, we acknowledge that Taiwan Technical Missions often took the lead in projects that were ostensibly joint ventures. This was common practice for a long time, either due to some factor in a host country or because we were seeking to make a quick impact. In such cases, our own technicians replaced their local counterparts in handling administrative tasks, so that these counterparts failed to learn about project management and build capacity, overlooking the original intentions built into the design of projects. As a result, projects were inevitably rendered ineffective and it became impossible to phase them over.

Consequently, we have been actively promoting reforms in our approach to bilateral technical cooperation. Our aim is to implement technical cooperation projects that fulfill the five principles of the Paris Declaration on Aid Effectiveness, such as ownership and managing for results, and emphasize implementation practices that conform to a project cycle and are designed with such a standard in mind. At present we are implementing several projects



that serve as models of implementing ownership, drawing on Taiwan's comparative advantages in agricultural technology. These include the Torbeck Rice Production and Marketing Project in Haiti, the Upland Rice Extension Project in The Gambia, and the Rice Production Improvement Project in Nicaragua.

In addition to providing technical guidance and establishing a basic means of transferring technology, we are also providing much-needed production capital to farmers through Small Farmholders' Financing Schemes, which have already been under operation for several years. To meet our underlying intention of providing two-tier technical and financial support, as well as to strengthen economies of scale and project depth, these microfinancing operations are gradually being tied into the operations of other agricultural assistance projects. By providing microfinancing services at a grassroots level, our aim is to assist small-scale farmers to realize their ultimate goal of becoming self-reliant and self-sufficient.

Furthermore, we carry out a variety of human resources development programs to provide partners with the capacity to push forward with sustainable agricultural

development. In 2011, we hosted several training courses for government officials and professionals from partner countries, covering subjects such as food processing, agricultural marketing and development, agribusiness development and horticulture. In cooperation with Taiwanese higher education institutions, we also provide scholarships in a wide range of related bachelor's, master's and Ph.D. programs, which encourage outstanding individuals from developing nations to study in Taiwan.

In addition, we organized training programs that really focused on the needs of cooperating countries by offering customized, localized regional workshops in overseas locations for the first time. For example, our Workshop on Tilapia Culture, held in Honduras, attracted 16 participants from eight countries from around Latin America and the Caribbean.

Overall, the past year's endeavors in agricultural development saw us closely connect the links between technology, capital and human resources, and amplify the scale of technical cooperation. Sparing no effort in our constant pursuit of progress, our aim remains to maximize the effect and influence of our foreign aid programs.

Case Study

Torbeck Rice Production and Marketing Project in Haiti



The Torbeck Rice Production and Marketing Project in Haiti, which draws on Taiwan's extensive experience in employing agricultural technology, highlights the importance of ownership in our approach to project implementation.

Haiti's long-term food self-sufficiency rate is poor and the nation is highly dependent on imported foods. Following surges in global food prices in April 2008, civil unrest broke out in Les Cayes and Torbeck. Having already cooperated with the Taiwanese government on agricultural and related projects for some time, the Haitian government responded to this incident by turning to Taiwan for help, looking to upgrade its technology and capacity for rice production in and around Torbeck, and develop marketing systems that drew on Taiwan's advanced agricultural technologies.

The project was initiated in 2008 and designed in accordance with the project cycle. With the project covering extensive professional scope and a lot of physical ground, putting the principle of ownership into practice meant getting personnel from both sides heavily involved in the initiative from its initial planning stages. A cooperative framework with a bilateral implementation task force was set up to ensure that local personnel were familiar with the details of project implementation, and to ensure

that the project's localized design would allow the venture to be successfully transferred upon completion. Implementation of the project commenced in May 2009.

Thanks to assistance from the Taiwan Technical Mission in Haiti, local Haitians who formed part of the Torbeck team were not only able to set the direction of the project, but were also able to integrate marketing and supply chains for rice produced throughout the area. Harvests brought in from farmland cultivated through the project doubled, raising farmers' incomes. A local industry had begun to take shape, with the government and people of Haiti benefitting substantially from the effects and impact of this rice production program.

Implementation of the project has emphasized the principle of managing for results. Funding that remains at the time of the project's scheduled completion date in May 2012 will be invested in a revolving account, and, following the practices of the Haitian government and those in the international community, used to extend the project until December 2012. This will allow for an extended rice production cycle, expand the scale of marketing activities and increase the scale of irrigation and drainage work over a wider production area.

Case Study

Bamboo Industries Development Project in Latin America and the Caribbean



Latin America has the richest bamboo resources in the world. In Taiwan, we have a history of bamboo-related production and development going back for over 60 years. For this reason, as part of our medium- to long-term strategy for 2012-17, and to utilize Taiwan's comparative advantages to facilitate partners' economic development, we planned for a Bamboo Industries Development Project in Latin America and the Caribbean, which will allow existing bamboo crafts development programs being implemented by Taiwan Technical Missions in the region to play a greater role in aid effectiveness. Introducing contemporary trends in the uses of bamboo, the project will enhance the added-value of bamboo products and expand the scale of economic production, consolidating the transition of traditional bamboo craft industries into a modern bamboo industry.

To put the principles of project orientation and ownership into practice, in September 2011 we arranged for a team of experts to conduct field surveys in Guatemala, the Dominican Republic and Haiti. Looking ahead, the project will assist partners to use locally sourced bamboo resources to develop products and business models suited to local markets:

- In Guatemala, the project will draw on a nationwide survey and analysis of the current bamboo industry to improve the management and utilization of bamboo

materials, and to upgrade the efficiency of bamboo processing and financial management within the industry. This will help the Guatemalan government develop its capacity to plan for further development of the bamboo industry, and thereby improve its competitiveness.

- In the Dominican Republic and Haiti, the initial stages of each local project will focus on expanding the development of local bamboo resources by extending projects already being implemented by local Taiwan Technical Missions. Performing surveys to plot the distribution of bamboo across Hispaniola, our missions will help local farmers to accumulate sufficient bamboo resources, facilitate the establishment of bamboo utilization mechanisms and promote bamboo afforestation, all in readiness for future growth in the local industry.

Although the current activities of bamboo industries in the region remain dominated by the material's more traditional uses, there is great scope and potential for development. If these nations can exploit their proximity to the U.S. and Europe, as well as their own abundance of raw materials and labor, then the development of bamboo industries could propel development in other regions, adding to the internal forces that drive international cooperation and maximizing the effects of Taiwan's endeavors in international cooperation and development.

Case Study

Small Farmholders' Financing Schemes in El Salvador— Restructuring Project



To help small-scale aquaculturists and farmers in El Salvador gain access to production capital, the TaiwanICDF initiated two Small Farmholders' Financing Schemes there in 2008 and 2009, the first focusing on tilapia cage culture and the second on tropical fruits and vegetables.

The initial framework of the schemes was configured so that associated lending operations were administered by the local Taiwan Technical Mission. But since loan management, including lending and the collection and management of repayments, fell upon the shoulders of the mission's agriculture and aquaculture specialists, soon after implementation it was found that the trying workload made it difficult for them to focus on their technical work.

Given that the expertise required in the financial services industry can be very different from that involved in agriculture or aquaculture, in 2011 we began to migrate all of our Small Farmholders' Financing Schemes across to a new program, the Agricultural Microfinancing Initiative. This program

emphasizes professional specializations, separating technical and financial operations to ensure that project implementation remains as effective as possible.

Under the principles of the newer program, a restructure was called for, and we began to take further steps to find feasible means of transferring loan management operations into the hands of professional financial institutions.

To ensure that the schemes' lending operations can be successfully transferred and normalized to match prevailing market mechanisms, we also dispatched a mission to reappraise the feasibility of implementing agricultural microfinance in terms of financial and market perspectives. The team visited local banks and NGOs in search of potential partners to take on such operations.

Most importantly, the mission's task was to explain to financial institutions our ideal of combining agricultural training and microfinance to support the development of small-scale farmers, to tie together a common desire on both sides to open agriculture to the financial services sector.

Case Study

Agricultural Microfinance Project in Nauru



To encourage the development of Nauruan enterprises and to help local citizens build the concepts of financial management and loan repayments, after consultation with the Nauruan government, we provided a US\$150,000 microfinance fund to Nauru. This lending project has been combined with extension efforts pursued by the Taiwan Technical Mission in Nauru and integrated into the Nauru Entrepreneurship Development (NED) project, a collaborative venture formed by AusAID, the United Nations Development Programme (UNDP) and the government of Nauru. The Nauru Entrepreneurship Development Center (NEDC) established under the NED project not only organizes agriculture-related technical and business training for micro-sized agribusinesses, but also undertakes tasks in managing microloans provided to farmers.

The project combines the operations of the NEDC with specialized cooperation from the local Taiwan Technical Mission, with both parties providing an all-round suite of consultation services covering business management and agricultural skills. The whole process, from loans administration and credit checks through to pre-disbursement training and post-disbursement tracking, is designed to assist farmers who are interested in making the leap from farming to agribusiness development. This comprehensive program not only offers opportunities for such farmers

to upgrade their agricultural production and management techniques, but also assists owners of existing agribusinesses to make progress, too.

To ensure that the project is suitably adapted to local needs, loan management has been entrusted to a business development specialist, who was recruited by the UNDP to manage the NED project due to her international experience in micro-sized business development and finance consultation. However, to ensure that knowledge of microfinance management is passed on and takes root within the country, a side-fund of US\$50,000 has been established to support capacity building, through which local workers are appointed as loan officers and learn the operations of microfinance systems through workplace training.

In addition to all of these features, this venture is also serving as a pilot project, since no similar lending projects have previously been implemented in Nauru. Whether or not the concept of making repayments catches on among Nauruans will be something worth looking out for.

Initially, the project will be rolled out on a small scale, with operations gradually identifying lending mechanisms suited to Nauru over the course of implementation. The framework and scope of the project will also be subject to regular review and adjustment.



In this era of knowledge economies, there is an increasing demand for ICT among developing nations, to help facilitate social development, civic engagement and good governance, and raise the added value of industry.

To meet the needs of our partner countries, since 2006 we have planned and implemented a MOFA-commissioned ICT Technical Cooperation Project in the Caribbean, which has sought to assist government authorities in St. Kitts and Nevis, St. Lucia and Belize to develop and build e-government systems, government portals and digitized administrative systems.

Among other things, the most important tasks have been to establish National ICT Centers in each of these nations, strengthen ICT-related infrastructure, improve the ICT capabilities of regional governments, promote the modernization of public administration and establish leadership structures that support good governance and management. These measures have been designed to raise the efficiency of government operations, reduce costs and improve the quality of public services, while also raising the quality of ICT-related

human resources at all levels of education.

In general, ICT is an essential means for a nation to promote development and economic progress, which is why our own partner nations have expressed an urgent need to build capacity in governance through ICT-related aid projects by drawing upon Taiwan's comparative advantages.

To ensure that projects facilitate sustainable development and strengthen ICT-related capacity building and regional integration plans, our ICT Technical Cooperation Projects in the Caribbean promote a number of objectives:

- **Strengthening capacity building:** Human resources are a key asset to the development of ICT. The development of ICT-literate human resources is essential if ownership of a joint project is to be transferred into local hands in the future.
- **Medium- to long-term resource and input planning:** The development of ICT follows a certain schedule and procedure, involving infrastructure and human resources on a substantial scale. Since our partners are currently in the initial stages of developing their ICT industries, overcoming constraints



and meeting prerequisites to development will necessitate the continuous planning of medium- to long-term resources and inputs.

- **Regional integration:** We are assisting partner nations to establish a regionwide approach to managing ICT and developing links and contacts with international organizations, taking resource acquisition and a more integrated approach into account. We are also developing professional training systems which, through various technology- and management-related seminars, conferences, research and development activities and training courses, are establishing Taiwan's soft power through assistance to developing nations.

Our overall aim is to encourage and assist Caribbean nations to nurture and develop human resources in ICT and related professions. The project has seen us establish partnerships with the Caribbean Community, the Inter-American Development Bank (IDB), the Caribbean Development Bank, the Eastern Caribbean Telecommunications Authority and the Organisation of Eastern Caribbean States. By providing Taiwan's industrial and technical

development experience in the development of ICT and related applications, as well as technical consultation services and related resources, we are jointly helping Caribbean nations to upgrade their ICT applications and foster industrial development.

The ICT sector is subject to rapid change, so future projects will need to be designed within a suitable framework. Information that becomes available during project implementation needs to be made available as transparently and quickly as possible, with timely adjustments and monitoring taking place to prevent operations from making any unnecessary deviations. In the future, we will base project frameworks on those of similar, successful projects implemented in the past, which will ensure the sustainable development of ICT between nations. We will also use ICT to integrate regional security and disaster controls, and upgrade human resources and medical services, expanding the replication of successful experiences previously achieved at a national level. This will have the effect of promoting ICT and replicating development among other nations in the region.

Information and Communications Technology

Case Study ICT Technical Cooperation Project in St. Vincent and the Grenadines



In a bid to bridge the world's digital divide, our government draws on Taiwan's advantages and experiences in developing its own ICT sector to actively assist partner nations through ICT projects and the creation of digital opportunities. In 2007, MOFA commissioned the TaiwanICDF to implement an e-government technical cooperation project in St. Vincent and the Grenadines, which included software- and hardware-related technical assistance and capacity-building measures for government employees. The aim of the project was to assist the government to streamline administrative tasks and raise nationwide competitiveness in ICT.

The project has been structured to achieve three major development objectives: develop a National ICT Center, to act as a strategic hub for authorities' e-government operations; upgrade the government's administrative efficiency and raise national competitiveness; and export Taiwan's sectoral advantages in ICT to create business opportunities in and for the private sector. A summary of project content is given below.

- Personnel from cooperating units have been stationed at the National ICT Center and are jointly planning guidelines for its operation

and maintenance. They are also planning and developing e-government systems, providing training for machine room staff, appraising linkages between ICT systems and setting up an operating fund.

- The team will implement the system in a series of phases, importing databases and consulting on online operations. They will also carry out trouble-shooting through regular front-end testing, and plan for and deploy the hardware needed to establish a communications platform.
- Ownership of system maintenance, technologies essential to program development and source code will then be transferred to local counterparts, followed by responsibilities for the routine maintenance of hardware, with Taiwanese personnel also providing ICT consultation services.

Through this project, we hope to make the most of ICT and assist the government of St. Vincent and the Grenadines to strengthen national competitiveness and improve administrative efficiency. More importantly, we will assist Vincentian authorities to develop technology application strategies that differ from those in developed nations, reflecting upon and developing efficient, autonomous solutions.

Vocational Training



Vocational training is a key source of technical manpower: A well-designed vocational training system can increase a nation's productivity. Upgrading the quality of human resources can also drive increased investment in facilities and promote economic restructuring and industrial upgrading, promoting the wider goals of developing trade and attracting foreign investment.

Technical education had a major influence on Taiwan's transformation from an agrarian society into an industrialized economy, and our extensive experience has given us an edge as a provider of vocational training and similar technical programs.

Strengthening technical and vocational education and training (TVET) systems is something emphasized in Taiwan's White Paper on Foreign Aid Policy. The purpose of vocational training is to develop the earning capacity of citizens in partner countries, and the TaiwanICDF assists such countries to build capacity in this area. This means assisting partner nations to establish job market intelligence systems, strengthen careers guidance agencies, establish skills certification systems, provide vocational training-oriented microcredit and upgrade management skills at vocational training centers.

As well as assisting partners to upgrade their human resources through long-term, formal education, we also implement short-term courses designed to accelerate rates of economic development and generate job opportunities. At the same time, in recent years we have reformed and continue to improve the effectiveness of vocational training programs.

Professional Workshops by Region

As early as 2001, the TaiwanICDF was organizing events such as the Central American Regional Conference in Costa Rica. In 2010, we adopted a fully regional approach to our work, restructuring training courses held in Taiwan into regional professional workshops. When a workshop for African participants received enthusiastic feedback, we went on to organize further workshops for nationals from Asia-Pacific, Central Asia, Latin America and the Caribbean throughout 2011. To raise mutual understanding and exchange among countries in each of these regions and to build intra-regional cooperation projects, training included site visits to Taiwanese agencies and vendors, aiming to promote future opportunities in international cooperation.



Workshop curricula were planned and designed to target nations that had already reached a certain level of development. In 2011, the program was expressly designed to integrate industrial and societal needs, and to highlight individual development strategies and integrated frameworks, as well as cooperation mechanisms for education and training between the industrial, academic and training sectors, so as to assist in the integrated development of TVET systems. The program was also conducted in several different languages catering to different regions. Designing content that meets national and regional development needs and delivering such content in participants' native languages has done much to improve the learning process.

According to research by the IDB and UNESCO's International Centre for Technical and Vocational Education and Training, the need to develop vocational skills among young adults remains a common focus of concern among those working in TVET systems throughout Latin America. Therefore, we began to plan a number of special programs for Latin America and the Caribbean focusing on the theme of youth training, so as to share Taiwan's experience of helping young adults to plan their careers, foster the kind of knowledge they need

in the workplace and help them to pursue job opportunities to which they are well suited. This will improve development effectiveness and make better use of human resources.

Upgrading Vocational Training Programs

Furthermore, to maximize the effectiveness of foreign aid, we are actively developing programs that meet the international community's principle of ownership, emphasizing forms of project design that are oriented to the needs of partner nations and formulating bilateral development strategies by mutual consent. This approach builds capacity and allows projects to be transferred on schedule.

The Marshall Islands, for example, lie relatively close to the U.S. territory of Guam, where job opportunities are opening up due to the forthcoming Guam Build-up Project. To prepare for these opportunities, Marshallese authorities have sought Taiwanese assistance to establish skills training programs.

At the invitation of the Taiwanese embassy in the Marshall Islands, in December 2009 we dispatched experts to conduct appraisal activities and plan short-term training courses



in automobile maintenance, and plumbing and electrical servicing and installation. The project entered its implementation phase in April 2010.

The success of project implementation has brought with it high expectations from the Marshallese private sector. With the training cooperation agreement between Taiwan and the Marshall Islands coming to term, system operations will be transferred to local administrators after the third round of courses ends on January 10, 2012.

Another example is our African partner, The Gambia, where we have helped to set up a Technical and Vocational Education and Training Project, providing the government there with loans, where required. To help authorities to identify key means of managing projects sustainably, in May 2011 high-ranking Gambian administrators were invited to visit Taiwan, where they toured a vocational training center to observe, first hand, Taiwanese practices and our experience in vocational training.

During the same visit, we also arranged discussions with Taiwanese vocational training experts, through which we re-reviewed the project's original framework and design, making improvements to project

content. Subsequently, we responded to the further needs of the Gambian government by dispatching a team of experts to Africa, to conduct onsite surveys and assist counterparts to restructure overall development plans for a vocational training center.

The significance of vocational training lies in its development of the basic labor force that nations need to support socio-economic development, as well as the significant role that such training plays in successful economic development.

To achieve this, we continue to implement training programs that meet regional and national development needs. We also offer loans to assist nations to develop management capabilities and manage infrastructure, aiming to upgrade the quality of our partners' vocational training systems and achieve the goal of promoting economic and social development.

Case Study Vocational Training Project in the Marshall Islands



Taiwan's foreign aid is designed to facilitate allies' national development and reduce youth unemployment.

The Vocational Training Project was proposed by the Marshallese government in the hope of improving citizens' skills, which would exploit job opportunities arising from the Guam Build-Up Project and satisfy the human resources needs of the domestic employment market, thereby realizing the government's objective to develop a basic labor force.

In view of this, the courses we designed for the Marshall Islands were adapted from Taiwan's own Class C Technician Certificate, offering training in two subjects: automobile maintenance, and plumbing and electrical servicing and installation.

Designed to emphasize the uptake of practical skills, the courses were taught by professional lecturers with nearly 30 years of experience, accompanied by Marshallese teaching assistants. The proportion of practical and theoretical content was approximately 70 percent and 30 percent, respectively.

The project commenced on July 19, 2010 and will run for three terms to January 12, 2012, for a total expenditure of US\$773,000. Each six-month term provides 900 hours of training, with 120 participants expected to graduate per term.

To date, some 150 participants have completed their training and received certification. Many of the most outstanding trainees have since been recruited by companies in nearby Hawaii and Guam, as well as by local businesses.

Overall, the project has generated substantive results in terms of developing a basic labor force in the Marshall Islands. After the project is completed, Taiwan's experience of operating successful vocational training systems will be transferred to local authorities, thereby further supporting the nation's sustainable development.

Case Study Technical and Vocational Education and Training Project in The Gambia



Providing financial resources and technical assistance to support the planning and construction of a new training center, the Technical and Vocational Education and Training Project was designed to support the process of industrial development under way in The Gambia, and fulfill potential demand in its workforce. The project is addressing constraints in training policies and systems, with the overall aim of raising the quality of public vocational training systems.

The project is being implemented over three years from December 24, 2008 and has a loan term of 23 years. Some US\$3.6 million in loans and US\$350,000 in technical assistance have been provided alongside US\$600,000 from the Gambian government and US\$400,000 in technical assistance from the Taiwanese embassy in The Gambia. Key aspects of the project are described below.

• Training center establishment: We are overseeing the construction of general-purpose classrooms, laboratories and an administrative center, as well as related training facilities.

- Curriculum development and teaching materials: We are helping to plan and design graded course syllabi, and selecting suitable teaching materials, in accordance with the required teaching hours of general and professional TVET subjects.
- Staff training: We are providing training to Gambian personnel in professional subjects, equipment operation and laboratory management, to strengthen operations and service quality at the training center.
- Deployment of professional consultants: We are providing assistance to establish factory management standards and safety policies, as well as professional courses for staff training.
- Promotion of TVET concepts: The Gambian National Training Authority has initiated a nationwide promotion of TVET and associated concepts, aiming to persuade students' parents of the value of TVET and encourage citizens to participate in the training courses on offer at the national training center.