Clear directions for reforming foreign assistance

Since the return of President Chen Shui-bian from his 13-day trip of “democracy, diplomacy and friendship” to Central American and West African countries, many people in Taiwan have been engaging in intensive debates on the issue of foreign assistance.

The new government, which assumed power on May 20th, has announced that draft legislation to regulate the Republic of China’s international cooperation and development program is being prepared for submission to the Legislative Yuan at the beginning of next year. We have great expectations of the new legislation. It is our hope that it will clarify the objectives and strategies, and allow for better implementation of the policies by capable institutions staffed with qualified professionals. Among the issues with which we expect the new legislation to deal are the following.

• The legislation should prescribe that all confidential assistance programs must be approved in advance by the Legislative Yuan. Non-confidential programs must be “projectized,” in other words, their implementation must take place under close supervision and they must meet the strictest criteria of appraisal. Disbursements must be made in accordance with the actual implementation schedule of the project and not by issuing a check for the total cost.

• There must be a foreign assistance policy decision body located outside the Ministry of Foreign Affairs (MOFA), in order to avoid problems, such as have occurred in the past, created when just a few officials make ad hoc decisions on the allocation of assistance resources and on confidential assistance programs.

These “clear directions for reforming foreign assistance” are offered by Mr. Ping-cheung Loh, who has led the International Development and Cooperation Fund, as Secretary General, since 1996.
• The role of the foreign ministry should be to conduct overall planning of foreign assistance programs and to participate in foreign assistance policy decisions. The actual implementation of assistance projects, other than confidential projects, which should continue to be administered by the MOFA, should be the responsibility of professional institutions. It should be noted that in most OECD countries, the implementation of assistance projects is not done by the ministry of foreign affairs.

• In planning the overall assistance programs, the MOFA should work out a multi-year cooperative schedule with each recipient country. An overall forward-looking three-year foreign assistance rolling core program should be submitted to the Legislative Yuan as part of the budget request.

• When a foreign assistance project is carried out through a commercial bank, and incorporates interest subsidies and a guarantee of repayment by the recipient government, the amount of the subsidy and the contingent liability of guarantee should be included in the total amount of the foreign assistance budget.

• Any debt moratorium must be reported to the Legislative Yuan for information, and any debt reduction or cancellation must be approved by it.

• Those who serve as overseas volunteers or work in foreign assistance projects approved by the ROC government could be exempted from military service for the years served.

• Non-governmental and private sector organizations should be encouraged to participate actively in foreign assistance activities. To facilitate their participation, outlines of non-confidential assistance programs should be published on the Web.

• There should be clauses in the new legislation to exclude from assistance any government or organization that expropriates the property of citizens of the Republic of China without offering speedy and reasonable compensation, discriminates against ROC citizens, sponsors terrorist activities, traffics in narcotics, or engages in similar activities.

The people of Taiwan basically support foreign development assistance. Objections stem mainly from dissatisfaction with the way assistance programs are managed, and when it appears that cash is being given away for the sake of short-term expediency. The citizens want to see their tax money benefit the people of foreign countries directly, not a select few.

Our hope is that the new legislation will define the goals clearly and institutionalize a professionally managed and fully accountable foreign assistance program.