1 The Evolution of International Cooperation

Advancing International Development Assistance

Although the total amount of worldwide funding for Official Development Assistance (ODA) has increased annually, ODA-related efforts have not been as effective as they could have been due to a lack of coordination, insufficient awareness of partner nations' actual needs and interference from various political sources.

To remedy this, the international development community began a series of reforms targeting assistance strategies and methods. These reforms called upon the international community to allocate resources effectively and intelligently and to strengthen project management methodologies to ensure the effectiveness of assistance projects.

Managing for Results and Focusing on Partner Nations

In September 2000, the United Nations took the lead by announcing the Millennium Declaration, setting forth eight Millennium Development Goals (MDGs). The MDGs, set to end in 2015, serve as the guiding principles for major assistance organizations in terms of effective resource allocation.

Targeting the effectiveness of assistance projects, the Organisation for Economic Co-operation and Development (OECD) also organized four High Level Forums on Aid Effectiveness (HLF), starting in 2003. In 2005, one of these HLFs produced the Paris Declaration on Aid Effectiveness, which established five major operational guidelines and 12 associated indicators. The declaration stressed that for assistance projects to successfully achieve the principle of managing for results, they need proper coordination and resource allocation, as well as a focus on partner nations. In 2008, the Accra Agenda for Action followed up on the Paris Declaration on Aid Effectiveness with four major points of emphasis: "predictability in development activities," "working through national institutions and systems of partner nations," "coordinating with the development goals of partner nations" and "minimizing conditional assistance."

Emerging Forms of Assistance Emphasize Results

In recent years, the world has faced numerous natural disasters, skyrocketing oil and raw material prices, and financial crises in Europe and the United States that led to a global economic recession. In response, the world's major powers have implemented austerity measures, which have resulted in budget cuts for international assistance funding. With the priorities of global powers reshuffled, international assistance has also taken new forms. "Partnerships" responsible for international investment aid have become increasingly diversified, creating new donor groups such as those involved in "South-South cooperation." Civil organizations and private sector groups have also joined in on assistance efforts, increasing the channels and forms of assistance available.

In an attempt to coordinate the different types of assistance projects and donors from all parts of the world, the OECD held its Fourth High Level Forum on Aid Effectiveness (HLF-4) in Busan, Korea, in November 2011. The conference continued to stress the spirit of the Paris Declaration on Aid Effectiveness and reasserted the principles of aid effectiveness, but also went further by emphasizing that, while still falling within the framework of the Paris Declaration, future development work must strive for aid effectiveness with a focus on building the capacity of partner nations to sustain themselves independently.

Reforming Taiwan's International Assistance and the TaiwanICDF

Establishing a Legal, Transparent, Professional Foreign Aid System in Taiwan

In response to this reforming trend for more effectiveness in international aid, in 2009 the Taiwanese government published its White Paper on Foreign Aid Policy, which outlined three principles: proper goals, legal processes and effective administration. The government further proposed that the concept of "partnerships for progress and sustainable development" should be at the core of Taiwan's foreign aid programs, and set out to establish an effective model for development aid based on the principle of managing for results that would promote efficient project implementation and exemplify the five operational guidelines of the Paris Declaration on Aid Effectiveness.

The International Cooperation and Development Act was then promulgated in June 2010. This legislation describes the objectives, principles, scope, methods and partners for Taiwan's international cooperation and development efforts, providing the legal basis under which Taiwan provides international assistance, as well as an open, transparent framework of associated procedures.

The Ministry of Foreign Affairs set forth six subsidiary regulations[1] in December 2011 to further regulate the necessary procedures involved in the practice of international cooperation and development.

To ensure that the TaiwanICDF is organized and managed under principles of openness, transparency and accountability, the TaiwanICDF follows the Operating Guidelines for Administrative Supervision of Government-donated Foundations and the Operating Principles for Performance Evaluation of Government-donated Foundations set forth by the Executive Yuan. These regulations form the basis for the TaiwanICDF's administrative supervision mechanisms, objectives, annual goals and annual performance evaluation indicators.

In addition, the sixth regulation under the International Cooperation and Development Act – Regulations Governing the Planning, Appraisal, Implementation, Supervision and Performance Evaluation of International Cooperation and Development Affairs – specifies that assistance projects must be implemented and managed in accordance with the project cycle. In this way, the TaiwanICDF strives to be fully accountable to the relevant authorities, stakeholders and the public for its adminis-

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[1] The six regulations are: Regulations Governing the Dispatch of Personnel for International Cooperation and Development Affairs; Regulations Governing Technical Assistance and Capacity Building for International Cooperation and Development Affairs; Regulations Governing Loans, Investments and Guarantees for International Cooperation and Development Affairs; Regulations Governing Financial Donations and Gifts in Kind for International Cooperation and Development Affairs; Regulations Governing Development Strategy Consultations for International Cooperation and Development Affairs; and Regulations Governing the Planning, Appraisal, Implementation, Supervision and Performance Evaluation of International Cooperation and Development Affairs.

trative direction, management methods, operational performance and the effectiveness of its aid programs for partner nations.

Breaking Through International Difficulties Through Organizational Reform and Innovative Management at the TaiwanICDF

International development aid programs are often subject to the internal politics, accounting systems or power struggles of the partner nations in which they are implemented. This impairs the ability of donor organizations to set clear directions for their aid programs, so that projects often lack medium- to long-term planning, transparency and predictability. In addition, ineffective resource coordination among donors and a lack of mechanisms for checking mutual accountability between donors and partner nations often impede the implementation of the Paris Declaration on Aid Effectiveness' five guidelines and 12 indicators.

To break through these international difficulties, the TaiwanICDF implemented a series of reforms, starting from 2010, which cover strategic implementation, organizational adjustment and the restructuring of our technical cooperation model. We also began to promote the concept of ownership, working with national governing institutions and systems in partner countries to strengthen the effectiveness of aid programs. Our reforms have stressed the principle of managing for results and focused on procedures that could effectively put projects into practice, as well as effectively consolidate resources. These reforms were aimed at breaking through resource constraints and helping the TaiwanICDF create a competitive niche in the field of international aid.

This year, we set our goal for reform on the completion of our Vision for 2022, which established the medium- to long-term direction of the organization. We also introduced the concept of "results management" into our operations, stressing organizational accountability, information transparency and a responsibility toward stakeholders. At an organizational level, we set out to establish a "results framework," which consists of five major operational priorities, including the planning and integration of various information tools and knowledge management platforms, and the construction of a joint performance measurement system. At a project management level, we implemented a project cycle-based management model (see p.10), leading to the adoption of this system in various projects. We also sought to develop easy-to-use tools and management systems such as a design and monitoring framework (DMF) and a performance management system (PMS) (see p.12), which we hope will help us to focus on achievable, measurable results.

In 2011, we also conducted an extensive evaluation and inventory of existing projects, closing some poorly structured projects and setting up a series of new projects based on the project cycle and project management system described above. Instead of sending technical personnel to implement projects directly, we now implement projects jointly with partner countries. TaiwanICDF personnel provide assistance for project management and control the progress and quality of the projects within the limits of the existing legal systems of partner nations, helping partner countries to move toward sustainable industrial development.

Overall, we will continue to follow our core strategies, consolidating resources to focus on our five operational priorities and, using managing for results as a guiding principle, employ information and communications technology and knowledge management platforms in our projects, adhere closely to daily work plans and make immediate amendments and adjustments to work plans through performance evaluations, thereby creating a positive cycle of operations.

In terms of supporting human resources, we have actively and continuously trained our personnel through our Reserve Overseas Project Management Training Program. In the past year, an employee inventory has also been conducted to establish a skills model, facilitate effective performance evaluation, evaluate personnel adaptability, assess the effectiveness of differentiated incentives and facilitate the amendment of supporting regulations.

Working with the limited resources and funding that we have, we will continuously establish partnerships to facilitate the in-depth development of bilateral and multilateral assistance models. We will also form alliances with NGOs and private sector entities to rapidly duplicate and build upon successful experiences, drawing upon Taiwan's own development experiences and know-how when promoting foreign aid, reaching out to a greater number of project beneficiaries and pursuing inclusive growth that champions social equity and distributive justice.

2012 TaiwanICDF Key Reform 1:

Project Cycle

We have developed the project cycle by taking into consideration the operations of international aid organizations, as well as our own actual implementation methodologies. The project cycle runs in this order: Identification, Preparation, Appraisal, Approval, Implementation, Completion and Post-evaluation (see Figure 1). Through systematic thinking and goal-oriented procedures, this model ensures robust and comprehensive projects that maximize results more effectively while requiring less investment.

The various stages of the project cycle are described below.

1. **Identification**
   • Verification and appraisal of documentation
   • Identification mission

• Invitation to relevant units and external experts to discuss project concepts, followed by a project concept appraisal meeting

Appraisals must be strict. The purpose of appraising documentation is to perform preliminary checks on projects. Opinions are presented as a list of criticisms to facilitate effective screening. Tasks are defined based on the actual needs of projects. This procedure not only enhances the effectiveness of follow-up missions but also prevents the depletion of human resources and funds due to excessive traveling as part of preliminary evaluation work.

2. **Preparation**
   • Project design
   • Fact-finding mission

Figure 1 TaiwanICDF Project Cycle

3. **Appraisal**
   • Appraisal mission
   During the preparation and appraisal stages, it is essential to discuss and consult on the details of projects with cooperating units in partner countries. Appraisal missions should cover discussions on the details of operations, the schedule, and the contents of legal documents. The subsequent appraisal report should include documents signed by both parties (e.g., memoranda, meeting minutes, etc.).

4. **Approval**
   • Project submitted for approval at board meetings
   • Negotiations with cooperating organizations
   • Loan/TA negotiation mission
   • Signing of relevant legal documents
   The project approval stage should include the negotiation of contracts. If there are any legal documents that require negotiation and adjustments after board approval, correspondence and confirmation can be conducted through various means of communication.

5. **Implementation**
   • Procurement
   • Progress tracking
   • Supervision mission
   The goals of supervision missions are as follows:
   (1) Ensure that projects are implemented smoothly and in line with the project description, criteria and schedule. Also, identify any potential problems and difficulties at each stage of implementation, thereby allowing project teams to configure solutions in advance and ensure successful implementation.
   (2) Develop solutions for problems that occur during operations. If a major problem arises that affects the progress of a project and the project team confirms that no solution can be implemented and that the project will not meet its stated goals, the project team should make a recommendation to suspend and cease operations.
   (3) Gather host countries' opinions on the on-site supervision done by Taiwan Technical Missions, and record experiences gained during projects, which can provide valuable information for future project design and operations.

6. **Completion**
   • Project closure
   • Completion mission
   The project executing unit should perform all duties needed to handle the completion of the project.

7. **Post-evaluation**
   • Post-evaluation mission
   The post-evaluation mission should be conducted by a TaiwanICDF department that is independent from the project executing unit.

2012 TaiwanICDF Key Reform 2:

Design and Monitoring Framework

In recent years, the international community has placed a strong emphasis on aid effectiveness and accountability. In response, the TaiwanICDF has moved forward in exploring project management practices implemented by various international aid organizations. This year, we introduced a DMF into our project management system, aiming to enhance the overall effectiveness of project implementation.

The DMF we have developed is implemented in parallel with the various stages of the project cycle. As part of this system, once a project concept paper has been produced during project identification, problem analysis and stakeholder analysis is conducted. A range of suitable objectives are then identified. The next step is to select the most suitable design from the proposal to develop the framework of the project (see Table 1).

After project identification is completed, the DMF itself needs to be created (Table 1), fleshing out project concepts with written descriptions.

The DMF is necessary because it sets out the overall, logical structure of the project, also known as the "results chain" (Figure 2). The DMF emphasizes results, starting from a description of the expected achievements of a project. It therefore forces those planning a project to think about what impacts they would expect a project to bring about, what outputs would lead to these results, and what activities and resource inputs would achieve the outputs. At this point, the project's compliance with the results chain is checked.

The contents of the DMF are described below:

Figure 2 Results Chain
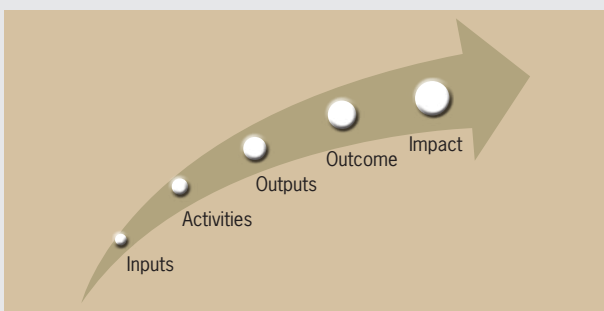
1. **Outcome**
   After defining and confirming major problems, the first step is to specifically state the goals that the project expects to achieve, the core problems to be solved and the outcome expected at the end of the project. This is the project outcome and also the most important part of the DMF.
   The "outcome" generally refers to the changes made by the project to the beneficiaries (generally changes in knowledge, attitude and behavior).

2. **Impact**
   After confirming the project outcome, the next task is to describe the specific changes that the project would bring about which would improve conditions in a partner country on a long-term basis. This is called the project impact.
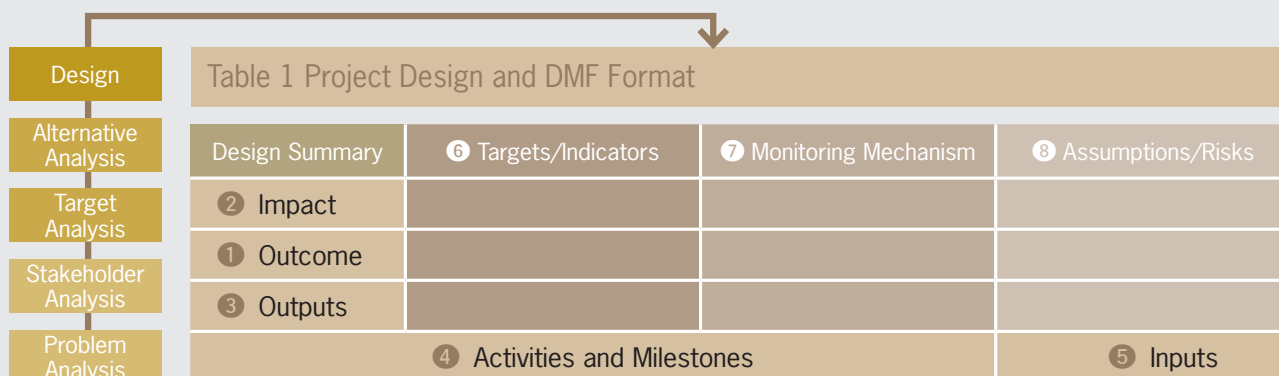   "Impact" is also known as the project's goal or long-term objective. It refers to the continuing changes that the project brings to the quality of life in partner countries and what a country will be like after the successful implementation of the project. In some instances, projects affect partner countries at the national level. The full extent of the impact of some projects might only be seen after a period of time (medium- to long-term). Other projects may be affected by external factors and require various adjustments and accommodations before they can be completed.

3. **Outputs**
   After confirming the project outcome, we list the tangible goods and intangible services that would be produced as part of achieving the project outcome. These are the project's outputs.

4. **Activities and Milestones**
   After setting the project outputs, the work that we must incorporate into a project's daily operations for the project to succeed are listed as project activities. At this point, the DMF only lists the project's principle activities, describing the main points of regular operations fairly broadly. These activities will be

Table 1 Project Design and DMF Format

		Design Summary	❻ Targets/Indicators	❼ Monitoring Mechanism	❽ Assumptions/Risks
Design		❷ Impact			
Alternative Analysis		❶ Outcome			
Target Analysis		❸ Outputs			
Stakeholder Analysis		❹ Activities and Milestones			❺ Inputs
Problem Analysis					

further broken down into various steps and listed in specific work plans later on.

5. Inputs

After listing the project activities, the aggregated major resources required to implement the project and achieve the stated outputs are listed as inputs. Inputs can include consultation services, personnel, civil engineering works, equipment, materials and operating funds, and can be provided by the TaiwanICDF, cooperating organizations, the Ministry of Foreign Affairs or its overseas representative offices, other collaborating institutions and project beneficiaries.

6. Targets and Indicators

Targets and indicators include qualitative descriptions and quantitative standards for the project's expected results.

To be effective in measuring project performance, these tools must be able to show whether the goals identified have been successfully met. Indicators outline the objects to be measured and targets confirm the relevant quantities and duration. Stakeholders implementing the project should take full responsibility for whether indicators are met.

7. Monitoring Mechanism

After specifying indicators and targets, we must consider how to effectively monitor the progress of these goals. It is therefore necessary to establish a monitoring mechanism. A monitoring mechanism specifies how the relevant information on various indicators will be obtained, who will provide such information, how it will be collected (e.g. through field surveys) and how it will be organized and compiled.

8. Assumptions and Risks

The project framework is essentially complete after the monitoring mechanism is established. However, every project can be influenced by external factors, including, for example, political, social, financial, environmental, systemic and even climatic factors. These are a project's assumptions and risks. Assumptions refer to the positive situations, events and actions that we assume may occur, at any and every level of a DMF, to help a project reach its goals. Risks represent the negative situations, events and actions that may undermine the expected results or compromise the success of the project.

9. Work Plans

After determining assumptions and risks, the overall, logical structure of the project is in place. The next step is to draft the specific work plan. This is like writing a script: A work plan must break the project down, step-by-step, into its component actions, to ensure that all of its important tasks are planned and will be implemented to schedule.

By employing a DMF as part of the project planning process, we hope to avoid the common problems that can occur at each stage of the project cycle. By engaging in comprehensive project planning and wide scale analysis, project implementation and post-evaluation can be achieved according to a consistent set of standards, thereby ensuring maximum effectiveness.