

# The Expansion of Overseas Technical Assistance

Fiji Sugar Technical Mission held a field demonstration on semi-automatic means of harvesting sugar cane.



The Agricultural Technical Mission to Honduras has created a revolving fund under the hog raising project, serving as a model for other technical missions in sustainable operations.



The Agricultural Technical Mission stationed in Papua New Guinea demonstrates rice cultivation.



Haitian farmers winnow rice hulls from the harvested paddy rice.

1980

- An Agricultural Technical Mission is stationed in the Marshall Islands.

1981

1982

- Agricultural Technical Missions are stationed in St. Christopher and Nevis, and St. Vincent and the Grenadines; thereby expanding cooperation with East Caribbean nations.
- The Honduras Agricultural Technical Mission commences a hog raising project and then establishes a revolving fund to provide a mechanism for sustainable operations.

1983

- Agricultural Technical Missions are stationed in Bahrain and the Solomon Islands.

1984

# Organizational Management



The Royal Project in Thailand has been an enormous success in helping villagers move away from growing poppies to other vegetables and cash crops.



Farmers in Saudi Arabia display vegetables they cultivated with the instruction of the Agricultural Technical Mission.



The Agricultural Technical Mission to the Solomon Islands helps increase rice yield.



The Agricultural Technical Mission members and the agricultural officials from St. Vincent and the Grenadines hold an exhibition on upland rice cultivation.

1985	1986	1987	1988	1989
	<ul style="list-style-type: none"> <li>• An Agricultural Technical Mission is stationed in Palau.</li> <li>• Transportation and Printing Missions are stationed in Saudi Arabia.</li> </ul>		<ul style="list-style-type: none"> <li>• The Agricultural Technical Mission to Thailand participates in the Royal Project, helping villagers in northern Thailand to switch to producing cash crops from poppies. The project was awarded the 1988 Ramon Magsaysay Award for its achievements.</li> </ul>	<ul style="list-style-type: none"> <li>• An Agricultural Technical Mission is stationed in Papua New Guinea.</li> <li>• The International Economic Cooperation Development Fund (IECDF) is established to be responsible for providing overseas financial assistance.</li> </ul>

# Organizational Management



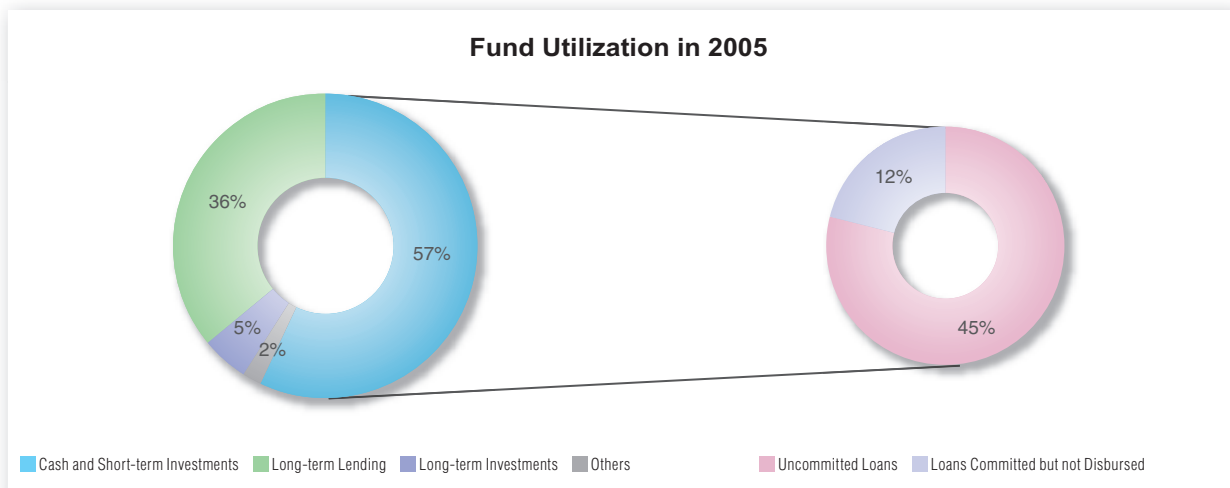
## Financial Management

TaiwanICDF's financial management is to ensure stable returns so that the organization has sufficient funds to carry out its operations and achieve sustainable development. The foremost goal is to create an investment portfolio that stresses safety (liquidity), stability and meets long-term development needs. The Fund appropriately diversifies risk and seeks reasonable returns with limited risk. The TaiwanICDF's financial management work includes allocation of its funds, management of disbursement and recovery of long-term financing projects, and short-term investment.

## Fund Utilization

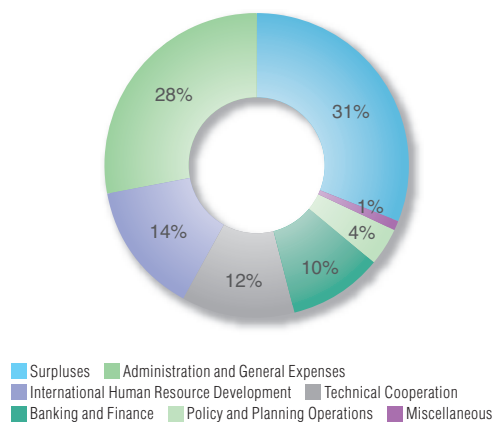
The TaiwanICDF's financial assets come predominantly from its initial fund and annual income. The initial fund is used to carry out long-term financing (lending), long-term investment and credit guarantees. Uncommitted portions are set aside in short-term investments, such as bank deposits, time deposits, commercial paper, bonds and stocks. The Fund annual income comes primarily from the interest on long-term loans, credit guarantee fee, and short-term investment income. These inflows cover departmental

Fund Utilization in 2005





### Departmental Operation Expenses in 2005



operations for banking and finance, technical cooperation, international human resource development, policy and planning (including humanitarian assistance), as well as administration and general expenses. The charts above depict fund utilization and income at the end of 2005.

### Long-term Financing Projects and Management

As of the end of 2005, the TaiwanICDF had eight long-term investment projects, with a total book value investment of US\$20.62 million. It had a total of 67 lending projects, with commitments amounting to US\$501.97 million. Accumulated disbursements stood at US\$382.76 million, equivalent to 88% of the total commitments, while the aggregate principal repayments totaled US\$184.38 million, translating to 48%. The chart below illustrates the status of the long-term loan projects.

#### Loan Terms

Item	Average
Years of Loans	17.06
Interest Rate (%)	3.56
Grace Period (Years)	4.48
Avg. Commitment (Thousand, US\$ )	7,633

Note: Excluding the Small Farmholders' Financing Scheme

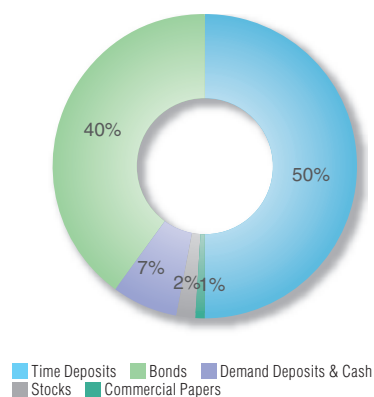
To express the quality of the TaiwanICDF's assets appropriately, bad debt allowances of NT\$261.17 million were provisioned at the end of 2005.

### Short-term Investments

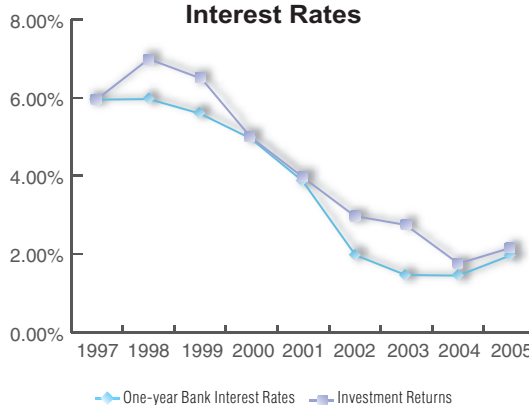
The TaiwanICDF focuses on liquidity and safety in its short-term investments, seeking the greatest returns from its capital to provide a stable income to help Fund's operations. As interest rates began to rise in 2005, short-term investments were allocated primarily in time deposits. In addition, with the interest rate differential between NT dollars (NT\$) and foreign currency deposits gradually widening, the TaiwanICDF increased the weighting of its foreign currency holdings, which will be used in international cooperation projects. The Fund will make further adjustments as appropriate to its asset allocation based on changes in interest rates.

Diversifying the assets allocation has enabled the Fund to increase the returns on its short-term investments. The rate of return is higher than the one-year time deposit rate in banks.

#### Short-term Assets Allocation



#### Historical Comparison of Short-term Investment Returns and One-year Bank Interest Rates



## Prospects

The TaiwanICDF has undertaken to amend its Capital Management Guidelines to enable more efficient use of its funds and expand the range of investments. This boosts flexibility and bolsters overall investment returns. Meanwhile, the Fund presently holds assets denominated

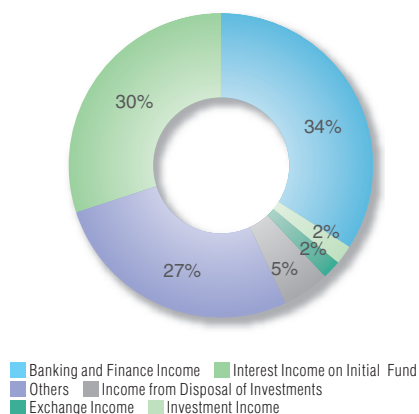
in NT dollars, US dollars and euros, helping it to diversify exchange risk and better meet funding needs for its international operations. In the future, the Fund will utilize its funds in an even more flexible manner in the pursuit of stable returns on its assets.

## Accounting Management

The TaiwanICDF's general fund interest and investment returns provide most of the Fund's annual budget. The Fund also receives income from the government, which commissions it to carry out various

projects. Of the latter category, the Fund receives commission income from the MOFA to be used in managing overseas missions. An independent account has been established to manage these funds.

**Income Associated with General Fund in 2005**

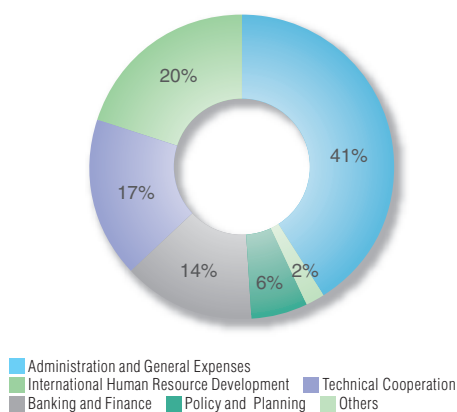


In addition to expenditures associated with operation of the overseas missions, the Fund also has departmental expenses to carry out technical cooperation, international human resource development, banking and finance, policy planning (including humanitarian assistance) operations, and administration and general expenses (including salaries, depreciation, and other costs).

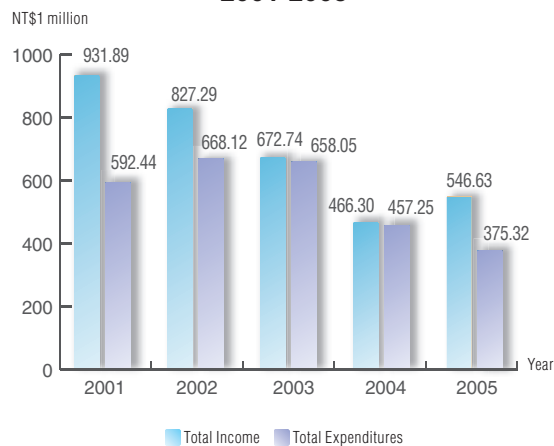
## Income and Expenditures

In 2005, income from government-commissioned projects amounted to nearly NT\$1.44 billion. Income generated from the TaiwanICDF's general fund stood at NT\$546.63 million, a rise of 17.35% from NT\$465.80

**Expenditures Associated with General Fund in 2005**



**Income and Expenditures Chart for 2001-2005**



million in 2004. Expenditures associated with the general fund amounted to NT\$375.32 million, which was a decline of 17.83% from 2004's NT\$456.75 million. The surplus (expenses subtracted from income) in 2005 stood at NT\$171.31 million, which was a rise of NT\$162.26 million from 2004's NT\$9.05 million. This was primarily the result of recovering NT\$110.42 million of non-performing loans. The income and expenditures associated with the general fund are shown in the chart on p.54.

### Fund Utilization and Net Value

Since its establishment in 1997 to the end of 2005, the fund's net value was approximately NT\$14.89 billion, composed of the original and donated fund at the time of inception of NT\$12.47 billion, and an accumulated surplus of NT\$2.41 billion. This was a 1.16% rise from the end of 2004, amounting to about NT\$171 million. The net value trend is shown in the chart below.

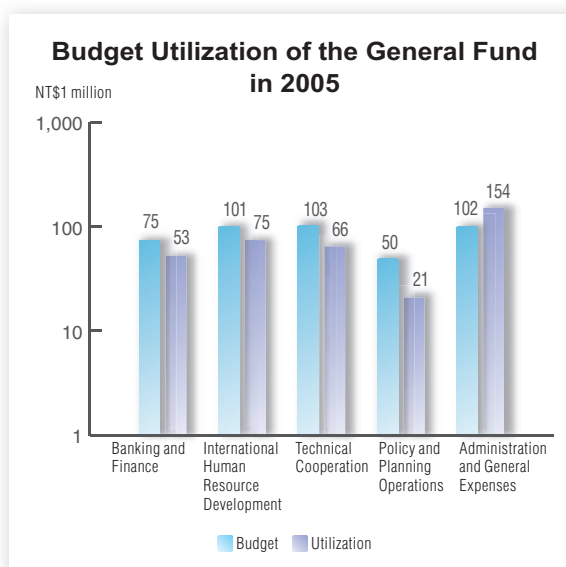
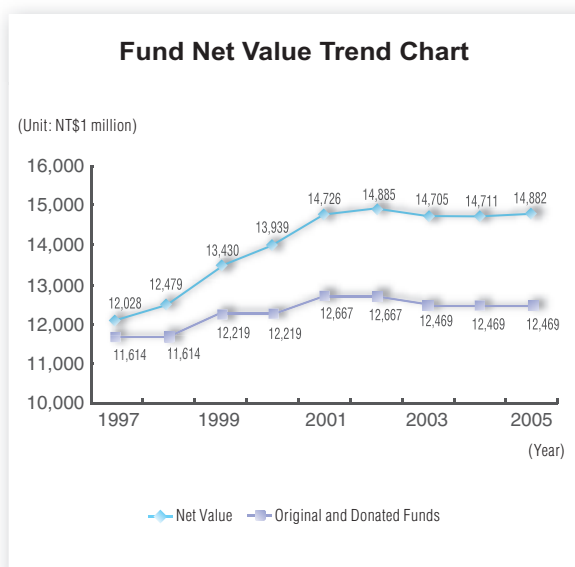
In 2005, the TaiwanICDF's assets stood at approximately NT\$15.24 billion, including liquid assets of about NT\$9.09 billion, net long-term investments and loans of approximately NT\$5.14 billion, fixed assets of about NT\$10 million and other assets of about NT\$995 million. The main source of funds used to acquire

assets is the original and donated fund, which has a net value of NT\$14.88 billion. The TaiwanICDF has liabilities of NT\$361 million.

### Budget Execution

In 2005, the TaiwanICDF received NT\$1.32 billion from MOFA to conduct international technical cooperation operations. Of this, the budget for overseas technical and medical missions came to NT\$1.22 billion. Meanwhile, the total funds to operate six projects, including the Malawi Medical Assistance Project, the São Tomé and Príncipe Malaria Eradication Project, and training for Youth Overseas servicemen came to approximately NT\$154 million, bringing the total budget for commissioned projects to nearly NT\$1.47 billion. The actual amount of funds used in these projects was NT\$1.43 billion, translating to a utilization rate of 97.40%. The chart below details the budget utilization rate for commissioned projects.

Of the TaiwanICDF's general funds, expenditures amounted to NT\$369 million, compared with a budget of NT\$431 million, translating to a utilization rate of 85.58%. The chart below shows the budget utilization of the general fund in 2005.



## Public Affairs Management

As Taiwan's premier foreign assistance organization, the TaiwanICDF is responsible for carrying out international cooperation and development work to assist partner nations and expanding Taiwan's participation in the international community.

People in Taiwan have been vigorously participating in international assistance work in recent years through more opportunities being offered from various organizations including the TaiwanICDF. In 2005, through collaboration with members of the mass media and local celebrities, various publications were produced and activities events were held in order to involve the public to help raise the awareness of the importance of international development work. The TaiwanICDF encourages people to understand its development projects around the world as a method to allow the Fund to be more visible and accessible by the people of Taiwan.

The major focus of the TaiwanICDF publicity work in 2005 included the following:

### Cooperation with the Mass Media

Mass media like television and newspaper are very desirable channels for information distribution. Introductions and reports in the media usually create a starting point for discussion and interest in public affairs. In 2005, the Fund continued to work with the electronic

media in producing a series of reports that introduced all aspects of the Fund's work in Africa, Latin America and the Caribbean. The reports also provided a comprehensive overview of the Fund's operations and featured mission technicians, volunteers and members of the Youth Overseas Service serving in the partner countries. Rather than just wanting the people of Taiwan to be aware of these efforts, the TaiwanICDF seeks public support and ultimately their participation in development activities.

### Public Interaction

The TaiwanICDF has sought to strengthen its relations with domestic organizations and partners in all sectors. Lectures and seminars have been held at various educational institutions to communicate the concepts of international cooperation to younger generations, hoping to instill a passion for this work among young people.

The TaiwanICDF Web site and electronic newsletters are also used to enhance communication with the general populace of Taiwan. They have both been valuable resources for understanding the international development projects implemented by the TaiwanICDF. From both the Web site and newsletter, people can access up-to-date information about the organization, read current international development plans, and view lively reports from our overseas staff members.



▲The TaiwanICDF has collaborated with Taiwan's domestic media to address the needs of partner countries and report on the Medical Mission providing free clinics in Burkina Faso.



▲The TaiwanICDF publishes information brochure and books to promote the importance of international development and cooperation work.



## Important events in 2005

### 1. Promoting Overseas Service

The TaiwanICDF in 2005 produced a 30-second short film shown on television stations and in movie theaters highlighting the service of overseas volunteers. Notable Taiwan celebrities, director Wu Nien-chen and model/TV host Lin Chih-ling, served as cultural volunteers, traveling to the Marshall Islands to make the film. The film was produced expected to raise the consciousness of foreign assistance work among the people of Taiwan and attract greater numbers of people to join the ranks of Overseas Volunteers, the Taiwan Youth Overseas Service, and the TaiwanICDF Technical Missions.

In recent years, the TaiwanICDF has at times been unable to recruit sufficient numbers of participants in the Overseas Volunteers program. It is hoped that the film will trigger more interest among people in Taiwan to participate in volunteer work. The production team also edited a special 30-minute feature shown on public as well as various commercial broadcast television channels.

### 2. Celebrating the 45th Anniversary of Overseas Development Assistance

Taiwan has transitioned from a state receiving foreign assistance to one providing it. Since sending its first agricultural technical mission to Vietnam, Taiwan has been continually providing assistance to countries in need and helping them become self-sufficient. Over the past 45 years, Taiwan has carried out cooperation projects with over 70 countries and has sent a total of 111 technical missions overseas, staffed by 14,500 people. Many of them people have devoted their lives to providing assistance, helping to establish viable fields from barren land and enabling the people of partner nations to enjoy better lives and possess hope for the future. In 2005, the TaiwanICDF held a series of activities to celebrate Taiwan's 45th anniversary of overseas development assistance. These included assistance achievement exhibitions, writing and painting contests for people to join, publication to memorize the history, and a ceremonial banquet. These activities also express Taiwan's dedication to serve and participate in international development as its 45 years legacy.



▲The TaiwanICDF celebrated 45th anniversary of Taiwan's involvement in international development and cooperation work with the exhibition displaying historical photographs and documents.



▲The exhibition presenting 45 years of foreign cooperation was held in the Presidential Palace.



▲President Chen Shui-bian (far left) attends a carnival and salutes the countless people who have been engaged in foreign cooperation work.



### 3. Monitoring Mission

In 2005, the TaiwanICDF initiated its citizen-monitor plan as one of several steps to open up Taiwan's international development and cooperation projects and missions to the Taiwan public. People interested in development assistance are recruited and sent to project site overseas, where they have opportunities to observe the facilities and conduct interviews with local project personnel, thereby giving them a firsthand opportunity to inspect the TaiwanICDF projects on-site and to offer their views and impressions concerning our work. In October 2005, the first monitoring mission traveled to Honduras to better understand the TaiwanICDF assistance provided in such areas as paddy rice cultivation, fruit and vegetables produce, pig farming and aquaculture. The group also visited members of the Overseas Volunteers and the Taiwan Youth Overseas Service stationed in Honduras. The monitoring mission saw how these individuals had become involved in Honduran communities and helped raise the living standards of those local residents.

### 4. Promoting The TaiwanICDF Organization Identification System (OIS)

The TaiwanICDF implemented a new OIS in 2005. The design is to create a clearer identity while at the same time to present the TaiwanICDF's nature as an ODA executing agency and its mission in promoting global development. The OIS is gradually applied in various materials at home and abroad, and so far it has been placed in the TaiwanICDF Web site, the electronic newsletters, promotional materials and printed documents. The newly acquired OIS is expected to help the TaiwanICDF gain better recognition from the public.



▲To raise people's awareness to the foreign assistance and international cooperation, the TaiwanICDF invites celebrities to join the volunteer work set for the Marshall Islands.



▲The pre-departure press conference for the foreign assistance monitoring team.



▲A photograph of children in Honduras, as part of a public awareness campaign encouraging people in Taiwan to participate in international cooperation work.

## Administration Management

In light of its increasingly diversified international cooperation and development operations, the TaiwanICDF's administration management continues to be more professional, systematic, and optimal in its human resources allocation and the high quality of its workforce. Effective management and planning boosts operational efficiency and makes the best use of resources.

### Human Resources Management

The TaiwanICDF's human resources management operations are aimed at strengthening competitiveness and enabling the organization to become a platform in domestic and international technical cooperation. In addition to having comprehensive training, the organization has amended related personnel guidelines and improved operating mechanisms to enhance flexibility in utilizing its human resources and reducing personnel costs. It has also initiated a preferential retirement program and sought to create a younger, more professional and efficient team. The revolutionized recruitment system is looking to introduce new blood into the organization.

High quality human resources are essential for work efficiency. In 2005, the TaiwanICDF carried out a review of its previous training program. This will provide benefits in drafting future human resource development strategies and an appropriate staff development and evaluation mechanism.

### Holding Education and Training Courses

The TaiwanICDF in 2005 planned and held professional training courses for 262 people, aimed at developing the human resources required for its operational needs and forging an organizational consensus. In all, over 3,000 hours of training were held. The coursework included:

#### 1. Development Professional

The organization held a series of training courses to boost the management abilities of mission leaders and experts in implementing cooperation projects, helping to improve the operations effectiveness and efficiency. A total of 28 mission leaders and experts returned to Taiwan to take part in these courses. Case study analysis and site visits to various modal agencies helped the trainees better absorb the information.

#### 2. Strengthening the Ability to Utilize Information and Technology

The TaiwanICDF in 2004 created an overseas mission operations management information system in an effort to boost management quality and efficiency. In 2005, 114 people were trained in three groups, honing the abilities of technicians stationed abroad in the use of information technology.

#### 3. Bolstering Marketing Concepts

In addition to helping partner countries raise their agricultural output, members of overseas missions also assisted these nations in creating well-rounded agricultural production and sales systems. The TaiwanICDF in 2005 held the Workshop on Agricultural Products Production and Sales Systems that was attended by 32 experts stationed abroad.

#### 4. Improving Accounting and Managerial Skills

The TaiwanICDF held two training workshops for accounting personnel to instill fiscal management technologies. A total of 48 people took part in these workshops. Other workshops focusing on innovation and time management were also held to raise the abilities of management personnel. A total of 40 people attended these training courses.

### Review of the Impact of Pre-occupational Training for Staff Stationed Abroad

The TaiwanICDF in 2005 reviewed its pre-occupational training procedures and their impact. This training was carried out for staff being sent abroad to hone their skills, brief them on future assignments and prepare them to adapt new environments. The results were analyzed and many suggestions would be implemented to make sure that such training conforms to the Fund's core work programs' needs. Prospectively the training will follow the guidelines.

- Pre-occupational training will be more systematic, focus on the broader perspective and offer instruction manuals;
- Comprehensive training will be provided instead of only focusing on specific areas;
- The length of the training will be more flexible and

the training will be offered upon reaching one's post overseas;

- A database will be created that will detail the responsibilities of the jobs in each mission to avoid unnecessary training; and
- Consolidation on both training and implementation, and a review scheme will be established to monitor the progress.

## Procurement and Document/ File Management

### Procurement

The TaiwanICDF's procurement procedures are based on government regulations. In 2005, the organization implemented a "selected bidding" method in its procurements. It packaged nearly 20 procurement jobs with similar focuses, such as conferences, lodging, and transportation associated with its annual international human resource training workshops, into three groups. This greatly reduced the time required in the procurement process and also saved the costs of each workshop by between NT\$500,000 to NT\$600,000.

### Document Management

In late December 2004, the TaiwanICDF amended its document system so that all official documents were written horizontally instead of vertically to conform to the government directive that took effect as of 2005. The organization's new system went online on January 1, 2005, enabling it to remain in sync with other government institutions. In summer of 2005, several eco-friendly strategies, such as the printing management policy, have been adopted to encourage work efficiency and environmental protection.

### Archive Management

The TaiwanICDF continued to create an archival retrieval system in 2005, enabling easy access to documents in a timely manner. In addition, a file imagery function helps to reduce time in retrieving and reviewing documents. These procedures have boosted management and administrative efficiency.

## Outstanding Personnel and Missions 2005

Outstanding Personnel	
Best Supervisor	Mr. Chang Nan-chang, International Human Resource Development Department
Best Staff Members	Mr. Lin Chi-liang Administration and Management Department  Ms. Chen Li-chun Banking and Finance Department
Distinguished Staff Member	Ms. Yang Su-yu Accounting Office
Best Overseas Mission Leader	Mr. Huang Tien-hsing Technical Mission in Honduras
Best Overseas Mission Personnel	Mr. Hou Liang-san Technical Mission in the Solomon Islands  Dr. Shih Wei-the Medical Mission in São Tomé and Príncipe  Mr. Lu Ming-jen Technical Mission in Costa Rica
Distinguished Overseas Mission Leader	Mr. Chang Yi-hsiu Technical Mission in Fiji
Distinguished Overseas Mission Personnel	Mr. Wu Kung-chu Technical Mission in Kiribati  Mr. Wu Kuang-hui Technical Mission in Swaziland  Mr. Chou Jui-kun Technical Mission in Paraguay
Best Overseas Mission	
Technical Mission in the Gambia	



## Information Management

The TaiwanICDF has set the goal of establishing a comprehensive information platform. A wide variety of information management software programs have been created, including a Web site database, accounts supervision, document and file management, international human resource training, investment and financing management, human resource management, overseas mission information management, and asset and library management. The Fund also stresses safety of its information, strengthening measures to prevent hackers from breaking into its systems.

In 2005, the TaiwanICDF's information management work focused on the following areas:

### Computerized Management of Overseas Mission Operations

The TaiwanICDF is implementing a computer system to aid in the management of operations of overseas missions. The institution of such a system is quite challenging given that staff are spread throughout the world. Thanks to the coordinated efforts of employees in Taiwan and overseas, the system is gradually coming online. In addition, overseas staff have been trained in Taiwan on how to use the system. In the future, real-time monitoring of the implementation of each project in every mission will be possible, as well as information exchange.

The organization has also expanded its e-mail service to facilitate communication between project managers in Taiwan and overseas staff. Mailboxes have been established for each overseas mission, creating a window which each mission can be contacted. This not only reduces costs associated with having to rent mailboxes in each country, but also provides benefits in terms of confidentiality and transmission security.

### Strengthening Information Security

As the use of the Internet becomes more prevalent, hackers are also finding new ways to threaten systems. This makes information safety increasingly important. In recent years, the TaiwanICDF has made efforts to strengthen information security, including the creation of firewalls and the installation of virus protection systems. The organization has gradually detected the areas of weakness in its systems and has rectified them. In 2005, it set security guidelines, established rules governing the use of the Internet and required personal passwords in order to enter systems. Rules on the installation of software, protection of personal information and e-mail management have also been established, enabling the Fund's information systems to become risk-free.

