

ICDF OBJECTIVES AND STRATEGIES

A program of international cooperation strategies and medium-term operations was approved by the directors and supervisors at their second meeting. The programs for 1997 are described in the following pages.

GOALS AND OBJECTIVES

Countries to which priority attention will be paid by the ICDF are, first, those with which the ROC has diplomatic relations; second, those with which the ROC hopes to establish diplomatic relations; and third, countries with which the ROC has trade and economic relations.



Lending operations will be focused in those sectors which would enhance trade and economic activities with the ROC. Attention will also be paid to improving the infrastructure and social development of the recipient countries.

In order to ensure prompt and effective implementation of assistance and disaster relief programs, the ICDF has established a three-year rolling work program.

An extensive business operation system—for loans, investments, technical cooperation, contributions, donations, etc.—is being set up in accordance with the ICDF regulations.

An important initiative is the development of a human resources plan to correspond to the needs identified in the core operation program. The creation of a comprehensive personnel administration and information management system is under way.

Also under way is the formulation and implementation of a program supervision system, to ensure that projects are carried out efficiently and effectively.

STRATEGIES

In order to ensure that the most appropriate programs are selected to address specific development needs, the ICDF is evaluating a wide range of options to suit the circumstances in recipient countries. The rolling operation program will be reviewed each year to ensure that the projects included reflect the best choices for international cooperation.

COOPERATION WITH AFRICAN COUNTRIES

Cooperation with African countries with which the ROC enjoys diplomatic relations will be intensified. The following are some examples of active programs.

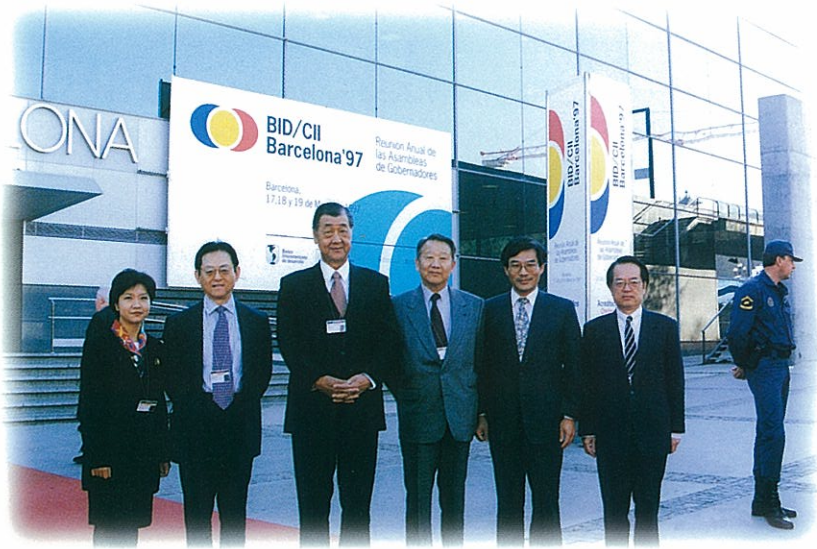
- Micro-credit project for small farms in the Republic of Senegal
- Lending for road construction in the Kingdom of Swaziland
- Feasibility study for the 'KuBuTa' Dam in the Kingdom of Swaziland
- Dispatch of ICDF Overseas Volunteers to the Kingdom of Swaziland
- Small-scale industrial vocational training project for Burkina Faso
- Capacity building project for the government of the Republic of The Gambia

COOPERATION WITH CENTRAL AND SOUTH AMERICAN COUNTRIES

Cooperation with the Central and South American countries remains at a high level, including concessional loans and assistance for the development of small and medium enterprises, infrastructure and training activities.

Vocational training project in Burkina Faso.





Representatives of the ICDF and the Central Bank of China attended the IADB board meeting in Barcelona.

COOPERATION WITH INTERNATIONAL ORGANIZATIONS

An important initiative under way is the strengthening of cooperation with international institutions, so as to widen and expand the effects of the concessional loans being granted by the ROC to the various countries. Meetings at senior levels have been held with the Inter-American Development Bank, and it has been decided to continue to hold these meetings regularly.

The ICDF also participated in the OECD Conference on 'Sharing New Approaches to Development Cooperation' held by the OECD-DAC in Mexico. At that meeting, the ICDF staff circulated articles about the ROC's international cooperation program and exchanged experiences with representatives from several of the participating countries.

Earlier this year, the Secretary General and members of the ICDF staff participated in the 1997 annual governors' meeting with the Central American officials of the Inter-American Development Bank in Barcelona. Topics on the agenda included the Central American Economic and Trade Development Fund and the issue of the ROC's participation in the Central American Common Market.

Senior ICDF staff also participated in the annual governors' meetings of the European Bank for Reconstruction and Development in London, the Asian Development Bank in Fukuoka, Japan, and the Central American Bank for Economic Integration in Tegucigalpa, Honduras.

FOCUS OF INTERNATIONAL COOPERATION

As the ICDF assumed responsibility for all lending commitments undertaken by its predecessor the IECDF, it became apparent that the commitments had virtually exhausted the available resources for future lending. Pending replenishment of resources, the ICDF will therefore concentrate its future activities on assistance to small and medium enterprises; reduction of poverty; women's development; and cooperation with non-governmental organizations (NGOs).



SMALL AND MEDIUM ENTERPRISES

Small and medium enterprises have played an important role in the economic development of the ROC. It is logical, therefore, that this unique experience should be a focus for cooperation with other countries facing similar challenges as they begin to evolve into competitive, market-based economies. Among the countries which shared the ROC development experience in 1996 were Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

Entrepreneurs in developing countries need access to credit to develop their businesses, but there is a major gap in financing available to them. The banking institutions prefer to deal with larger customers and, even when credit is available, the requirements (e.g. collateral, minimum deposits, high service charges, etc.) can be onerous. The medium- or long-term financing offered by the ROC to intermediate financial institutions for relending to the SMEs makes it possible for the entrepreneurs to put into practice the new knowledge imparted to them through seminars and technical assistance programs. The loans fulfill the needs of the SMEs, yet require them to compete for the funds on the basis of project viability and creditworthiness.

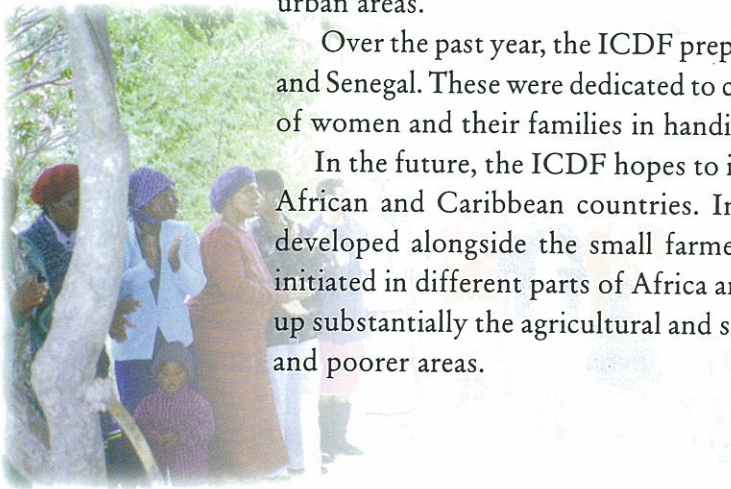
In addition to providing funds for long-term loans to SMEs, the ICDF also sends experts and specialists to other countries to offer assistance in developing appropriate policies, institutions and business management systems. The experts and specialists may help to plan import substitution or export-oriented industrial products; advise on marketing, accounting or warehouse management; provide management guidance through seminars and training courses; set up quality control systems; offer technical guidance in specific industries; or generally assist the recipient country to establish technical advisory centers in order to promote the long-term development of the SMEs in targeted industries.

PROGRAMS FOR ALLEVIATION OF POVERTY AND WOMEN'S DEVELOPMENT

Grassroots programs are important in many of the countries which the ROC is assisting. These programs incorporate methodology and operating procedures similar to those of the international development organizations, which in recent years have devoted much attention to empowering women. The programs help women—who are often in a weak position but who bear a heavy financial burden—to improve their productivity and enhance their meager income by participating more fully in the activities of production. There is solid evidence that investing in women is good business and enhances the quality of growth in both rural and urban areas.

Over the past year, the ICDF prepared micro-lending projects for South Africa and Senegal. These were dedicated to creating or enhancing the productive activities of women and their families in handicrafts, small businesses and small farms.

In the future, the ICDF hopes to identify and prepare similar projects in other African and Caribbean countries. In many cases the women's projects can be developed alongside the small farmers' micro-credit operations that have been initiated in different parts of Africa and Central America. These can help to build up substantially the agricultural and small business production capacity in remote and poorer areas.



COOPERATION WITH NGOs

The work done by the ROC's technical missions is impressive and, although the financial costs are relatively low, the demands on staff are high. One of the challenges is for the local people to apply their newly acquired knowledge and sustain development after the missions leave. The micro-lending programs offered by the ROC therefore support the contributions of the technical missions with necessary input and supplies, and make it possible for the recipient countries to sustain the progress achieved in agriculture, aquaculture or industry.

Non-governmental organizations (NGOs) can be useful partners in development and can even be critical to success. In most cases the NGOs are private, non-profit and service-oriented organizations. Their flexibility allows them to support community projects that are initiated and funded by external organizations, and they are particularly good at building awareness and promoting cohesion among women. The ICDF is eager to work alongside NGOs that have a good record of success.

An example of cooperation with NGOs in 1996 and 1997 is the small farms project in the Republic of Senegal, where work is proceeding under the guidance of an NGO, the ACEP. The ICDF intends to continue to work with such NGOs as it helps the less-developed countries to establish their own NGOs and execute women's small loan projects.