

INTERNAL MANAGEMENT

STRENGTHENING MECHANISMS

The establishment of the ICDF in 1996 put the ROC's foreign assistance on a sounder footing and provided a legal basis for that important work.

The organization is benefiting from the perspective provided by the representatives of business organizations who serve on its board of directors and the foreign assistance experts who play key roles in its activities. All operations are transparent and subject to public oversight, for the ICDF regularly presents work reports to the Legislative Yuan.

In fiscal 1999, in order to strengthen its mechanisms further, the ICDF made a number of adjustments to the organizational structure, instituted revamped internal regulations, and fine-tuned the service implementation and supervision methods. A special service planning and management section was established; a newly formed financial section was given the responsibility for fund management and charged with finding ways to increase interest income; and an audit office was set up to reinforce the internal audit system and eliminate opportunities for corruption.

By revising the operating rules, the ICDF has made an earnest effort to ensure that fair, impartial and open systems exist. The revisions have helped to redefine the rights and duties of ICDF personnel and to heighten the awareness of proper views and methods.

Following a full-scale review, the ICDF has ranked and prioritized its various services. All projects must encompass certain principles, evaluation standards and methods, and every aspect of their implementation must be consistent with the ICDF's goals and principles.

Throughout the ICDF, general management, economic efficiency and financial stability have been strengthened, with enhanced attention being paid to the relationship between input and output.

This year, as the need to reduce overhead became increasingly more evident, the ICDF merged eight missions. Further reductions in operating costs were achieved by such practices as integrating the service resources of technical missions in order to maximize their utilization; simplifying procedures; selecting only the more promising and sustainable projects and ensuring that the most appropriate staff and resources are assigned to them; and generally reducing personnel expenses.

The simplified procedures, and a reduction in staff, have resulted in savings that have made it possible to raise service expenses from 30.21 percent to 32.51 percent of total expenditures.

HUMAN RESOURCES MANAGEMENT

In addition to trimming manpower while reassessing service needs and workloads, the ICDF is also taking active steps to improve the qualifications of its personnel. New personnel are required to possess at least a master's degree in a professional field, or training at an equivalent level, and must expect to undergo strengthened on-the-job training. The creation of a comprehensive management database is making it easier to track and update the qualifications of personnel and to develop effective career plans for them.

In 1999, two senior executives attended an upper-level management seminar at the Kellogg School of Management in the United States; two executives attended seminars in business management and human resources management at the National University of Singapore; and two specialists participated in a six-month training program and month-long internship at the Asian Development Bank.

Outstanding Personnel in 1999

Chyi-hway Gong, Deputy Director, Investment and Lending Operations
Department

Yu-ching Fang, Specialist, Education and Training Department

Best Technical Mission:

Technical mission in Senegal

Best Mission Head:

Yi-sung Chen, The Gambia

Best Mission Members:

**Sheng-shang Sung, The Gambia
Jong-wen Chen, St. Christopher
Gong-chu Wu, Indonesia
Wen-li Lou, Senegal**

Outstanding Mission Heads:

**Chun-hsiung Liu, Senegal
Sung-lian Lee, Indonesia**

FINANCIAL MANAGEMENT

Sources of Funds and Utilization

The ICDF's fund currently contains a total of NT\$12.2 billion. Of this, NT\$11.6 billion was derived from the final assets of the former International Economic Cooperation Development Fund (IECDF) and NT\$600 million was donated by the ROC government in January 1999.

Investments and loans committed by the ICDF as of 30 June 1999 totaled more than US\$399.8 million (approximately NT\$11.874 billion), and of this US\$244.82 million (approximately NT\$6.868 billion), or 61 percent had already been disbursed. An amount of US\$200.81 million (approximately NT\$6.486 billion) had been committed but not yet disbursed and was earning interest from bank deposits, short-term paper, and corporate debt. In the future, an attempt will be made to increase returns by investing in stocks or mutual funds.

**Table 7: Summary of ICDF Investment Activities
at 30 June 1999**

	US\$ thousand	NT\$ million
Net value of final assets from former IECDF	390,401	11,614
Government appropriations for period	18,576	600
Loans and long-term investments	(208,165)	(5,728)
Funds not yet disbursed	(154,997)	(5,006)
Uncommitted funds	45,815	1,480

Note: Disbursed funds have been converted to US dollars using the actual exchange rate; funds not yet disbursed have been converted at an exchange rate of NT\$32.3:US\$1.

Income and Expenditures

Income

The ICDF's income comes from interest on long-term lending and income from financial operations. Income from long-term lending in 1999 was NT\$25.7 billion, while income from financial operations was approximately NT\$446.93 million. Other income totaled NT\$2,680. With the addition of remittance profits of NT\$95.86 million and adjustment income of NT\$50,000, total income was approximately NT\$800.15 million, all of which was used for the organization's services and management expenses.

Expenditures

The ICDF's investment and lending expenses for FY1999 came to approximately NT\$226.88 million; technical cooperation expenses were NT\$146.19 million; service planning expenses were NT\$4.83 million; general and administrative expenses were NT\$61.18 million; amounting to total expenses of NT\$453 million. Total surplus was NT\$346.76 million.

Item	Amount
Interest from long-term lending	257,309,275
Interest from financial operations	446,929,898
Other income	2,680
Remittance profits	95,860,668
Adjustment income	50,398
Total income	800,152,919
Investment and lending expenses	226,882,371
Technical assistance expenses	146,195,674
Service planning expenses	4,833,595
General and administrative expenses	61,176,669
Non-service expenses	14,307,069
Total expenses	453,395,378
Surplus	346,757,541



