



Aid goes beyond borders

Cooperation and development can alleviate poverty and inspire hope

Continual progress leads the way to a better world and a brighter future

## History of the TaiwanICDF

The Republic of China (ROC) initiated its overseas technical assistance in 1959 when the first group of agricultural specialists arrived in Vietnam. In 1961, under Operation Vanguard, technical missions helped improve agricultural production in many newly independent African countries. In 1962, the task force of Operation Vanguard was expanded to become the Sino-Africa Technical Cooperation Committee (SATCC), a permanent agency responsible for agricultural cooperation with African nations, which merged into the Committee of International Technical Cooperation (CITC) in 1972. This organization spearheaded the ROC's foreign technical cooperation work, assisting partner nations with their agricultural development.

Simultaneously, Taiwan began to enter a period of rapid economic growth. In 1989, the government established the International Economic Cooperation Development Fund (IECDF) to provide economic assistance to developing partners.

As the variety of cooperative development projects expanded further, and the number of overseas technical missions increased, the ROC government dissolved the IECDF in 1996, and established an independent organization, the International Cooperation and Development Fund (TaiwanICDF). The following year, the CITC was incorporated into the TaiwanICDF.

## Mission

In its pursuit of international cooperation, and to advance the ROC's diplomatic interests, the TaiwanICDF maintains a mission of "working for humanity, sustainable development, and economic progress."

## Sources of Funding

The TaiwanICDF was established with an initial endowment of NT\$11.6 billion, which was the net value of the funds in possession of the IECDF at the time of its dissolution. Sources of funding include the general fund, interest, returns on investments, and income from commissions by the government or other institutions. As of December 31, 2012, the total balance of all funds was NT\$15.83 billion.

## Operations

In accordance with the Statute for the Establishment of the International Cooperation and Development Fund, the TaiwanICDF is registered as a consortium juridical person. The operational scope of the TaiwanICDF covers the following duties and responsibilities:

1. Facilitating social and economic development in our partner countries;
2. Promoting better economic ties to partner countries;
3. Cooperating with international organizations, institutions or governments to facilitate social and economic development in our partner countries;
4. Providing humanitarian assistance to international refugees or countries afflicted by natural disasters;
5. Providing technical and human resources training to partner countries, and providing technical assistance or services to foster industrial capacity;
6. Operating overseas missions to improve and develop the agricultural, industrial, economic, medical and education sectors in our partner countries;
7. Other initiatives designed to bolster international cooperation and development or foster good relations with other countries.

## Cooperating Partners

The TaiwanICDF's main partners are governments, international organizations or their designated agencies, corporate bodies, and nongovernmental organizations.

## Staff

As of December 31, 2012, the TaiwanICDF employed 104 domestic personnel and 176 overseas experts.

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## Implementation and Breakthrough: Leading Taiwan's International and Diplomatic Endeavors

In September 2012, the TaiwanICDF hosted the International Conference on International Development Cooperation and the Taiwan Experience. In attendance were a number of partner country ministers, representatives of international cooperation and development organizations, and academics and experts, as well as representatives of national aid agencies from the United States, Japan, and other countries. The main issues discussed at the event were trends in international development aid and the Millennium Development Goals (MDGs), Taiwan's foreign aid experience and its implications, and the development of a global partnership for development.

President Ma Ying-jeou gave a speech at the conference and stressed the fact that although the Republic of China (Taiwan) is not a member of the United Nations and has no means of participating in UN projects, it will maintain its commitment to ongoing development cooperation efforts. The president said he hoped that Taiwan would continue to promote development cooperation projects as a partner to other nations in international development and work toward the UN MDGs to help thousands upon thousands of citizens benefit from development cooperation.

Also speaking at the event was Robert B. Zoellick, former president of the World Bank, who set out his own expectations for Taiwan. He emphasized that regional, bilateral and global development cooperation, as opposed to official state-to-state cooperation, would precipitate Taiwan's transition from a provider of traditional forms of assistance to a powerful, intelligent economy that can contribute even more to development cooperation throughout the world.

### **Pursuing Aid Effectiveness through Increasingly Diverse Methodologies**

In the past, foreign aid played a central part of the foreign policy of advanced and industrialized nations. Since the end of the Cold War, however, there has been a growing trend within the international community for the decoupling of foreign aid from foreign policy, and a consensus that foreign aid should be integrated with

issues such as poverty alleviation and humanitarian assistance, spurring a return to humanitarian-oriented assistance methods.

Since the UN adopted the Millennium Declaration in September 2000, the eight MDGs have become important indicators in measuring the effectiveness of development outcomes. In March 2005, members of the Organisation for Economic Co-operation and Development (OECD) signed the Paris Declaration on Aid Effectiveness, putting forward five major guidelines for action in aid and 12 indicators for appraising the effectiveness of such aid. This has provided donors and recipients with a clear approach toward aid and a framework for measuring whether aid commitments have been effectively met.

In addition to actively implementing aid projects in accordance with these standards, many donor countries and international organizations have attempted to diversify their approaches to aid. For instance, donors have allocated authority to their partner countries to take the lead on development strategy and resource allocation, offering support for cooperation organizations and guidance on their implementation procedures and strategies. Donor countries have also sought to make aid initiatives more harmonized and transparent and take better advantage of available synergies, and focused on allocating aid resources and making decisions with a results-oriented approach. Finally, they have worked to achieve greater accountability on the parts of donors and partner countries for more effective development work. Such actions have achieved effectiveness in aid projects by emphasizing the Paris Declaration's commitments to "ownership," "alignment," "harmonization," "managing for results," and "mutual accountability."

### **Consolidating Limited Aid Resources and Continuing to Implement Reforms**

For more than 50 years, Taiwan has been actively involved in international cooperation and development. In 1996, in an effort to consolidate Taiwan's limited aid resources, the Taiwanese government established the TaiwanICDF as the country's dedicated international aid agency. Sixteen years later, the TaiwanICDF continues





to successfully coordinate funding, human resources and technologies, channeling these resources using four implementation methods: lending and investment, technical cooperation, education and training, and humanitarian assistance. This comprehensive project implementation strategy not only provides an effective framework for Taiwan's international cooperation and development but also allows Taiwan to share its experiences and assist developing partners in improving their standard of living while successfully expanding Taiwan's diplomatic space in the international arena.

In 2009, Taiwan published its first White Paper on Foreign Aid Policy establishing a legal, transparent and professional system of foreign aid. This document lays out Taiwan's core foreign aid policy. In June 2010, the government promulgated the International Cooperation and Development Act, clearly defining the content, objectives, and operating principles underpinning Taiwan's international cooperation and development affairs. In more recent years, Taiwan has continued to amend relevant laws and regulations to promote more rigorous and efficient aid operations.

Since 2010, the TaiwanICDF has also implemented a series of reforms designed to establish a professional and results-oriented approach toward cooperation and development and foster a vision and direction for the organization over the next decade. These reforms are being carried out with the hope of developing operational objectives, allocating resources and bringing priority areas of comparative advantage into focus that accurately reflect the organization's mission and core values.

### **Playing to Taiwan's Advantages and Helping Partners to Develop Sustainably**

In today's turbulent, dynamic world, where natural disasters, food shortages, and global economic difficulties are commonplace, rich and poor countries, whose destinies are interwoven due to globalization, have a common interest in helping one another. As a responsible stakeholder in the international community, Taiwan should be more actively involved in foreign aid work.

In addition to providing emergency aid and relief to partner countries during natural disasters, Taiwan should be playing to its advantages and making use of its experience from past successes in the area of international aid. In its priority areas of agriculture, public health, education, environmental protection, and information and communications technology, Taiwan should be planning medium- to long-term cooperation projects that help elevate incomes, reduce poverty, and improve the standard of living in developing partner countries. Taiwan should actively cooperate with international organizations to promote regional, bilateral, and global cooperation while continuing to extend a helping hand to developing partners. All of these activities will allow Taiwan to give back to the international community, fulfill its social responsibility to the world, and demonstrate its soft power to the global village.

Although Taiwan is not a member of the UN and can occasionally be obstructed in the international arena, it must continue to adhere to its core policy of "partnerships for progress and sustainable development." Through more effective foreign aid efforts, Taiwan can continue to strengthen its relationships with existing partner countries and build new friendships with other countries.

It is my deepest hope that the TaiwanICDF can continue to serve as Taiwan's "platform for international cooperation and development." I believe that through professional, transparent, and reliable aid projects, the TaiwanICDF can continue to effectively unite the resources and strengths of government departments and the private sector, strengthen international cooperation, assist friends and developing partners in their economic development, and enhance international friendships and foreign relations. By persistently making breakthroughs and bringing projects to fruition, the TaiwanICDF will always have a bright future ahead of it, filled with promise.

David Y. L. Lin  
Minister of Foreign Affairs and Chairman of the TaiwanICDF



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## The Evolution of International Cooperation

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## 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.

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### 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<sup>1</sup> 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-

<sup>1</sup> 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.

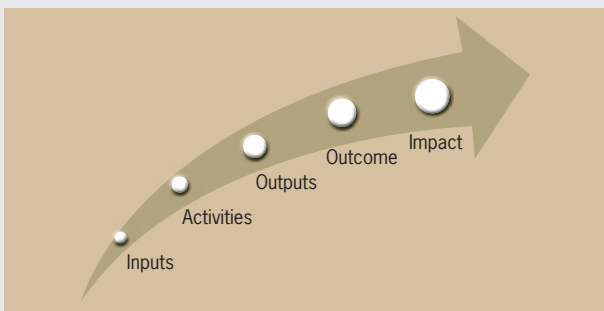
The DMF we have developed is implemented in parallel with the various stages of the project cycle. As part of this system, once a project concept paper has been produced during project identification, problem analysis and stakeholder analysis is conducted. A range of suitable objectives are then identified. 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

Design	Table 1 Project Design and DMF Format			
Alternative Analysis	Design Summary	⑥ Targets/Indicators	⑦ Monitoring Mechanism	⑧ Assumptions/Risks
Target Analysis	② Impact			
Stakeholder Analysis	① Outcome			
Problem Analysis	③ Outputs			
	④ Activities and Milestones			⑤ Inputs

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.



# 2

## Vision 2022 and Project Planning Principles

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## Our Vision

An organization's vision defines its future direction and reflects its contemporary backdrop. It is a response to international trends and the need to move with changing times.

The TaiwanICDF's vision embodies the mission and core values of our organization and clarifies the medium- to long-term outcome that we expect from our aid projects. As Taiwan's dedicated foreign aid agency, we strive to achieve our goals based on this vision, which guides our continuing efforts to reform, and the effective planning and distribution of resources. Our vision focuses our organization on its priorities and competitive advantages, which we hope will lead the TaiwanICDF to become one of the best partners in sustainable development within the international community over the coming decade.

In this chapter we will introduce the TaiwanICDF's vision and core strategies as they apply to our operations, define the TaiwanICDF's priority areas and introduce our management framework, with its focus on operational strategies and managing for results.

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### Sustainable Development

The core policy of sustainable development in Taiwan's White Paper on Foreign Aid Policy indicates that the MDGs should be the primary framework guiding international cooperation development in Taiwan. The policy set five of those goals as priority development areas for Taiwan's international aid: "eradicate extreme poverty and hunger," "achieve universal primary education," "combat infectious diseases," "ensure environmental sustainability" and "develop a partnership for global development."

With the MDGs due to draw to a close in 2015, the United Nations Conference on Sustainable Development suggested that the world adopt Sustainable Development Goals (SDGs) to ensure that a cohesive set of global development policies and actions are in place for the next stage of the global development agenda. In comparison to the MDGs, which focus mainly on eradicating extreme poverty, the SDGs would focus on three core issues: "eradicating extreme poverty," "ensuring shared prosperity (including women, youth and minorities)" and "protecting the environment." These three core issues cover the economic, social and environmental aspects of development, focusing on protecting the earth's important

resources while the world shares the fruits of economic growth.

In an effort to achieve sustainable development while building upon the foundation of the MDGs, we formulated a number of strategies based on the five development themes derived from the sustainable development policy in the White Paper on Foreign Aid Policy. These strategies were drafted with Taiwan's competitive advantages in mind.

With regard to eradicating extreme poverty and hunger, we plan to assist partners to meet the demand for food by helping them to increase agricultural productivity and establish integrated agricultural value chains.

In terms of education, we plan to develop human resources through vocational training and improvements to vocational education systems. These changes are also linked with industrial development.

In terms of combating infectious diseases, we plan to improve partner countries' health care systems by creating more diversified forms of cooperation and building relationships with strategic partners in international medical care.

To promote environmentally sustainable development, we plan to utilize information and communications technology such as geographic information systems (GIS)

to conduct environmental monitoring. This will provide partner countries with strategic support on disaster prevention, disaster preparedness, and emergency response and recovery.

Finally, with regard to developing global partnerships, we plan to integrate the resources and strengths of the public and private sectors through public-private partnerships so as to maximize the use of available resources.

### The Best Partner

The current trend in international development aid emphasizes strategies centered around partner countries and a focus on their substantive demands. These strategies integrate the economic, social and environmental development strategies of partner countries. Based on these considerations, donors plan technical cooperation and capacity building programs to promote awareness and active participation from partner countries. Additionally, donors must respect partner countries as the leading force in the development of their own nations and respect local systems while implementing their various projects. Partner countries must also take responsibility as the leaders of their development programs. This strategic framework hopes to build sustainable partnerships between donors and partner countries.

Furthermore, the framework of aid programs has moved away from the traditional bilateral and multilateral assistance models to a triangular cooperation model, which includes technical cooperation between developing countries themselves. This is further expanding to regional organizations, the private sector and non-profit organizations, resulting in increased diversity in international aid programs.

All of this makes proper coordination and an adequate division of labor among donors more important than ever if the development community is to avoid unnecessary waste in resources and overlapping inputs. Proper coordination and an adequate labor division form the foundation of good partnerships.

Taiwan's White Paper on Foreign Aid Policy pointed out that future development aid projects must be fully explained to partner countries, in advance, through Taiwanese embassies or overseas representative offices. In this way, partner countries will be encouraged to establish long-term programs and draw up a list of priorities. The TaiwanICDF will then involve partner countries in the decision process that determines the scope of the aid and implementation methods, with the

focus placed particularly upon Taiwan's comparative advantages. Short-, medium- and long-term cooperation plans and agreements will then be signed to clearly define the rights and obligations of both sides. Aid projects requiring bilateral grants should be included in partner governments' budgets and the progress of projects should be tracked and appraised using existing mechanisms in the host countries. Technical cooperation projects will be implemented according to the project cycle and guided by the principle of managing for results, with targets and measurable indicators, set at the planning stage, serving as the basis for interim and final evaluation.

Developing a diverse range of partnerships is not only an objective; it is also a strategy. We are looking to understand the operations and mechanisms of foreign aid donors and international organizations by coordinating aid programs, and pursuing suitable opportunities for cooperation and partnership by integrating the power of the private sector and extending the scope of cooperation with NGOs. In addition, we are encouraging private organizations and individuals to participate in the development of our aid programs, establishing a network of partnerships to put the spirit of the Paris Declaration on Aid Effectiveness into practice more quickly.



▲ "Become the best partner": Tzou Shuh-kang (right), mission leader at the Taiwan Technical Mission in The Gambia, introduces President Ma Ying-jeou (second from right) to activities at a women's farm in Banjul during the president's state visit to The Gambia in April 2012.



## Core Strategies and Project Planning Principles

### Core Strategies

Based on our vision, we are focusing on the substantive results of aid and striving to enhance the integration of resources between the public and private sectors, as well as strengthen various forms of cooperative partnerships.

To achieve the objectives discussed above, we are basing our work on two core strategies.

**Utilizing Taiwan's comparative advantages to respond to the demands of partner countries:** To maximize the impact of our projects we are putting the principle of ownership into practice. Partner countries will play the leading role in our projects, determining their own list of priorities for development. We will actively respond to the demands of partner countries and assist them to plan projects and programs.

Furthermore, the investments we are making in aid resources follow the principle of alignment and allow partner countries to allocate resources based on their

own regulations and administrative systems. We will allow partner countries to adopt their own procurement and financial management systems and avoid setting up any project teams which would duplicate the roles and work of existing institutions in host countries. The aim of this approach is to effectively build capacity and achieve sustainable development by fully involving partner countries as the leaders and implementers of projects.

**Integrating resources from the public and private sectors and strengthening cooperative partnerships:**

We will encourage partner countries to take the lead in aid projects and coordinate the resources of multiple sectors as part of cooperative project efforts. Falling under the principle of alignment, this setup will effectively reduce waste in resources due to a lack of coordination among donors. We will also actively seek third-party partners to bring in diversified perspectives and different partnership models, introducing dynamic, new forces that encourage further growth and development.

In summary, we will actively integrate and coordinate



► Bamboo technician Lee Hung-wei (left) of the Taiwan Industrial Service Mission in the Dominican Republic teaches at a handicrafts center. To ensure the transfer of project outcomes, project implementation processes must cultivate partners' ability to undertake projects.



the resources of various stakeholders into our projects, including those of the relevant domestic government departments or organizations, international organizations, private sector entities and non-profit organizations. We will also develop mutually accountable monitoring frameworks with partner countries, and expand the impact and transparency of our projects while enhancing their effectiveness and sustainability.

### Project Planning Principles

To really put our core strategies into practice as part of daily operations, we must ensure that every one of our projects has a work plan that focuses on achieving substantive results as effectively as possible. As such, the TaiwanICDF's project planning activities are based on five principles, discussed below.

**Project-oriented implementation:** International aid has developed into a highly specialized field. Major aid organizations have placed the concept of the project cycle at the heart of their work, incorporating it into every stage of their operations. In keeping with these international practices, we expect our project teams to implement project-oriented methods when planning medium- to long-term projects. This means setting targets to extend the effectiveness of aid programs, allocating resources based on the priorities of host countries, and designing monitoring indicators that can measure the impacts of projects, as well as their outcomes, outputs and inputs.

At the same time, we will conduct thorough analyses of stakeholders and risks at the project planning stages,

putting the project cycle and associated concepts into practice as part of day-to-day project management work. Project teams will identify, research, design, appraise, implement, supervise and evaluate each link of the project cycle, which will ensure that projects meet the needs of partner countries and are more effective overall.

**Ensuring the sustainable development of project outcomes following handover:** Capacity building is a core component of virtually all aid work. The main appeal of capacity building lies in the fact that it enables partner countries to gain sufficient abilities to take over projects after donors have withdrawn. Successful capacity building will ensure that partner countries can maintain project outcomes and benefits through continued development, so we have committed to successfully transferring projects on to partner countries and emphasize sustainability during the project planning and design stages.

**Taking both effectiveness and efficiency into account:** Effectiveness and efficiency are two of the five standards applied by the OECD to measure the success of aid projects.

Effectiveness refers to whether a project meets its pre-set goals. Efficiency refers to how well a project defines the key path toward reaching its objectives, and whether it reaches those objectives in the shortest possible time with minimal resource inputs. After aid projects have been adequately planned, with targets and operational details that have been verified to meet the needs of partner countries, we will continuously monitor the progress of projects toward reaching their goals and

expected achievements. Through our project management system we can analyze the major factors that may affect the success of projects, and take further steps to identify possible means of maximizing outputs and minimizing inputs. The overall goal is to raise the efficiency of implementation across the board and to achieve maximum effectiveness with limited resources.

**Duplicating successful experiences:** As Taiwan's dedicated foreign aid agency, we have amassed a rich pool of experience and know-how, and have actively applied this expertise in the planning of new projects. In recent years, we have quickly and effectively consolidated our experiences through a feedback system, duplicating successful project experiences in regions or countries encountering similar problems. This has helped project teams to effectively multiply the effects of knowledge and human resources and reduce costs associated with the project design process.

**Coordinating the use of TaiwanICDF resources:**

Currently, major international aid organizations perform aid work mainly through lending and investment, and technical cooperation. Funding, technology and human resources are the three most important factors in the integrated process of development. The division of labor at the TaiwanICDF is regulated by a well-planned system, which effectively advances our efforts in funding allocation, technical cooperation and human resources training. With all of our departments working in accordance with project-oriented principles, and supporting and mutually reinforcing one another's operations, we are successfully consolidating existing tools and resources and maximizing the scope and effectiveness of our aid projects.



◀ Teams take part in an internal training exercise and debate focusing on a project case study. Courses and training events are regularly organized for the benefit of personnel so that the TaiwanICDF can become a more project-oriented organization.





3

Operations

For the TaiwanICDF, 2012 was a year for putting things into practice. Through a range of professional services such as technical cooperation, lending and investment, international human resources development, humanitarian assistance and volunteering, we are drawing on Taiwan's comparative advantages, responding to partners' needs and assisting them to build capacity while also respecting the Paris Declaration's focus on ownership, managing for results and other principles. This is allowing us to enhance the effectiveness of foreign aid and pursue sustainable development.

In terms of projects and funding, total expenditures associated with all TaiwanICDF projects in 2012 amounted to NT\$1.95 billion (including disbursements of lending and investments of NT\$488.06 million, and technical assistance and grants of NT\$1.46 billion). The largest share of expenditures was given over to technical assistance (71.5 percent, or NT\$1.40 billion), and then projects funded by lending (24.9 percent, or NT\$486.02 million), grants (3.5 percent, or NT\$68.62 million) and investments (0.1 percent, or NT\$2.04 million).

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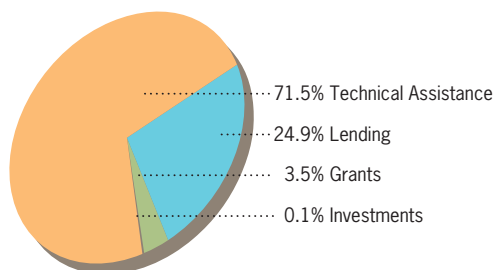
## Technical Cooperation

The TaiwanICDF operates Taiwan Technical Missions and carries out specially commissioned projects on behalf of the Ministry of Foreign Affairs (MOFA), as well as engaging in its own, independently funded technical assistance projects.

Since 2010, we have taken a more project-oriented approach to operations. In addition to requiring our technical missions to submit migration plans and timetables for every project, from 2011 through 2012 we continued to invite external experts in various fields to perform annual reviews of our projects. These experts helped set attainable, quantitative performance targets, monitored and supervised cooperation efforts between cooperating units and our missions, and verified the practicality of migration plans and project outcomes, all in accordance with the requirements of partner countries.

In terms of capacity building – the most important part of technology transfer – each of our technical missions has set out key operational projects, as well as details on projects that need assistance and/or capacity building, together with projected timetables,

**Figure 3 Total Expenditures by Project (2012)**





to enable better tracking and more effective, gradual implementation.

Details of work done by overseas missions and commissioned projects and technical assistance projects over the past year are described below.

### Overseas Missions

MOFA commissions the TaiwanICDF to operate overseas missions. In 2012, we oversaw the operations of 28 technical, medical, industrial service and trade missions, where a total of 74 cooperation projects were under implementation, overseen by 164 technicians.

A total of 11 technical missions were in operation across Asia-Pacific and the Middle East, with 21 projects covering horticulture, agronomy, animal husbandry, aquaculture, landscaping and transportation and infrastructure. Five technical and medical missions were in operation in Africa, with 10 projects covering agronomy, horticulture and medicine. Fifteen technical missions were in operation in Central and South America and the Caribbean, with 43 projects covering horticulture, aquaculture, agronomy, animal husbandry, bamboo processing, trade and investment and industrial technology development. By the end of 2012, a total of nine projects had been successfully handed over to partner countries and remained under implementation. The remaining 65 projects continued to be implemented according to schedule. These projects focus on building the capacity of host country personnel to achieve development synergies through technical cooperation.

### Commissioned Projects

In 2012, we handled 18 MOFA-commissioned projects, including the ICT Technical Cooperation Project in the Caribbean; 2012 Satellite Monitoring of Forest, Natural Resources and Mitigation of Natural Disasters in Nicaragua and Honduras using GIS and RS; and the Seed Potato Production Project in Swaziland. Twelve projects were implemented using project management systems by 12 project managers stationed overseas. These projects involved work in vocational training, ICT, one town one product, tourism, horticulture and aquaculture. The remaining six projects, implemented to meet the needs of certain partner countries, involved issues such as personnel recruitment and project research performed by our own personnel.

We continue to develop new projects with the goal of strengthening cooperation with our partners. These include, for example, the Strengthening the Control of Huanglongbing and the Implementation of Integrated Pest Management in Citrus Project (HLB Project), in Central America and parts of the Caribbean; the Banana Black Sigatoka Prevention and Treatment Project, in St. Lucia; and the Les Cayes Rice, Maize and Bean Development Project, in Haiti. Out of 23 projects currently under development, a formal project contract has been signed for the HLB Project, while the remaining projects remain under appraisal.

### Technical Assistance

Technical assistance<sup>1</sup> (TA) can play a critical role in international cooperation and development strategy by forming a basis for sustainable development. TA can help build a country's overall capacity by transferring, integrating, distributing or using know-how, services, technology, science or engineering knowledge. This is achieved through personnel training, research and educational activities.

We have drawn upon Taiwan's successful development experience and comparative advantages to help partner countries implement TA projects in areas such as agriculture, small- and medium-sized enterprise (SME) development, ICT and public health and medicine. We tailor our efforts according to our partners' actual needs, taking into account their ecological, cultural, social, economic and political characteristics. We also consider their varying levels of development and the unique problems and challenges they face.

In recent years, we have also actively sought to integrate the three areas of funding, human resources and technology to reflect international trends in sustainable development and poverty alleviation strategies. At the project preparation stage, we have worked closely with cooperating countries to confirm the feasibility of projects. We have also provided TA in the form of technical consulting services, personnel training and policy-related research to bolster the economic development of such countries.

In addition to the continued implementation of our own projects and those commissioned by MOFA, we also initiated preparatory work for more than 30 potential new projects over the past year.

In terms of building capacity among personnel in

<sup>1</sup> Technical assistance as defined by the Asian Development Bank includes project preparatory technical assistance (PPTA), capacity development technical assistance (CDTA), policy and advisory technical assistance (PATA) and research and development technical assistance (RDTA).

our partner countries, our Vocational Training Project in the Marshall Islands saw 151 students complete training courses. Having gained basic professional skills in plumbing and electrical servicing and installation or automobile maintenance, these graduates are now well placed to enter the local job market or those in nearby U.S. territories. The project has also inspired the Marshallese government to build on the successes of the project and implement a second-stage teacher training program, as part of which five outstanding trainees have been dispatched to Taiwan to take part in vocational training courses.

To further meet our partners' development needs, we also sent more than 10 Taiwanese scholars and experts to partner countries to conduct technical training workshops and business counseling work in subjects such as pork processing, soil analysis, artificial insemination in livestock, the use of GIS and ICT development. These efforts enhanced the project implementation capacity of technical personnel in our partner countries.

In terms of project preparatory work, in the past year we prepared several new projects designed to meet partners' needs in agricultural development. For example, we planned the Bamboo Industries Development Project in Guatemala to build the planning capacity of the Guatemalan government to promote the bamboo industry. We plan to expand this project to Ecuador, Nicaragua, Honduras and other Latin American and Caribbean partners in the future. We hope to foster the further development of bamboo resources and bamboo products and marketing and conduct other supplementary activities which revolve around the project – such as localized training or loans to entrepreneurs – to consolidate the resources of the bamboo industry throughout the region. Elsewhere, in Paraguay, Haiti, St. Kitts and Nevis, and St. Vincent and the Grenadines, we have a number of projects under joint development involving a range of activities such as the construction of feed mills, vegetable production and marketing, aquaculture, agriculture and the upgrading of crop- and livestock-based products.

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## Lending and Investment

Following a period of operational transformation and strategic planning, 2012 saw us working to enhance and deepen the implementation of the project cycle. In terms of lending and investment projects, this meant strengthening colleagues' capacity to utilize financial instruments and standardizing certain practices, as well as expanding substantive cooperation with international organizations.

In terms of strengthening colleagues' capacity to utilize financial instruments and standardizing practices, we drew on the practices of international organizations and our own past experiences to draft Guidelines for the Financial Analysis of Commercial Banks. This tool will help implement knowledge management and standardized processes associated with operations and implementation and guide colleagues in implementing feasibility studies or performing appraisals. We have also set out a series of indicators for investments and, through the operation of public-private partnerships, intend to better integrate resources in the future. We hope to establish sound rules and regulations and achieve better performance in accordance with regulatory norms, the practical needs of partner countries and the requirements of post-investment

management.

In terms of assessing sustainability and social responsibility, our lending and investment projects also incorporate non-financial concerns including environmental, social and corporate governance targets. We have also conducted customized research into private sector investments to ensure that our assistance converges with trends and practices at international organizations.

Finally, in terms of engaging in substantive cooperation with international organizations, we have continued to normalize communications, actively participating in the yearly working meetings, official annual meetings and other activities of international organizations. We keep a close eye on development trends so that we can better explore possible opportunities for cooperation.

As of December 31, 2012, the TaiwanICDF was committed to 83 lending projects, for which commitments amounted to approximately US\$650 million. We were also committed to 13 investment projects, for which commitments amounted to approximately US\$100 million.

Since lending and investment projects require

significant amounts of funding and are implemented over relatively long periods, it is crucial to focus on the effectiveness of implementation processes following planning and appraisal, and signing of project contracts. During the year, we performed written reviews of 24 lending, investment or related technical assistance projects currently under implementation. We also

conducted 10 on-site project supervision missions. According to the conclusions and recommendations of these missions, we revised or adjusted nine projects operating under their commitment periods to ensure that they would comply with and successfully achieve their desired objectives.

## International Human Resources

### International Workshops

The purpose of TaiwanICDF international workshops is to assist developing partner countries to develop human resources and share Taiwan's successful development experience and comparative advantages. We adjust the themes of our workshops every year, which ensures that participants receive the most effective learning experience possible by following international trends and our partners' needs.

In accordance with partners' needs and national planning for the development of Taiwan's comparative advantage, we held 23 workshops in 2012 attended by 633 officials from 60 countries.

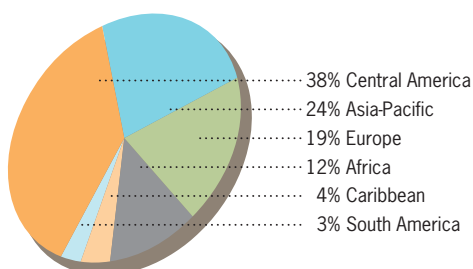
Of these, 16 workshops held in Taiwan were open to global participation, including a Workshop on Trade Promotion; a Workshop on Women's Development; a Workshop on Employment and Vocational Training; a Workshop on Clean Energy Development; a Workshop on Plant Protection and Quarantine; a Workshop on the Promotion of One Town, One Product Projects; a Workshop on Micro- and Small-sized Enterprise Development; a Workshop on Taiwan's Media Development; and a Workshop on Taiwan's Economic Planning and Development.

Other workshops, held outside of Taiwan for the benefit of participants in designated regions or

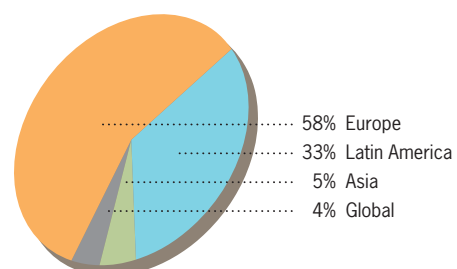
individual countries, included a Workshop on Healthcare Management, for participants from African and Pacific island countries; a Workshop on the Promotion of One Town, One Product Projects and a Workshop on Geographic Information Systems, both taught in Spanish for the benefit of Latin American participants; a Workshop on the Industrial Applications of ICT for the benefit of Caribbean participants; a Workshop on the Taiwan Experience in Agriculture, taught in Spanish for the benefit of participants in the Dominican Republic; and a Workshop on Micro-sized Enterprise Development and Credit Facilities, taught in Spanish for the benefit of participants in El Salvador.

Furthermore, to facilitate the migration of specific projects being implemented by Taiwan Technical Missions, an additional seven workshops were tailored to meet the specific local development needs of several bilateral cooperation projects, including a Workshop on Crop Production and Cultivation, held in The Gambia; a Workshop on Agricultural Marketing, held in St. Lucia; a Workshop on Tilapia Culture, held in Honduras; a Workshop on Hog Breeding and Raising, held in the Solomon Islands; a Workshop on Micro-sized Enterprise Formation and Creation, held in Burkina Faso; and a Workshop on the Project Cycle, held in São Tomé and Príncipe. These events were designed to complement

**Figure 4 Lending by Region (2012)**



**Figure 5 Investments by Region (2012)**



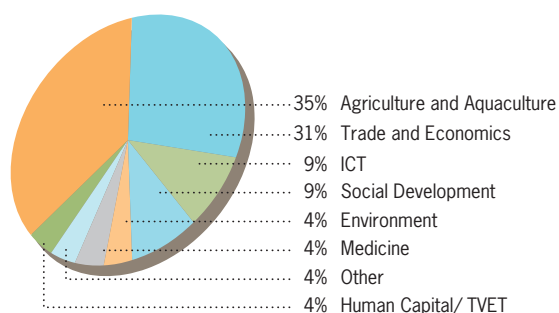


international cooperation projects implemented by the TaiwanICDF, as well as those implemented by other organizations.

The distribution of workshops held during 2012 by sector and number of participants was as follows: health care, one class of 16 participants (4%); the environment, one class of 19 participants (4%); social development, two classes for a total of 55 participants (9%); ICT, two classes for a total of 21 participants (9%); trade and economics, seven classes for a total of 296 participants (31%); agriculture and aquaculture, eight classes for a total of 174 participants (35%); human capital/TVET, one class of 24 participants (4%); and one other class of 28 participants (4%).

In the future, our workshops will be planned according to the training needs and objectives of our target beneficiaries. They will be classified by subject matter, form and beneficiary. The program will mainly comprise project-based workshops designed to promote and upgrade capacity in our bilateral cooperation projects. These will be supplemented by policy-based workshops designed to introduce and share Taiwan's experiences and comparative advantages. Content will be planned yearly and we will also make use of seminars and short-, medium- and long-term training placements. We will invite participants from a wider range of backgrounds to take part in our training. This will mean, for example, inviting officials working at a policy-making level to exchange experiences in seminars and short-term workshops, offering training to seed trainers who can strengthen project promotion and disseminate knowledge, offering series of graded short-, medium- and long-term workshops over a longer period to assist partner countries to tackle specific technical issues, and inviting technicians to take part in medium-term workshops and placements so that the training we provide is more pragmatic and timely and better focused on beneficiaries and content. All of these measures will help to achieve the objectives of building capacity and managing projects sustainably.

**Figure 6 Workshops by Sector (2012)**



## International Higher Education Scholarship Program

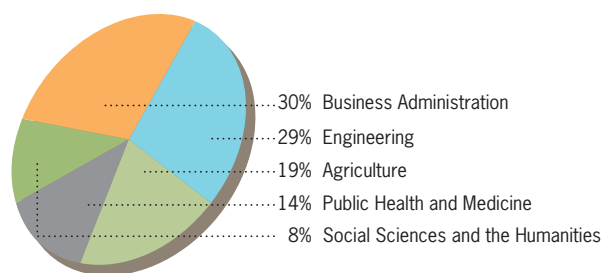
The TaiwanICDF's International Higher Education Scholarship Program was initiated in 1998 to support the increasing demand for highly skilled human resources in our partner countries. As part of the program, students from partner countries receive a full scholarship to study in Taiwan. All courses are taught in English.

The program was originally restricted to a smaller number of graduate and postgraduate programs, but was expanded considerably in 2006 when undergraduate courses were offered for the first time. The range of subjects on offer continues to increase each year. As of the end of 2012, the TaiwanICDF was cooperating with 18 universities to offer 28 undergraduate, graduate and postgraduate degree programs covering a range of academic disciplines such as agriculture, social sciences and humanities, business administration, public health and medicine, and engineering. At this time, 359 students from 31 countries were studying in Taiwan, of whom 161 had been newly enrolled at the start of the academic year in September. The number of students enrolled by subject was as follows: agriculture, 67 students (19%); engineering, 105 students (29%); business administration, 106 students (30%); social sciences and the humanities, 30 students (8%); and public health and medicine, 51 students (14%).

Since the program was established, 953 students have received scholarships, comprising 339 recipients of TaiwanICDF-funded scholarships, 506 recipients under the Republic of China (Taiwan)-Central American Economic Development Fund and 108 recipients of the MOFA-sponsored Taiwan Scholarship.

As the program continues, we will update operations according to the state of the national education systems in the majority of our partner countries, as well as their

**Figure 7 Students Enrolled in the International Higher Education Scholarship Program by Subject (2012)**



social and economic development. We will add additional courses and discuss other potential avenues for TVET (such as two-year completion programs and junior college programs). We will provide medium- to long-term training and courses with varying timetables and different levels of content to better meet the diverse human resources development needs of our partner countries. Furthermore, we will continue to streamline the management of the program, setting out a multifaceted assessment method for program components and clear, qualitative indicators. These measures will provide us with a clearer idea of the direction we want the program to take and how to upgrade it for better results.

In the future, we will implement the program to more closely match our core philosophy for development assistance and to expand its impact. We will work to integrate program operations with the TaiwanICDF's comparative advantages and our partner countries' national development strategies. We will engage in overall, long-range planning and set out national and regional priority areas of expertise to be nurtured. We will pay particular attention to gender issues and strive to increase the number of female scholarship recipients. We will also focus on nurturing present or future teachers and

personnel performing similar services in the public sector, so that those studying abroad can contribute to promoting development in their respective areas. These efforts will allow us to improve aid effectiveness by nurturing local talent.

In addition to our work in higher education, we continued to support education for vulnerable children in 2012 through the TaiwanICDF Scholarship Program in Burkina Faso, implemented in cooperation with UNICEF and Terres des Hommes. More than 2,000 primary and secondary school children benefited from the program in the past year.

### TaiwanICDF Alumni Society

The TaiwanICDF offers annual funding toward the establishment and operation of chapters of the TaiwanICDF Alumni Society. This program supports the activities of former workshop participants and scholarship students, strengthening interaction with alumni and enlarging the role they play in cooperation and development activities. The program also helps maintain cordial relations between Taiwan and its allies. At present, 35 chapters of the society are in service in 34 countries.

Table 2 TaiwanICDF Alumni Society (2012)

Region	Country
Africa	The Gambia, Ivory Coast, South Africa, Swaziland
Asia-Pacific	Fiji, Kiribati, Indonesia, Solomon Islands, Thailand, Tuvalu, Vietnam (Hanoi, Ho Chi Minh City)
Caribbean	Dominican Republic, Haiti, St. Kitts and Nevis, St. Vincent and the Grenadines
Central America	Belize, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama
Eastern Europe	Czech Republic, Hungary, Latvia, Poland
Middle East, Central Europe and Central Asia	Oman, Russia
South America	Argentina, Chile, Colombia, Ecuador, Paraguay, Peru
Total 34 countries, 35 chapters	

## Healthcare Personnel Training Program

To enhance the Healthcare Personnel Training Program and better meet the needs of medical personnel in our partner countries, this year we managed program operations according to flexible principles. We offered participants tailor-made services, providing practical training involving content designed to meet countries' specific medical demands. We also staggered the starting dates of training periods based on partners' suggestions. These measures have helped to cultivate seed teachers and provided support to our public health and medicine

projects currently under implementation.

In 2012, a total of 35 medical personnel from 14 partner countries took part in the program: 15 nurses, 10 doctors, three radiologists, two medical engineers, one pharmacist and four health care services administrators. Four participants were part of a training project to build capacity among head nurses and midwives at clinics in Burkina Faso. Another group of radiologists, technicians and medical engineers took part in the program as part of the Used Medical Equipment Donation and Training Project in Burkina Faso.

Table 3 Healthcare Personnel Training Program (2012)

Country	Participant(s)	Host Institution	Training Subject
Burkina Faso	9	Fooyin University	Nursing, midwifery
Burkina Faso	6	E-Da Hospital	Radiology
Swaziland	1	Taipei Medical University Hospital	Radiology
Guatemala	2	Far Eastern Memorial Hospital	Dentistry, pharmacology
Honduras	1	Tri-Service General Hospital	Nursing administration
Nicaragua	1	Chi Mei Hospital	Internal medicine and critical care
Paraguay	2	Cathay General Hospital	Surgical oncology
Haiti	1	Show-Chwan Memorial Hospital	Nursing administration
St. Lucia	2	Changhua Christian Hospital	Nursing administration
St. Vincent and the Grenadines	1	Changhua Christian Hospital	Nursing administration
St. Kitts and Nevis	1	China Medical University Hospital	Nursing administration
Kiribati	1	Mackay Memorial Hospital	Nursing
Palau	2	Shin Kong Wu Ho-Su Memorial Hospital	Nursing, dentistry
Solomon Islands	2	Kaohsiung Medical University Chung-Ho Memorial Hospital	Pediatrics, orthopedics
Tuvalu	3	Chung Shan Medical University Hospital	Nursing

## Humanitarian Assistance

### Public Health and Medicine

The primary principle underpinning public health and medicine and associated projects from the TaiwanICDF is ownership. To achieve the MDGs associated with public health and medicine, we consider our partner countries' needs, the globalization of health care-related humanitarian assistance and environment-oriented improvements to international health care.

#### Pursuing One of the MDGs

We are currently implementing programs in The Gambia and Burkina Faso designed to address the fifth MDG, "Improve maternal health."

In The Gambia, we are working with the Ministry of Health and Social Welfare on a Maternal Health Improvement Program, which is being implemented in the country's Upper River Region. The project is designed to enable better care throughout the various stages of a term of pregnancy, increase the coverage and number of visits made by midwives throughout the project's area of operation and upgrade the quality of facilities at basic clinics in the region. Overall, the project aims to reduce maternal and neonatal mortality by improving the quality of maternity services on offer. In November 2012, we held the first of a series of Community Nurses and Midwives Training Courses, during which 20 local nursing and midwifery personnel received on-the-job training.

In addition to providing actual medical services, our Taiwan Medical Mission in Burkina Faso has also assisted in establishing health care management systems and training courses. As of 2011, the mission has also been working with the Ministry of Health on a six-year plan to provide assistance to midwives and senior nurses at primary health clinics to better meet Burkina Faso's real medical needs and to build associated capacity. In addition to providing professional training courses in Burkina Faso, we have also drawn on the resources and experience available in Taiwan's health care systems by bringing certain personnel to Taiwan to take part in teacher training. After returning to Burkina Faso as lecturers, these personnel are able to disseminate and promote medical concepts and professional nursing skills, enhancing the overall quality of medical services available in the country. During 2012, four midwives and senior nurses came to Taiwan to participate in refresher courses on teaching and lecturing skills before going on to train 150 midwives and 200 senior nurses. Elsewhere, as

part of its continuing efforts, the mission itself provided approximately 20,000 consultations or instances of medical care.

### Public Health and Medical Assistance

The TaiwanICDF has many years of experience in providing assistance in public health and medicine. We implement such assistance in cooperation with Taiwanese hospitals and medical institutions, integrating Taiwan's 50-plus years of experience in public health and medicine and epidemic prevention. We assist partner countries by implementing various medical cooperation projects, such as Taiwan Medical Missions, our Medical Project in Pacific Island Countries, and our Used Medical Equipment Donation and Training Project.

Among these operations, personnel at Taiwan Medical Missions offer long-term assistance to hospitals in our partner countries. They provide medical services in resource-poor regions and make regular visits to remote areas. By transferring appropriate medical concepts and technologies, and helping to improve the efficiency of hospital management, Taiwan Medical Missions help partners achieve their objective of raising medical standards and the quality of associated services.

At present, MOFA commissions the TaiwanICDF to operate Taiwan Medical Missions in Burkina Faso and Swaziland. As part of the associated ROC-Kingdom of Swaziland Medical Project implemented by the mission in Swaziland, the mission works with Mbabane Government Hospital to improve the quality of medical care and nurture health care-related teaching staff. In 2012, the mission provided around 8,000 consultations or instances of medical care. The mission also enhanced the quality of local medical human resources by organizing three specialist medical workshops and 30 training events at the hospital.

### Establishing a Medical Platform, Integrating Taiwan's Medical Resources

The TaiwanICDF works to strengthen cooperation in public health and medicine between Taiwan and its allies. Since 2006, the TaiwanICDF has joined forces with 37 Taiwanese hospitals and medical institutions to form the International Healthcare Cooperation Strategic Alliance (IHCSA), together operating permanent Taiwan Technical Missions in a number of partner countries, as well as providing mobile services through Mobile Medical Missions.

Over the past year, our Mobile Medical Missions service was converted into a Medical Project in Pacific Island Countries to keep pace with international trends and provide more project-oriented forms of assistance. This program allows us to better focus on meeting individual countries' specific medical needs. The Taiwanese hospitals cooperating on the project appraised its feasibility and dispatched eight teams to eight Pacific island countries to provide clinical and technological exchange and treatment in specialty fields such as ophthalmology, orthopedics, gynecology and surgery. Such operations have raised the visibility of Taiwanese medical services, garnering positive feedback and recognition at home and abroad.

Furthermore, with Taiwan's medical and health care standards being constantly improved and the majority of medical institutions, medical equipment manufacturers and academic units striving to provide better medical diagnostic services, medical equipment in Taiwan is always being replaced and upgraded. Much of the used equipment remains in excellent condition. Since 2010, we have been involved in a number of cases involving the donation of used equipment to partner countries, working in cooperation with the Global Medical Instruments Support and Service (GMISS) program operated by the Department of Health and National Taiwan University Hospital. On receiving a list of partner countries' requirements, we work with GMISS personnel to seek out the right equipment in Taiwan and then make a donation. We assist partner countries' recipient units with associated servicing and maintenance and provide comprehensive training courses on the use of such equipment to foster their pool of human resources.

In the past year, with the assistance of GMISS and the IHCSA, we worked with the Taiwanese embassy in Burkina Faso to donate one digital mammography unit and two used CT scanners to local hospitals. At the same time, we also provided training on the proper use and maintenance of the equipment, hoping to enhance standards associated with medical equipment at partner medical institutions. By providing education and training in maintenance, operation and interpretation during donation projects such as these, we are building capacity among medical personnel in recipient units and building local human resources. In this way, we actively assist medical professionals in our partner countries to enrich their know-how, technical skills and experience and help them realize the development objective of providing higher quality medical care.

## Emergency Aid

One of the primary functions of the TaiwanICDF is to provide emergency aid to nations and peoples affected by natural disaster or conflict, and to assist survivors in dealing with the impact of these events and restoring their original standard of living.

Due to the impact of climate change, we have seen annual increases in the number of humanitarian crises involving disease and epidemics in recent years. To speed up our responses to these and other crises and to implement project-oriented programs that respect the spirit of ownership, we have designed a set of application forms for projects involving emergency aid. Whenever a disaster occurs, Taiwanese embassies or similar units operating overseas can supply these forms to the relevant authorities in partner countries and assist them in applying for humanitarian assistance. In 2012, we used this means of cooperation between Taiwanese embassies and partner countries to respond to two crises:

**Assistance to Rural Populations Affected by the Food Emergency Due to the Effects of the Drought in Paraguay:** Working in cooperation with the National Emergency Secretariat, we provided emergency food rations and mobile water storage tanks in order to relieve the local effects of a severe drought.

**Honduras Home Garden Project—Emergency Relief for Victims in the South:** Implemented in cooperation with the Honduran Agricultural Science and Technology Agency (DICTA), this project was designed to support the production of staple crops in southern Honduras, establishing home vegetable gardens and irrigation systems to achieve self-sufficiency in food production in the aftermath of a drought that had severely affected disadvantaged farmers.

By lending a helping hand to partners affected by climate events, these two projects demonstrate our commitment to providing timely assistance in the spirit of humanitarian concern.

## Post-disaster Reconstruction

The principal objective behind post-disaster reconstruction is to restore beneficiaries' original standard of living.

In Tuvalu, the effects of climate change are resulting in highly unstable, below-average patterns of rainfall, which have continued to affect the water sources that local people rely on in their daily lives. The lack of rain has also had a huge impact on the growth of local crops,



causing food security and water crises. Working with Tuvalu's National Disaster Management Office and its National Action Plan to Combat Land Degradation and Drought, we have provided emergency food assistance to affected citizens. In addition, our recovery work has focused on restoring farming activities in communities affected by water shortages, building communities' disaster preparedness capacity and monitoring water and food security. Our aid efforts are designed to help Tuvalu build greater self-sufficiency.

Elsewhere, in conjunction with MOFA's post-earthquake recovery program in Haiti, we have continued to promote the second phase of our resettlement project in New Hope Village. This project provides guidance to survivors who have sought to make a new life for themselves after resettling in Savane Diane in the central highlands of the country. Of the 215 families due to benefit from the project, 192 families have already signed up to the initiative. The program includes training for agricultural production and the production of bamboo handicrafts. Some 322.5 hectares of land has been allocated to the project for reclamation, with 288 hectares having been planted with crops such as pigeon peas, maize, peanuts and sorghum to date. We continue

to promote the establishment of farmers' organizations among beneficiary households to facilitate the handover of the project and the success of continuing operations. In addition, the bamboo handicrafts component of the project has now entered its fourth training phase. Beneficiary households receive guidance on the production of bamboo furniture and bamboo-weaving techniques, enabling village residents to earn additional income from sideline production.

In response to international appeals for humanitarian assistance following a major drought in the Horn of Africa, we implemented the second phase of a project, Drought Relief in North Eastern Kenya, in cooperation with Mercy Corps. The project promoted education and training in WASH (water, sanitation and hygiene), CHAST (children's hygiene and sanitation training) and PHAST (participatory hygiene and sanitation transformation) services in western and southern parts of Wajir District, Kenya. The initiative also saw the construction of underground storage tanks to improve water storage infrastructure and the construction of latrines to improve sanitation in schools, and improved the economic situation of local households by supporting this construction work through a food-for-work program.

## Overseas Volunteers

Some 550 volunteers have provided either development or humanitarian assistance in 35 countries as part of the TaiwanICDF Overseas Volunteers Service since its inception in 1996.

Through its many fixed-term assignments, the service has achieved much over the past 16 years, evolving over time and expanding in reach from fields such as agriculture, industry, construction, health care and education to embrace newer subjects such as ICT. The program has not only contributed to cultural exchange and helped to consolidate cooperative relationships with partner countries, but has also allowed Taiwanese people to bring their cross-cultural experiences home to enrich our own society here in Taiwan.

### **A Shift in Volunteer Recruiting: From Professional Backgrounds to More General Backgrounds**

In the past, volunteers in the program were largely from professional backgrounds. To ensure that our service is in line with ongoing reforms to the TaiwanICDF,

and to respect local ownership and achieve results-oriented development, we have gradually begun recruiting volunteers into the service from more general backgrounds. This allows us to better meet the social or rural development needs of our partner countries. In addition to playing the role of providers of development assistance, our volunteers can now become more deeply immersed in the societies of our partner countries. They can build more meaningful relationships with local personnel and work more closely with their counterparts to implement projects. This deep interchange between our volunteers and partner countries helps capacity building and represents an important means of support for our activities in the local communities of our partner countries.

### **Enhancing Effectiveness through Volunteer Service Coordinators**

Secondly, we have gradually introduced Volunteer Service Coordinators to oversee and manage volunteers

and their projects in a full-time capacity. These coordinators refine associated management practices and provide a dedicated role for taking care of volunteers' needs and any associated issues and problems that arise during their service. Rather than rely on personnel or volunteers at our overseas missions or staff at Taiwanese embassies to enhance the effectiveness of our volunteer services, we now have dedicated personnel to do these tasks.

In the past year we dispatched Volunteer Service Coordinators to work in St. Lucia and Panama. By being stationed in our partner countries over the long term and gaining knowledge of local conditions, these personnel should be able to act as a communications bridge, exploring and planning how to meet the needs of overseas missions and the role that volunteer projects can play in meeting such needs. In terms of management, the coordinators' familiarity with the TaiwanICDF's internal resources coupled with their proximity to volunteers should enable us to process and resolve problems over much shorter periods of time.

**Promoting a Reserve Volunteer System, Establishing A Pool of Human Resources**

To improve the quality of the volunteers we dispatch and refine the development of our volunteer service, we have continued to promote a reserve volunteer system and sought to establish a pool of readily available human resources.

In 2012, we organized six first-phase training

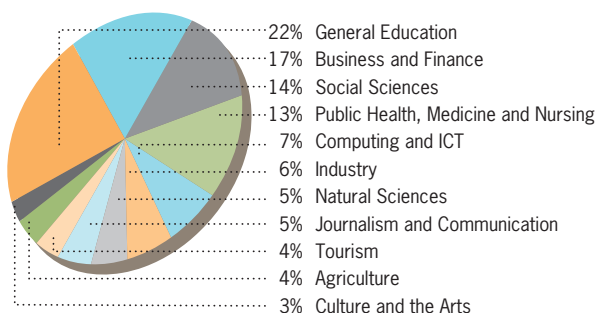
sessions for the benefit of 171 participants and 11 second-phase training sessions for the benefit of 228 participants. In the future these volunteers will become a vital new force in the service. We are gradually migrating the operations of the service to ensure that all deployment of volunteers is eventually sourced from a qualified pool of reserve volunteers.

**A University-educated Majority**

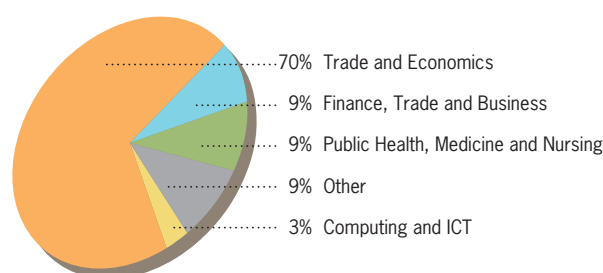
The majority of the 2012 intake of reserve volunteer trainees was under 30 years old (77%), followed by volunteers aged 30-39 (18%). Four female volunteers were recruited for every male. In terms of education, most entrants were university graduates (86%) with a smaller portion holding postgraduate degrees (14%). Specialties in general education were the most highly represented interest among participants (22%), followed by business and finance (17%) and public health and medicine (13%).

In 2012, we dispatched 32 long-term volunteers (for one- or two-year periods) and one short-term volunteer (for six months) to 13 partner countries: São Tomé and Príncipe, The Gambia, Honduras, Panama, El Salvador, Nicaragua, Belize, St. Vincent and the Grenadines, St. Lucia, St. Kitts and Nevis, Thailand, the Marshall Islands and Tuvalu. Female volunteers outnumbered males four to one. Most volunteers dispatched were between 20 and 29 years old and the majority specialized in general education, followed by public health and medicine, and then business and finance.

**Figure 8 TaiwanICDF Overseas Volunteers Service: Reserve Volunteers (2012)**



**Figure 9 TaiwanICDF Overseas Volunteers by Category (2012)**



## Taiwan Youth Overseas Service (Alternative Military Service)

MOFA commissions the TaiwanICDF to provide training for, and manage, the Taiwan Youth Overseas Service.

As part of their alternative military service, young servicemen are deployed to assist technical and medical missions by lending their professional skills and knowledge to projects, as well as to provide all-round administrative assistance. Their work covers a wide range of ground, such as agriculture, aquaculture, animal husbandry, economics and trade development, business consultation, medicine and ICT.

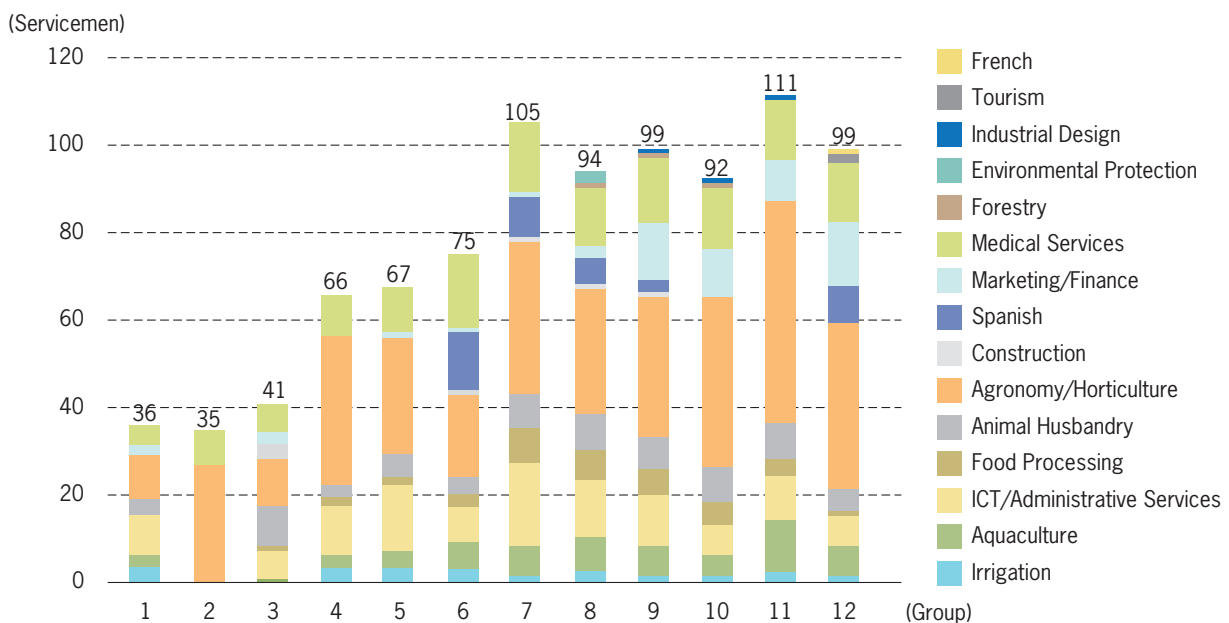
The TaiwanICDF has played an active part in advancing the service, having deployed some 920 servicemen in 12 annual groups as of the end of 2012. The program provides opportunities for young Taiwanese men to contribute their expertise to our partner countries and play a role in bringing balanced development to the international community. Servicemen not only enhance their own language and professional skills, but also have an opportunity to learn about the people and culture of many different countries and explore development

opportunities in developing nations. Overall, the Taiwan Youth Overseas Service provides Taiwan with an outstanding reserve of talent that can be deployed in the service of diplomacy and foreign aid.

As of the end of December 2012, 84 former servicemen had also participated in the TaiwanICDF's projects at home and overseas. This number shows the program's concrete contribution to the quality of human resources in Taiwan.

In terms of management, the service's duty service management manual was amended over the past year to ensure that the service is in line with the TaiwanICDF's project-oriented approach and project management style. The manual was then distributed to draftees for them to understand and comply with, and to ensure that servicemen have a common understanding of the service and observe certain standards. In terms of project-orientation, we are planning to draft servicemen whose expertise covers a more diverse range of fields and have them participate in projects from a much more comprehensive perspective.

**Figure 10 Taiwan Youth Overseas Service (Since 2001)**





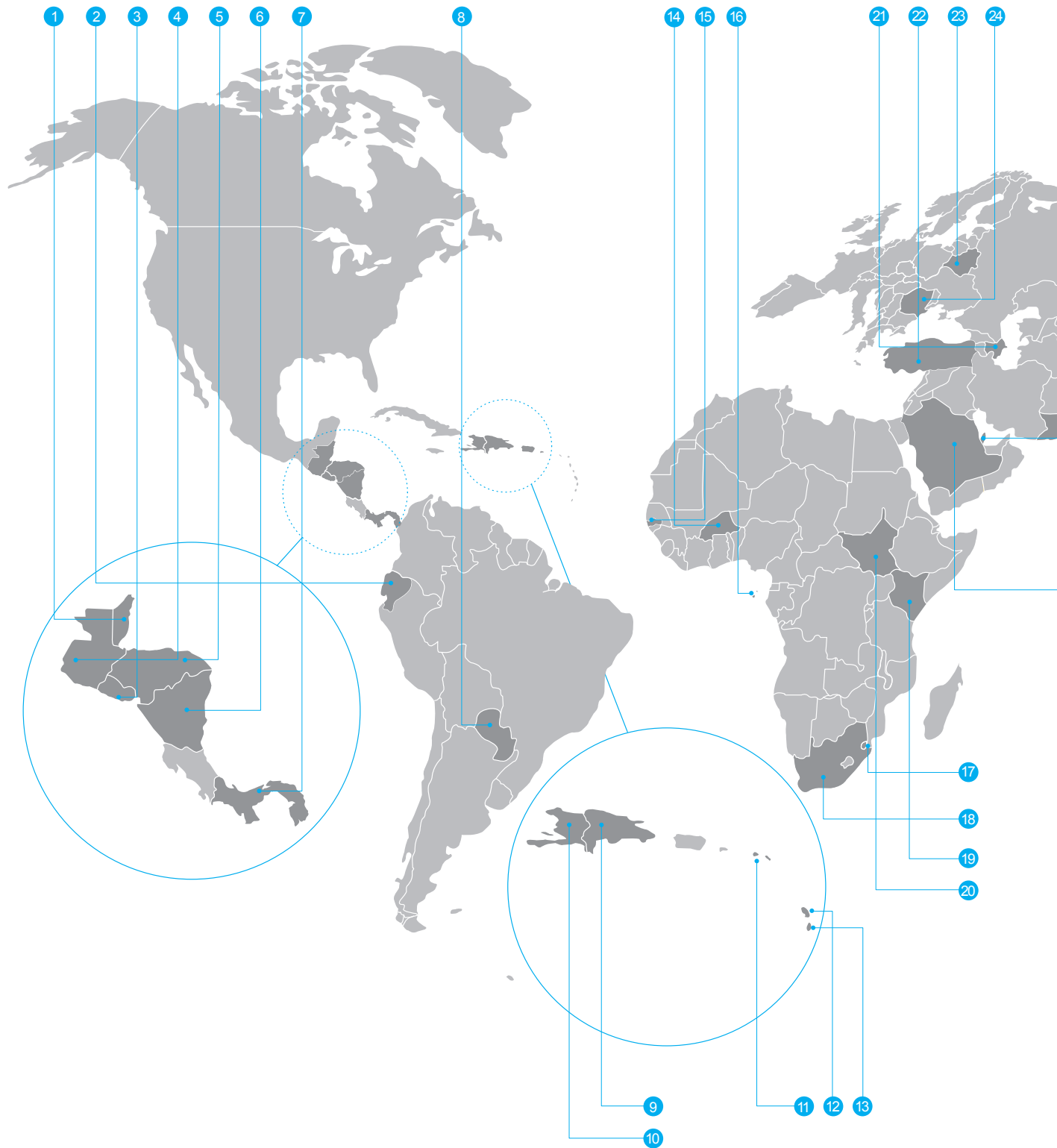
◀ Members of the 12th group from the Taiwan Youth Overseas Service celebrate during the graduation ceremony following their initial period of training and orientation. With the dispatch of the 12th group, almost 1,000 servicemen have now served overseas, contributing their expertise to partner countries and forming a reserve of talent that can be deployed in the service of diplomacy and foreign aid.

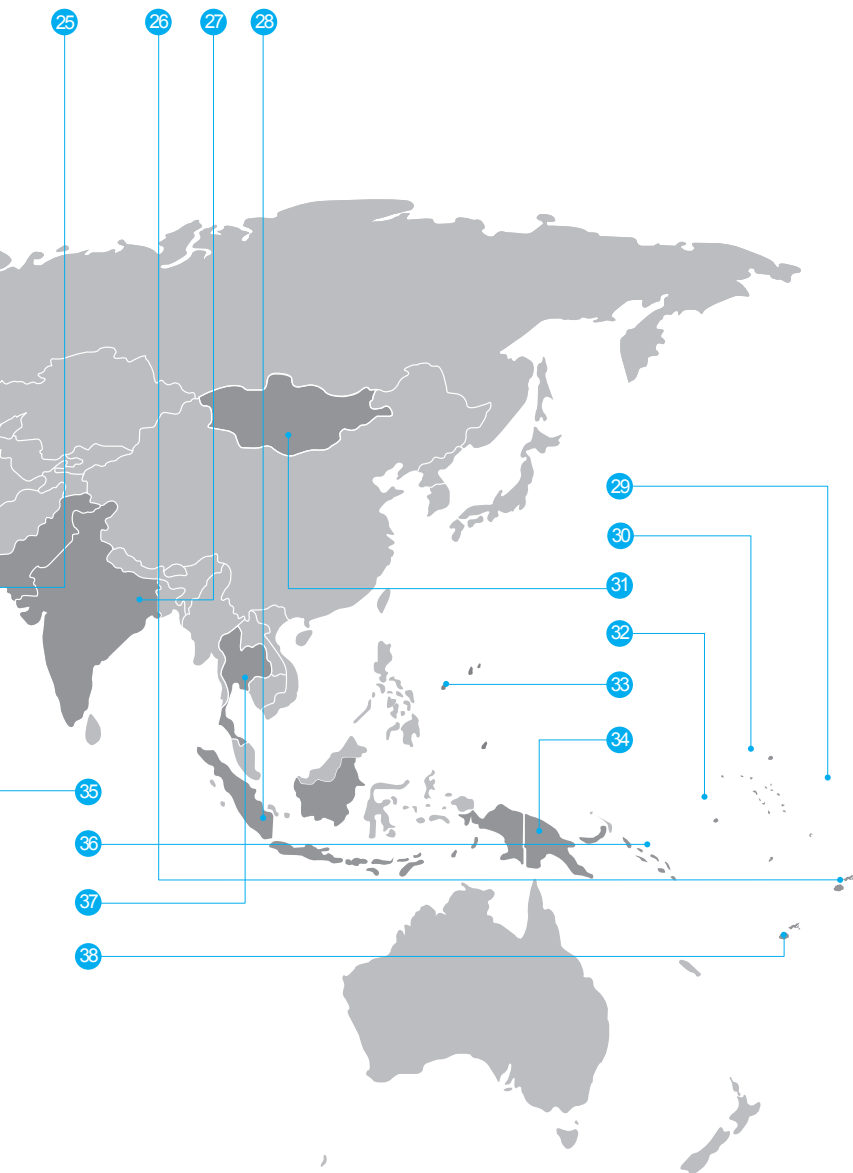
In 2012, we enrolled 99 servicemen into the service, to work in a variety of fields such as agronomy and horticulture, aquaculture, animal husbandry and veterinary services, agricultural machinery, agribusiness management and marketing, food processing, economics and trade, ICT, irrigation engineering, Spanish, French, plant protection, pest control, tourism and public health and medicine. This was the 12th group of servicemen to be dispatched since 2001. They were posted overseas to work on projects at technical and medical missions in October.

Following a shortening of the term of compulsory military service to one year and 15 days, since 2010 we have also shortened servicemen's training to six weeks. This effectively extends the period that they actually spend overseas. Since servicemen are recruited for their professional skills, training focuses instead on language skills, as well as general subjects that build knowledge of international technical cooperation. Training is meant to develop servicemen's ability to adapt to group life and help them assimilate into their new teams at overseas missions in the shortest time possible.



# 2012 Cooperating Countries and Projects





- Overseas Missions
- Technical/ Humanitarian Assistance Projects
- Lending and Investment Projects
- International Human Resources Development Projects (excluding Workshops and Scholarship Programs)
- Medical Missions
- TaiwanICDF Overseas Volunteers Service
- Taiwan Youth Overseas Service

### Latin America and the Caribbean

1 Belize	●	●	●		●	●
2 Ecuador	●	●	●			●
3 El Salvador	●	●	●	●	●	●
4 Guatemala	●	●				●
5 Honduras	●	●	●		●	●
6 Nicaragua	●	●	●		●	●
7 Panama	●	●	●		●	
8 Paraguay	●	●			●	●
9 Dominican Republic	●	●		●		●
10 Haiti	●	●				●
11 St. Kitts and Nevis	●	●	●		●	●
12 St. Lucia	●	●			●	●
13 St. Vincent and the Grenadines	●	●	●		●	●

### Africa

14 Burkina Faso	●	●	●	●		●
15 The Gambia	●	●	●			●
16 São Tomé and Príncipe	●	●		●	●	●
17 Swaziland	●	●	●			●
18 South Africa			●			
19 Kenya		●				
20 South Sudan		●				

### Central and Eastern Europe; Central Asia

21 Azerbaijan			●			
22 Turkey			●			
23 Belarus			●			
24 Romania			●			

### Asia-Pacific and the Middle East

25 Bahrain	●	●				
26 Fiji	●	●			●	●
27 India			●			
28 Indonesia	●	●	●			
29 Kiribati	●	●	●	●	●	●
30 Marshall Islands	●	●			●	●
31 Mongolia			●			
32 Nauru	●	●			●	●
33 Palau	●	●			●	●
34 Papua New Guinea	●	●			●	
35 Saudi Arabia	●	●				
36 Solomon Islands	●	●	●		●	●
37 Thailand		●			●	
38 Tuvalu	●	●			●	●



# 4

## Special Reports

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2012 saw us set out our vision of becoming the best partner for sustainable development by 2022. To achieve this, we will allocate resources and implement projects across five priority areas: agriculture, public health, education, information and communications technology (ICT) and environmental protection.

The special reports in this chapter explain the specific objectives and actions involved in these five priority areas. These introductions to a wide selection of our projects show how we are effectively striving to respond to the UN's MDGs, promote reform and put the principle of ownership into practice.

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## Agriculture

In the face of the increasingly urgent problem of global food security, we aim to assist partner countries to safeguard food safety by drawing on Taiwan's technological advantages and experiences. We hope to minimize the impact of food crises, increase the added value of agricultural products and improve farmers' livelihoods.

### **Increasing Production of Crops and Animal Protein Through Technical Cooperation:**

To minimize the impact of food crises, we have taken measures to increase the production of crops and animal protein through technical cooperation, introducing the comparative advantages of Taiwan's production sectors, such as rice production and aquaculture, to improve productivity and ensure balanced nutrition, as well as to enhance partners' rates of self-sufficiency in food production.

In terms of rice production, for example, our Torbeck Rice Production and Marketing Project in Haiti has aimed to increase the income of farmers and rice millers by establishing contract farming practices, repairing irrigation facilities and establishing a production and marketing system. These activities have prevented social unrest by improving food self-sufficiency in Torbeck and mitigating rising food prices.

Elsewhere, our Upland Rice Expansion Project in The Gambia has aimed to extend farming areas and convert dry farmland so that it is suitable for upland rice production. We are encouraging farmers to form organizations and providing rice seed, fertilizer and training to increase per-unit production rates and achieve the country's objective to become self-sufficient.

In terms of aquaculture, our Aquaculture Project in Honduras, for example, aims to produce high-quality

sources of protein for children in remote areas of the country by cultivating broodstocks, demonstrating breeding, producing fry, organizing and guiding farmers to form cooperatives to facilitate the transportation and sale of aquatic products, and developing various species suited to aquaculture.

### **Promoting the Development of the Agricultural Sector in Partner Countries:**

In terms of production management, we are promoting the development of the agricultural sector in partner countries by introducing partners to the experiences and methods that Taiwan has used to support its own farmers, such as production and marketing groups, cooperatives, and farmers' and fishermen's associations. Production and marketing information is integrated to develop the essential technologies that sustain the development of agribusinesses. The purpose of these measures is to enhance the development and implementation efficiency of agricultural policies, as well as to increase incomes and improve the livelihoods of farmers in our partner countries.

Our Papaya Export Project in Petén, Guatemala, for example, has aimed to establish a complete supply chain for the export of agricultural products, giving production guidance to farmers and others working in the agricultural sector while also promoting local agricultural development. This is supporting the Guatemalan government's efforts to diversify its industries, promote the development of remote areas and develop unconventional export products.

Meanwhile, in response to the decline of the sugar industry and release of government-owned land in St. Kitts and Nevis, our Agronomy Development Project has been implemented to develop alternatives to sugar in





► Working under the guidance of the Taiwan Technical Mission in Nauru, local farmers take part in practical training at the mission's demonstration field.

cooperation with the Ministry of Agriculture and Marine Resources. The ministry will implement the project on a sustainable basis, with the TaiwanICDF providing technical support and helping to build capacity where relevant.

**Providing Short- to Medium-term Financing to Farmers and Small-scale Agribusinesses:**

To ensure that projects develop sustainably and continue to expand the benefits of development, we began to implement Small Farmholders' Financing Schemes some years ago. The purpose was to assist farmers to raise production funds and to receive an initial injection of two-tier technical and financial assistance, and to increase the economic scale and depth of assistance projects. Such microcredit projects have been combined with agricultural assistance projects to provide short- to medium-term financing for farmers and microbusinesses and thereby promote sustainable agricultural development in our partner countries, as well as to achieve the first MDG, "Eradicate extreme poverty and hunger."

**Promoting Aid for Trade by Improving Animal and Plant Disease Prevention and Quarantine Measures:**

Aid for Trade, which has become the focus of various organizations since its launch by the World Trade

Organization's General Council in 2006, aims to improve the trading capabilities of developing and underdeveloped countries through technical assistance, capacity building, economic reform and infrastructure, so that such nations can be integrated into the multilateral trading system and enjoy the economic benefits of trade liberalization.

With trade liberalization ongoing, the type and quantity of agricultural products being exported and imported are increasing. This has increased the risk of spreading invasive plant species and pests, such as Huanglongbing in citrus fruits in Central America and Black Sigatoka in St. Lucia. It is therefore important to improve partner countries' animal and plant disease prevention and quarantine measures in order to control the spread of diseases, protect the safety of agricultural products and increase the value of agricultural trade. A recent project commissioned by the Ministry of Foreign Affairs, implemented jointly with the International Regional Organisation for Plant and Animal Health (OIRSA) and designed to strengthen the control of Huanglongbing and manage other plant pests and diseases, for example, is geared toward just this kind of outcome.

## Case Study 1

### Upland Rice Expansion Project in The Gambia

The Upland Rice Expansion Project in The Gambia was implemented at the explicit request of Gambian authorities. Building upon our previous Doubling Rice Yield within Five Years Project, this project drew on Taiwan's comparative advantages in agriculture and associated technologies. The overall aim of the project, which ran for four years from 2009 to 2012, was to reclaim 32,000 hectares of land for the cultivation of upland rice. The project's specific objectives were to raise upland rice yields to 2.2 tons per hectare, provide workshops and training courses and establish standard operating practices for the cultivation of upland rice. The effectiveness of the project was ensured by conducting annual production surveys.

In keeping with the principle of ownership, this project involved cooperation from the Taiwan Technical Mission in The Gambia, the Gambian Ministry of Agriculture and six provincial offices, as well as local research stations with the National Agricultural Research Institute. All told, around 200 Gambians were involved in project implementation. A mission leader and three technicians from the Taiwan Technical Mission assisted with the project, which guided participants to use better rice varieties and improve growing techniques. Overall, rice production increased and the project had a deep effect on both the government and civil society.

#### ■ Building Self-reliance and Working toward Sustainability

Taiwanese personnel from the local technical mission were responsible for coordinating all of the operations on the Gambian side. The staff worked with Gambian participants to achieve the hoped-for expansion of upland rice coverage, improve rice yield per hectare and build the skills and abilities of farming organizations. Specific tasks included: creating the project's annual work plan, liaising with relevant organizations, assisting in the deployment of project materials, handling relevant training work and ensuring that our collaborators' work was progressing smoothly. Gambian authorities directed the funding they received to training and subsidies for agricultural machinery for farmers' organizations. This provided a good incentive for Gambian farmers to work on improving the cultivation of upland rice, thus raising the country's self-sufficiency in rice production. We will also provide continued guidance and annual monitoring of yields by area to help the project become sustainable.



▲ Farmers participating in the Upland Rice Expansion Project in The Gambia gather at rice production demonstration fields to take part in the first phase of transplanting activities.

#### ■ Objective in Sight: Far-reaching Impact on Upland Rice Cultivation in The Gambia

Under the guidance of the Taiwan Technical Mission, this project has significantly expanded the coverage of upland rice production in The Gambia beyond the 32,000 hectares in the original plan. Despite a noticeable decrease in the stability of the local weather, most likely due to climate change, the project yielded approximately 30,000 tons of grain. In terms of the overall implementation of the project, we successfully established distribution mechanisms for agricultural materials and set up training programs for extension officers. The contributions of local farmers and the benefits they gained from the project have both exceeded expectations. After four years, the project trained roughly 38,000 farmers of around 67,000 farmers participating in the project. Overall, the project reached as many as 170,000 beneficiaries.

The project has had a profound impact on upland rice cultivation in The Gambia having already reclaimed roughly 22,000 hectares for the production of rice seed. With the Gambian government having expressed a hope that Taiwan can continue to provide technical assistance, we have offered to extend the operations of the Upland Rice Expansion Project through the Upland Rice Consolidation Project, scheduled to run from 2013 to 2017. This will build upon the outcomes of the present four-year project by continuing to elevate The Gambia's currently low self-sufficiency in food production. It will also stabilize upland rice production and move the country toward the vision of Gambian authorities to become a rice seed supply hub in the sub-region of West Africa.

## Case Study 2

## Aquaculture Project in Belize



▲ A Taiwanese consultant, dispatched on short-term assignment as part of efforts to refine the operations of the Aquaculture Project in Belize, helps out a local fish farmer while conducting appraisal work on the state of aquaculture in the country.

Belize is blessed with vast expanses of land and abundant water resources — all of the prerequisites needed to support the development of a successful aquaculture sector. At present, however, the country's industry is hampered by certain constraints, such as a reliance on expensive imports of fry feed. Although many farmers have shown strong interest in investing in the aquaculture industry, they face excessively high production thresholds due to expensive raw materials. Insufficient domestic fry production in Belize has limited the development of the aquaculture industry. With these issues in mind, the Belizean government approached the TaiwanCDF for assistance in developing a small-scale tilapia industry in Belize. The TaiwanCDF started this project in response to Belize's request.

#### ■ Bringing Projects to Fruition with a Project Management System

During the project appraisal process, we dispatched a project manager to Belize so that we could understand the views and needs of the various stakeholders in the aquaculture industry and ensure that the project would effectively respond to Belize's needs. Since then, hundreds of local people have been involved in the project's activities, including personnel from the Agriculture Department, the Fisheries Department and the Ministry of Works, as well as fish farmers, producers

of raw materials used in feed production and vendors involved in sales and marketing. On this basis, our project manager worked with cooperating units to jointly develop a results-oriented project plan and establish a specific consensus on project implementation. This plan, completed by the beginning of 2012, was confirmed through the signing of a bilateral agreement that set out the rights and obligations of Taiwanese and Belizean stakeholders.

#### ■ Helping to Establish a Foundation for Industry

In this project, we will help Belize establish and develop a foundation for small-scale tilapia production primarily through capacity building and institutional improvements. These tasks are described below.

- **Capacity Building:** By dispatching a number of Taiwanese aquaculture specialists to provide guidance on site in Belize, we will assist Belize in establishing best practices for fry management and tilapia breeding. We will also train a selection of Belizean technicians from the Fisheries Department and provide guidance on setting up fishermen's organizations and small-scale fishery distribution centers to improve local marketing and promotional abilities.
- **Institutional Improvements:** The project's consultancy-based approach will assist cooperating units in drafting a National Tilapia Aquaculture Development Plan and establish a plan to operate a tilapia hatchery center. In this way, the project will strengthen the institutional capacity of cooperating organizations and establish the basic capacity Belize needs to develop its aquaculture sector.

By the time the project is complete, Belize should have the capacity to meet its objective of producing one million tilapia fingerlings domestically per year — enough to fully satisfy the needs of local tilapia farmers.



## Case Study 3

### Strengthening the Control of Huanglongbing (HLB) and the Implementation of Integrated Pest Management (IPM) in Citrus Project

Huanglongbing (HLB), or citrus greening disease, is one of the most destructive diseases to affect citrus fruits. In the last four years, the disease has spread to a number of the International Regional Organisation for Plant and Animal Health's (OIRSA) countries of operation throughout Central America as well as parts of the Caribbean. If the disease is not effectively prevented and treated, it could result in huge losses of production output in an industry worth an estimated US\$1 billion and pose a grave threat to the region's citrus industry and private growers. The disease also threatens the region's poorest people who rely on citrus fruits as their primary source of vitamin C.

The OIRSA approached Taiwanese authorities with a request for technical assistance because of Taiwan's wealth of experience in controlling HLB over the past 60 years through prevention, detection, monitoring, field trials and nursery-based seedling production. MOFA then commissioned the TaiwanICDF to handle the project.

#### ■ Joint Execution According to Project Implementation Processes

Taiwan's ambassador to El Salvador and the executive director of the OIRSA signed a formal agreement on the five-year project on December 11, 2012. The initiative, which will be jointly implemented in accordance with the project cycle and associated processes, has been designed to emphasize the principle of ownership: OIRSA teams in each of its countries of operation will work with relevant government agencies in those countries to implement the project. Meanwhile, the TaiwanICDF will focus on capacity building and institutional improvements. We will dispatch a project manager as well as short- and long-term experts and consultants to assume overall responsibility for supervising the project, ensuring its effectiveness and assisting the OIRSA in resolving any problems that arise.

#### ■ Building Capacity in Regional Disease Prevention And Control

In terms of key practices and projected outcomes, the project will:

- Assist the OIRSA to establish a seedling nursery and replace 100 percent of HLB-infected citrus plants with healthy seedlings throughout beneficiary countries by



▲ Taiwan's ambassador to El Salvador H.E. Jaime Chen (second from left), accompanied by TaiwanICDF Secretary General Tao Wen-lung (right), signs and exchanges agreements with Ing. Guillermo Alvarado Downing (left), Executive Director of the OIRSA, as part of efforts to help Central American countries combat Huanglongbing.

project completion.

- Provide training on diagnosing HLB to personnel throughout beneficiary countries with the goal of raising diagnostic accuracy by 50 percent by project completion.
- Expand the use of IPM technology to 25 percent of citrus growing areas in each beneficiary country.
- Strengthen HLB monitoring and reporting systems in pest-free countries and/or pest-free areas throughout the region.

By achieving these objectives, the project will help the OIRSA build capacity in disease prevention and treatment in countries already infected with HLB, as well as introduce mechanisms to prevent the spread of HLB to two pest-free countries, El Salvador and Panama. The project will therefore help safeguard the continued quality, yield and production capacity of the region's citrus industry.



## Case Study 4

## Pig Development Project in São Tomé and Príncipe



▲ In São Tomé and Príncipe, local farmers raise their pigs in captivity before releasing them into the wild. Specimens are generally thin and of poor quality.

According to statistics published by the Food and Agriculture Organization of the United Nations (FAO), the total global output of pork was 102.60 million tons in 2009, equivalent to around 15 kg of pork consumed per person. Although pork is the second-most popular meat in São Tomé and Príncipe after chicken, recent statistics published by the São Toméan government as part of plans to develop slaughterhouse operations indicated that only 3,825 pigs had been processed in 2010, yielding 96,160 kg of meat. Among the country's 160,000-strong population, this works out to an annual average consumption of much less than 1 kg per person, falling far short of the worldwide average. Furthermore, the average weight of a pig slaughtered in São Tomé and Príncipe is 25 kg, indicating that there is much room for improvement in terms of the quality and quantity of output.

The substandard pork industry in São Tomé and Príncipe has led to low-quality pork at limited availability and imbalances in production and marketing. The lack of local production keeps prices high despite the generally poor quality, which further dampens people's willingness to purchase and consume. The São Toméan government is committed to resolving issues surrounding its domestic supply of meat and protein and to reviving

its flagging pork industry. Thus, in 2012, we proposed a six-year, US\$5.2 million project designed to support the development of the pork industry in São Tomé and Príncipe.

#### ■ Achieving Self-Sufficiency through Ownership

Using the principle of ownership, the project will assist São Toméan authorities to conduct an overall redesign of its swine industry and to improve local specimens by importing new breeds and introducing an improved breeding system. In the future, assistance will also be provided to establish a national breeding and promotion center to help maintain breeding lines and supply high-quality piglets for distribution to farmers. The project will help boost production by providing guidance to farmers on fattening and raising their herds. Production and marketing classes will also be organized for the benefit of farmers' organizations.

Furthermore, we plan to assist the government to improve sanitary conditions and raise the value of carcasses by renovating the only national slaughterhouse in operation. We also plan to establish a unified production and marketing system, improve the overall structure of the industry and generate sustainable business opportunities to achieve self-sufficiency in the local pork industry. Overall, we expect the project to deliver 5,080 pigs to the local market over the course of six years.

#### ■ Emphasizing Partner Countries, Building Autonomy

In addition to the design of a complete industrial chain, the other key theme underpinning project implementation will be the idea that we should not only "provide fish, but also teach others how to fish" — a direction backed by the São Toméan government. In 2012, authorities there began to assemble a project team and opened a dedicated project account. They will continue to see the project through its course with the guidance of Taiwanese professionals and gradually put each of the project's various components into place. Our approach allows us to respect our partner countries as they build the capacity to develop their industries in a self-sufficient manner. This is our highest objective in terms of the effectiveness of international aid projects.



## Public Health

At present, the two strongest trends in global health care are the globalization of health care-related humanitarian assistance and environment-oriented improvements to international health care. Firm efforts are also being made to achieve the MDGs. The TaiwanICDF's operations in public health and medicine are integrating Taiwan's 50 years of experience in implementing foreign aid projects – such as those involving epidemic prevention and the implementation of medical and public health systems – by focusing on four core areas:

### **Public Health Programs:**

We are implementing a Maternal Health Improvement Program in The Gambia in pursuit of one of the eight MDGs, "Improve maternal health." The project, which is being implemented in cooperation with the Gambian Ministry of Health and Social Welfare, is providing assistance to improve maternal health services in the Upper River Region by improving associated midwifery skills, by providing better care throughout the various stages of a term of pregnancy, and by increasing the

coverage and number of visits made by midwives throughout the project's area of operation. The quality of facilities at basic clinics in the region is also being upgraded, as is the quality of maternity services on offer, all of which will help to reduce maternal and neonatal mortality.

### **Donations of Used Medical Equipment:**

We are integrating the strengths of various Taiwanese medical institutions through projects such as our Used Medical Equipment Donation and Training Project, which collects and collates used medical equipment. Donating equipment enhances standards and medical equipment in partner countries' medical institutions and provides citizens in such countries with better medical services. The project also includes components that support the maintenance and operation of equipment, together with education and training, thereby building the capacity of medics assigned to operate such equipment. Nurturing human resources is actively assisting medical professionals in partner countries to enhance their

knowledge, skills and experience, and realizing our development objective of enhancing the quality of medical services in these countries.

#### **Training for Partner Countries' Medical Personnel:**

To harmonize our efforts with the health care-related MDG targets of partner governments, we are strengthening cooperation with other countries, supporting visits and on-the-job training to enhance the competencies of government officials working in medical administration and management so as to improve the skills of health practitioners and primary health care services. For example, our Workshop on Healthcare Management, organized for participants from the South Pacific and Africa, covers the management of human resources and the development of medical management policies and practices, which cultivates talent in medical management among such partner countries and promotes international health care affairs through associated exchanges.

#### **International Medical Cooperation:**

In order to integrate the professional expertise and experience of Taiwanese medical institutions we are working with such institutions to tie together the government's health care-related foreign aid policies, jointly assist our partners to upgrade the quality of their medical services and the international humanitarian assistance skills of Taiwanese medics, and generate

opportunities for working with international organizations. To do these things, we have established the International Health Care Strategic Alliance (IHCSA) with 37 private medical institutes, so as to recruit more expertise from the private sector.

Supported by the abundant medical and human resources of this medical community, we are assisting medics from IHCSA institutions to visit partner countries, where they enhance the quality and depth of local medical work by providing clinical demonstrations and training. And our Healthcare Personnel Training Program, for example, involves the cooperation of dozens of medical institutes, with whom we have jointly developed workshops to share the strengths of Taiwan's health care system. This provides participants with a rich clinical experience that they can share, as seed teachers, upon returning to their home countries.

Furthermore, we have been contributing assistance toward plans to station medics in Pacific partner countries on a permanent basis. The next step is to assist partner countries to research their most pressing needs in terms of medical cooperation, and to allocate the proper resources needed for cooperation in the field of international health care. Transferring projects involving clinical technologies as successfully as possible requires that we integrate and deepen the resources involved in public health projects.



◀ A group of medical management trainees visit the Clinical Skill Learning Center at Kaohsiung Medical University Chung-Ho Memorial Hospital under the guidance of local Taiwanese doctors.



## Case Study 1

### Healthcare Personnel Training Program

For many years, we have dispatched permanent and mobile medical missions to partner countries to facilitate medical cooperation. In our experience, we have often found that partner countries face a serious shortage of educational resources pertaining to health care. In places where medical systems are underdeveloped and lack funding and human resources, it is much more difficult to provide local medical personnel with the training they need, making it difficult to raise the standard of medical services in these countries.

To help our partner countries achieve the MDGs related to health care and to deepen our cooperation with them in matters of public health, we have been working with IHCSA institutions since 2006 to implement the Healthcare Personnel Training Program. This program provides medical personnel from partner countries with annual opportunities to visit Taiwan and learn about advanced medical technologies. This increases the skills, experience and professional, clinical know-how of medical personnel from partner countries and realizes the objective of upgrading the quality of the health care services available in their country.

#### ■ Raising Project Effectiveness by Adjusting Curricula to Partners' Needs

As part of our efforts to refine the program, we considered the fact that we had previously offered only one medical training program per year at a fixed time. Unfortunately, a number of medical staff in our partner countries may not have been able to attend due to scheduling conflicts. Therefore, since the second half of 2011, we have changed the system to cater to the needs of individual partner countries. We now plan two- to three-month training courses based on the availability of their medical personnel to help build capacity and put the principle of ownership into practice.

We are also employing more pre- and post-training communications tools to allow us to understand and track the needs and learning outcomes of trainees. This helps us ensure that the program provides genuinely effective training and keeps with the spirit of the project cycle. For example, we design curricula based on trainees' initial needs prior to the commencement of training. After training, trainees provide feedback and confirm the effectiveness of our training content, which allows us to make moderate changes to the program based on their



▲ Ms. Kimberly Tmilchol Idip, a nurse from Palau, checks items in an operating theater stockroom as part of management training during her Healthcare Personnel Training Program placement at Shin Kong Wu Ho-Su Memorial Hospital.

practical needs. We have also implemented moderate controls during training, including weekly training reports to be completed by trainees, to help us understand their progress and accomplishments. We also ask representatives of each training unit to complete a questionnaire to check that the progress and content of each program conforms to the original plans.

#### ■ Ensuring Skills Transfer by Tracking the Effectiveness of Post-training Outcomes

After trainees have returned home, we dispatch Taiwanese units to trainees' home countries to assess the quality of services they are providing in their local organizations. We respond with demonstrative teaching methods to ensure that they are using the training they received properly. This ensures that the program is transferring skills as effectively as possible. In the past year, we have dispatched personnel to Burkina Faso, Nauru and Tuvalu to appraise the effectiveness of our programs for our trainees. In this way, we improve the content of our program and help our partners to improve and enhance their health services.



## Case Study 2

## Maternal Health Improvement Program in The Gambia



▲ A mother and baby health monitoring activity is carried out at Basse Hospital in The Gambia's Upper River Region as part of efforts to reduce maternal and neonatal mortality in the country.

Maternal health and child health are the foundations of national health well-being. The UN attaches great importance to these issues with both the fourth and fifth MDGs targeting maternal and child health and related issues.

The Taiwanese government has been promoting comprehensive measures to address maternal and child health since 1952, effectively reducing Taiwan's maternal mortality rate to the eighth lowest in the world. By contrast, the maternal mortality rate in The Gambia is nearly 40 times higher than in Taiwan. We have therefore stepped in to share some of Taiwan's successful experiences and, at its request, assist the Gambian government to improve the country's maternal health.

After performing in-country appraisals and consulting The Gambia's Ministry of Health and Social Welfare, we decided to implement this project in the Upper River Region, which suffers from the country's highest rates of maternal and neonatal mortality. Although as many as 60 percent of pregnant women in the region are attended to by a traditional birth attendant (TBA) during childbirth and receive pre- and post-natal care, only 125 of the 226 TBAs working in the region have previously received any kind of formal training. This is the main reason why maternal mortality rates (mortality during a mother's term of pregnancy plus 42 days following the end of the term) and neonatal mortality rates (mortality during the first 28 days of a newborn's life) both exceed the national average.

#### ■ Four Core Approaches to Reducing Maternal and Neonatal Mortality Rates

The project has been designed to follow the principle of ownership. After a negotiation period, we signed

formal agreements at the end of August stating that the Ministry of Health and Social Welfare would be primarily responsible for the day-to-day implementation of the project. We also dispatched our own project manager to the Upper River Region in September to jointly implement the initiative.

The project is taking four core approaches to reducing maternal and neonatal mortality rates:

- **Training seed teachers:** A group of outstanding local midwives have been selected to receive training in Taiwan. This will improve their midwifery skills so that they can go on to become seed teachers themselves.
- **Expanding on-the-job training:** On returning to The Gambia, these seed teachers will handle on-the-job training in midwifery for health care personnel working at all levels throughout the Upper River Region. This will comprehensively build the professional skills of midwives and similar personnel in the area.
- **Integrating operations with the Taiwan/CDF International Higher Education Scholarship Program:** Each summer, a number of trainee midwives who are studying in Taiwan as part of our scholarship program will return to The Gambia to assist in midwifery training courses. In addition to improving the quality of the local courses, the training experience will also improve the scholarship recipients' own practical know-how. This ensures that once they have graduated and returned home for good, they can continue to assist in the sustainable implementation of associated projects in The Gambia.
- **Improving facilities and referral systems:** Facilities will be improved at 11 basic health clinics throughout the Upper River Region. Each clinic will be equipped with a range of donated instruments and equipment designed to support maternal health operations. Local midwives will also make regularly scheduled visits to expecting mothers for checkups, which will ensure better antenatal coverage and the early detection of problems. This means that treatment will be provided sooner and allows mothers to be sent through the referral system and receive timely and appropriate assistance from the relevant medical unit.

Overall, we expect that this project will reduce maternal and neonatal mortality throughout The Gambia's Upper River Region by improving the coverage of pre- and post-natal health care, improving associated facilities at basic health clinics and strengthening the quality of local maternity services.



## Education

Capacity building has become a much-discussed topic in recent years. In addition to shaping the response toward developing countries' human resources needs, capacity building also reflects something of a new direction in foreign aid strategy. Working in accordance with such trends and drawing on Taiwan's comparative advantages, we aim to meet partners' national development needs by assisting them to strengthen education systems, build a pool of basic human capital, cultivate professional expertise in a variety of fields and nurture quality skills throughout their labor forces, as discussed in further detail below.

### **Reducing Barriers to Enrollment; Achieving Universal Primary Education:**

With basic education forming the bedrock of personal and national development, we are supporting one of the MDGs, "Achieve universal primary education," especially through our promotion of a Taiwan/CDF Scholarship Program in Burkina Faso.

The project is funded by the Taiwan/CDF, while Terre des Hommes – a Lausanne, Switzerland, based organization – is implementing the project. The Taiwan/CDF, the Taiwanese embassy in Burkina Faso and UNICEF are all responsible for monitoring project progress. Funding is being employed at gold mines and quarries throughout nine districts in three provinces, sufficient for at least 2,000 cases of financial support,

including for families who lack the means to support preschool children, children of school age or young children who have not had the chance to pursue primary education before. Providing assistance to improve primary education facilities at such sites will improve students' learning environments, enhance the schooling opportunities and learning outcomes of impoverished children, and gradually reduce instances of exploitation and child labor through the provision of education.

### **Meeting Regional Demand for National Development Through a Range of Workshops:**

Since 2011, we have been gradually organizing a greater number of specific courses as part of our program of workshops, including worldwide, regional and single-country workshops. This is introducing partners to Taiwan's unique experiences of social and economic development and assisting them to develop their human resources. Every year we organize around 20 workshops, whose main themes cover economics and trade, agriculture, fisheries, social development, human resources, TVET, environmental protection, health care and ICT. As many as 400 people – government officers from developing countries, together with high-level government officials and NGO personnel – visit Taiwan annually to participate in these events.

### **Assisting Partners to Cultivate Talent through Higher Education:**

The accumulation of knowledge is crucial to long-term development in our partner countries. We will continue to assist partners to cultivate talent through higher education as part of our approach toward technical cooperation, and by strengthening academic exchanges. This will provide the human capital needed for development in such nations and build Taiwan's "soft power." Through our International Higher Education Scholarship Program, we are presently providing full scholarships to talented young people who come recommended by our partner countries, providing undergraduate and graduate courses, taught entirely in English, to help such countries to cultivate high-quality professionals.

### **Providing Short-term Training and Promoting Projects involving Seed Teachers:**

Since 2005, our Healthcare Personnel Training Program has drawn on cooperation with dozens of Taiwanese medical institutions to provide two to three months of clinical training to medics from our partner countries. On returning home, these participants become seed teachers responsible for promoting Taiwan/CDF medical projects, or become involved in project-related assistance. This expands the depth and scale of bilateral medical and technical cooperation between our organization and our partner countries, creating a pool of local personnel who have the potential to serve as contacts during future cooperation with Taiwan and laying the foundation and the pipeline for long-term bilateral medical cooperation.

### **A Commitment to Enhancing Vocational Training Programs:**

We promote vocational training in order to assist

partner countries' economic development and to meet the private sector's need for a range of professional human resources. Emphasizing quality and professionalism as part of the development of vocational training in our partner countries, promoting industrial-academic cooperation and convergence, enhancing students' employability through TVET and helping local people to actively seek employment opportunities all advance the objective of realizing economic and social prosperity. For example, in the Marshall Islands and The Gambia, where we have been promoting TVET-related projects, in addition to cultivating the talents of the actual trainees involved, we have also assisted government or cooperating units to build capacity, which enables such stakeholders to take on and continue to operate these projects, ultimately enhancing the skills and quality of the local workforce.

### **Utilizing Financial Instruments and Consulting Services:**

Other than technical cooperation, we also utilize financial instruments and consulting services which, through their close connection to industrial trends, assist partner countries to strengthen their TVET systems. As part of our Technical and Vocational Education and Training Project in The Gambia, for example, we are hiring Taiwanese consultants who will assist Gambian authorities to develop factory management standards and security measures, as well as plan professional training courses for personnel. At this stage of human resources development we are focusing on youth capacity and providing timely, lending-based assistance, to encourage entrepreneurs in our partner countries to study and then become actively involved in social and economic endeavors.



◀ Recreational, intercollegiate activities, organized each year as part of the International Higher Education Scholarship Program, promote exchanges between scholarship students. To assist partner countries to nurture talent, the program draws on Taiwan's experience and higher education resources, providing students with full scholarships for a range of professional, English-language courses.



## Case Study 1

### Overseas Workshops

The purpose of the TaiwanICDF's program of international workshops is to support the development of human resources training in developing countries and share the comparative advantages Taiwan gained during its own development. Each year we adjust the range of topics offered to reflect international trends and partner countries' needs, which enables participants to get the most out of learning synergies.

#### ■ Improving Project Transfer by Improving Partners' Capacity

In keeping with the priority areas of operation determined in our medium-term strategy for 2011-2016 and in coordination with relevant TaiwanICDF projects, we are assisting partner countries to train local personnel and develop the professional skills of staff from cooperating organizations. By enhancing the capacity of stakeholders involved in our bilateral projects, we can transfer project-related technologies with confidence and ensure that projects can be implemented sustainably.

We organized our first overseas workshop – a Workshop on Tilapia Culture – in Honduras in 2011. We dispatched Taiwanese experts to impart their skills and know-how, and design a localized curriculum whose details were customized to reflect the genuine state of the aquaculture industry in Central America.

Given the outstanding results of that particular course, we expanded on the idea this past year with: a Workshop on Crop Production and Cultivation in The Gambia, a Workshop on Agricultural Marketing in St. Lucia, a Seminar on the Bamboo Industry in Guatemala, an advanced-level Workshop on Tilapia Culture in Honduras, a Workshop on Hog Breeding and Raising in the Solomon Islands, a Workshop on Micro-sized Enterprise Formation and Creation in Burkina Faso and a Workshop on the Project Cycle in São Tomé and Príncipe.

#### ■ Promoting Customized, Localized Curricula

An example of localized curricula can be seen in our Workshop on Crop Production and Cultivation in The Gambia, which was organized in response to the four- to six-year project migration programs in place at a number of our overseas technical missions. The workshop was designed to enhance partners' capacity to take on TaiwanICDF projects and meet the needs of local rice production programs. The workshop divided trainees



▲ Participants attending the Workshop on Agricultural Marketing in St. Lucia visit a fish farm working with Taiwan's local technical mission. Hands-on training activities like this foster growth among teachers and students alike.

into rice production extension trainees and TaiwanICDF project coordination trainees. The primary theme for the workshop was the sustainable development and operation of rice cultivation programs.

The content of the workshop was designed to closely meet local conditions, the environment and local needs with a curriculum customized to promote ownership. A number of Taiwanese experts were dispatched to give lectures on the workshop's main topics – rice seed production, seed selection and breeding – while students were mainly agricultural technology and extension specialists hailing from The Gambia, Haiti and Swaziland. The workshop's curriculum and experience-sharing activities improved rice seed production, selection techniques and management skills among professionals in Africa and Haiti. This will improve the quality of their human resources, help to establish rice extension systems and promote sustainable social and economic development in the region.

In addition to raising the TaiwanICDF's international visibility, these overseas workshops allow us to get closer to the needs of trainees and their countries. This is a win-win situation for all. Taiwan can pass on its own experiences more successfully, and Taiwanese experts can provide a more interactive experience within partner countries than perhaps they would in Taiwan.



## Case Study 2

## TaiwanICDF Scholarship Program in Burkina Faso



▲ A social worker discusses social issues with young people as part of regular sessions held at this project-funded "Hope Point" in Bobo-Dioulasso, Burkina Faso.

To echo and put into practice one of the MDGs, "Achieve universal primary education," we have promoted the TaiwanICDF Scholarship Program in Burkina Faso since 2011. The project is being implemented in cooperation with Terre des Hommes, a Swiss NGO, under the framework of a number of local UNICEF cooperation projects. Combined with the funding offered by the TaiwanICDF, this approach will provide primary education opportunities to local children throughout Burkina Faso between October 2011 and September 2013. The initiative is currently progressing smoothly under the supervision of the TaiwanICDF, the Taiwanese embassy in Burkina Faso and the country's Ministry of Social Action and National Solidarity and Ministry of Labor and Social Security.

#### ■ Scholarship-based Donations Helping Poor Children to Receive a Basic Education

Of the more than 1.6 million Burkinabé children and adolescents aged 5-17 who are engaged in some kind of work or economic activity, approximately two-thirds are involved in an exploitative form of child labor.

This situation is particularly common in the more than 600 mines and quarries found throughout Burkina Faso where working parents are often forced to leave preschool children unattended in dangerous conditions, which results in numerous accidents. Meanwhile, harsh working conditions faced by school-aged children and adolescents employed at these sites can cause serious physical disabilities on top of the losses of educational opportunities suffered by all.

The project's main approach is to provide scholarships using funds provided by the TaiwanICDF. Terre des Hommes is responsible for implementing the project within Burkina Faso, with the TaiwanICDF, the Taiwanese embassy in Burkina Faso and UNICEF providing oversight. The program assists children working at nine mines and quarries in three

provinces. It directly funds basic primary education for some beneficiaries and provides remedial and literacy education to children who are not in school. The program gives children the chance to escape the fate of working at such sites for their entire lives.

#### ■ Assisting in the Improvement of Educational Facilities, Focusing on Pastoral Care and Literacy

To provide children with a better educational environment, funding has also been allocated to improve basic educational facilities at six schools situated in the vicinity of mines and quarries. The project will also fund the protection and education of selected groups of preschool children aged 3-6 and adolescents aged 10-14.

The four main activities conducted as part of the project and their outcomes to date are described below.

- **Assisting and Supporting Primary Education:** A total of 1,502 children have received TaiwanICDF scholarship grants supporting the purchase of textbooks, stationery and learning materials; 75 out-of-school children who were begging or involved in some form of child labor or

exploitation have been helped to return to school; and 36 children have taken remedial classes and are now ready to enter the formal school system.

- **Strengthening Schools and the Learning**

**Environment:** As well as providing grants to fund nutritious lunches at 10 school cafeterias, the project has also funded one childhood rights seminar designed to consolidate anti-exploitation concepts among the 80 primary school teachers in attendance. Six classrooms have also been refurbished with desks and chairs to provide students with a better learning environment.

- **Providing Preschool Care:** As part of project implementation, simple kindergartens were established at a number of mines. These centrally managed

facilities have protected as many as 820 infants and preschool children from dangerous environments and provided them with safe activities while their parents were otherwise engaged in work.

- **Improving Literacy Rates among Adolescents in Mining Areas:** A total of 142 adolescents have benefited from night classes designed to raise literacy.

Primary education is the cornerstone of development at an individual and national level. This project will improve the prospects of vulnerable children living in and around Burkina Faso's mines and quarries and reduce exploitation and child labor by providing schooling and development opportunities, as well as reducing the social problems faced by out-of-school children.



◀ An education officer directs a literacy class for street children in Ouagadougou.

## Information and Communications Technology

In accordance with trends in the global information economy, as well as high levels of development in Taiwan's own ICT industry, we assist our partner countries to improve their ICT capacity, reduce development gaps and cultivate their digital capabilities, which together represent an indicator of the pursuit and further upgrading of our foreign aid operations.

### **Improving Administrative Efficiency by Assisting Partners to Build E-government Systems:**

Drawing on Taiwan's experience in developing e-government, we are supporting the governments of our partner countries to expand their public services via ongoing technical cooperation. We are also introducing technologies and resources from across the private sector to assist partner countries within different regions to develop ICT and exploit its applications. Our ICT Technical Cooperation Project, for example, aims to establish a National ICT Center in St. Lucia in the Caribbean. The project includes the development of an e-government system and the introduction of administrative applications such as an advanced transport licensing authority system, a crime management system, a civil status registry system, an agriculture resource system and other related e-government systems. The purpose of the project is to develop an environment in which the use of electronic applications may flourish, and thereby improve the transparency of information at a government level, as well as improve the government's administrative efficiency.

### **Medium- to Long-term Investment of Resources:**

The development of the ICT sector takes place over different stages and is closely linked to the quality of infrastructure and national human resources. However, most of our partners are at the initial stages of developing their ICT sectors and are limited by a number of constraints. For these reasons, ICT projects must be comprehensive and take medium- to long-term planning and the investment of resources into account. For example, our ICT Technical Cooperation Project in Belize, which has been under implementation since 2007, has centered on the construction of a National ICT

Center and the development of e-government systems. Project handover was completed during 2012. Based on this successful implementation, which has received the plaudits of the government of Belize, the second phase of this cooperative project will take the medium- to long-term development of the country into account, focusing on the further development of existing systems to ensure that the public can be provided with convenient services in keeping with international standards.

### **Strengthening Capacity Building:**

Since human resources are crucial assets for the development of ICT, some of our most important tasks involve training government employees to operate e-facilities and enhancing their capacity to use ICT applications, in addition to assisting in the construction of knowledge management and work platforms. The purpose of such training is to ensure that projects can be handed over to local specialists, so as to improve governments' administrative efficiency and enhance such countries' ICT competitiveness. In both Belize and St. Lucia, for example, we have already completed the transfer of educational and training courses. Now, these partners can design ICT training courses of their own, using their ICT centers as a base from which to train and educate governmental officials to improve ICT-related capacity, and marching forward toward independent, sustainable forms of ICT development.

### **Assisting Regional Integration:**

We assist our partner countries to manage and develop regionwide forms of ICT, as well as improve links and interaction with international organizations, including the acquisition, integration and application of resources. To do this, we have developed a systematic and professional training system, offering technology and management workshops and organizing exchanges of technology, research and development and training activities. Moreover, we have successfully established a positive image for Taiwan by offering assistance to developing countries and helping them to develop their soft power.

## Case Study 1

### ICT Technical Cooperation Project—Belize

Taiwan has built up a catalog of successes in ICT over the years as can be seen in the country's dazzling array of hardware products, software designs and telecommunications applications. ICT, if integrated into the activities of overseas development assistance, can play to Taiwan's unique advantages and have a key impact upon development work.

Taiwan's own process of development began in the agriculture sector, later progressing to industrial production and expanding national output through SME-based trade. However, it was the country's eventual expansion into ICT and our key role in global production that really raised Taiwan's status to that of a global economy. This journey has considerable value as a reference for developing countries today.

More importantly, by integrating Taiwan's flourishing private ICT sector into its development work, Taiwan can echo the trend in the international community of using ICT to spur development. This way, Taiwan can open up new opportunities for development aid that can generate a win-win-win situation for: developing countries, government actors involved in development aid and those seeking opportunities in the private sector.

#### ■ Raising Partners' Performance and Finding Ways To Improve Efficiency

In response, MOFA commissioned us to implement an ICT Technical Cooperation Project in several Central American and Caribbean nations starting with Belize in 2006. The project helped Belize establish a National ICT Center that authorities could use as a hub to promote ICT development, assist in the development of e-government systems, enhance the effectiveness of governance and provide convenient public services. At the same time, the project also promoted training for ICT personnel to improve administrative efficiency within the Belizean government and increase national competitiveness. In terms of the project's approach to bilateral cooperation, the initiative was mainly implemented by Belizean stakeholders with Taiwan providing technical assistance from the sidelines. The project saw the establishment of the National ICT Center as well as five other e-government systems.



▲ The National ICT Center in Belize, built with assistance from the TaiwanCDF. The development of e-government systems and the provision of ICT training at the center have made the site a hub for the promotion of ICT development.

#### ■ Completing Project Transfer, Continuing Development Through a Second-phase Project

With all objectives completed, the project was officially handed over to Belize in December. The National ICT Center and e-government systems are now being operated independently. We continue to work with authorities to develop plans for a second phase of the project, which, among other things, is due to significantly expand the benefits of Belize's customs controls through the development of a database and associated systems for the Bureau of Standard's Supplies Control Unit.

This will provide a convenient portal for businesses to apply for import and export licenses, helping to promote the flow of goods, reduce price volatility and stabilize domestic prices.

Building on this success, Belize will also progress to interfacing with the United Nations Conference on Trade and Development's ASYCUDA customs system, working to international standards and enhancing the accuracy and efficiency of customs data. In the future, we will build upon the first stage of the project and continue to assist Belize to deepen its use of these customs systems.





## Environmental Protection

Basing our approach upon global environmental protection strategies, we use advanced equipment already well established in Taiwan, together with Taiwan's development experience and educational resources, to assist partner countries to improve energy efficiency and promote sustainable, environmentally friendly development.

### **Improving Natural Disaster Response and Management Mechanisms:**

Based on Taiwan's experience of using GIS applications, the technical assistance that we provide to our partner countries assists them to estimate the extent of disaster areas and minimize injury and damage by drawing up the appropriate emergency response. For example, we have cooperated with Nicaragua since 2009 to implement the Application of Geographic Information Systems to Improve Environmental Sustainability in Nicaragua project. A number of severe disasters, including forest fires, landslides and water spouts, have occurred during the project period, and we have provided real-time monitoring images to assist Nicaraguan authorities to assess such disasters. The second phase of satellite image analysis was conducted during 2012, while the project's annual education and training program was conducted in May.

Based on this successful cooperation with Nicaragua,

we went on to cooperate with Honduras to implement a similar project, 2012 Satellite Monitoring of Forest, Natural Resources and Mitigation of Natural Disasters in Honduras using GIS and RS. Satellite images and analysis data relating to land changes were provided to the Honduran government so that authorities could understand, at any time, how land resources were changing at specific sites within protected areas, and then take appropriate measures to minimize damage to life or public property.

### **Using Financing to Assist Partner Countries to Develop Green Energy:**

On the issue of energy sustainability, we use financial instruments to provide partner countries with the funding required to develop green energy in pursuit of the seventh MDG, "Ensure environmental sustainability." For example, we have invested in the European Bank for Reconstruction and Development's (EBRD) Green Energy Special Fund, to assist the organization's countries of operation to replace old, energy-inefficient infrastructure with efficient, energy-saving technology or equipment. The project effectively lowers the threshold for manufacturers of low-carbon technologies to enter the market and demonstrates an acceptance of energy-saving efficiency and low-carbon technology programs.

### **Renewable and Clean Energy Technology:**

In terms of the development of new sources of energy, we assist partner countries to implement pilot projects involving renewable energy technologies, usually in the form of technical assistance projects. Our Panama Water Resource and Renewable Energy TA Project in Panama and a Renewable Energy Technological Assistance Project in St. Kitts and Nevis are two such examples. Using solar power to drive feedwater equipment has ensured that reliable water resources are available to Panamanian residents, increasing agricultural production value and improving the living standards of local people.

We are also involved in assessing the feasibility of using clean energy in six Pacific island partner countries, having provided suggestions and assistance regarding potential clean energy developments, such as solar energy and wind power. Future cooperation will focus on energy development and improvements to the utilization of energy resources.

### **Safeguarding Environmental Sustainability:**

For our partners who are most threatened by climate change, the assistance we provide focuses mainly on risk management and adaptation measures that minimize damage. Our Access to Potable Water in Rural Swaziland Project, for example, was implemented in response to water safety issues in Africa as raised at the United Nations Conference on Sustainable Development. Another project, Application of Geographic Information Systems to Improve Environmental Sustainability in Nicaragua, is focusing on land planning and disaster controls in Nicaragua, as part of which, through project workshops and regional seminars, we have held extensive discussions on the concept of using GIS in land-use planning or as disaster prevention tools. Both projects were implemented with an eye to promoting environmental sustainability.

### **Agricultural Waste Treatment:**

We have introduced many agricultural waste treatment technologies into cooperation projects that focus on partner countries' agricultural production. These technologies have been effective in reducing agricultural pollution in places that still have relatively fragile environmental systems, thereby ensuring that environmental resources are utilized sustainably. In Honduras and Nicaragua, we are now implementing biogas energy projects; in Nauru, an organic composting project involving the processing of agricultural waste; and in Guatemala, an organic waste-based carbon reduction and recycling project.

### **Environmental and Energy-saving Education:**

To assist partner countries in responding to climate change effectively, we are attaching great importance to mitigation and the need to reduce carbon footprints without affecting economic growth, drawing on Taiwan's past experiences of environmental protection. We are making the best use of existing technology to increase efficiency, and improving partner countries' self-reliance through capacity building and project handover, thereby responding to international initiatives requiring that emissions mitigation activities take efficiency and equity into account. Our Workshop on Clean Energy Development, for example, is organized mostly for the benefit of governmental officials responsible for energy resources and related affairs. We have also dispatched volunteers to Palau, St. Lucia, Panama and other partner countries to provide environmental protection services. We hope to introduce concepts and technologies relating to environmental sustainability from Taiwan to our partner countries and thereby fulfill our obligations as citizens of the Earth.



◀ A member of the Taiwan Technical Mission in Nicaragua explains the operations of one of the TaiwanCDF's biogas renewable energy projects to visitors at the 11th Earth Day Fair using a scale model of the project farm. The mission was invited to attend the event by the government of Nicaragua.

## Case Study 1

## 2012 Satellite Monitoring of Forest, Natural Resources and Mitigation of Natural Disasters in Honduras using GIS and RS



▲ Trainees participating in this GIS project in Honduras use equipment to monitor land use.

Geographic information systems (GIS) have become an important technical instrument used by advanced nations to facilitate decision-making on matters of land use, as well as national development planning. GIS has many applications, including environmental impact assessment, resource management, land planning, urban and regional planning, transportation management, forest protection and conservation and archaeological investigation. GIS can be used to support decisions whenever there is a need for geographical information or solutions involving spatial data and associated analyses.

#### ■ Promoting a Pilot GIS Project: Nicaragua as a Successful Case

To make the best use of Taiwan's FORMOSAT-2 satellite and to assist our Central American partners to incorporate geographic factors into their national policies, we have been promoting a pilot GIS project in Nicaragua since 2009. The initiative, designed to assist the Nicaraguan Institute of Territorial Studies and Nicaragua's Ministry of the Environment and Natural Resources to engage in environmental monitoring and enhance their ability to operate GIS technologies and applications,

began in earnest in 2010.

During this time, by sharing satellite images and data and providing training and technical cooperation, we were able to help Nicaragua tackle important changes as they took place within protected ecological zones. We broke through previous constraints imposed by only being able to carry out limited foot patrols and continually raised the GIS proficiency of personnel involved in implementing the project. This meant that the use of such technologies could be gradually expanded to monitor agricultural production and provide surveillance on areas prone to flooding and a world heritage site. GIS was also used to shape land-use policies and conduct disaster prevention work.

#### ■ Extending a Project's Successful Experiences, Expanding the Influence of Overseas Assistance

Based on the successful experiences of the pilot GIS project in Nicaragua, we expanded this combination of overseas assistance and GIS technology with a new project in 2012 in cooperation with the government of Honduras. This project will assist Honduras' National Institute for Conservation and Forest Development, Protected Areas and Wildlife to monitor the country's Rio Platano reservation. One of the most important protected ecological zones in Honduras, the area has been under constant threat of illegal logging in recent years, which has led to a significant decline in biodiversity. Through this project, in 2012 alone the government was able to take action at 33 sites where unlawful activities were underway. Compared to previous efforts that passively relied upon park rangers and members of the public for reports and information, the project has enabled conservation activities to proceed with much greater efficiency.



## Case Study 2

### EBRD Green Energy Special Fund

Global warming and associated climate anomalies may well be the root cause of a growing number of problems such as food insecurity and natural disasters, which frequently cause significant damage to infrastructure. In their efforts to mitigate the effects of climate change, international aid agencies have focused on carbon reduction schemes for some years now. The MDGs also feature similar indicators.

Carbon reduction efforts often require the complete modernization of basic infrastructure in energy, transportation and other sectors so as to reduce energy inefficiencies. Since the scope of such projects can be very wide, there is a real need for capital injection from international aid agencies, supplemented by technical assistance, to help improve the environment and energy efficiency.

#### ■ Working with the EBRD, Expanding Our Ability to Participate in International Cooperation

In recent years, the EBRD has responded to the issue of climate change by becoming actively involved in sustainable forms of energy generation. We have also made environmental protection one of our priority areas of concern. Thus, the significance of joining forces with the EBRD, a multilateral development organization that has been providing continual assistance to Central and Eastern European, Central Asian and former Soviet nations, cannot be overstated. Our cooperation in the establishment of the Green Energy Special Fund (GESF) came after a two-year period of due diligence, which culminated in negotiations with the EBRD in May 2011 and our subsequent commitment of a contribution of US\$80 million. Our participation in the fund offers opportunities to draw on the EBRD's expertise in this field and allows us to leverage our limited resources through co-financing initiatives, thereby expanding our ability to participate in cooperative international endeavors.



▲ By providing concessional loans, the Green Energy Special Fund will encourage the EBRD's partner countries to import more green energy products and technologies.

#### ■ Providing Concessional Loans, Effectively Reducing Barriers to Participation

The initial investment required to kick-start energy projects, in terms of both capital and technology, is enormous. If, by providing concessional loans, the EBRD can use the GESF to encourage our partner countries to invest in more green products and technologies, this will ultimately reduce the cost of financing those projects. Providing the optimum economic incentives effectively reduces the barriers to participation in energy-saving and renewable energy projects.

At present, the target beneficiaries of the GESF are municipal governments in the EBRD's countries of operation, including local government and public utilities units engaged in environmental infrastructure projects. As such, we hope that our involvement in the GESF will provide opportunities for Taiwanese industries, such as manufacturers of LED and solar photovoltaic equipment, to expand into these regions.





5

## Administration

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## Financial Management

Financial management at the TaiwanICDF aims to safeguard funds and assets, and pursue stable returns. These objectives are designed to support our operations and generate sufficient revenues and working capital to sustain the operation of development projects and administration of our organization, enabling us to pursue our ultimate mission of facilitating sustainable development at conservative and reasonable risk.

### Fund Utilization

The TaiwanICDF's fund balances (the Fund) are derived predominantly from two sources: the founding fund and donated fund; and accumulated earnings.

The Fund is used to engage in international cooperation and development operations, such as long-term lending and investment projects. An uncommitted portion of the fund is set aside and invested in a portfolio of financial instruments including bonds, bank deposits, short-term investments and exchange-traded funds, so as to increase sources of revenue.

Annual earnings derived from interest and revenues accrued from long-term investment or lending projects or other financial instruments are used to fund technical cooperation projects on a non-reimbursable basis, as well as operational expenses.

As of December 31, 2012, the total outstanding amount for investment and lending development projects comprised 38 percent of total fund balances, while 62 percent was allocated to financial investments. Accounting for commitments made but still outstanding, investment and lending development projects comprised 54 percent of total fund balances, while 46 percent was allocated to financial investments. During the year, long-term lending and investments denominated in U.S. dollars yielded returns of 1.92 percent. Financial investments yielded 1.66 percent. The overall rate of return for capital investments, including foreign exchange gains and losses and other income and expenses, was 1.44 percent.

### Management of Long-term Lending and Investments

As of December 31, 2012, the TaiwanICDF was committed to 13 lending and investment projects, for which the balance of investments stood at US\$46.58 million and NT\$240 million. The organization was also overseeing 83 lending projects with commitments

amounting to US\$490.95 million and €56.55 million. Accumulated loan disbursements stood at US\$457.75 million and €20.84 million, equivalent to 85.43 percent of net commitments; total principal repayments stood at US\$336.55 million, equivalent to 58.95 percent of all funds extended.

At the end of 2012, allowances for bad debts of NT\$124.33 million were made (covering receivables, long-term loans and collections) in compliance with the organization's provisions on long-term loans, receivables, overdue payments and other asset classes and reflecting the quality of certain assets. In 2012, the rate of return on lending and investments fell to 1.92 percent from 2.34 percent in the previous year.

### Management of Uncommitted Funds

The financial investment of the uncommitted portion of the Fund is designed to increase the efficiency with which funds are used and thereby increase the TaiwanICDF's revenues. Investments in non-capital instruments focus mainly on fixed-income assets, supplemented by long-term holdings of equities.

The TaiwanICDF's fixed-income assets include bonds and fixed deposits. With bonds denominated in foreign currencies earning higher yields than those denominated in NT dollars, layout during the past year mainly involved purchases of foreign currency bonds, which allowed for a stable increase in income at diversified risk.

In addition, having made a number of short-term trades involving equity assets in previous years, during 2012 we adjusted our investment strategy for this asset class toward holdings of long-term, available-for-sale assets. We also allowed for the replacement of assets yielding volatile capital gains with those yielding fixed dividend incomes and expanded other sources of income under relatively safe conditions for our assets.

In terms of managing foreign exchange, the past

year saw us negotiate a foreign exchange hedging facility with financial institutions and sign financial commodities trading contracts, which allowed us to hedge via a number of financial instruments (such as options or swaps) under a mechanism through which we cap foreign

currency positions. This reduced the risk associated with fluctuations in exchange rates. Overall, yields on financial investments, including exchange gains and losses and other gains due to the recovery of bad debt, fell to 1.66 percent from 2.55 percent in the previous year.

## Accounting Management

The TaiwanCDF's revenues are derived predominantly from interest accrued on the Fund, interest from lending operations and funding for government-commissioned projects. Interest accrued on the Fund and interest from lending operations mainly support routine operations, including technical assistance projects, humanitarian assistance, scholarship programs and workshops. It also supports the TaiwanCDF's own administrative, management and general expenses. MOFA provides the majority share of funding for government-commissioned projects to support the operation of overseas technical and medical missions, and specially commissioned projects.

In 2012, operating revenues and non-operating income and gains amounted to NT\$1.46 billion, of which NT\$1.16 billion was allocated for commissioned projects, an increase of 0.36 percent from 2011. Revenue generated through the use of the Fund was NT\$300.32 million, a decrease of 41.34 percent from 2011, of which interest on fund investments comprised the largest share (51%), followed by revenues from lending and investment operations (38%) and gains on sales of investment (cash dividends) (2%), with other revenues representing the remaining share (9%).

Expenditures for 2012 were NT\$1.54 billion, of which NT\$1.16 billion was for commissioned projects. Expenditures made through the use of the Fund were

NT\$377.85 million, a decrease of 7.52 percent from 2011.

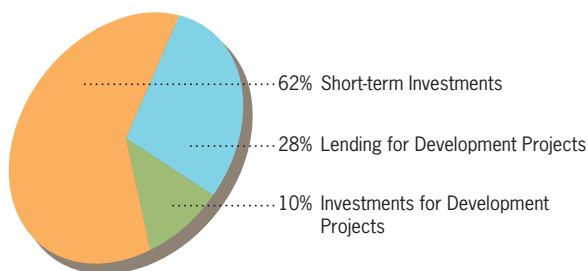
Expenditures exceeded revenue by NT\$77.53 million during 2012, representing a difference of NT\$180.94 million from the NT\$103.41 million excess of revenue over expenditures in the previous year. This was mainly due to the 2011 loan for the construction of the Menen Hotel in Nauru being reclassified as a non-performing loan/bad debt, as well as losses on foreign exchange relative to the previous year.

### Fund Utilization and Balance

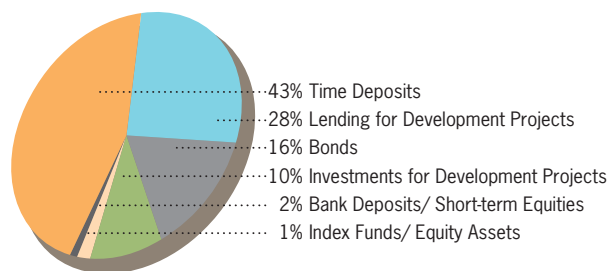
As of December 31, 2012, the net balance of the Fund was NT\$15.83 billion (including founding and donated funds of NT\$12.47 billion, accumulated earnings of NT\$3.35 billion and unrealized gains on financial instruments of NT\$2.26 million). This represented a decrease of 0.4 percent, or NT\$62.79 million, from the end of 2011.

As of December 31, 2012, total assets stood at NT\$15.98 billion, of which current assets comprised the largest share (51.15%), followed by long-term loans and investments (48.74%), fixed assets (0.1%) and other assets (0.01%). The organization's total liabilities were NT\$155.34 million and the total balance of all funds (the Fund plus accumulated earnings) was NT\$15.83 billion.

**Figure 11 Fund Utilization (2012)**



**Figure 12 Investment Management (2012)**



## Budget Execution

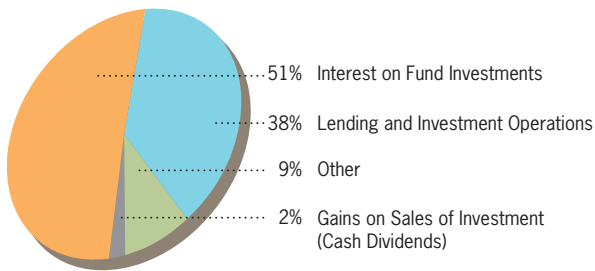
In 2012, MOFA contracted the TaiwanICDF to carry out overseas operations worth NT\$1.23 billion, of which NT\$826.09 million was budgeted for operating expenses at overseas technical and medical missions. A budget of NT\$107.14 million was also allocated to four projects relating to specific overseas missions and NT\$47.25 million was allocated to training and continuing education in Taiwan for technical personnel from our partner countries. We were also contracted to implement 18 projects worth NT\$207.86 million, including 2012

Satellite Monitoring of Forest, Natural Resources and Mitigation of Natural Disasters in Nicaragua and Honduras using GIS and RS; and the International Higher Education Scholarship Program.

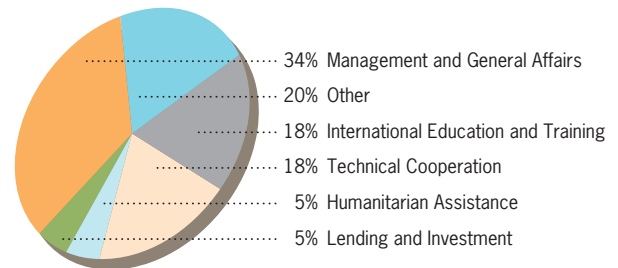
Overall, the total budget for MOFA-commissioned projects was NT\$1.16 billion, equal to an implementation rate of 94.01 percent.

Operating expenses (excluding expenses for contracted projects) amounted to NT\$303.71 million. This compares with a budgeted plan of NT\$468.53 million, equal to a utilization rate of 64.82 percent.

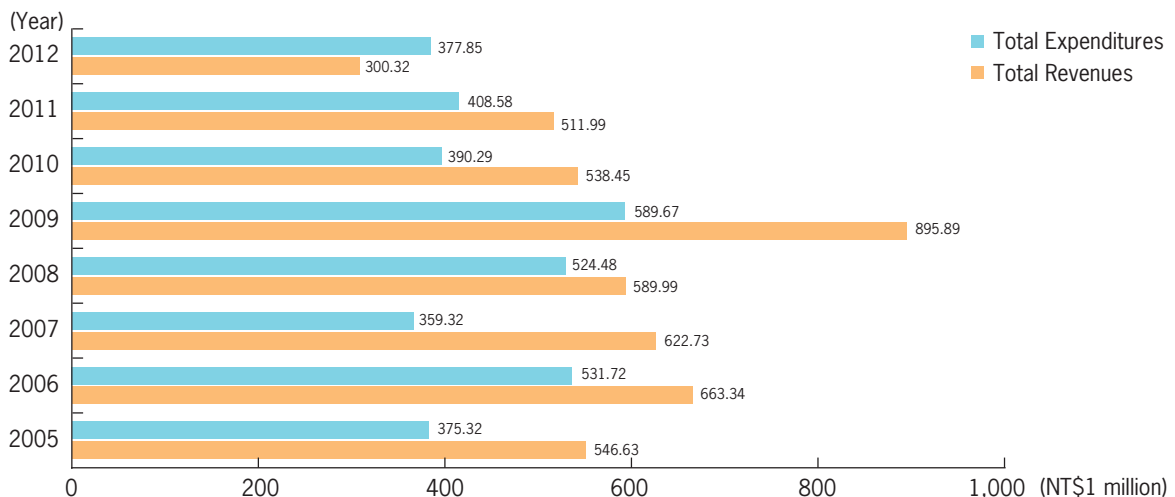
**Figure 13 Fund Revenues (2012)**



**Figure 14 Fund Expenditures (2012)**

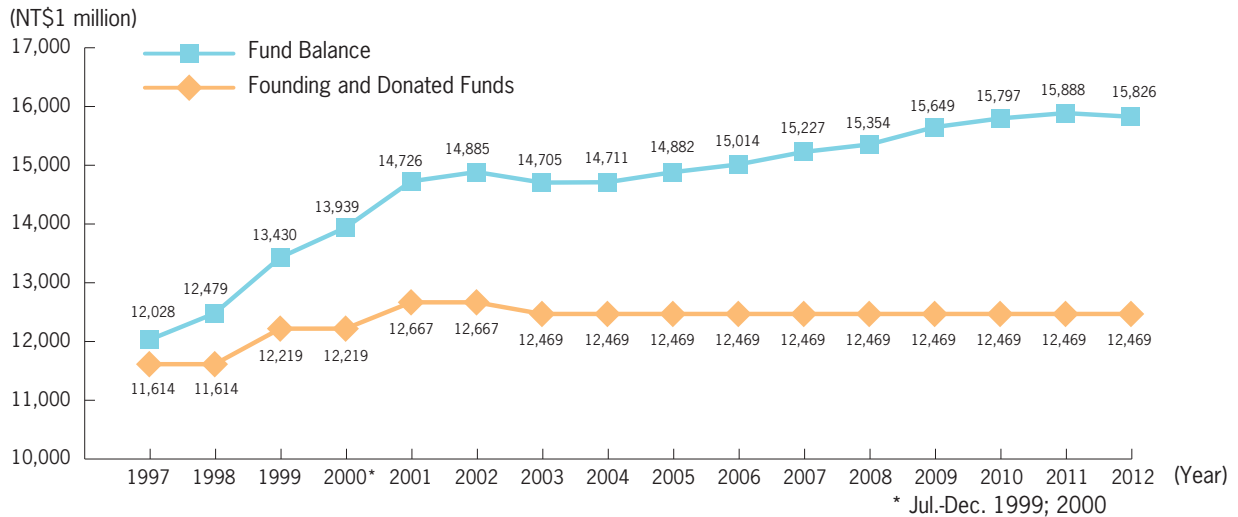


**Figure 15 Revenues and Expenditures (2005-2012)**

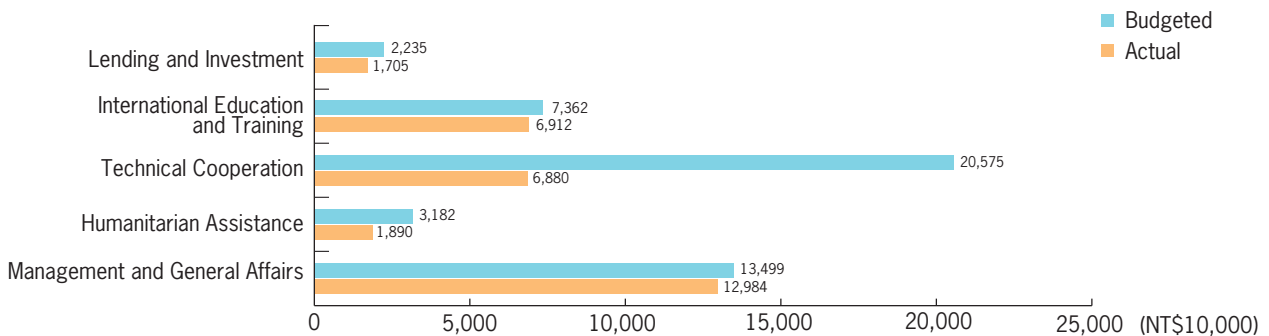




**Figure 16 Fund Utilization (2012)**



**Figure 17 Budgeted and Actual Expenditures (2012)**



## Human Resources

### Upgrading Human Resources in Pursuit of Sustainable Development

Since 2011, after fulfilling all of our requirements for new positions at the TaiwanICDF, we now employ approximately 100 personnel at our Taipei headquarters and 176 personnel at overseas missions. As expected, much of our original human resources requirements were fulfilled by this process of recruitment itself, having diversified the collective range of professional specializations shared by our domestic and overseas staff.

In 2012, we took a more active approach to

operations, establishing a more professionally oriented, schematized human resources management system. Firstly, we introduced competency models to improve the effectiveness with which we planned personnel selection, orientation, education, training, and development of employees' potential. Secondly, we introduced a system that models and estimates human resources needs. By conducting a scientific analysis of employee data, we laid the foundation for our objective to become the best partner for sustainable development by 2022.

## **Diversifying Education and Training, Strengthening Capacity Building**

The TaiwanICDF is a learning organization and we place a great deal of emphasis on nurturing and developing talent. In recent years, in line with our general program of transformation and reform, we have been putting more effort into personnel training than ever before, hoping to smooth the strategic direction that the organization takes and focusing on standards of staff capacity building. The results of a survey conducted for us by a human resources consultancy revealed that during 2010 and 2011, we provided personnel with an average of 43.5 hours of training per person per year. This is significantly higher than the average of 30.8 hours provided to the Taiwanese workforce across all sectors of industry.

In terms of planning training activities, in 2012 we focused on capacity building for those stationed at our overseas missions by selecting a group of 41 personnel who showed outstanding potential and bringing them back to Taiwan to participate in a one-month Reserve Overseas Project Management Training Program. This program enhanced their ability to define projects' core issues, develop project content and plan a work schedule. With regards to domestic employees, we planned a diverse, year-round selection of courses designed to enhance knowledge. These included an introductory workshop on agriculture and basic and advanced classes on a project design and monitoring framework. To sharpen colleagues' language and communication skills, we also organized multi-level French and Spanish classes, as well as English writing classes.

Furthermore, to increase awareness and understanding of the TaiwanICDF for new recruits, we organized a New Recruits Shared Knowledge Camp where new employees had a chance to learn about the organization's vision and strategy over a short period of time. Meanwhile, to improve the effectiveness of management and communication between the various ranks of the organization, we organized a meeting between the Secretary General and 11 of the TaiwanICDF's division chiefs. Direct communication between executives

provided a first-hand illustration of the organization's strategic direction. In addition, the meeting drew upon the experience of high-level executives to arrive at a more sophisticated understanding of the functions that management-level personnel must possess.

## **Promoting Secondment, Implementing International Standards**

In 2011, we established a secondment program to allow us to gain deeper insights into trends in international development assistance and build exchange opportunities with international organizations. Over the past year, we continued to dispatch outstanding members of staff to the Asian Development Bank (ADB), the EBRD and the Central American Bank for Economic Integration (CABEI). The program provides colleagues with the chance to understand best practices, acquire project management capabilities and gain experience in project implementation, assisting the development of our own organization through cooperation with major international organizations.

## **Constructing a Friendly Workplace, Pursuing Better Ways to Work**

In striving to reform our organization, we understand that human resources are our most valuable asset and represent a source of virtually limitless value. We have put a great deal of thought into protecting and enhancing the welfare of our staff and creating a friendly working environment, with the goal of having our employees work in comfort and generating greater value for the organization. To establish a receptive, pleasant working environment, we continue to maintain an Internet café where staff can take time out to peruse books and periodicals over free coffee. We have also set up a breastfeeding room to respect female colleagues' need for privacy and comfort. We also bring in professional medical institutions at regular intervals to offer flu vaccinations to all personnel free of charge and we have signed a childcare contract with a nearby nursery to address colleagues' childcare concerns.

### Auditing

In order to strengthen corporate governance and associated duties and responsibilities at the TaiwanICDF, the 63rd Board Conference approved the reassignment of the Auditing Office. Starting from January 1, 2013, the office will report directly to the Board of Directors. Auditing operations at the TaiwanICDF are designed to strengthen risk management and safeguard the security of assets at the organization. Auditing assists the Board of Directors and the Board of Supervisors in examining the effectiveness of internal controls and measuring and appraising the efficiency and effectiveness of operations management. Audits provide managers and departments with timely suggestions on improving any such matters under investigation and follow-up measures are implemented accordingly. This safeguards the effectiveness of fund management and ensures that operations are conducted transparently and systematically.

Key auditing operations at the TaiwanICDF include: (1) Examining the reliability and accuracy of financial and operational information; (2) examining internal operations and determining whether procedures have followed relevant policies, regulations and procedural guidelines; (3) examining whether assets are being utilized effectively and are correctly itemized; (4) examining whether completed operations and projects met their intended objectives and achieved the results anticipated; (5) making onsite visits to overseas missions to examine the status of internal controls, as well as the performance of projects under implementation; (6) performing field appraisals of the status and results of projects in the post-implementation stages of the project cycle, and identifying reasons for the successes and failures of projects, to facilitate the

promotion and implementation of follow-up projects; and (7) examining the progress and performance of the organization's annual work plan to ensure that its objectives are realized efficiently and effectively.

#### Audits in 2012

A total of 33 audits were conducted in 2012, including 33 cases allocated by either the Board of Directors or Board of Supervisors, and two extraordinary audits conducted at the request of senior management. The content of these audits, representing issues of concern to senior management and auditing units, focused on risks and internal controls.

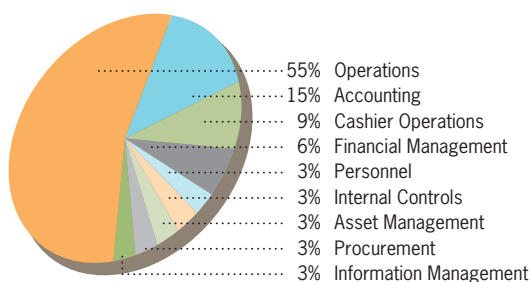
Audits for 2012 were as follows: 18 related to operations; five to accounting; three to cashier operations; two to financial management; and one each to asset management, procurement, information management, personnel and internal controls.

#### Results of Audits

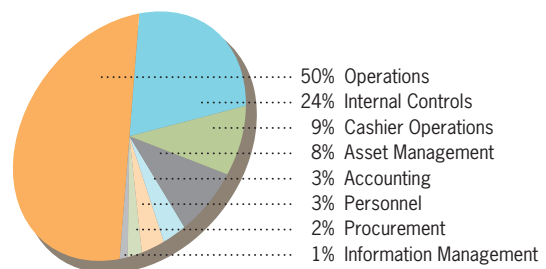
In 2012, audits yielded a total of 89 suggestions: 44 on operations; 21 on internal controls; eight on cashier operations; seven on asset management; three each on accounting and personnel; two on procurement; and one on information management.

Audits and subsequent conclusions were aimed at strengthening internal controls and communication between departments, raising colleagues' awareness of risks, guaranteeing the safety of the organization's assets and ensuring the reliability and accuracy of financial and operational information.

**Figure 18 Audits (2012)**



**Figure 19 Audit Suggestions (2012)**



## Public Communications

We strive for transparency and innovation in our public communications. We focus as much as possible on pragmatism and the importance of environmental protection in our publications and promotional materials.

We have developed a number of sustainable, innovative approaches to enhancing the transparency of public information and project-related data, as well as assisting external parties to gain rapid and timely access to such information. In 2012, we made the best use of green technologies and the availability of online platforms to disseminate our ideas. We continued to use our website as our official base, but also used social networks and external sites such as YouTube and Facebook to promote our operations and publicize TaiwanICDF activities.

In terms of this year's multimedia productions, we organized a short film event that allowed users to submit their own videos dealing with global issues. We also launched a new TaiwanICDF app. By working through mass media, Internet and mobile phone platforms, we are drawing young people into the field of international development assistance and expanding public support for development aid. Additionally, to ensure that we work sustainability and in line with international trends, we have paid particular attention to ensuring that we offer online versions of any printed materials we produce. The printed copies we do produce are recyclable and produced in limited runs using environmentally friendly printing practices.



◀ Dr. Liu Chun-hao leads a seminar as part of the TaiwanICDF's Remake the Future, Show Your Dream event. By using Internet and mobile phone platforms and organizing lectures and other activities, the organization's more creative approach toward communications is drawing increasing numbers of young people into the field of international development assistance.



# Looking Ahead

## Focusing On Implementation is the Only Way To Fulfill Our Vision

In the three years since I began my duties as Secretary General of the TaiwanICDF, I have gradually implemented institutional reforms to respond to changes in the international community and the increasingly complex needs of development work. I have transformed our projects and elevated our project management capacity, allowing us to overcome existing resource constraints and create new strengths and competitive niches for the TaiwanICDF.

As the nation's dedicated international aid agency, the TaiwanICDF's policies and work have raised our profile and proven to be fairly influential. For that reason, we created our Vision for 2022 this year, which is to "become the best partner for sustainable development by 2022," therein establishing the long-term direction for our work.

Below, I will discuss our implementation strategies and the ways in which we will gradually lay out a solid foundation to enhance the quality of our international aid work and fulfill our mission and vision.

### Applying the Principle of Managing for Results

Taking into account the development of multilateral development banks, we have introduced a "results management" system common within the international community to help control our internal processes, upgrade the quality of our projects and improve organizational competitiveness. This system allows us to appraise whether we have effectively achieved our mission and vision.

As discussed in the section on the reform of the TaiwanICDF in Chapter 1, we have established a "results framework" at the organizational level to institute an approach that focuses on "results management." This year, we concentrated our efforts on operational results, operational effectiveness and organizational efficiency and continuously honed our five operational priorities. We planned the integration of a variety of informational tools and knowledge management platforms, established an organization-wide performance measurement system and geared ourselves toward capacity building, financial

management and more efficient and effective operational processes.

At the project management level, we have used such tools as a design and monitoring framework and a project management system to focus our projects on achievable, measurable results. For each project, we implemented the project cycle and a project management system to ensure that they were effective and up to par. In our Aquaculture Project in Belize, for example, the project cycle and our project management system allowed us to expand operational scope and project outputs, bringing farther-reaching benefits and impacts to our partner country. This improved project planning has helped establish a solid foundation for development in Belize. In our Maternal Health Improvement Program in The Gambia and Torbeck Rice Production and Marketing Project in Haiti, project management systems allowed us to initiate joint implementation programs with these partner countries. Our project managers provided assistance and controlled project progress and quality while abiding by the partner countries' laws, thereby ensuring sustainable industrial development in these countries.

### Strengthening Capacity Building and Transforming and Upgrading Operations

One of our highest priorities in achieving the organizational reforms mentioned above is to develop our pool of human resources and upgrade our abilities. This has included organizing a series of Reserve Overseas Project Management Training Programs and ensuring that project managers are trained in project management skills. In addition, we have taken a full inventory of our human resources to establish organizational performance indicators, role classifications, primary duties and key competencies. We have also actively developed channels for learning through secondment programs with accomplished international organizations such as the ADB and the EBRD.

In addition, we have sought out ways to build capacity for our partner countries themselves. We performed



a periodic review of our program of international workshops, which has been ongoing for nearly 16 years, and concluded that in the future, the program should be focused on project-based workshops designed to promote and upgrade capacity in our bilateral cooperation projects. As a secondary focus, we will hold policy-based workshops that introduce and share Taiwan's experiences and comparative advantages. All workshops will be tailored to the training needs and objectives of our target beneficiaries. Content will be planned individually for each workshop and updated on a yearly basis. We will also use seminars and short-, medium- and long-term training placements to ensure that our training is timely and effective. All of these measures help achieve the objective of capacity building through sustainable development efforts.

### **Promoting Regional Projects, Integrating Resources and Expanding Effectiveness and Influence**

Regional integration has become an important trend in development aid work. In response to this, we are planning and promoting an increasing number of large-scale, regional projects across multiple countries in addition to our continuing work inside individual countries. In December, for example, we signed a project agreement with the OIRSA for a joint Strengthening the Control of Huanglongbing (HLB) and the Implementation of Integrated Pest Management (IPM) in Citrus Project. This project will integrate Taiwan's active research in HLB over the past 60 years, drawing on expertise from Taiwan's industrial, government, academic and research institutions. We hope that the project will assist Belize and four other countries already infected with HLB in building disease prevention and treatment capacity, as well as prevent the spread of HLB to two other disease-free countries.

Furthermore, our ICT Technical Cooperation Project in the Caribbean, commissioned by MOFA, was successfully implemented in St. Kitts and Nevis, St. Lucia and Belize, paving the way for us to replicate this initiative in other

regions in the future. Our recent project in Nicaragua and Honduras – 2012 Satellite Monitoring of Forest, Natural Resources and Mitigation of Natural Disasters in Nicaragua and Honduras using GIS and RS – also yielded remarkable results. We will be extending operations into Guatemala and have received significant interest from El Salvador regarding the project.

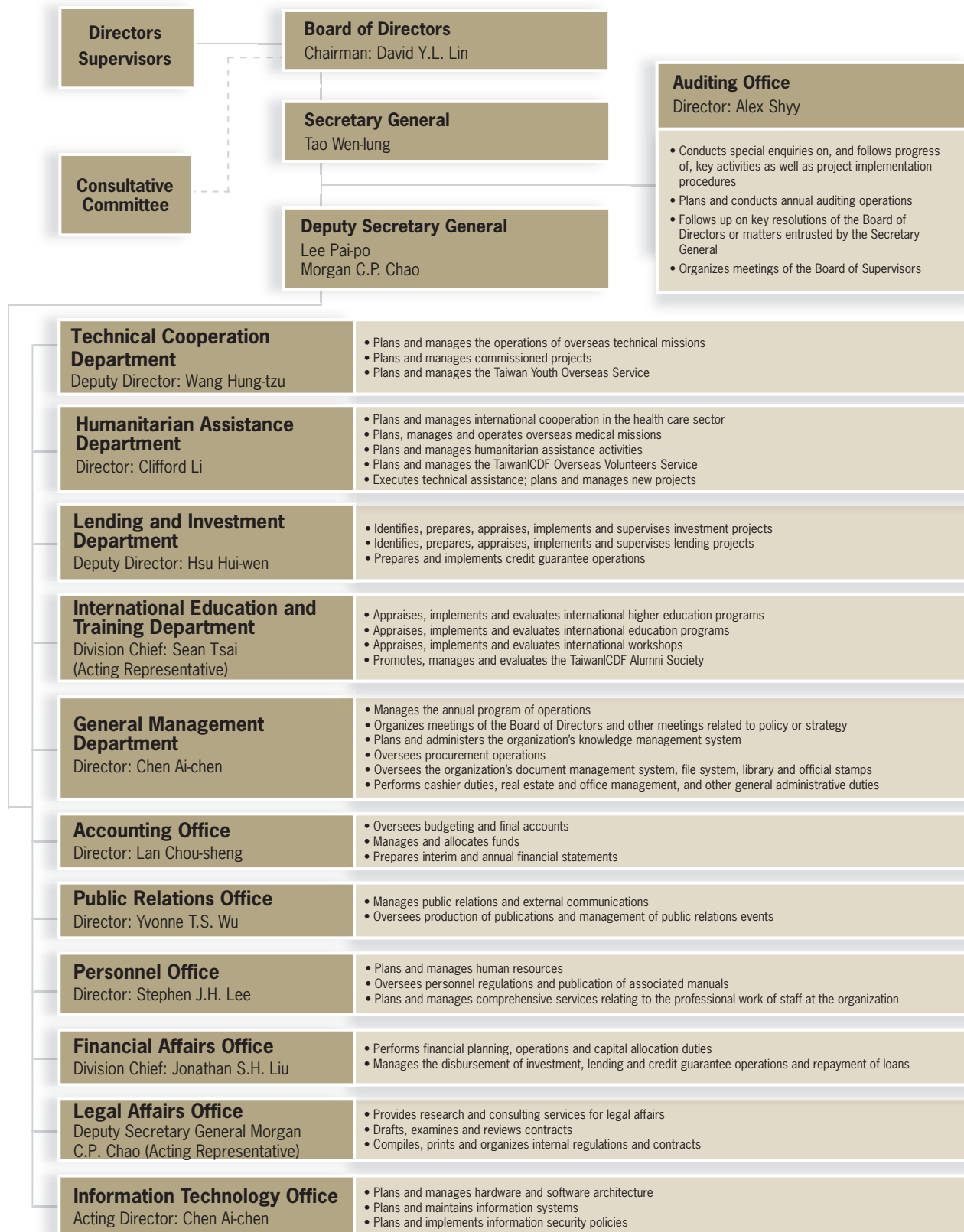
In the future, we will continue to participate in events organized by international organizations and arrange visits from relevant organizations to help expand the effectiveness and impact of our aid efforts, as well as build opportunities for regional integration and cooperation.

When the UN's MDGs reach the end of their term in 2015, the next phase of the global development agenda is likely to involve a continuing series of "Sustainable Development Goals." Current international trends point toward development aid that is centered on partner countries and meeting their needs. The TaiwanICDF should have a vision that reflects these ambitious objectives to advance with the times.

I therefore remind my colleagues that we should all strive for excellence and never forget that we bear the responsibility and expectations for Taiwan's foreign aid mission on our shoulders. More importantly, as we stand at this turning point, we must believe that with every successful step we take, we are rewriting history together.

Tao Wen-lung  
Secretary General

## Organizational Chart\*



\*Accurate as of December 31, 2012

# Board of Directors; Supervisors and Consultative Committee \*

## Directors and Supervisors

The statutes of the TaiwanCDF provide for a Board of Directors of 11-15 persons and a Board of Supervisors of 3-5 persons. The Executive Yuan appoints these board members. The Board comprises senior government ministers, heads of other government agencies, distinguished scholars and leading industrialists. One third of the Board must come from the latter two categories. The duties of the Board include shaping policy, approving specific projects and lending operations, overseeing annual budget allocations, appointing and dismissing senior management and attending to other important affairs relevant to the operation of the organization.

### Chairman

David Y.L. Lin            Minister of Foreign Affairs

### Directors

Perng Fai-nan            Governor, Central Bank of the Republic of China (Taiwan)  
Shih Yen-shiang        Minister of Economic Affairs  
Chen Bao-ji             Minister, Council of Agriculture, Executive Yuan  
Lin Junq-tzer            Minister without Portfolio, Executive Yuan  
Chiu Wen-ta             Minister, Department of Health  
Chen Charng-ven        Managing Partner, Lee and Li, Attorneys-at-Law  
Wang Chung-yu         Chairman, Chinese International Economic Cooperation Association  
Edward Chow            Professor, Department of Finance, National Chengchi University  
Simon S.Y. Ko            Deputy Minister of Foreign Affairs  
Yen Chrystal Shih      Chair, Board of Directors, Export-Import Bank of the Republic of China  
Ho Mei-shang            Research Fellow, Institute of Biomedical Sciences, Academia Sinica  
Liu Bih-jane             Professor, Department of Economics, National Taiwan University  
Lin Yeh-yun             Professor, Department of Business Administration, National Chengchi University  
Shen Hsiao-ling        Professor, Department of Business Administration, Soochow University

### Standing Supervisor

Steven Hsu              Managing Director, Alert CPAs Firm

### Supervisors

Chu Mei-lie             Professor, Department of Economics, National Chengchi University  
Wu Chung-shu         President, Chung-Hua Institution for Economic Research

Note: Membership of the sixth Board of Directors appointed to the end of June 2014.

### Consultative Committee

Article Twelve of the Statute of the Establishment of the TaiwanCDF provides for the formation of the Consultative Committee. The Committee provides consultation and information services related to the operations of the Fund. Committee members include government officials, experts, scholars and persons with specialist knowledge from various sectors. The Board approves and appoints new members of the Consultative Committee.

### Members of the Consultative Committee

Lee Chien-ming        Assistant Professor, Graduate Institute of Natural Resource Management, National Taiwan University  
Lin Yao-chin            Associate Professor, Department of Information Management, College of Informatics, Yuan Ze University; Director, YZU Innovation and Incubation Center  
Shi Min-nan             Honorary Consultant, Former Taiwan Technical Mission Leader  
Eddie M. Chen         Executive Vice President and Chief Risk Officer, EnTie Commercial Bank  
Chen Yi-sung            Honorary Consultant, Former Taiwan Technical Mission Leader  
Huang Chun-chang    Director, Taishan Training Center, Bureau of Employment and Vocational Training, Council of Labor Affairs, Executive Yuan  
Chiao Chun             Section Chief, Sales and Marketing Division, Taipei Agricultural Products Marketing Co.  
Emma Yang             Former Chief Financial Officer, Radioshack International Procurement, Inc. Taipei Branch (USA); Former Senior Manager, Asian Development Bank  
Liu Da-nien             Research Fellow, Regional Development Study Center, Chung-Hua Institution for Economic Research  
Liu Jorn-hon            Director, Department of Ophthalmology, Cheng Hsin General Hospital; Chairman, Taiwan Retinal Society  
Louis Chen             Professor, Institute of Intellectual Property, National Taipei University of Technology

\*Accurate as of December 31, 2012



## 2012 Events

### January

- The 2012 Conference for Taiwan/CDF Mission Leaders and Project Managers in Latin America and the Caribbean is held.
- Dr. Rilus Kinseng, a professor in the Department of Communication and Community Development, Bogor Agricultural University (IPB), Indonesia, is invited to Taiwan to discuss future cooperation programs for the Morotai Development Project involving community development and cultural survey workshops.

### February

- A mission led by Deputy Secretary General Lee Pai-po visits Nicaragua and Ecuador to supervise technical mission programs.
- An information security expert is dispatched to Belize to conduct InfoSec analysis at the National ICT center.
- An ICT network expert is dispatched to Belize and St. Kitts and Nevis to conduct handover operations for the ICT Technical Cooperation Project.
- An agreement on the Aquaculture Project is signed between the Embassy of the Republic of China (Taiwan) in Belize and the Ministry of Agriculture and Fisheries of Belize.
- Staff members conduct an investment-related fact-finding mission for the Bagré Rice Seed Production Project in Burkina Faso.

### March

- An appraisal mission visits Haiti to assess the Improving Lives of Farming Families through Post-harvest Loss Reduction in Haiti project and the New Hope Village Residents Resettlement Project.
- A delegation led by Deputy Secretary General Dr. Lee Pai-po visits Cambodia, Vietnam and Laos to monitor the South and SE Asia Fruit Fly IPM Project.
- An appraisal mission visits St. Lucia to assess the Banana Black Sigatoka Disease Prevention and Treatment Project.
- A Workshop on Trade Promotion is conducted, with 25 participants from 24 countries.
- A staff member is dispatched to Uruguay to attend the 53rd Annual Meeting of the Board of Governors of the Inter-American Development Bank and the 27th Annual Meeting of the Board of Governors of the Inter-American Investment Corporation.
- A staff member visits the Philippines to attend the 3rd ADB Business Opportunities Fair.
- A mission is sent to Paraguay to conduct a mid-term review of an on-going project.
- An appraisal mission visits Haiti to assess the Les Cayes Rice, Maize and Bean Development Project.

### April

- An appraisal mission led by Deputy Secretary General Dr. Lee Pai-po visits Indonesia to appraise the One Village, One Product (OVOP) Project.
- A Workshop on Healthcare Management is conducted, with 17 participants from 12 countries.
- An appraisal mission visits Paraguay and Ecuador to appraise aquaculture projects in each country.
- An appraisal mission visits Paraguay to appraise the Feed Production Project.
- A mission is dispatched to The Gambia to hold a Workshop on Crop Production and Cultivation. A total of 17 participants from Africa and Haiti take part in the workshop.
- A Workshop on Clean Energy Development is conducted, with 19 participants from 18 countries.
- A mission is dispatched to St. Lucia to hold a Workshop on Agricultural Marketing. A total of 16 participants from the Caribbean take part in the workshop.
- The 2012 Conference for Taiwan/CDF Mission Leaders in the Pacific Region is held in Brisbane, Australia.
- Staff members of the Lending and Investment Department represent the Taiwan/CDF in attending the Extraordinary Advisory Board Meeting of the BTS Private Equity Fund via telephone conference.
- A staff member is sent to Honduras to attend the 52nd Ordinary Meeting of the Board of Governors of the Central American Bank for Economic Integration (CABEL).
- Deputy Secretary General Dr. Lee Pai-po represents the Secretariat of the Republic of China – Central American Economic Development Fund in attending the 20th Board Meeting of the fund.
- An appraisal mission visits Nicaragua, El Salvador and Honduras to appraise Geographic Information Systems projects in each country.

### May

- As part of a Taiwanese delegation led by the Central Bank of the Republic of China (Taiwan), staff members are dispatched to participate in the 45th Annual Meeting of the Asia Development Bank in Manila.
- A field survey mission visits Indonesia to conduct marine resource, forest ecosystem and social and cultural surveys for the Morotai Development Project.
- A Workshop on Performance Appraisal Interviews for Supervisors is held to assist supervisory staff to understand the writing skills required to conduct performance appraisal interviews.
- A fact-finding mission visits Honduras to appraise the Potato

- Project, the Soybean Project and the Avocado (Hass) Project.
- A staff member is dispatched to attend the 21st Annual Meeting of the Board of Governors of the European Bank for Reconstruction and Development in London.
  - The TaiwanICDF and the Swaziland Development Finance Corporation sign a Loan Agreement relating to the Micro-, Small- and Medium-sized Enterprises Re-lending Project.
  - The Ministry of Foreign Affairs is assisted to hold a Workshop on International Cooperation and Development Affairs for officials stationed abroad during the first half of 2011.
  - A Workshop on the Promotion of One Town, One Product Projects is conducted, with 27 participants from 12 countries.
  - Two missions visit São Tomé and Príncipe to conduct and supervise the Food Crops Development Project and the Pig Development Project.
  - A Workshop on Plant Protection and Quarantine is conducted, with 23 participants from 20 countries.

## June

- A staff member is dispatched to supervise the TaiwanICDF Overseas Volunteers Service in Thailand.
- The 2012 TaiwanICDF International Higher Education Scholarship Programs Graduation Symposium and Farewell Party is conducted, with 100 graduates from 24 countries.
- Secretary General Amb. Tao Wen-lung and staff members join a delegation led by the Minister of Foreign Affairs to attend the 9th Joint Commission of Cooperation between Burkina Faso and Taiwan in Ouagadougou, Burkina Faso.
- A mission attends a workshop, Exchange on Aquaculture Production Alternatives, in Honduras.
- A Workshop on the Promotion of One Town, One Product Projects is conducted, with 18 participants from 15 countries.
- The Human Resources Inventory project is implemented.
- A Workshop on Employment and Vocational Training is conducted, with 24 participants from 20 countries.
- A training workshop is held for coordinators working on the TaiwanICDF Overseas Volunteers Service.
- A fact-finding mission visits São Tomé and Príncipe to appraise the Botanic Conservation Project.
- A meeting between the Secretary General and TaiwanICDF Division Chiefs is held.

## July

- A mission is sent to Belize, St. Lucia and St. Kitts and Nevis to supervise the transfer of the ICT Technical Cooperation Projects.
- A mission is dispatched to Guatemala to hold a Seminar on the

Bamboo Industry. A total of 38 participants from Latin America and the Caribbean take part in the workshop.

- A four-day series of orientation training courses are held for new TaiwanICDF employees.
- A mission is dispatched to supervise Taiwan Youth Overseas Service projects in Swaziland and The Gambia.
- A 10-day series of management training courses are held at Tianmu Convention Center to build capacity in management skills among Volunteer Project Managers.
- A mission is sent to Guatemala to consult on the Bamboo Industries Development Project.
- A fact-finding and appraisal mission is sent to The Gambia to appraise the Strengthening Linkages for Variety Development and Rice Seed Production System Project and the Strengthening Rice Production and Productivity Project.
- A project negotiation mission is sent to Kiribati to negotiate with the government of Kiribati and the World Bank for the Repair and Upgrade of Bonriki International Airport Project.
- Secretary General Amb. Tao Wen-lung and a member of staff are invited to join a consultancy team led by the Minister of Foreign Affairs during a mission to l'Hôspital National Blaise Compaoré (HNBC) in Burkina Faso.
- A Workshop on the Industrial Applications of ICT is conducted, with 12 participants from 8 countries.
- Staff members are dispatched to Guatemala to undertake post-evaluation and to audit projects conducted by the local Taiwan Technical Mission and the Guatemala-based Taiwan Investment and Trade Service Mission in Central America.
- A staff member is dispatched to oversee language training for overseas volunteers in Guatemala.

## August

- Experts are dispatched to St. Kitts and Nevis to identify potential projects in the agriculture, clean energy and ICT sectors.
- A fact-finding mission visits Jakarta to exchange research outcomes from the TaiwanICDF's investigations on Morotai with Bakosurtanal, a coordinating agency specializing in national surveys and mapping, and the Center for Coastal and Marine Resources Studies, IPB (CCMRS-IPB).
- The TaiwanICDF's annual Family Day is held on August 10.
- A mission is dispatched to Honduras to hold a Workshop on Tilapia Culture, which is attended by 22 participants from Latin America and the Caribbean.
- Secretary General Amb. Tao Wen-lung accompanies Vice President Wu Den-yih as part of a special envoy to the Dominican Republic to participate in the inauguration ceremony of President Medina, and then visits Belize.
- The TaiwanICDF International Cooperation Development

## 2012 Events

Summer Camp is attended by a total of 63 participants, including 35 local students and 28 international students.

- A Workshop on Geographic Information Systems (GIS) is conducted, with nine participants from five countries.
- In response to the forthcoming implementation of a second-generation National Health Insurance scheme in early 2013, a Workshop on Second Generation Health Insurance is held on August 16.
- Deputy Secretary General Morgan C.P. Chao attends the 20th Taiwan/Republic of China-Forum Countries Dialogue in the Cook Islands.

### September

- A group of key stakeholders with the Bamboo Industries Development Project in Latin America and the Caribbean (Guatemala) visits Taiwan to take part in experience-exchanging activities.
- Orientation for the 2012 Taiwan/CDF International Higher Education Scholarship Program is conducted, with 161 participants from 26 countries.
- A mission is dispatched to the Solomon Islands to hold a Workshop on Hog Breeding and Raising for 18 participants from Pacific island countries.
- A three-day workshop on agriculture is conducted to enhance basic agriculture-related knowledge and capacity among Taiwan/CDF staff.
- A Workshop on Women's Development is conducted with 26 participants from 22 countries.
- A mission visits St. Vincent and the Grenadines to conduct technical training for the Pork Processing Project, the Artificial Insemination in Small Ruminants Project and the Soil Analysis Project.
- A supervision mission is dispatched to Burkina Faso to supervise the Used Medical Equipment Donation and Training Project.
- An appraisal mission is sent to Haiti to appraise the feasibility of implementing a Rice, Maize and Bean Development Project in Les Cayes.
- Posters and a short film of the concise master plan for the development of Morotai are completed and provided to the Taipei Economic and Trade Office in Jakarta, to be displayed in Morotai during the 2012 Sail Morotai event.
- A project supervision mission is sent to the Marshall Islands to monitor the Micro Credit Fund to the Republic of the Marshall Islands.
- A staff member visits Honduras to appraise a humanitarian assistance project.
- A series of activities on current developments in Taiwan's fisheries and aquaculture sector are arranged as part of a

visit by a delegation from the Organization of Fishing and Aquaculture in Central America (OSPESCA).

- A mission led by Secretary General Amb. Tao Wen-lung visits Burkina Faso to participate in the Investor Conference of the Bagré Pole Growth and to investigate agro-business opportunities in the country.
- A staff member is dispatched to Haiti to participate in an evaluation mission in cooperation with Haitian government officers.
- A staff member is dispatched to audit programs conducted by the technical missions in Nicaragua and El Salvador.
- A Workshop on Micro- and Small-sized Enterprise Development is conducted with 31 participants from 29 countries.
- A Medical Mission, dispatched in cooperation with Mackay Memorial Hospital, visits Kiribati to conduct exchanges of medical technology.

### October

- A one-month series of management training courses are held at Ming Chuan University.
- A Workshop on Agricultural Marketing is conducted, with 22 participants from 19 countries.
- A Medical Mission is dispatched to Papua New Guinea to conduct exchanges of medical technology, in cooperation with Changhua Christian Hospital.
- Staff members are dispatched to audit projects being implemented by technical missions in Papua New Guinea and Indonesia.
- A Workshop on the Taiwan Experience in Agriculture for the Dominican Republic is conducted with 26 participants.
- An appraisal mission is dispatched to Honduras to confirm the feasibility of implementing three projects relating to seed potato production, the integrated development of the soybean industry, and improvements to Hass avocado production.
- A Medical Mission is dispatched to the Marshall Islands to conduct exchanges of medical technology, in cooperation with Wang Fang Hospital.
- A supervision mission is sent to Nauru to monitor the Taiwan/CDF Microfinance Development Fund—Pilot Project.
- A Medical Mission is dispatched to Tuvalu to conduct exchanges of medical technology, in cooperation with Chung Shan Medical University Hospital.
- A delegation led by Deputy Secretary General Dr. Lee Pai-po visits Thailand to attend an International Symposium held by the Taiwan/CDF and the Royal Project Foundation, and to supervise the associated project, and then attends an Experience Sharing Workshop: Lessons for Extended Asian Fruit Fly IPM Project in Thailand.
- A Workshop on Taiwan's Economic Planning and Development

is conducted, with 27 participants from 22 countries.

- Staff members are dispatched to Kenya and South Sudan to conduct a completion mission for humanitarian assistance projects.
- A staff member participates in the Due Diligence Mission of the Multilateral Investment Fund of the Inter-America Bank Group (IDB/MIF) for a new subproject under the Specialized Financial Intermediary Development Fund (SFIDF), and also monitors an existing SFIDF subproject under implementation in El Salvador.

## November

- A Workshop on Micro-sized Enterprise Development and Credit Facilities is held in El Salvador for the benefit of 20 participants.
- An appraisal mission is sent to Ecuador, Honduras and Nicaragua to conduct a feasibility study of the Latin America and the Caribbean Regional Bamboo Industries Development Project.
- A supervision mission is sent to Honduras to monitor the Information Technology School Project and other projects being implemented in cooperation with the Central America Bank for Economic Integration.
- A Workshop on Taiwan's Media Development is conducted, with 29 participants from 28 countries.
- A mission is sent to St. Lucia to identify the outline of a Development of Commercial Orchid Production Project.
- A staff member is dispatched to Belize, St. Kitts and Nevis and St. Lucia to monitor the ICT Technical Cooperation Projects.
- A mission is dispatched to Burkina Faso to hold a Workshop on Micro-sized Enterprise Formation and Creation.

## December

- A Medical Mission is dispatched to Palau to conduct exchanges of medical technology, in cooperation with Shin Kong Wu Ho-Su Memorial Hospital.
- A staff member is dispatched to El Salvador to negotiate the Strengthening the Control of Huanglongbing (HLB) and the Implementation of Integrated Pest Management (IPM) Project.
- A Seminar on Taiwanese Agriculture, Aquaculture, Green Energy and Community Building is conducted in Taiwan, as part of the Morotai Development Project.
- A mission is dispatched to São Tomé and Príncipe to conduct a Workshop on the Project Cycle, with 27 participants.
- A staff member is dispatched to São Tomé and Príncipe to conduct an identification mission for the Developing Semi-industrial Fisheries on the Island of Príncipe Project.
- A staff member is dispatched to Haiti to monitor the New Hope

Village Residents Resettlement Project—Phase II.

- Staff members participate in the BTS India PE Fund Advisory Board Phone Conference.
- A mission is dispatched to Burkina Faso to supervise the Donation and Training of Used Medical Equipment Program.
- Staff members are dispatched to Burkina Faso to attend the first international conference on “Solar Energy: Issues, Potentials and Constraints for Africa,” organized by the International Institute for Water and Environmental Engineering (2iE).
- A staff member is dispatched to Burkina Faso to audit programs conducted by the Taiwan Medical Mission, following which a mission undertakes project post-evaluation in Bagré.
- A staff member is dispatched to Burkina Faso to conduct a preparation mission for the Microcredit Project for graduate trainees from the Taiwan-Burkina Vocational Training Cooperation Program.
- A staff member is dispatched to Burkina Faso to conduct a second fact-finding mission for the Burkina Faso Rice Seed Production Investment Project in Ouagadougou and Bagré.
- The Taiwan/CDF assists the Ministry of Foreign Affairs to hold a Workshop on International Cooperation and Development Affairs for officials stationed abroad.



## TaiwanICDF 2012 Board of Directors Conferences

### **The 61st Board Conference (third meeting of the 6th Board of Directors; March 21, 2012) approved the following:**

- Integration of the budgets and content of ICT Technical Cooperation Projects in the Caribbean and the associated Enhancement Program.
- Adjustments to the One Town, One Product Project in El Salvador.
- Adjustments designed to standardize the job titles of TaiwanICDF personnel.
- Final accounts for FY2011.

### **The 62nd Board Conference (fourth meeting of the 6th Board of Directors; June 19, 2012) approved the following:**

- Formulation of the TaiwanICDF's "Vision for 2022" and the medium-term work program for 2013-15.
- Budget for FY2013.
- Adjustments to the country-driven timetable of the Bamboo Industries Development Project in Latin America and the Caribbean, and the prioritization of the implementation of the project in Guatemala.

### **The 63rd Board Conference (fifth meeting of the 6th Board of Directors; September 12, 2012) approved the following:**

- Reassignment of the Auditing Office to report directly to the Board of Directors.
- Revisions to Regulations Governing Internal Control Systems.

### **The 64th Board Conference (sixth meeting of the 6th Board of Directors; December 19, 2012) approved the following:**

- In response to the reassignment of the Auditing Office, revisions to Organizational Guidelines, Operational Rules, Regulations Governing Internal Auditing and Personnel Management Regulations.
- Revisions to Regulations Governing Internal Control Systems.
- Auditing work plan for 2013.
- Revisions to Personnel Management Regulations.
- Revisions to the Accounting System.
- Handling of the Haiti New Hope Village Water Supply Project in cooperation with the Red Cross Society of the Republic of China.

# Report of Independent Accountants

PwCR12000124

## To the International Cooperation and Development Fund (TaiwanICDF)

We have audited the accompanying balance sheets of the International Cooperation and Development Fund (TaiwanICDF) as of December 31, 2012 and 2011, and the related statements of revenues and expenses, of changes in fund balances and of cash flows for the years then ended. These financial statements are the responsibility of the TaiwanICDF's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the "Rules Governing the Examination of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TaiwanICDF as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in conformity with the accounting policies described in Note 2.

As described in Note 19 to the financial statements, certain assets were placed under the custodianship of the TaiwanICDF at the request of the owners and these assets are not reflected in the financial statements. The details of these assets are disclosed for reference purposes only.

*PricewaterhouseCoopers*

March 13, 2013

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than Taiwan. The standards, procedures and practices in Taiwan governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than Taiwan. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in Taiwan, and their applications in practice.

## International Cooperation and Development Fund Balance Sheets

For the Years Ended December 31

(Expressed in NTS)

ASSETS	NOTES	2012		2011	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		\$7,220,950,191	45	\$6,914,493,802	43
Held-to-maturity financial assets - current		686,960,370	4	406,955,383	3
Other receivables		163,712,705	1	141,737,622	1
Prepayments		75,478,434	1	70,611,528	-
Other current assets		26,488,033	-	13,917,236	-
		8,173,589,733	51	7,547,715,571	47
<b>LONG-TERM LOANS AND INVESTMENTS</b>					
Long-term loans receivable		4,388,858,933	28	4,602,502,541	29
Financial assets in available-for-sale - noncurrent		198,791,000	1	184,047,950	1
Held-to-maturity financial assets - noncurrent		1,602,639,324	10	2,086,354,374	13
Financial assets carried at cost - noncurrent		1,598,665,021	10	1,596,630,333	10
		7,788,954,278	49	8,469,535,198	53
<b>FIXED ASSETS</b>					
Cost		40,502,893	-	37,865,369	-
Less: Accumulated depreciation		(24,351,489)	-	(20,772,342)	-
		16,151,404	-	17,093,027	-
<b>OTHER ASSETS</b>					
Deposits-out		383,949	-	398,877	-
Deferred expenses		1,854,586	-	2,561,167	-
		2,238,535	-	2,960,044	-
<b>TOTAL ASSETS</b>		<b>\$15,980,933,950</b>	<b>100</b>	<b>\$16,037,303,840</b>	<b>100</b>
<b>LIABILITIES AND FUND BALANCES</b>					
LIABILITIES AND FUND BALANCES	NOTES	2012		2011	
		Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>					
Payables		\$147,971,710	1	\$136,224,423	1
Collections payable		3,245,123	-	5,652,858	-
Other current liabilities		10,051	-	-	-
		151,226,884	1	141,877,281	1
<b>OTHER LIABILITIES</b>					
Deposits-in		3,874,000	-	6,810,000	-
Others		241,585	-	237,235	-
		4,115,585	-	7,047,235	-
<b>TOTAL LIABILITIES</b>		<b>155,342,469</b>	<b>1</b>	<b>148,924,516</b>	<b>1</b>
<b>FUND BALANCES</b>					
Funds		12,468,838,072	78	12,468,838,072	78
Accumulated earnings		3,354,495,285	21	3,432,026,178	21
<b>ADJUSTMENT FOR OTHER FUND BALANCES</b>					
Unrealized gains (loss) on financial instrument		2,258,124	-	(12,484,926)	-
<b>TOTAL FUND BALANCES</b>		<b>15,825,591,481</b>	<b>99</b>	<b>15,888,379,324</b>	<b>99</b>
<b>Commitments and contingencies</b>					
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>\$15,980,933,950</b>	<b>100</b>	<b>\$16,037,303,840</b>	<b>100</b>

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated March 13, 2013.

## International Cooperation and Development Fund Statements of Revenues and Expenses

For the Years Ended December 31

(Expressed in NTS)

	NOTES	2012		2011	
		Amount	%	Amount	%
<b>OPERATING REVENUES</b>					
Revenues from MOFA-contracted projects		\$1,160,902,758	91	\$1,156,735,068	90
Revenues from banking and finance operations		114,693,158	9	129,677,652	10
		1,275,595,916	100	1,286,412,720	100
<b>OPERATING EXPENSES</b>					
MOFA-contracted project expenses	11	(1,160,902,758)	(91)	(1,156,735,068)	(90)
Humanitarian assistance expenses		(18,894,531)	(2)	(46,192,501)	(4)
International human resources development expenses		(69,122,350)	(6)	(73,848,721)	(6)
Banking and finance operations expenses		(17,050,127)	(1)	(15,432,200)	(1)
Technical cooperation expenses		(68,803,871)	(5)	(60,123,214)	(5)
General and administrative expenses	17	(129,840,540)	(10)	(106,772,674)	(8)
		(1,464,614,177)	(115)	(1,459,104,378)	(114)
<b>NET OPERATING LOSSES</b>		(189,018,261)	(15)	(172,691,658)	(14)
<b>NON-OPERATING INCOME AND GAINS</b>					
Interest on fund investments		153,826,604	12	130,135,097	10
Dividend income		6,835,750	1	13,615,142	1
Foreign exchange gain		-	-	41,322	-
Other revenues	15	24,966,375	2	238,519,535	19
		185,628,729	15	382,311,096	30
<b>NON-OPERATING EXPENSES AND LOSSES</b>					
Loss on disposal of fixed assets		(58,980)	-	(63,962)	-
Loss on disposal of investments		-	-	(48,578,204)	(4)
Loss on valuation of financial asset		-	-	(54,246,038)	(4)
Foreign exchange loss		(73,960,421)	(6)	-	-
Other expenses		(121,960)	-	(3,324,322)	-
		(74,141,361)	(6)	(106,212,526)	(8)
<b>EXCESS OF (EXPENSES OVER REVENUES) REVENUES OVER EXPENSES</b>		<b>\$ (77,530,893)</b>	<b>(6)</b>	<b>\$ 103,406,912</b>	<b>8</b>

## International Cooperation and Development Fund Statements of Changes in Fund Balances

	FUNDS	ACCUMULATED EARNINGS	UNREALIZED GAINS (LOSS) ON FINANCIAL INSTRUMENT	TOTAL
<b>2011</b>				
Balance, January 1, 2011	\$12,468,838,072	\$3,328,619,266	\$-	\$15,797,457,338
Excess of revenues over expenses for 2011	-	103,406,912	-	103,406,912
Unrealized loss on financial instrument	-	-	(12,484,926)	(12,484,926)
Balance, December 31, 2011	\$12,468,838,072	\$3,432,026,178	(\$12,484,926)	\$15,888,379,324
<b>2012</b>				
Balance, January 1, 2012	\$12,468,838,072	\$3,432,026,178	(\$12,484,926)	\$15,888,379,324
Excess of expenses over revenues for 2012	-	(77,530,893)	-	(77,530,893)
Unrealized gains on financial instrument	-	-	14,743,050	14,743,050
Balance, December 31, 2012	\$12,468,838,072	\$3,354,495,285	\$2,258,124	\$15,825,591,481

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated March 13, 2013.



## International Cooperation and Development Fund

### Statements of Cash Flows

For the Years Ended December 31

(Expressed in NTS)

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of (expenses over revenues) revenues over expenses	\$(77,530,893)	\$103,406,912
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash used in (provided by) operating activities:		
Depreciation	3,901,583	4,378,383
Amortization	1,231,353	919,993
Loss on valuation of financial assets	-	54,246,038
(Reversal of) Allowance for bad debts	(9,125,688)	4,101,923
Held-to-maturity financial assets - Interest amortization	9,218,647	14,404,086
Loss on disposal of fixed assets	58,980	63,962
Changes in assets and liabilities:		
Financial assets at fair value through profit or loss	-	760,972,074
Receivables	(18,167,987)	65,713,537
Prepayments	2,097,418	4,459,226
Other current assets	(12,570,797)	(13,141,109)
Accrued expenses	4,655,541	(16,128,479)
Other payables	-	(5,641,694)
Collections payable	(2,407,735)	(6,675,858)
Other current liabilities	10,051	(236,393)
Deposits	4,350	(38,027)
Net cash provided by (used in) operating activities	(98,625,177)	970,804,574
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in long-term lending	(486,022,389)	(914,036,484)
Proceeds from long-term loans receivable	708,673,234	520,517,994
Financial assets in available-for-sale - noncurrent	-	(196,532,876)
Acquisition of held-to-maturity financial assets	(390,866,332)	(217,249,930)
Proceeds upon maturity of held-to-maturity financial assets	581,796,525	956,117,757
Increase in financial assets carried at cost	(2,034,688)	(250,379,731)
Acquisition of fixed assets	(3,025,164)	(1,142,747)
Proceeds from disposal of fixed assets	6,224	785
Decrease in deposits-out	14,928	108,976
Increase in deferred expenses	(524,772)	(1,397,874)
Net cash provided by (used in) investing activities	408,017,566	(103,994,130)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Decrease (Increase) in deposits-in	(2,936,000)	(270,154)
NET INCREASE IN CASH AND CASH EQUIVALENTS	306,456,389	866,540,290
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,914,493,802	6,047,953,512
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$7,220,950,191	\$6,914,493,802

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated March 13, 2013.

# International Cooperation and Development Fund Notes to Financial Statements

## December 31, 2012 and 2011

(Expressed in NTS, except as indicated)

### 1. ORGANIZATION AND HISTORY

- 1) In accordance with the Statute for the Establishment of the International Cooperation and Development Fund, promulgated by the President of the Republic of China, the International Cooperation and Development Fund (TaiwanICDF) was formed and approved by the Ministry of Foreign Affairs (MOFA) on June 29, 1996. The TaiwanICDF was formed to succeed the International Economic Cooperation Development Fund (IECDF) management committee on June 30, 1996.

The mission of the TaiwanICDF is to provide assistance to developing countries to promote economic growth, strengthening international cooperation, developing foreign relations with allies and friendly countries, and advancing social progress.

- 2) As of December 31, 2012, the TaiwanICDF had 123 employees.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the TaiwanICDF are prepared in accordance with the TaiwanICDF's accounting policies and accounting principles generally accepted in the Republic of China. The significant accounting policies are summarized below:

- 1) Accounting Basis  
The financial statements are prepared on an accrual basis.
- 2) Foreign Currency Transactions  
The TaiwanICDF maintains its accounts in New Taiwan (NT) dollars. Transactions denominated in foreign currencies are converted into NT dollars at the spot exchange rates prevailing on the transaction dates. Deposits denominated in foreign currencies are translated at the spot exchange rates prevailing on the balance sheet date. Exchange gains or losses are recognized in profit or loss. The other assets denominated in foreign currencies are measured at the historical exchange rate at the date of the transaction.
- 3) Classification of Current and Non-current Items
  - A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
    - a) Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operating cycle;
    - b) Assets held mainly for trading purposes;
    - c) Assets that are expected to be realized within twelve months from the balance sheet date;
    - d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
  - B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
    - a) Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;
    - b) Liabilities arising mainly from trading activities;
    - c) Liabilities that are to be paid off within twelve months from the balance sheet date;
    - d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.
- 4) Cash Equivalents  
Cash and cash equivalents include cash on hand and in banks, and other short-term highly liquid investments, which are readily convertible to a fixed amount of cash and which are subject to insignificant risk of changes in value resulting from fluctuations in interest rates.
- 5) Allowance for Uncollectible Accounts  
The provision of reserve for bad debts is made based on their risk levels in accordance with the Regulation for the TaiwanICDF Dealings with Past-Due/Non-Performing Loans and Bad Debts.
- 6) Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

- A. Investments in equity instruments are accounted for using trade date accounting. Investments in debt instruments are accounted for using settlement date accounting, and are measured initially at the fair value of the debt instruments.
- B. Listed stocks and exchange traded funds are measured at their fair value, and the changes in the fair value are included in profit or loss. The fair value of the listed stocks and exchange traded funds is their closing price at the balance sheet date.
- 7) Financial Assets in Available-for-Sale
  - A. Investments in equity instruments are accounted for using trade date accounting. Investments in debt instruments are accounted for using settlement date accounting, and are measured initially at the fair value of the debt instruments. Market value of financial assets in available-for-sale is the fair value plus increasing price.
  - B. Financial assets in available-for-sale are evaluated by fair value. Moreover, value changes being listed into the adjusted net value and financial instruments' accumulated gain or loss being erased; financial instruments will be classified into net income or loss. Index stock fund is evaluated by fair value of the balance sheet closing price.
  - C. If there is the objective evidence of impairment, financial assets in available-for-sale will be recognized as impairment loss. If Investments in equity instruments' impairment decreased in amount, it will be recognized in adjusted net value.
- 8) Held-to-maturity Financial Assets
  - A. Financial assets carried at cost is recorded using settlement date accounting and is stated initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
  - B. Financial assets carried at cost are recorded at amortized cost.
  - C. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. If the fair value of the financial asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss.
- 9) Financial Assets Carried at Cost
  - Financial assets carried at cost are recorded at cost. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss and is no longer recoverable.
- 10) Long-term Loans Receivable
  - Foreign currency loans are stated at historical exchange rates.
- 11) Fixed Assets
  - A. Fixed assets are stated at cost. Depreciation is provided under the straight-line method based on the assets' estimated economic service lives. The service lives of the major fixed assets are 3 to 10 years. When assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is credited or charged to income.
  - B. Major improvements and renewals are capitalized and depreciated accordingly. Maintenance and repairs are expensed as incurred.
- 12) Impairment of Non-financial Assets
  - The TaiwanICDF recognizes impairment loss when there is indication that the recoverable amount of an asset is less than its book value. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows to be derived from continuing use of the asset and from its disposal at the end of its useful life. When the impairment no longer exists, the impairment loss recognized in prior years may be recovered.
- 13) Retirement Plan
  - A. The TaiwanICDF had a non-contributory pension plan originally, covering all regular employees, which was defined by the Fund. The TaiwanICDF contributed monthly an amount based on 7% of the employees' monthly salaries and wages to the retirement fund deposited with a financial institution. This fund balance was not reflected in the financial statements. Effective September 1, 2009, the TaiwanICDF has established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act. Under the New Plan, the TaiwanICDF contributes monthly an amount based on 7% of the payroll grades corresponding to the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. No more contributions are made to the TaiwanICDF's retirement fund.
  - B. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.
- 14) Income Tax
  - Income tax is accounted in accordance with the Standard for Non-profit Organizations Exempt from Income Tax

promulgated by the Executive Yuan, and ROC Statement of Financial Accounting Standards No. 22 (“Accounting for Income Taxes”). Under- or over-provision of income tax in the previous year is accounted for as an adjustment of income tax expense in the current year.

15) Reserve for Contingencies of Guarantee Loss

The TaiwanICDF issues guarantees for private enterprises to secure loans in compliance with the Regulation for the TaiwanICDF in Providing Guarantee for Credit Facilities Extended to Private Enterprises Which Invest in Countries with Formal Diplomatic Relationships promulgated by MOFA. The reserve is accrued in accordance with the Regulation for the TaiwanICDF Dealings with Past-Due/Non-Performing Loans and Bad Debts.

16) Revenues and Expenses

Revenues (including government donations) are recognized when the earning process is substantially completed and is realized or realizable. Costs and expenses are recognized as incurred.

17) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

18) Settlement Date Accounting

The TaiwanICDF adopted settlement date accounting for the financial assets. For financial asset or financial liability classified as at fair value through profit or loss, the change in fair value is recognized in profit or loss.

### 3. CHANGES IN ACCOUNTING PRINCIPLES

#### Receivables

On January 1, 2011, the TaiwanICDF adopted the renewed Financial Accounting Reporting Standard No. 34 of R.O.C., “Financial Instruments: Recognition and Measurement”. If the impairment would be approved by objective evidence, the receivables and claim would be recognized as impairment loss. This change in accounting principle will not affect our financial report of 2011.

### 4. CASH AND CASH EQUIVALENTS

	December 31, 2012	December 31, 2011
Petty cash	\$110,000	\$110,000
Demand deposits	287,487,458	158,915,101
Checking deposits	302,909	1,543,465
Time deposits	6,883,049,824	6,573,925,236
Cash equivalents		
- Bonds purchased under resale agreements	50,000,000	180,000,000
Total	\$7,220,950,191	\$6,914,493,802

### 5. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31, 2012	December 31, 2011
Current items		
Corporate bonds	\$686,960,370	\$200,034,151
Government bonds	-	206,921,232
	\$686,960,370	\$406,955,383
Non-current items		
Corporate bonds	\$1,602,639,324	\$2,086,354,374
Government bonds	-	-
	\$1,602,639,324	\$2,086,354,374

### 6. OTHER RECEIVABLES

	December 31, 2012	December 31, 2011
Interest receivable	\$105,678,884	\$96,004,023
Retained money receivable on completed projects	43,289,622	29,809,443
Other receivables	15,556,316	16,854,724
Total	164,524,822	142,668,190
Less: Allowance for doubtful accounts	(812,117)	(930,568)
Net	\$163,712,705	\$141,737,622



## 7. LONG-TERM LOANS RECEIVABLE

	December 31, 2012	December 31, 2011
Long-term loans receivable	\$4,504,183,073	\$4,726,833,918
Less: Allowance for doubtful accounts	(115,324,140)	(124,331,377)
Net	\$4,388,858,933	\$4,602,502,541

- 1) The TaiwanICDF provides long-term loans in accordance with the Regulations for Loans by the International Cooperation and Development Fund as approved by the Executive Yuan. As of December 31, 2012 and 2011, the total outstanding loans denominated in U.S. dollars amounted to US\$114,599,746.02 and US\$120,719,419.82, respectively. Moreover, as of December 31, 2012 and 2011, the total outstanding loans denominated in Euro amounted to €20,837,674.52.
- 2) Allowances for doubtful accounts were based on the Regulation for the TaiwanICDF Dealings with Past-Due/ Non-Performing Loans and Bad Debts.
- 3) As Parque Industrial Oriente S.A. (PIO) defaulted on the loan extended for the Industrial Park Development Project in Paraguay amounted to US\$11,003,488.32, the TaiwanICDF filed a legal claim against PIO on September 1, 2003. The court in Ciudad del Este ruled in favor of the TaiwanICDF in the first trial on March 26, 2004. PIO filed an appeal, which was rejected. Accordingly, it was proposed that the Industrial Park be auctioned off. The guarantor, MOFA, issued the Letter No. Wai-Jing-Fa 10101172470 on December 31, 2012, committing to the liability year by year for 3 years beginning from 2012. MOFA had repaid US\$5,393,162.77 as of December 31, 2012.
- 4) In order to acquire the right to operate the Industrial Park, the MOFA, issued the Letter No. Wai-Jing-Mao 09333002180 requesting the TaiwanICDF to establish the private Paraguay Synthetic Corporation, which has a registered US\$10,000 share capital in Panama on its behalf. The TaiwanICDF assisted Paraguay Synthetic Corporation to submit a bid of US\$7,100,000 and acquired the title to the land of the Industrial Park.
- 5) There was no significant past-due loan as of December 31, 2012 and 2011.
- 6) See Appendix 1 for the statement of changes in long-term loans for the year ended December 31, 2012.

## 8. FINANCIAL ASSETS CARRIED AT COST

	December 31, 2012		December 31, 2011	
	Carrying Amount (NT\$)	Ownership	Carrying Amount (NT\$)	Ownership
Equity investments accounted for using cost method:				
Overseas Investment & Development Corporation	\$130,000,000	14.44%	\$130,000,000	14.44%
Less: Accumulated Impairment	(6,000,000)		(6,000,000)	
	124,000,000		124,000,000	
BTS India Private Equity Fund Limited	121,991,506	6.8%	119,956,818	6.77%
	(=US\$3,907,120)		(=US\$3,839,093)	
Less: Accumulated Impairment	(10,806,485)		(10,806,485)	
	(=US\$329,466)		(=US\$329,466)	
	111,185,021		109,150,333	
	235,185,021		233,150,333	
International institution investment fund:				
FIIISF-Small Business Account	325,000,000		325,000,000	
	(=US\$10,000,000)		(=US\$10,000,000)	
FIIISF-Small Business Account II	330,660,000		330,660,000	
	(=US\$10,000,000)		(=US\$10,000,000)	
FIIISF-Small Business Account III	231,520,000		231,520,000	
	(=US\$8,000,000)		(=US\$8,000,000)	
MIF-Specialized Financial Intermediary Development Fund	476,300,000		476,300,000	
	(=US\$15,000,000)		(=US\$15,000,000)	
FIIISF-Trade facilitation programme	161,750,000		161,750,000	
	(=US\$5,000,000)		(=US\$5,000,000)	
Less: Accumulated Impairment	(161,750,000)		(161,750,000)	
	(=US\$5,000,000)		(=US\$5,000,000)	
	-		-	
	1,363,480,000		1,363,480,000	
	\$1,598,665,021		\$1,596,630,333	

- 1) The TaiwanICDF engaged the European Bank for Reconstruction and Development (EBRD) to manage the Financial Intermediary Investment Special Fund (FIISF)-Small Business Account and to jointly provide funds for investments and loans in small businesses. Under the agreement, the total investment amount was US\$10,000,000, and the TaiwanICDF invested US\$10,000,000 as of December 31, 2012 and 2011, respectively.
- 2) The TaiwanICDF engaged the EBRD to manage the FIISF-Trade Facilitation Programme to provide trade finance guarantees and loan facilities for local banks. Under the contract, the TaiwanICDF invested US\$5,000,000 as of December 31, 2012 and 2011. This programme had been terminated on December 13, 2009. However, there are still some guarantee commitments that have not yet expired. EBRD will settle the programme account and return the investment amount to the TaiwanICDF after all guarantee commitments have expired. However, the TaiwanICDF bases on conservative principle to recognize impairment loss of NT\$161,750,000 in 2009.
- 3) The TaiwanICDF commissioned the Multilateral Investment Fund (MIF), which belongs to the Inter-American Development Bank Group, to manage the Specialized Financial Intermediary Development Fund, a financing vehicle co-established by the said two parties. MIF uses resources of its own and the fund's on a pari-passu basis to directly or indirectly invest in, or make loans to well-performing microfinance institutions in Taiwan's partner countries in Central and South America. As of December 31, 2012 and 2011, the TaiwanICDF's accumulated contribution to the fund amounted to US\$15,000,000.
- 4) The TaiwanICDF engaged the EBRD to manage the FIISF-Small Business Account II and to jointly provide funds for investments and loans in small businesses. Under the agreement, the total investment amount was US\$10,000,000, and the TaiwanICDF invested US\$10,000,000 as of December 31, 2012 and 2011, respectively.
- 5) The TaiwanICDF engaged the EBRD to manage the FIISF-Small Business Account III and to jointly provide funds for investments and loans in small businesses. Under the agreement, the total investment amount was US\$20,000,000, and the TaiwanICDF invested US\$8,000,000 as of December 31, 2012.
- 6) The above listed foreign currency investments projects are stated using the historical exchange rate.
- 7) See Appendix 2 for the statement of changes in financial assets carried at cost for the year ended December 31, 2012.

## 9. FIXED ASSETS

	December 31, 2012		
	Cost	Accumulated Depreciation	Net Book Value
Mechanical Equipment	\$31,653,238	\$19,240,806	\$12,412,432
Communication & transportation equipment	2,643,315	1,421,046	1,222,269
Miscellaneous equipment	4,230,072	2,607,438	1,622,634
Leasehold improvements	1,976,268	1,082,199	894,069
	\$40,502,893	\$24,351,489	\$16,151,404

	December 31, 2011		
	Cost	Accumulated Depreciation	Net Book Value
Mechanical Equipment	\$29,069,067	\$16,292,044	\$12,777,023
Communication & transportation equipment	2,707,475	1,278,565	1,428,910
Miscellaneous equipment	4,112,559	2,448,898	1,663,661
Leasehold improvements	1,976,268	752,835	1,223,433
	\$37,865,369	\$20,772,342	\$17,093,027

See Appendix 3 for the statement of changes in fixed assets for the year ended December 31, 2012.

## 10. PAYABLES

	December 31, 2012	December 31, 2011
Accrued expenses	\$41,280,720	\$49,977,936
Retained money payable on completed projects	106,690,990	86,246,487
	\$147,971,710	\$136,224,423

### 11. CONTRACTED PROJECTS EXPENSES

	For the years ended December 31, 2012	For the years ended December 31, 2011
Contracted projects expenses - MOFA		
Personnel expense	\$532,080,621	\$582,927,339
Operating Expense	538,696,768	464,713,973
Travel and transportation expense	61,933,881	71,069,953
Equipment investment expense	28,191,488	38,023,803
	\$1,160,902,758	\$1,156,735,068

### 12. INCOME TAX

Activities and related expenses of the TaiwanICDF are in compliance with "Standard for Non-profit Organizations Exempt from Income Tax". Accordingly, the TaiwanICDF is exempt from income tax. The income tax returns through 2010 have been assessed and approved by the Tax Authority.

### 13. FUNDS

	December 31, 2012	December 31, 2011
Founding Fund	\$11,614,338,576	\$11,614,338,576
Donated Fund	854,499,496	854,499,496
Total	\$12,468,838,072	\$12,468,838,072

- 1) The founding fund balance (NT\$11,614,338,576) was derived from the closure of the IECDF management committee on June 30, 1996. In the official registration with the court, the total property value filed was based on the closing balance of assets of the IECDF management committee. As of March 13, 2013, the total amount of the assets registered with TaiwanICDF was NT\$15,888,379,324.
- 2) The donated fund (NT\$854,499,496) of TaiwanICDF consisted of the following items:
  - A. The amount of NT\$4,423,541 from MOFA's Committee of International Technical Cooperation (CITC) was consolidated in TaiwanICDF on July 1, 1997.
  - B. The amount of NT\$600,000,000 was donated by MOFA on January 16, 1999.
  - C. The MOFA provided the amount of NT\$250,075,955 on December 31, 2001 under the Regulation for the TaiwanICDF in Providing Guarantee for Credit Facilities Extended to Private Enterprises Which Invest in Countries with Formal Diplomatic Relationships. The TaiwanICDF had fulfilled the obligations of the guarantee amounting to NT\$152,665,834 as of December 31, 2012.

### 14. ACCUMULATED EARNINGS

The TaiwanICDF is registered as a consortium juridical person with the aim of strengthening international cooperation and enhancing foreign relations by promoting economic development, social progress and the welfare of the people in partner nations around the world. As the TaiwanICDF is a non-profit organization, distribution of income is not permitted in accordance with its Articles of Association.

### 15. OTHER REVENUES

	For the years ended December 31, 2012	For the years ended December 31, 2011
Reversal of allowance for doubtful accounts	\$9,125,688	\$-
Income converted from delinquent debts (Nauru Menen Hotel Reconstruction Project)	-	228,113,264
Other	15,840,687	10,406,271
Total	\$24,966,375	\$238,519,535

### 16. RETIREMENT FUNDS

- 1) The TaiwanICDF contributes monthly an amount based on seven percent of the employees' remuneration and deposits it with a financial institution. This fund balance is not reflected in the financial statements. The fund balance with financial institution were NT\$92,318,901 and NT\$96,399,979 as of December 31, 2012 and 2011, respectively.

2) The account for employees' retirement funds allocated by the TaiwanICDF was detailed as follows:

	For the years ended December 31, 2012	For the years ended December 31, 2011
Balance at the beginning of the year	\$96,399,979	\$103,748,667
Interest income	1,465,525	718,494
Payments during the year	(5,546,603)	(8,067,182)
<b>Balance at the end of the year</b>	<b>\$92,318,901</b>	<b>\$96,399,979</b>

3) Effective September 1, 2009, TaiwanICDF has been the entity covered by the Labor Standards Law and has adopted the following two schemes:

Scheme A: the pension and severance obligation are settled and the settled amounts are transferred to TaiwanICDF's retirement fund deposited with the financial institution. The employees may claim pension benefits when they retire or reach 55 years old or upon their death.

Scheme B: the pension and severance obligation are not settled and the old pension plan is extended.

Accordingly, the TaiwanICDF recognized an accrued pension reserve of NT\$16,014,156 for the excess of present value of pension benefits for the past and future service years under the old pension plan over the fair value of the pension fund at the measurement date, September 1, 2009 and contributed the amount to the account in 2010.

4) Effective September 1, 2009, the TaiwanICDF has established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act. Under the New Plan, the TaiwanICDF contributes monthly depending on the contribution grades an amount based on 7% of the payroll grades corresponding to the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued in the employees' individual pension accounts could be received in full or in monthly installments when the employees retire. The pension costs under the New Plan for the years ended December 31, 2012 and 2011 amounted to \$6,524,908 and \$5,817,564, respectively.

## 17. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	For the years ended December 31, 2012	For the years ended December 31, 2011
<b>Personnel expenses</b>		
Salaries	\$115,232,022	\$102,344,241
Labor and health insurance	8,658,716	7,713,810
Pension	6,524,908	5,817,564
Others	3,303,324	2,876,689
	\$133,718,970	\$118,752,304
Depreciation	\$3,901,583	\$4,378,383
Amortization	\$1,231,353	\$919,993

## 18. COMMITMENTS AND CONTINGENCIES

- 1) Pursuant to the Regulations for Loans by the International Cooperation and Development Fund, the outstanding loans denominated in U.S. dollars that the TaiwanICDF had signed agreements amounted to US\$247,140,769.35 and US\$312,767,523.86 as of December 31, 2012 and 2011, respectively. The loans drawn down as of the said dates amounted to US\$213,947,697.63 and US\$268,261,678.64, and the undisbursed committed balance amounted to US\$33,193,071.72 and US\$44,505,845.22 as of December 31, 2012 and 2011, respectively. Additionally the outstanding loans denominated in Euro amounted to €56,553,755.54. The loans drawn down as of the said dates amounted to €20,837,674.52, and the undisbursed committed balance amounted to €35,716,081.02 as of December 31, 2012 and 2011.
- 2) Pursuant to the Regulations for Investments by the International Cooperation and Development Fund, the committed amounts denominated in U.S. dollars under the outstanding contracts entered into by the TaiwanICDF were US\$65,000,000, of which US\$52,064,625 and US\$51,996,598 had been invested as of December 31, 2012 and 2011, respectively. The balance of the commitment was US\$12,935,375 and US\$13,003,402 as of December 31, 2012 and 2011, respectively. Additionally, the committed amounts denominated in NT dollars under the outstanding investment agreement entered into by the TaiwanICDF has been fully disbursed, with the balance of NT\$130,000,000 as of December 31, 2012 and 2011.
- 3) The TaiwanICDF had entered into a lease agreement with MOFA to lease state-owned real estate properties. As per the lease agreement, the lease period is from October 1, 2010 to September 30, 2015 with the rents charged on a



monthly basis. The rents are calculated as follows:

- A. Land: 3% of the most recent official land price per square meter multiplied by the rental area and divided by 12.
- B. Building: 10% of the current taxable building value divided by 12.

## 19. PROPERTIES UNDER CUSTODIANSHIP

- 1) The government has placed certain assets under the TaiwanICDF's custodianship and management. These properties are entered into memo accounts: "Properties under Custodianship" and "Custodianship Property Payable".

The properties under custodianship were accounted for at cost. Expenditures for major procurement, renewals and improvements were debited to "Properties under Custodianship" and credited to "Custodianship Property Payable". Moreover, the repairs and maintenance expenditures shall be treated as revenues and expenditures of these projects. Upon disposal, the cost was deducted from the book amount. As of December 31, 2012 and 2011, the book value of "Properties under Custodianship" was NT\$675,618,570 and NT\$723,662,354, respectively. In addition, as of December 31, 2012 and 2011, the reserve for severance pay for personnel stationed abroad in charge of the government's assignments, which were administered by the TaiwanICDF on behalf of government and for contracted assistants of the TaiwanICDF amounted to NT\$60,614,954 and NT\$66,210,015, respectively.

- 2) MOFA has engaged the TaiwanICDF to manage the Central American Economic Development Fund (ROC-CAEDF). As of December 31, 2012 and 2011, the total amount of the ROC-CAEDF was NT\$7,459,167,576 and NT\$7,773,003,355, respectively, and the details of the financial assets of the ROC-CAEDF are as follows:

	December 31, 2012		December 31, 2011	
	US\$	NT\$	US\$	NT\$
Cash in bank	\$986,382	\$28,626,097	\$861,266	\$26,059,606
Time deposits	254,341,779	7,373,368,166	254,656,160	7,696,982,444
Interest receivable	1,839,529	53,327,956	1,496,792	45,240,540
Prepaid expenses	131,609	3,845,357	156,026	4,720,765
Total	\$257,299,299	\$7,459,167,576	\$257,170,244	\$7,773,003,355

The balances are not reflected in the financial statements.

- 3) The amount of MOFA's stock certificate of Paraguay Synthetic Corporation placed under the TaiwanICDF's custodianship amounted to US\$10,000 as of December 31, 2012 and 2011, as described in Note 7(4).

# International Cooperation and Development Fund

## Statement of Changes in Long-term Loans

For the Year Ended December 31, 2012

(Expressed in NTS)

Item	Beginning Balance	Increase in long-term loans	Collection of long-term loans	Ending Balance	Collection Term
Industrial Park Development Project in Paraguay, reimbursed by the guarantor, MOFA	\$290,214,529	\$-	\$101,021,566	\$189,192,963	May. 2010 – May. 2029
Highway Construction Loan Project in Costa Rica	635,527,155	-	98,558,024	536,969,131	Nov. 2006 – May. 2018
Expansion of Terminal Moin Port in Costa Rica	103,398,367	-	44,779,380	58,618,987	Jun. 2003 – Dec. 2014
Quimistan Valley Irrigation Project in Honduras	186,795,021	-	19,280,043	167,514,978	Nov. 2005 – Nov. 2021
Housing Solidarity Reconstruction Program in Honduras	111,057,720	-	9,328,860	101,728,860	May. 2004 – Nov. 2023
Phase I Housing Solidarity Reconstruction Program in Nicaragua	123,640,575	-	9,920,790	113,719,785	Jul. 2004 – Jan. 2024
Phase II Housing Solidarity Reconstruction Program in Nicaragua	113,862,423	-	8,121,140	105,741,283	Mar. 2006 – Sep. 2025
Guatemala Rio Polochic Region Recovery Program	82,675,549	-	3,254,650	79,420,899	Jul. 2004 – Jan. 2024
Technical Education Project in Guatemala	185,845,115	-	18,156,044	167,689,071	Aug. 2007 – Feb. 2022
Housing Solidarity Reconstruction Program in El Salvador	82,847,542	-	6,588,000	76,259,542	Nov. 2004 – May. 2024
Program for Environmental Pollution Control in Critical Areas in El Salvador	155,706,088	8,714,132	21,166,856	143,253,364	Nov. 2006 – May. 2021
Belize Tourism Development Project / Caracol road	62,078,384	-	4,525,674	57,552,710	Nov. 2005 – May. 2026
Belize Southern Highway Rehabilitation Project	161,901,462	-	21,782,680	140,118,782	Aug. 2003 – Feb. 2019
CABEI SMME Re-lending Project	173,885,714	-	43,471,428	130,414,286	May. 2009 – Nov. 2015
Program for Modernizing the National Congress and the Office of the Comptroller General in Dominican Republic	95,785,444	-	6,815,768	88,969,676	Nov. 2004 – May. 2026
Drinking Water Distribution Project in Petion-Ville-Lot I in Haiti	29,621,760	-	-	29,621,760	May. 2007 – Nov. 2029
Subic Bay Industrial Park Development Project-Phase I	350,720,923	-	34,817,034	315,903,889	Aug. 2001 – Feb. 2021
Rehabilitation & Upgrading of Highway No. 5 Project in Vietnam	52,636,476	-	52,636,476	-	Jun. 1998 – Dec. 2012
Cooperative Rural Saving and Credit System (CRSCS) in Indonesia	95,849,143	-	95,849,143	-	Apr. 2003 – Apr. 2012
Third Urban Water-Supply Project in Papua New Guinea	85,743,526	-	17,293,040	68,450,486	Nov. 2000 – Nov. 2018
Village Loan Project in the Solomon Islands	4,582,486	-	2,358,331	2,224,155	Mar. 2002 – Sep. 2013
Credit Project for Small Farms in South Africa	54,299,000	-	16,994,615	37,304,385	Mar. 2000 – Mar. 2014
Two International Roads Project	47,724,827	-	7,342,280	40,382,547	Nov. 2003 – May. 2018
Rural Credit Project in Burkina Faso	55,139,886	-	4,779,416	50,360,470	Nov. 2005 – May. 2023
Belarus Small and Medium Enterprises Re-lending project	24,399,693	-	24,399,693	-	Oct. 2002 – Oct. 2012
Microfinancing and Capacity Building Project in The Gambia	14,413,494	-	1,601,499	12,811,995	Mar. 2010 – Sep. 2024
Agricultural Production Reactivation Phase II in Nicaragua	147,296,286	-	8,630,912	138,665,374	Mar. 2011 – Sep. 2028
Lower Usuthu Smallholder Irrigation Project in Swaziland	129,006,630	-	8,897,010	120,109,620	Jul. 2009 – Jan. 2026
Small Farmholders' Financing Scheme-El Salvador - Agua Azul project	2,049,520	-	-	2,049,520	May. 2013
Information Technology School Project	122,738,048	-	-	122,738,048	Sep. 2014 – Mar. 2031
Small Farmholders' Financing Scheme-Cultivo de Camaron en El Salvador	3,373,500	-	3,373,500	-	Mar. 2012
Microcredit project in St. Vincent and the Grenadines Second Phase	9,780,000	-	1,222,500	8,557,500	Nov. 2012 – May. 2016
Small Farmholders' Financing Scheme-El Salvador - Fruit and Vegetable project	6,470,000	-	-	6,470,000	Sep. 2014
Microcredit project in St. Kitts & Nevis Second Phase	12,948,000	-	1,618,500	11,329,500	Sep. 2012 – Mar. 2016
Technical and Vocational Education and Training project in The Gambia	46,814,653	-	-	46,814,653	Jan. 2016 – Jul. 2031
Small Farmholders Loan Project in Belize for Export Papaya Production	2,908,500	3,843,450	-	6,751,950	Jan. 2016
CABEI's Special Fund for the Social Transformation of Central America	-	181,590,814	10,088,382	171,502,432	May. 2012 – Nov. 2029
CABEI SMME Re-lending Project-Phase II	-	291,873,993	-	291,873,993	Jan. 2014 – Jul. 2020
Green Energy Special Fund	863,096,479	-	-	863,096,479	The period depends on the sub-project.
	4,726,833,918	\$486,022,389	\$708,673,234	4,504,183,073	
Less: Allowance for doubtful accounts	(124,331,377)	-	-	(115,324,140)	
	\$4,602,502,541	-	-	\$4,388,858,933	

## International Cooperation and Development Fund Statement of Changes in Financial Assets Carried at Cost

For the Year Ended December 31, 2012

(Expressed in NTS)

Collection Term	Beginning Balance		Acquisition of Long-term Investments		Decrease in Long-term Investments		Ending Balance		Note
	Ownership	Carrying Amount	Ownership	Carrying Amount	Ownership	Carrying Amount	Ownership	Carrying Amount	
Equity investments accounted for using cost method:									
Overseas Investment & Development Corporation	14.44%	\$130,000,000	-	\$-	-	\$-	14.44%	\$130,000,000	Note
Less: Accumulated impairment		(6,000,000)		-		-		(6,000,000)	
		124,000,000		-		-		124,000,000	
BTS Private Equity Fund in India	6.77%	119,956,818	-	2,034,688	-	-	6.77%	121,991,506	Note
Less: Accumulated impairment		(10,806,485)		-		-		(10,806,485)	
		109,150,333		2,034,688		-		111,185,021	
		233,150,333		2,034,688		-		235,185,021	
International Institution Investment Fund:									
FIISF-Small Business Account		325,000,000		-		-		325,000,000	Note
FIISF-Small Business Account-Phase II		330,660,000		-		-		330,660,000	Note
FIISF-Small Business Account-Phase III		231,520,000		-		-		231,520,000	Note
MIF-Specialized Financial Intermediary		476,300,000		-		-		476,300,000	Note
FIISF-Trade Facilitation Program		161,750,000		-		-		161,750,000	Note
Less: Accumulated impairment		(161,750,000)		-		-		(161,750,000)	
		-		-		-		-	
		1,363,480,000		-		-		1,363,480,000	
		\$1,596,630,333		\$2,034,688		\$-		\$1,598,665,021	

## International Cooperation and Development Fund Statement of Changes in Fixed Assets

For the Year Ended December 31, 2012

(Expressed in NTS)

	Beginning Balance	Acquisition	Disposal	Ending Balance	Note
Cost					
Mechanical equipment	\$29,069,067	\$2,745,626	(\$161,455)	\$31,653,238	None
Communication & transportation equipment	2,707,475	-	(64,160)	2,643,315	None
Miscellaneous equipment	4,112,559	279,538	(162,025)	4,230,072	None
Leasehold improvements	1,976,268	-	-	1,976,268	None
	37,865,369	\$3,025,164	(\$387,640)	40,502,893	
Accumulated depreciation					
Mechanical equipment	16,292,044	3,087,152	(138,390)	19,240,806	
Communication & transportation equipment	1,278,565	191,503	(49,022)	1,421,046	
Miscellaneous equipment	2,448,898	293,564	(135,024)	2,607,438	
Leasehold improvements	752,835	329,364	-	1,082,199	
	20,772,342	\$3,901,583	(\$322,436)	24,351,489	
Net book value	\$17,093,027			\$16,151,404	

## Cooperation Projects in 2012

### Africa

Country	Project	Sector	Type of Assistance
Burkina Faso	ROC-Burkina Faso Medical Project	Health	Technical Assistance
	Used Medical Equipment Donation and Training Project	Health	Technical Assistance
	Rural Credit Project	Economic Infrastructure and Services	Lending
	TaiwanICDF Scholarship Program in Burkina Faso	Education	Technical Assistance
	Consultancy Project for the Management of Hydraulic Systems and Rice Production in the Bagré Reclamation Area	Agriculture, Forestry and Fishing	Technical Assistance
	Workshop on Micro-sized Enterprise Formation and Creation	Training	Technical Assistance (Workshop)
The Gambia	Sustainable Rice Production Project	Agriculture, Forestry and Fishing	Technical Assistance
	Vegetable Production Group Guidance Project	Agriculture, Forestry and Fishing	Technical Assistance
	Tilapia Cultivation and Technological Transfer Project	Agriculture, Forestry and Fishing	Technical Assistance
	Upland Rice Expansion Project	Agriculture, Forestry and Fishing	Technical Assistance
	Technical and Vocational Education and Training Project	Social Infrastructure and Services	Lending
	Microfinancing and Capacity Building Project	Economic Infrastructure and Services	Lending
	Maternal Health Improvement Program	Health	Technical Assistance
	TaiwanICDF TVET TC Fund	Social Infrastructure and Services	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	ICT/ Education	Technical Assistance (Volunteer)
Kenya	Drought Relief in North Eastern Kenya—Phase 1	Humanitarian Aid	Technical Assistance (Reconstruction)
	Drought Relief in North Eastern Kenya—Phase 2	Humanitarian Aid	Technical Assistance (Reconstruction)
São Tomé and Príncipe	Pig Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Food Crops Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Workshop on the Project Cycle	Training	Technical Assistance (Workshop)
	TaiwanICDF Overseas Volunteers Service	Education	Technical Assistance (Volunteer)
South Africa	Credit Project for Small Farms	Production	Lending
South Sudan	Support to IDPs, Returnees and Host Communities (Humanitarian Cooperation Fund)	Humanitarian Aid	Technical Assistance (Reconstruction)
Swaziland	Sweet Potato Production and Marketing Project	Agriculture, Forestry and Fishing	Technical Assistance
	King's Dairy Farm—Royal Corporation Assistance Project	Agriculture, Forestry and Fishing	Technical Assistance
	Vocational Training Project	Education and Training	Technical Assistance
	ROC-Kingdom of Swaziland Medical Project	Health	Technical Assistance
	Seed Potato Production Project	Agriculture, Forestry and Fishing	Technical Assistance
	FINCORP MSME Re-lending Project	Economic Infrastructure and Services	Lending



## Asia-Pacific

Country	Project	Sector	Type of Assistance
<b>Fiji</b>	Tropical Vegetable and Fruit Cultivation and Extension Project	Agriculture, Forestry and Fishing	Technical Assistance
<b>India</b>	BTS India Private Equity Fund	Production	Investment
<b>Indonesia</b>	Agribusiness Project	Agriculture, Forestry and Fishing	Technical Assistance
	One Village, One Product Agribusiness Project	Agriculture, Forestry and Fishing	Technical Assistance
	Cooperative Rural Saving and Credit System	Economic Infrastructure and Services	Lending
<b>Kiribati</b>	Repair and Upgrade of Bonriki International Airport	Economic Infrastructure and Services	Lending
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Horticulture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Livestock Project	Agriculture, Forestry and Fishing	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	Health	Technical Assistance (Volunteer)
<b>Marshall Islands</b>	Horticulture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Livestock Project	Agriculture, Forestry and Fishing	Technical Assistance
	Micro Credit Fund	Economic Infrastructure and Services	Technical Assistance
	Vocational Training Project	Education and Training	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	Government and Civil Society/ Education	Technical Assistance (Volunteer)
<b>Nauru</b>	Horticulture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Livestock Project	Agriculture, Forestry and Fishing	Technical Assistance
	Microfinance Development Fund—Pilot Project	Economic Infrastructure and Services	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	ICT	Technical Assistance (Volunteer)
<b>Palau</b>	Horticulture Project	Agriculture, Forestry and Fishing	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	Environmental Protection/ Health/ ICT	Technical Assistance (Volunteer)
<b>Papua New Guinea</b>	Agriculture Integrated Development Project	Agriculture, Forestry and Fishing	Technical Assistance
<b>Solomon Islands</b>	Horticulture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Hog-raising Project	Agriculture, Forestry and Fishing	Technical Assistance
	Agriculture Integrated Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Rural Credit Project	Economic Infrastructure and Services	Lending
	TaiwanICDF Overseas Volunteers Service	Accounting	Technical Assistance (Volunteer)
<b>Thailand</b>	TaiwanICDF Overseas Volunteers Service	Education	Technical Assistance (Volunteer)
	Royal Project Foundation Technical Assistance Horticultural Development Project	Agriculture, Forestry and Fishing	Technical Assistance
<b>Tuvalu</b>	Horticultural Crop Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Tuvalu Post Drought Recovery Project	Humanitarian Aid	Technical Assistance (Reconstruction)
	TaiwanICDF Overseas Volunteers Service	Environmental Protection/ Health/ ICT	Technical Assistance (Volunteer)

Country	Project	Sector	Type of Assistance
Regional Cooperation Projects	Medical Project in Pacific Island Countries	Health	Technical Assistance
	South and SE Asia Fruit Fly IPM Project (Asian Institute of Technology)	Agriculture, Forestry and Fishing	Technical Assistance

## Central America

Country	Project	Sector	Type of Assistance
Belize	Horticulture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Food Processing Project	Agriculture, Forestry and Fishing	Technical Assistance
	Rice Seed Production Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	ICT Technical Cooperation Project	ICT	Technical Assistance
	Small Farmholders' Financing Scheme—Export Papaya Production	Production	Lending
	Belize City Government House/ House of Culture Rejuvenation Project	Social Infrastructure and Services	Technical Assistance
Taiwan/CDF Overseas Volunteers Service	Education	Technical Assistance (Volunteer)	
El Salvador	Horticulture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Marketing Project	Agriculture, Forestry and Fishing	Technical Assistance
	Small Farmholders' Financing Scheme—Agua Azul Project	Production	Lending
	Small Farmholders' Financing Scheme—Cultivo de Camaron en El Salvador	Production	Lending
	Small Farmholders' Financing Scheme—Fruit and Vegetable Project	Production	Lending
	Specialized Financial Intermediary Development Fund—Promoting Financial Democracy Via a Specialized Microfinance Intermediary	Economic Infrastructure and Services	Lending
	Specialized Financial Intermediary Development Fund—Extending Financial Services for Small Enterprises in El Salvador through Factoring	Economic Infrastructure and Services	Lending
	Program for Environmental Pollution Control in Critical Areas	Social Infrastructure and Services	Lending
	Dos Quebradas Water System Project	Water Supply and Sanitation	Technical Assistance (Reconstruction)
	Workshop on Micro-sized Enterprise Development and Credit Facilities	Training	Technical Assistance (Workshop)
Taiwan/CDF Overseas Volunteers Service	Education	Technical Assistance (Volunteer)	
Guatemala	Bamboo Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Export Crops Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture and Farm Product Processing Technology Improvement Project—Aquaculture	Agriculture, Forestry and Fishing	Technical Assistance
	Papaya Export Project in Petén	Trade	Technical Assistance

## Appendix

Country	Project	Sector	Type of Assistance
Guatemala	SME Development Project	Trade	Technical Assistance
	Information Technology Cooperation Project	ICT	Technical Assistance
	Agricultural Marketing Project	Agriculture, Forestry and Fishing	Technical Assistance
	Food Processing Project	Agriculture, Forestry and Fishing	Technical Assistance
	Bamboo Development Project—Guatemala	Agriculture, Forestry and Fishing	Technical Assistance
Honduras	Agricultural Production Project	Agriculture, Forestry and Fishing	Technical Assistance
	Swine Breeding Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Marketing Project	Agriculture, Forestry and Fishing	Technical Assistance
	Information Technology School Project	Social Infrastructure and Services	Lending
	One Town, One Product Project	Agriculture, Forestry and Fishing	Technical Assistance
	Honduras Home Garden Project—Emergency Relief for Victims in the South	Humanitarian Aid	Technical Assistance (Reconstruction)
	2012 Satellite Monitoring of Forest, Natural Resources and Mitigation of Natural Disasters in Honduras using GIS and RS	Environmental Protection	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	Education	Technical Assistance (Volunteer)
Nicaragua	Horticultural Crop Production Project	Agriculture, Forestry and Fishing	Technical Assistance
	Rice Production Improvement Project	Agriculture, Forestry and Fishing	Technical Assistance
	Swine Breeding Project	Agriculture, Forestry and Fishing	Technical Assistance
	Marketing Project	Agriculture, Forestry and Fishing	Technical Assistance
	Specialized Financial Intermediary Development Fund—Program for Increasing Access to Funding to Improve Housing for Low-income Families in Niagaragua	Economic Infrastructure and Services	Lending
	Specialized Financial Intermediary Development Fund—Support for Access to Financial Services for Mini-markets (Pulperias), Microenterprises and Small Businesses in Nicaragua	Economic Infrastructure and Services	Lending
	Geographic Information Systems and Remote Sensing Project	Environmental Protection	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	Education	Technical Assistance (Volunteer)
Panama	Integrated Agricultural Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Small Farmholders' Financing Scheme—Fishing Boat Program	Production	Lending
	TaiwanICDF Overseas Volunteers Service	Education	Technical Assistance (Volunteer)
Regional Cooperation Projects	IDB/MIF—Specialized Financial Intermediary Development Fund	Economic Infrastructure and Services	Investment
	CABEI Special Fund for the Social Transformation of Central America—Social Infrastructure Project—FETS I	Social Infrastructure and Services	Lending
	CABEI Special Fund for the Social Transformation of Central America—Social Infrastructure Project—FETS II	Social Infrastructure and Services	Lending

Country	Project	Sector	Type of Assistance
Regional Cooperation Projects	CABEI SMME Re-lending Project—Phase I	Economic Infrastructure and Services	Lending
	CABEI SMME Re-lending Project—Phase II	Economic Infrastructure and Services	Lending
	CABEI Technological and Vocational Education and Training Student Loan Fund	Social Infrastructure and Services	Lending
	CABEI-TaiwanICDF Fund for Consulting Services		Technical Assistance
	TaiwanICDF TVET Technical Assistance Fund	Social Infrastructure and Services	Technical Assistance
	Strengthening the Control of Huanglongbing (HLB) and the Implementation of Integrated Pest Management (IPM) in Citrus Project	Agriculture, Forestry and Fishing	Technical Assistance

## South America

Country	Project	Sector	Type of Assistance
Ecuador	Agricultural Production and Marketing Cooperation Project	Agriculture, Forestry and Fishing	Technical Assistance
	Bamboo Handicraft Development and Cultivation Project	Agriculture, Forestry and Fishing	Technical Assistance
	Specialized Financial Intermediary Development Fund—Increasing the Participation of Rural Microenterprises in the Formal Financial System	Economic Infrastructure and Services	Lending
Paraguay	Floriculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Assistance to Rural Populations Affected by the Food Emergency Due to the Effects of the Drought	Humanitarian Aid	Technical Assistance (Emergency Response)
	TaiwanICDF Overseas Volunteers Service	Health	Technical Assistance (Volunteer)

## Caribbean

Country	Project	Sector	Type of Assistance
Dominican Republic	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Fruit Seedling Propagation and Farmers' Organization Project	Agriculture, Forestry and Fishing	Technical Assistance
	Industrial Technology Cooperation Project	Trade	Technical Assistance
	Bamboo Craft Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Workshop on the Taiwan Experience in Agriculture	Training	Technical Assistance (Workshop)
Haiti	Torbeck Rice Production and Marketing Project	Agriculture, Forestry and Fishing	Technical Assistance
	Rice Development Project in Artibonite Valley	Agriculture, Forestry and Fishing	Technical Assistance
	Fruit and Vegetable Production and Marketing Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Bamboo Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Poultry Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Haiti Earthquake Calamity Recovery Assistance Project—Agricultural Production	Humanitarian Aid	Technical Assistance (Reconstruction)



Country	Project	Sector	Type of Assistance
Haiti	Haiti Earthquake Calamity Recovery Assistance Project—Bamboo Crafts Training	Humanitarian Aid	Technical Assistance (Reconstruction)
	Haitian Emergency Liquidity Fund (HELP)	Economic Infrastructure and Services	Technical Assistance
St. Kitts and Nevis	Agro-tourism Demonstration Farm Cooperation Project	Agriculture, Forestry and Fishing	Technical Assistance
	Agronomy Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Agricultural Product Processing Project	Agriculture, Forestry and Fishing	Technical Assistance
	ICT Technical Cooperation Project	ICT	Technical Assistance
	Microcredit Project—Phase II	Economic Infrastructure and Services	Lending
	TaiwanICDF Overseas Volunteers Service	Education	Technical Assistance (Volunteer)
St. Lucia	Fruit and Vegetable Demonstration and Extension Project	Agriculture, Forestry and Fishing	Technical Assistance
	Plant Tissue Culture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	ICT Technical Cooperation Project	ICT	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	Health/ Environmental Protection/ Education	Technical Assistance (Volunteer)
St. Vincent and the Grenadines	Agriculture and Horticulture Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Microcredit Project—Phase II	Economic Infrastructure and Services	Lending
	ICT Technical Cooperation Project	ICT	Technical Assistance
	TaiwanICDF Overseas Volunteers Service	Health/ ICT	Technical Assistance (Volunteer)

### Central and Eastern Europe, Central Asia and the Middle East

Country	Project	Sector	Type of Assistance
Azerbaijan	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Bank of Baku	Economic Infrastructure and Services	Lending
	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Bank Respublika	Economic Infrastructure and Services	Lending
Bahrain	Food Security and Agronomic and Horticultural Crops Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Urban Landscaping Design and Beautification Cooperative Project	Urban Development and Management	Technical Assistance
Belarus	SME Re-lending Project	Economic Infrastructure and Services	Lending
Mongolia	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase III—Xacbank	Economic Infrastructure and Services	Lending
Romania	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase III—ProCredit Bank	Economic Infrastructure and Services	Lending
Saudi Arabia	Agriculture and Fisheries Project	Agriculture, Forestry and Fishing	Technical Assistance
	Transport Technical Cooperation Project	Other Economic Infrastructure and Services	Technical Assistance

Country	Project	Sector	Type of Assistance
Turkey	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Garanti Bank Syndication Loan	Economic Infrastructure and Services	Lending
	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase II—Vakif Bank Syndication Loan	Economic Infrastructure and Services	Lending
	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase II—Garanti Bank Syndication Loan	Economic Infrastructure and Services	Lending
	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Deniz Bank SME Club Deal Loan	Economic Infrastructure and Services	Lending
Regional Cooperation Projects	EBRD Financial Intermediary Investment Special Fund—Small Business Account	Economic Infrastructure and Services	Investment
	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase II	Economic Infrastructure and Services	Investment
	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase III	Economic Infrastructure and Services	Investment
	Green Energy Special Fund	Economic Infrastructure and Services	Lending

## Inter-regional Projects

	Project	Sector	Type of Assistance
Inter-regional Projects	Healthcare Personnel Training Program	Health	Technical Assistance
	Humanitarian Cooperation Fund	Humanitarian Aid	Technical Assistance (Emergency Response, Reconstruction Relief and Rehabilitation)
	International Education and Training—Seminars and Workshops	Training	Technical Assistance (Workshop)
	International Higher Education Scholarship Program	Education	Technical Assistance (Scholarship)
	Overseas Investment & Development Corp.	Production	Investment
	South and SE Asia Fruit Fly IPM Project (Asian Institute of Technology)	Agriculture, Forestry and Fishing	Technical Assistance
	Taiwan Youth Overseas Service	Health/ ICT/ Agriculture, Forestry and Fishing	Overseas Service

## Cooperative Projects with International Organizations, NGOs and Bilateral Development Organizations in 2012

	Organization	Project	Sector	Type of Assistance
International Organizations	Asian Development Bank (ADB)	BTS India Private Equity Fund	Production	Investment
	Central American Bank for Economic Integration (CABEI)	CABEI SMME Re-lending Project—Phase I	Economic Infrastructure and Services	Lending
		CABEI SMME Re-lending Project—Phase II	Economic Infrastructure and Services	Lending
		CABEI Special Fund for the Social Transformation of Central America—Social Infrastructure Project—FETS I	Social Infrastructure and Services	Lending
		CABEI Special Fund for the Social Transformation of Central America—Social Infrastructure Project—FETS II	Social Infrastructure and Services	Lending
		CABEI Technological and Vocational Education and Training Student Loan Fund	Social Infrastructure and Services	Lending
		Taiwan/CDF TVET Technical Assistance Fund	Social Infrastructure and Services	Technical Assistance
		International Education and Training—Seminars and Workshops	Training	Technical Assistance (Workshop)
		CABEI-Taiwan/CDF Fund for Consulting Services		Technical Assistance
	Development Bank of Southern Africa (DBSA)	Credit Project for Small Farms	Production	Lending
	European Bank for Reconstruction and Development (EBRD)	EBRD Financial Intermediary Investment Special Fund—Small Business Account	Economic Infrastructure and Services	Investment
		EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase II	Economic Infrastructure and Services	Investment
		EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase III	Economic Infrastructure and Services	Investment
		Green Energy Special Fund	Economic Infrastructure and Services	Lending
		International Education and Training—Seminars and Workshops	Training	Technical Assistance (Workshop)
	Inter-American Development Bank (IDB)	IDB/MIF—Specialized Financial Intermediary Development Fund	Economic Infrastructure and Services	Investment
		Program for Environmental Pollution Control in Critical Areas	Social Infrastructure and Services	Lending
	International Regional Organisation for Plant and Animal Health (OIRSA)	Strengthening the Control of Huanglongbing (HLB) and the Implementation of Integrated Pest Management (IPM) in Citrus Project	Agriculture, Forestry and Fishing	Technical Assistance
	Organization of American States (OAS)/ Youth America Business Trust (YABT)	International Workshops	Education	Technical Assistance
NGOs	Food For The Poor	Horticultural Crop Production, Improvement and Promotion Project/ Western Region Tropical Fruit Promotion Project	Agriculture, Forestry and Fishing	Technical Assistance
		Horticultural Crop Production, Improvement and Promotion Project/ Horticultural Crop Center Project	Agriculture, Forestry and Fishing	Technical Assistance
		Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Mercy Corps	Humanitarian Cooperation Fund	Humanitarian Aid	Technical Assistance (Emergency Response, Reconstruction Relief and Rehabilitation)
		Drought Relief in North Eastern Kenya—Phase 1	Humanitarian Aid	Technical Assistance (Reconstruction Relief and Rehabilitation)
		Drought Relief in North Eastern Kenya—Phase 2	Humanitarian Aid	Technical Assistance
		International Workshops	Education	Technical Assistance
	Terre des Hommes	Taiwan/CDF Scholarship Program in Burkina Faso	Education	Technical Assistance
	World Vision	Dos Quebradas Water System Project	Water Supply and Sanitation	Technical Assistance
Bilateral Development Organizations	Afro-Asian Rural Development Organization (AARDO)	International Workshops	Education	Technical Assistance
	Belgian Investment Company for Developing Countries (BIO)	BTS India Private Equity Fund	Production	Investment
	Commonwealth Development Corporation (CDC)	BTS India Private Equity Fund	Production	Investment
	Swiss Investment for Emerging Markets (SIFEM)	BTS India Private Equity Fund	Production	Investment

## International Workshops in 2012

No.	Workshop	Region	Language	Participants	Countries	Date
1	Trade Promotion	Global (excl. Pacific island countries)	English	25	24	3/15-3/28
2	Healthcare Management	Africa, Pacific island countries	English	16	11	4/5-4/18
3	Crop Production and Cultivation	Africa, Haiti	English	12	3	4/10-4/23
4	Clean Energy Development	Global	English	19	18	4/12-4/25
5	Agricultural Marketing	Caribbean	English	17	5	4/16-4/27
6	Promotion of One Town, One Product Projects	Latin America	Spanish	27	12	5/24-6/6
7	Plant Protection and Quarantine	Global	English	23	20	5/30-6/12
8	Promotion of One Town, One Product Projects	Global (excl. Latin America)	English	18	15	6/13-6/26
9	Employment and Vocational Training	Global	English	24	20	6/21-7/4
10	Seminar on the Bamboo Industry	Latin America	Spanish	39	9	7/2-7/6
11	Industrial Applications of ICT	Caribbean	English	12	8	7/19-8/1
12	Tilapia Culture	Latin America	Spanish	20	6	8/13-8/24
13	Geographic Information Systems	Latin America	Spanish	9	5	8/16-8/29
14	Hog Breeding and Raising	Pacific island countries	English	15	5	9/3-9/14
15	Women's Development	Global	English	26	23	9/6-9/19
16	Micro- and Small-sized Enterprise Development	Global	English	31	31	9/27-10/9
17	Agricultural Marketing	Global (excl. Caribbean)	English	22	19	10/4-10/17
18	The Taiwan Experience in Agriculture	Dominican Republic	Spanish	26	1	10/11-10/24
19	Taiwan's Economic Planning and Development	Global	English	27	22	10/23-11/5
20	Micro-sized Enterprise Development and Credit Facilities	El Salvador	Spanish	20	1	11/1-11/14
21	Taiwan's Media Development	Global	English	29	28	11/7-11/20
22	Micro-sized Enterprise Formation and Creation	Burkina Faso	French	148	1	11/20-11/28
23	The Project Cycle	São Tomé and Príncipe	Portuguese	28	1	12/3-12/6

Total 60 countries, 633 participants





**International Cooperation and  
Development Fund**

The TaiwanICDF's organization identity system emphasizes the core values of co-prosperity and professionalism. The use of the image of sprouting leaves illustrates the central areas of our work. Green reflects our focus on agriculture to eradicate poverty and hunger, and our growing attention to environmental sustainability; and blue represents our use of technology and innovative management to bridge the digital divide and enhance industrial growth. Finally, the white of the lettering stands for our efforts to ease the shortage of medical resources in partner countries. As Taiwan's dedicated development assistance body, we are determined to work as part of the international community to do our utmost to ensure a better world and a brighter future.

## International Cooperation and Development Fund Annual Report 2012

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