



Preface

Sustainable Foreign Aid: For a Better World, a Brighter Future

The past year has seen the global economy well on its way to recovery, albeit with emerging economies posting stronger growth than developed ones. Yet differences among countries in terms of fiscal and monetary policies have made it difficult to expand international cooperation, economic growth has had little effect on labor markets, and advanced nations are still suffering from high unemployment rates. Moreover, international grain prices have continued to rise since October 2010, and any further increases could drive over forty million more people around the world into poverty. The most vulnerable are those who live in low- and middle-income countries, many of which are partners to Taiwan. The remaining obstacles to global economic growth and imbalances in regional development indicate that promoting balanced, sustainable development must therefore be the priority for our international development assistance.

Elsewhere, the past year saw many countries suffer the devastating effects of natural disasters: an earthquake in Haiti in January, Hurricane Agatha in Guatemala in May, flooding in Pakistan in August, and the list goes on. In each case, countless survivors were made homeless and left without drinking water or food. And while the effects of climate change are generating increasing levels of environmental insecurity for all of us around the world, it is often the poor in developing countries who bear the brunt. At critical moments, the TaiwanICDF is at the forefront of the response. By integrating Taiwan's domestic resources and making use of multiple channels, we can dispatch much needed help at a moment's notice. As well as facilitating the relief and reconstruction efforts of partner countries, humanitarian assistance from the TaiwanICDF is always given in a spirit of compassion.

Decades of striking economic growth and political progress have enabled Taiwan to make the transition from being a recipient of foreign aid to being a donor. In order to fulfill our international responsibilities, give back to the international community and enhance our diplomatic relations, we have been sharing the "Taiwan Experience" with developing partner countries, and assisting them in establishing sustainable models for development.

Taiwan is committed to international cooperation and development, and the TaiwanICDF, which was founded in 1996, has become the government's dedicated foreign aid organization. By following professional appraisal, implementation and monitoring practices over the past 15 years, the organization has integrated financial, human and technological resources to deliver development assistance in four key areas: lending and investment, technical cooperation, international education and training, and humanitarian assistance. This has established a framework for Taiwan's participation in international cooperation and development affairs, one that complements our other diplomatic work. In addition to expanding Taiwan's international space, our endeavors have helped forge friendships and raised the standard of living throughout our partner countries.



President Ma Ying-jeou stated that Taiwan's foreign assistance must resonate with the principles of appropriate motives, due diligence and effective practices. These three principles were reaffirmed by the Ministry of Foreign Affairs (MOFA) with the 2009 publication of its foreign aid policy white paper, Partnerships for Progress and Sustainable Development. Our intention is to echo international trends by establishing professional, needs-based foreign assistance methodologies.

Thanks to the efforts of MOFA and a number of other government agencies, further progress towards this goal was made with the promulgation of the International Cooperation and Development Act on June 15, 2010. This legislation sets out the principles and standards by which Taiwan should participate in international cooperation and development affairs, and supports the institutionalization of Taiwan's foreign aid mechanisms. It will ensure that our work remains professional, transparent and results-oriented.

Diplomacy is an extension of domestic affairs, and foreign aid is one of best ways to demonstrate Taiwan's soft power to the world. Growing up in the countryside, I was witness to the tremendous efforts that my fellow citizens made in driving Taiwan's economic transformation. For this reason, I understand that it is the support and contributions of the Taiwanese people that form the backbone of our foreign aid operations. At a time of major reform, I hope that Taiwan's foreign aid work can be intrinsically linked to our industrial and economic growth, and that we can work side by side with the private sector and share the results with our fellow citizens. Meanwhile, the TaiwanICDF will continue championing strategic innovation, organizational restructuring and human resource development. We are building a team of professional staff who can take on and resolve today's challenges to development.

I am pleased to see the TaiwanICDF taking a more dynamic approach to its work — one that embraces bold, innovative ideas. I have every faith that my colleagues can bring about an unprecedented shift in the way Taiwan provides foreign assistance, and thereby realize our vision for a better world, a brighter future.

Timothy C. T. Yang
Minister of Foreign Affairs and Chairman of the TaiwanICDF