The ICDF’s international cooperation agenda

Our new government’s foreign diplomacy perspective

The primary aims of the ROC’s foreign diplomacy are to preserve the nation’s sovereignty and prestige, to protect its right to exist and develop in the international community, and to ensure the safety and well-being of its citizens. In view of Taiwan’s current international situation, the government has determined to follow the three principles of “keeping above political party interests,” “seeking the consensus of all the people,” and “promoting the national interest.”

The new government has also adopted the “Taiwan Experience” as a foundation of its foreign diplomacy. On the one hand, this involves sharing the experiences in political, social and economic development that were labeled the “Taiwan miracle” with nations of the world that are still developing, and cooperating more assertively with the world’s democratic camp. On the other hand, it also means increasing cooperation and building strong partnerships with local and international NGOs, so as to expand the horizons of our international cooperation, thus both raising the level of protection of the nation’s sovereignty and security and contributing further to world peace and prosperity.

Since the government changeover in Taiwan, constructive ideas and ways to enhance our interaction with the international community have been put forward. In a speech on new ways of thinking and acting in foreign diplomacy given at the Changku Foundation Symposium on 5 August, Minister of Foreign Affairs Tien Hung-mao described the several special ways in which ROC foreign relations would be developing in the near future. These are as follows:

I. Humanitarian diplomacy: using the spirit of international humanitarian assistance in orienting foreign relations

Following the massive earthquake that struck Taiwan on 21 September 1999, the international community responded promptly by sending rescue teams and relief supplies. This humanitarian assistance was offered without consideration of whether or not the donor nation had diplomatic ties with Taiwan, and the people of Taiwan indeed deeply felt this expression of concern and compassion from the international community.
Of course, some major humanitarian and social welfare organizations in Taiwan have themselves made significant contributions to, and maintained frequent contact with, the international community. For example, the Buddhist Compassion Relief Tzu Chi Foundation, the Presbyterian Church of Taiwan, the Fo Kuang Shan Buddhist Foundation for Buddhist Culture & Education, the Taiwan Root Medical Peace Corps, the Rotary Club, Lions International, the Chinese Fund for Children Family/Taiwan, and many other Taiwanese NGOs have all contributed much to international humanitarian assistance and development activities. They provide many examples of concrete expressions of Taiwan’s feedback to the international community.

In the future, the Ministry of Foreign Affairs hopes to play a greater role in coordinating and supporting these activities, so that NGOs may be able to participate more in our foreign diplomacy and make even greater contributions to global affairs.

**II. Human rights and democracy diplomacy: foreign relations policies that aim at respect for, and protection of, human rights and democracy**

Since the conclusion of the Cold War the number of democratic nations in the world has grown from 30 or so to more than 120, with nearly two billion people around the world living under some form of democratic government. Taiwan’s democratic and peaceful transfer of political power from one party to another is a development that has won wide international recognition and praise.

The US State Department’s annual report on human rights singles out Taiwan as an outstanding example of democracy and freedom of speech and assembly. It is, in fact, truer than ever to say that Taiwan has entered the mainstream of democratic political development, especially in view of the peaceful transformation from a repressive government regime to a truly democratic one that we have experienced. These developments took place at the same time as the nation underwent very successful economic development. This rather unique experience is, we believe, very relevant to the developing nations of the world, and it can also be useful in our diplomatic work involving the promotion of human rights and democracy.

**III. Foreign relations based on the ROC’s economic development experience**

Taiwan has developed from an impoverished nation facing very difficult beginnings to a major economic power. Its per capita income has now reached more than US$13,000. Much of the experience gained in this process can be applied elsewhere, in a world in which 1.3 billion people live in poverty on less than a dollar a day.

If Taiwan were permitted to participate in organizations such as the UN Commission on Trade and Development, the World Bank or other groups concerned with developing nations, it would provide us with a more systematic outlet for sharing our experience with the rest of the world. It would offer a great channel for us to pass on the lessons learned; both positive and negative; on how to balance economic development with protection of the environment.

**IV. All people diplomacy**

Our “all people” diplomacy is not meant as a policy to be utilized only when the nation encounters some sort of difficulty. In order to win true respect from the international community, a nation should be able to demonstrate that it wants its entire population to interact with other nations. Unfortunately, mainland China’s interference makes it extremely difficult for us to function effectively in many areas of international
relations. Fortunately, however, many of our people are working on helping Taiwan enhance its presence in the global arena through their participation in a wide range of international activities.

In a report on current foreign relations policies to the Legislative Yuan’s Foreign Relations and Overseas Chinese Affairs Committee, Foreign Minister Tien emphasized that democracy, NGOs and the people’s will are the “three principles of the people” that lie at the foundation of our new foreign policy making. The Ministry of Foreign Affairs hopes to mobilize national representatives, political parties, cities, schools, think tanks, young volunteers, business and NGOs to serve as facilitators for our “all people” foreign diplomacy. Achieving stature and respect for Taiwan in the international community is not something that our government can achieve on its own; it requires an all-out effort from all of the people.

The ICDF’s vision and role: Bringing about synergy in international cooperation and humanitarian assistance

The ICDF, established by the Legislative Yuan as a specialized agency for the purpose of implementing foreign aid projects, has proven its ability to bring about synergy in foreign aid and humanitarian assistance projects. Its primary cooperation targets are foreign governments, international organizations and agencies, and other designated organizations and NGOs.

In its foreign aid strategy, the ICDF has prioritized cooperation with partners in countries that maintain diplomatic relations with Taiwan, working with the agencies that are best suited to implement assistance projects in those countries, and increasing and strengthening cooperation with international organizations and NGOs in humanitarian activities.

Bearing in mind the new government’s foreign diplomacy perspective described above, below is a review of projects related to these goals undertaken by the ICDF, as well as some details about future programs.

I. Assisting humanitarian diplomacy

Medical support
Taiwan has been working on the improvement of medical standards in several countries of Africa, including Burkina Faso, São Tomé and Príncipe, Chad and Malawi. This is being done through medical service missions that are addressing some of the more pressing health needs of the people. In addition to providing consultation services and technical training to local doctors and health workers in remote areas, the missions are providing clinics which supplement and help improve the medical care that is available in these countries.

Provision of medical equipment
The ICDF has provided medical equipment to hospitals and clinics, and assistance in managing medical supplies, to Chad, São Tomé and Príncipe, and other African countries, as well as to Dominica, St. Vincent, Grenada, and St. Kitts and Nevis in the Eastern Caribbean region. These donations are helping to improve medical infrastructure in the recipient countries, thus contributing to the overall quality of medical care.

Donation of vitamins
Instituted in 1999, the ICDF’s “Project to Supply Vitamins and Improve the Nutrition of Children in Regions of Africa” involves the provision of more than four million vitamin units (worth NT$2.5 million) to Burkina Faso, Chad and São Tomé and Príncipe. The objective is to improve nutrition and reduce mortality rates among children in African countries.
**Malaria eradication program**

The ICDF sent experts to São Tomé and Príncipe to assist in finding ways to eliminate the threat of malaria. They carried out feasibility studies including comprehensive research on how the disease is spread, identifying the most severely affected areas, and assessing the behavior and distribution of malaria vectors in the region. They also conducted tests of various malaria treatments as well as insecticides to control the anopheles mosquito.

**Emergency recovery program following Hurricane Mitch**

Hurricane Mitch wrought tremendous havoc in Central America in late October 1998, striking hardest in Honduras and Nicaragua. The ICDF immediately sent appraisal missions to Nicaragua, Honduras, El Salvador and Guatemala to carry out emergency reconstruction projects. In addition, it provided low-interest loans of US$6 million each to Nicaragua and Honduras, and US$4 million in loans to El Salvador and Guatemala, as well as short-term capital to help rebuild damaged housing and quickly restore agricultural activities.

Through provision of close to a thousand housing units in Wiwili, Pawas, Siura and Quilali, the ICDF’s initial housing reconstruction project in Nicaragua was completed by the end of June 2000. This project stands out in several ways, especially for having:

- provided safe, clean and hygienic housing for hundreds of families whose residences were completely destroyed;
- established good synergy in the efforts by local governments, the ICDF and the Organization of American States (OAS);
- used local resources and local materials as much as possible, thereby helping to stimulate the economy through purchases and employment opportunities among the people most directly affected;
- provided an opportunity for people in these areas to learn new skills that should serve them well in the future; and
- given the chance to thousands of affected people to learn to work together on projects designed to improve their common welfare.
An immediate benefit was the creation of a greater sense of community and mutual reliance among local people. More important, this program developed various models which can be applied in similar aid projects in the future, working with the affected people to carry out rebuilding plans rather than simply doing it for them. The government has requested a further loan of US$4.5 million in order to expand similar assistance to other affected households.

In a separate aid project in Nicaragua, which ended in February 2000, 13,900 farming families received assistance in recovering from the disaster. Using a mixed loan/grant approach that made an average of 800 Nicaraguan pesos available to each participating farmer, the program financed seed acquisition, farm implements, fencing, irrigation equipment and various types of machinery. This helped to relieve some of the economic pressure created by the hurricane by rebuilding the agricultural base.

Guatemala has also requested an extension of loans to extend rebuilding projects in the Rio Polochic region. Over half of the 110 cases in the current project have been completed. Covering a wide area of the country, three quarters of the cases are in areas rated “extremely poor,” while the others are in areas rated as “very poor.”

Recent information from the latest OAS survey indicates that a topographic survey as well as a plan for transportation networks and an analysis of material costs are already completed in view of the ICDF’s reconstruction project in Honduras. Road construction and an environmental impact study are under way, and residents of the area are being encouraged to take part in the project.

An application for funding by El Salvador for a housing reconstruction project is currently being examined by ICDF lawyers.

**Balkan Region Action Plan**

In the wake of the disastrous armed conflicts in the Balkan region, Taiwan proposed in April 1998 a “Balkan Region Action Plan” to be executed in cooperation with international agencies. The plan was aimed at helping citizens of Kosovo with reconstruction after the conflict, and included projects to restore the basic infrastructure of the region as quickly as possible, while simultaneously training specialists and experts who can expedite the task of rebuilding.

A workshop on lending to small and medium enterprises and on payment systems was held from 12 April to 4 May for 35 mid-level bank managers from the Balkan area. The group included 16 participants from Macedonia, 11 from Kosovo, 4 from Albania and 4 from Bosnia. This training program is merely the beginning of this assistance to the Balkans. We hope that the initial group of trainees will pass along to others the skills they learned in Taiwan in order to maximize the contribution to the region.

**II. Assisting human rights and democracy diplomacy**

The board of directors of the ICDF has approved a core program for the year 2001 that includes a joint project with the Inter-American Development Bank (IDB) to modernize the Dominican Parliament. The ICDF will provide the Dominican government with US$4.6 million of the total project fund of US$28 million. The modernization of the parliament and of the prime minister’s offices will strengthen the democratic structure and make it easier for the nation’s elected representatives to formulate and execute the laws of Dominica.
III. Assisting diplomacy based on sharing economic development experience

*Alleviation of poverty*

Through a comprehensive series of plans, including loans to small farmers, the ICDF hopes to assist developing nations increase their supplies of grains and vegetables. Examples of such plans follow.

*Increasing crop production*

The ICDF is assisting developing nations through integrated plans for increased output of grains, vegetables and fruits, plus microcredit programs for small farmers. Three successful examples of accomplishments in these areas, involving rice production, can be readily seen in The Gambia, Burkina Faso and Senegal.

- After five years of development, a technical mission in The Gambia has selected four strains of rice for production: Tai-nung-hsien Number 14, Tai-nung-hsien Number 19, IR64, and ITA212. An average yield of five metric tons per hectare has been achieved, and the hybridization breeding of the ninth filial generations has been developed in conjunction with the Gambian National Agricultural Research Institute. Eleven different varieties with improvements in yields of from 10 to 30 percent have been developed, increasing output from 1.15 to 5 metric tons per hectare. Some 5,180 hectares of farmland are now given over to rice production, with a yield of 12,500 metric tons. Approximately 14,500 farmers have benefited from this program, whose ultimate objective is self-sufficiency in rice.

- In the Bagré region of Burkina Faso, a technical mission has been working since 1995 to carry out a development plan for 1,000 hectares of land. As of August 2000, the land is yielding two crops of rice a year with a total harvest of 10,000 metric
tons. The Bagré Dam land development program has not only helped to increase food production in Burkina Faso but also provided numerous opportunities for employment among the local population, all the while stimulating growth in many related businesses and industries. Indirectly, this is contributing to overall growth of the area’s economy.

- In Senegal, a technical mission adopted a revolutionary deep-water, direct-seeding method to control weed growth, lower costs and increase yield for paddy rice. The result was an improvement in the quality of the rice and an increase in its value. The rice, which is being distributed in five-kilogram packages, has stimulated local markets while raising the income of local farmers.

**Production and marketing of horticultural products**

The ultimate goal of every technical mission dispatched by the ICDF is to enrich the lives of the people in the areas where they work. Cooperation projects must therefore consider such factors as market demand and the selection of products with good competitiveness and sales potential. They must also include the organization of a sales framework and sales group, oversee improvements in production technology, upgrade the quality of products, and work to integrate the production process to minimize costs and make production more efficient and profitable. Some successful examples of such projects include the following.

- The Gambia technical mission set up a women’s production and marketing team at the Banjulinding Horticultural Farm in 1996 to grow cabbage, tomatoes, onions, okra, watermelons, winter melons, cucumbers, gourds, bitter tomatoes, eggplants, bell peppers, peppers, peanuts and other vegetables needed in the area. The project made jobs available to rural women, improved nutrition and yielded profits which raised the incomes of farm families. Gross accumulative income totaled US$123,241 and actual sales reached US$98,300, with 75 percent going to the farmers and 25 percent going to a revolving fund. The technical mission also taught a wide variety of business skills to the production teams, and helped the farmers of Banjulinding organize a cooperative. A second 15-hectare area is being developed for vegetable farming, bringing the total cultivated land area to 50 hectares. This will provide incomes to more than 500 persons.

- In Indonesia, in Sleman, Boyolali, Mageland and Mojokerto, a technical mission set up agribusiness projects with good market potential. Crops grown included asparagus, cantaloupes, green beans, cauliflower, broccoli, bitter melon and corn. The teams also held 26 training classes in agribusiness for 1,425 people, set up a vegetable shipping center and taught the farmers how to sell locally and in other districts. Twenty-one production and marketing teams developed a total of 73.67 hectares. The vegetable shipping center handled 42,486.45 kilograms of produce that sold for more than 200 million rupiah (over US$26,000).

- An edible mushroom project was initiated in Sleman and Mojokerto in Central and Eastern Java, with mushroom development centers organized by the technical mission. Farmers have learned how to produce dried wood’s ear mushrooms for local and other markets. The project has produced 5,000 bottles of cultivated mushrooms and two plants have produced 286,000 polybags for packaging wood’s ear. In the two courses held to date, 77 people have studied how to grow mushrooms, and more than 60 million rupiah (US$7,800) has been collected for the revolving fund.
In Honduras, a technical mission is developing new sources of vegetables from high altitudes for the export market. Products include green beans, bean sprouts, ginger, taro and a variety of other new foods. The mission has helped 26 farming families to develop 20 hectares of green beans for export to the United States and Britain, thereby creating new jobs, improving the living standards of the farmers, and developing new sources of foreign income.

Small farmholder financing scheme

Small farmer credit programs were instituted by the ICDF to help overseas technical missions carry out their projects, to meet some of the special needs of these projects, and to provide start-up loans to families participating in them. These loans help resolve some of the problems small farmers face in acquiring equipment and operating capital, and they have also been used to set up marketing systems, enhance economic effectiveness, and increase earnings for farmers. Each of the programs is suited to a particular area.

In the Eastern Caribbean, a small farmholder financing scheme made available a US$100,000 fund to farmers in St. Kitts, Grenada and Dominica. Handled by the technical missions based in these areas, the funds were used to purchase equipment and fertilizer to expand production, thus creating wealth and improving the living standards of the farmers.

A microlending project for fishermen in Panama has provided loans to fishing families to purchase processing equipment and strengthen cooperative groups. A fund of US$100,000 was established for distribution through the fishing cooperative, under the supervision of the technical mission and the Bank of Panama. The interest gained from repayment of these loans was added to the funds to make more capital available for development. The technical mission also helped find other banks and NGOs to provide additional funds for the lending program to cooperative groups.

With funding of US$20,000 by the ICDF, a small farmer credit project was initiated in Honduras. The funds were used to develop a core group of farmers with outstanding productivity in order to improve both the quantity and quality of their crops, and to set up a production and marketing network for them. This helped increase their effectiveness and boost incomes, improve living conditions and resolve problems that arose as a result of surpluses of poor quality rice. The project has helped reduce the amount of “rust rice” in harvests and improve the quality of the grain, and opened up new paddy areas that will be free of the rust rice.

In Belize the ICDF provided US$150,000 to the technical mission to fund a small farmer credit project. This supported local efforts to develop local agriculture and, by attracting more of the population to take up farming, served to increase agricultural production. The Belize Merchants Bank has handled distribution of loans on behalf of the ICDF.

An amount of US$2.5 million was made available to the government of Burkina Faso for a rural credit project designed to promote the rural agricultural industry. The funds have also been used to encourage women to work in agriculture and commerce in order to alleviate poverty and unemployment and stimulate the nation’s economy. Other loans have been extended to rural farmers, women and young people through the Caisse Nationale de Crédit Agricole (CNCA). Some 50 percent of the aid went to rural farm organizations while the rest went to rural women’s organizations.
Programs for women

The strategy behind current economic assistance by aid organizations around the world is to make the aid as effective as possible among the poorest economic classes in the target countries, with a special effort being made to allow women to participate fully in production activities. The ICDF offers two programs involving women and small-loan organizations.

• The Gambia Credit Program for Women. Women make up about 60 percent of the population involved in production in The Gambia, but traditionally, due to difficulties in obtaining loans from banks, they have been forced to look to underground lending sources for capital. The Gambian Women’s Financial Association (GAWAF) is that nation’s principal organ for supplying small credits to women and attracting deposits, and it does a good job at this, although it lacks the technical support that would make its work more effective. The ICDF has provided US$110,000 in funding to strengthen GAWAF in its savings and loan operations and has set up a New Business Development Center which offers improved facilities and equipment as well as highly specialized personnel. These should help make GAWAF completely self-supporting within five years.

• Institute of Female Entrepreneurs Project in Haiti. In addition to providing US$200,000, the ICDF has assisted the government in setting up an “Institute of Female Entrepreneurs” to aid women to participate in business and production. The money has also funded research to identify the obstacles that stand in the way of women in the labor market and how they can be removed. It is also used in expanding training activities in handicrafts and the acquiring of capital needed by women in order to expand their productivity.

Human resources development projects

Despite its lack of natural resources, Taiwan was able to grow from an agricultural society to an industrial nation. The transformation came about largely because of a sound educational system that provided needed skills and know-how. Human resources are the foundation of sustained economic growth. Taiwan is applying the experience gained in its economic development to aid other developing countries in their efforts to educate and develop their human resources through technical education, training in small and medium enterprises skills, specialized lectures, scholarships and other programs. Examples of such programs follow.

• Technical and Vocational Education Project. The ICDF has made US$8 million available for the El Salvador Modernization Technical Education Project, which is designed to help the country in planning and coordinating a training system that will lead to balanced educational development. This program offers a carefully adjusted approach with classes, instruction and materials that will train the technical manpower needed in the process of industrial development in El Salvador.

• The Technical and Vocational Education and Training Program for Guatemala is funded by an additional US$8 million, dedicated to improving the standard of education, increasing the pool of technicians needed for industrial development, and ultimately stimulating economic development. A technical high school, equipped with all the necessary hardware and software, has been established at Escuintla in southern Guatemala.
A seven-nation technical assistance program for small and medium enterprises has been established in Central America. Its aim is to help involved nations achieve the conditions needed to develop small-scale enterprises and stabilize their economies. It is hoped that the program will, by strengthening training capacities in industry, help make the countries more competitive economically. It seeks to develop production strategies for each nation that will reduce unemployment and create greater wealth.

In Senegal, an SME Advisory Program is working on establishing small-scale industries suited to the local area. The objective is to improve processing of agricultural products and to raise the local standards in management and marketing.

In Paraguay, the limited capitalization, know-how and market presence of small and medium enterprises makes it difficult for them to compete against larger corporations. Thus the ICDF has instituted a program to assist Paraguay in setting up an integrated industrial synergy network that will allow small and medium factories to act as suppliers or as subcontractors for larger enterprises. This is helping to expand the presence of smaller companies in the market, and in making their products higher in quality and more competitive.

About 20 special seminars are held in Taiwan each year for some 450 people, on topics including trade promotion, industrial and economic development, production and marketing of agricultural products, and related subjects.

The scholarship program has made funds available to various countries, including US$100,000 to each of our allies in the Eastern Caribbean (a total of US$400,000). Macedonia has also received a grant of US$100,000, part of which has made it possible for 250 outstanding elementary students to continue their education.
• The ICDF has set up a two-year study program for high-level technical personnel. This offers the possibility to selected government officials or agricultural agents from countries that maintain official relations with Taiwan of studying for a master’s degree. While encouraging scientific interchanges and strengthening friendly ties with the nations, this program is also improving agricultural industries in participating countries. Three groups of participants have gone through the program since it began in 1998. The first group of four students finished their studies in July 2000; they have returned home to pass on their new skills to their compatriots. The second and third groups, each consisting of eight students, bring the number currently in the program to 16.

**Environmental protection project**

The ICDF is participating in a cofinancing program with the Inter-American Development Bank to help El Salvador minimize the environmental effects of industrial development and protect the health of its people. The program calls for the adoption of strategies to protect the quality of the air and water, collect and treat waste products, and other activities that help preserve and reutilize natural resources. It is backed by a fund of US$29 million, with the ICDF providing some US$7.7 million to support loans by the government of El Salvador.

### IV. Assisting all people diplomacy

**Overseas Volunteer Corps**

The ICDF has sent groups of volunteer workers to participating countries to promote activities that will help develop their economies. These include public education, vocational training and business activities. The program seeks to benefit not only the host countries but also the workers themselves, for the latter gain a wide range of experience and confidence through interaction with the local people. In addition, the experience helps to form lasting bonds between the people of Taiwan and people overseas, and it helps to make Taiwan’s culture better appreciated abroad.

An initial group of five volunteers was sent to Swaziland in December 1996 to carry out preliminary surveys and conduct classes in small and medium enterprises (small and medium enterprises relending, computer instruction, group development for farmers, and similar topics). As of September 2000, 55 volunteers had been sent to 15 different nations in Central America, the Eastern Caribbean, Africa and the Asia Pacific region. Their main areas of service cover administration of small and medium enterprises, work in government agencies and business associations, computer instruction, folk dance, Chinese language classes and work in agriculture.

**International cooperation as alternative to military service**

In June 2000, the Ministry of Foreign Affairs began organizing the sending of draft-age young men to work overseas in lieu of military service. This program is expected to improve Taiwan’s image overseas and extend our services to other nations while helping to broaden the horizons of the young men who participate. The program consists in integrating the young men into overseas technical missions organized by the ICDF. The first group of 35 men is expected to report for training in May 2001. They will be assigned to
military units in August 2001 and, following a subsequent three months of advanced training by the ICDF, will be sent to work in technical missions abroad.

**Working with international organizations**

In addition to the programs described above, the ICDF has been working for some time to establish working relations with multilateral and bilateral agencies such as the Inter-American Development Bank, the Central American Bank for Economic Integration, the Asian Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and other regional and international organizations. We have also sought to develop good relations with the World Trade Organization.

In the future, we will continue to develop our cooperation with these international organizations in areas such as foreign aid projects, personnel exchanges and visits, and interchanges of experience and ideas. The ICDF will provide partial funding, where appropriate, for humanitarian rescue operations, and we will work with the Tzu Chi Foundation, the Red Cross, World Vision of Taiwan and other non-governmental organizations that bring together civilian resources. Organizations such as these make the best use of available resources and capital, while at the same time maximizing the scope and impact of the cooperation projects.

As demonstrated by this grant of equipment by the Fu Kuang Shan Buddhist Foundation for Buddhist Culture & Education, non-governmental organizations are helping to make life better for citizens in friendly countries.