During the more than four years that the ICDF has been in existence, it has helped to fulfill the country’s overall diplomatic policies by promoting the Taiwan experience and engaging in technical cooperation through bilateral and multilateral relationships and international organizations. Taking the needs of its partners as its main goals, it has invested in businesses and offered financing loans, provided education and training, and distributed aid to numerous friendly nations.

During this fiscal year the ICDF began implementing trade investment and technology transfer projects under the intensified foreign aid strategy of “giving people fishing rods and teaching them how to fish.” The recently completed mushroom compost joint venture and the chicken raising investment project in Macedonia count among these projects. The Macedonian SME Equity Investment Fund is allowing the ICDF to participate in the development of Macedonia’s most promising industries through targeted capital investments, while sharing risk and profit in the role of a business partner.

These are examples of the “active investment partner” model of international cooperation. Besides stimulating the growth of the private sector in the recipient country, creating local employment opportunities, and increasing the country’s foreign exchange earnings, this approach can also provide the ROC with new trading outposts overseas. We hope that our foreign aid projects will take root, become self-sufficient, and achieve the goal of sustainable development.

As the international order develops toward greater multilateralism and the once vague outlines of a global village begin to take shape, international cooperation will become an ever more important part of our efforts to expand our country’s international breathing room. The ICDF is committed to furthering the nation’s major diplomatic principles, learning from the operating models and experience of other international aid organizations, and continuing to implement foreign assistance projects.

In staying abreast of international foreign aid trends, we are conducting ourselves in line with the following directions and objectives. We are sketching out a brand new vision of foreign assistance that reflects our role in strengthening the nation’s diplomatic relations and international partnerships.
Striving for Transparency, Systematization and Professionalism

Over the past several decades our nation created the oft-cited “Taiwan economic miracle.” Today the ROC is the world’s 21st largest economy and 14th largest trader, and it possesses the fourth largest foreign exchange reserves. The ROC’s current level of economic development puts it on a par with the world’s developed nations.

As a developed nation, we consider it our responsibility to promote and make a significant contribution to free international trade. We also believe it is our duty to offer assistance to other nations. However, we recognize that, if we wish to win the support and confidence of the general public, putting the nation’s foreign aid system on a firm legal foundation is a matter of utmost urgency. If we can implement our international cooperation work in a transparent, systematic and professional manner while upholding the principles of democracy, we can make a very positive and far-reaching contribution to the ROC’s international relations.

Offering Comparative Advantage and Leverage, Involving Grassroots Action, and Tapping Private Resources

Because our country’s foreign aid budget is limited, we are taking the following actions to ensure that we get the maximum return for our investment.

1. We carefully assess the results and efficiency of our assistance projects, and always proceed with due caution and regular oversight.

2. We base many of our programs on the strong developmental experience of the ROC, such as Taiwan’s macroeconomic policies, promotion of small and medium enterprises, improvement of human resources, and development of agricultural businesses and high technology.

3. We take advantage of our leverage to cooperate with international agencies and nongovernmental organizations as we seek to raise the ROC’s visibility in international society. We are learning from the strengths of other international aid agencies, by sharing experiences with them and expanding the scope and perspective of our assistance projects.

4. We are helping to implement grassroots, privately oriented antipoverty programs, in the hope that aid projects will become part of the fabric of society.

5. We are committed to the principle of citizens’ diplomacy, as we work to mobilize Taiwan’s private energies, foster private sector investment and humanitarian aid, and promote foreign assistance work on many fronts.
Strengthening Human Resources Development Projects, Nurturing World-class Professionals

Looking back on the past 50 years, Taiwan successfully transformed itself from an agricultural backwater into an industrial nation with thriving small and medium enterprises. One of the key factors bringing about the Taiwan miracle was the vocational training and education system, which made it possible to produce high-quality human resources in sufficient quantities to meet the needs of economic development. In order to propagate our developmental experience and ensure that all assistance programs further the ultimate goal of sustainable development, we have made education and the development of human resources an essential part of our strategy.

In Central America, we are sharing the ROC’s human resource development experience through the successful implementation of an upper-level vocational education development program in Costa Rica. We plan to build on that successful experience by undertaking vocational education development projects in other Central American countries. In addition, we are promoting the integration of resources and enhancing the results of investment by implementing a vocational education resources sharing program throughout the region. The initial focal points of this program are vocational instructor training and regional textbook cooperation. In time, we hope to establish a regional human resources development system that spans all of Central America.

Close to 5,000 trainees from friendly nations have received ICDF-sponsored medium-term and short-term training in Taiwan since 1991. We have introduced a highly successful training scholarship program for high-level personnel in partnership with the Graduate Institute of Tropical Agriculture at National Pingtung University of Science and Technology. To extend the benefits of these scholarships, beginning in 2001 we will expand admission to students seeking to earn a PhD degree.

We shall also be cooperating with the College of Business at National Chengchi University in offering admission to an International MBA program (IMBA). We hope the training of high-level management personnel will give allied nations more of the talent they need for successful economic development. In the future we also plan to offer training programs in other areas in which the ROC has gained a competitive advantage, such as technology management and the development of high-tech industries.
Seeking Fund Enlargement to Strengthen Foundation Functions

When it was established, the ICDF received NT$11.6 billion from the former International Economic Cooperation Development Fund, Ministry of Economic Affairs. The strong support of the government was manifested by a further appropriation of NT$600 million in 1999. However, the ICDF fund still contains only NT$12.2 billion (approximately US$400 million).

The massive earthquake that struck Taiwan on 21 September 1999 had repercussions in many areas, placing significant pressure on the government budget. Despite the government’s commitment to foreign aid, it has found it difficult to increase the funds dedicated to the ICDF. Since we have already signed contracts committing us to investment and financing projects involving more than US$400 million, in the immediate future we shall be forced to rely on recovered loan principal to make new loans or investments. Nevertheless, we have every confidence that the government will do its best to satisfy the ever-increasing need for foreign assistance funds. In the meantime, we are strengthening project cost controls, paying close attention to cost efficiency, and vigorously integrating our internal resources.

Our integration strategy consists of devising sets of related projects that conform to the ROC’s foreign aid policy goals, sharing project funds and human resources between our various departments, organizing cooperative inter-departmental teams, deploying departmental resources in a focused manner, and implementing joint assistance projects. The overriding goal is to share resources and ensure that projects generate the greatest possible benefits. We hope to secure additional infusions of funds over the next few years, in order to increase the size of our fund, strengthen foundation functions, and highlight the ROC’s commitment to foreign aid within international society.

The ROC has achieved considerable success in using foreign assistance to promote development. The “Taiwan experience” of economic development has won the acclaim of the international community, and the efforts we are making to contribute to the global society are generating highly visible positive results. Nevertheless, due to the ROC’s unique diplomatic status, we understand that we must step up our foreign aid work, increase our professionalism, and inject concern for democracy and humanitarian causes.

In line with the ideal of “all people diplomacy,” we intend to make good use of the country’s diplomatic and foreign aid talent, expand reliance on overseas volunteers, establish ties to private foreign aid organizations, strengthen liaison with NGOs, move to higher levels of foreign aid, efficiently integrate the country’s limited foreign aid resources, and deliver the greatest possible benefits to our partner nations.