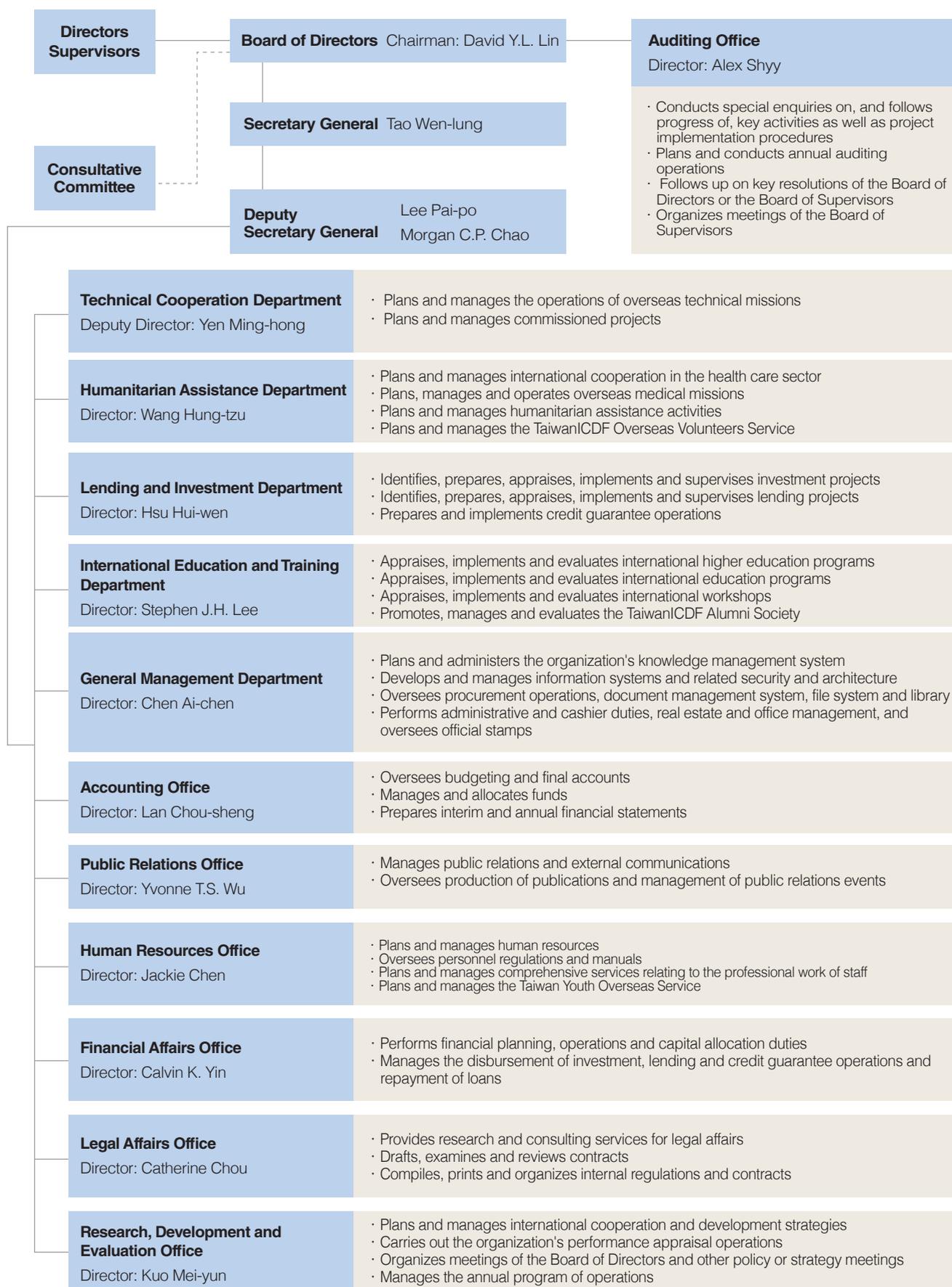


Organizational Chart



Board of Directors; Supervisors and Consultative Committee*

Directors and Supervisors

The statutes of the TaiwanICDF 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

Peng Fai-nan	Governor, Central Bank of the Republic of China (Taiwan)
Chang Chia-juch	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
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; Director, NCU Center for Creativity and Innovation Studies
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 TaiwanICDF 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
Chen Yi-sung	Honorary Consultant, Former Taiwan Technical Mission Leader
Eddie M. Chen	Executive Vice President and Chief Risk Officer, EnTie Commercial Bank
Chiao Chun	Section Chief, Planning 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	Director, Regional Development Study Center, Chung-Hua Institution for Economic Research
Liu Jom-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;
Tsao Hsing-chien	Former Director, Central Training Center, Bureau of Employment and Vocational Training, Council of Labor Affairs, Executive Yuan

*Accurate as of December 31, 2013

TaiwanICDF 2013 Board of Directors Conferences

The 65th Board Conference (seventh meeting of the 6th Board of Directors; March 13, 2013) approved the following:

- Work report and final accounts for 2012 (including an inventory of assets).
- The progress and implementation of amendments to internal control systems approved at the 64th Board Conference.
- Draft amendments to organizational regulations and working conditions.

The 66th Board Conference (eighth meeting of the 6th Board of Directors; June 19, 2013) approved the following:

- Work plan and budget for 2013.

An Extraordinary Board of Directors Meeting (ninth meeting of the 6th Board of Directors; June 27, 2013) approved the following:

- Assistance for partner countries' medical personnel through an increase in the year's quota of scholarship recipients for the International Higher Education Scholarship Program.

The 67th Board Conference (10th meeting of the 6th Board of Directors; September 18, 2013) approved the following:

- A loan to the treasury of Burkina Faso of US\$1 million for the Microcredit Project for Graduate Trainees from the Taiwan-Burkina Vocational Training Cooperation Program.
- A loan to the government of Belize of US\$5.3 million for the Belize City House of Culture and Downtown Rejuvenation Project.
- Recommendations for procurement practices applicable to the TaiwanICDF.
- Amendments relating to internal control systems.

The 68th Board Conference (11th meeting of the 6th Board of Directors; December 11, 2013) approved the following:

- Adjustments to the content of the Repair and Upgrade of Bonriki International Airport Project in Kiribati, and associated lending terms.
- Establishment of the International Cooperation and Development Fund Myanmar Branch Office.
- Auditing work plan for 2014.

Report of Independent Accountants

PwCR13000100

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, 2013 and 2012, 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, 2013 and 2012, 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 21 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, Taiwan

March 28, 2014

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 the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. 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 the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

International Cooperation and Development Fund Balance Sheets

(Expressed in NT\$)

ASSETS	December 31, 2013		December 31, 2012	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4)	\$ 7,410,246,843	46	\$ 7,220,950,191	45
Held-to-maturity financial assets - current (Notes 5)	400,324,932	3	686,960,370	4
Other receivables (Notes 6)	202,517,766	1	163,712,705	1
Prepayments	69,181,037	-	75,478,434	1
Other financial assets - current	932,897	-	-	-
Other current assets	64,481,858	-	26,488,033	-
Current portion of long-term loans receivable (Notes 7, 19)	461,633,355	3	428,345,140	3
	8,609,318,688	53	8,601,934,873	54
LONG-TERM LOANS AND INVESTMENTS				
Long-term loans receivable (Notes 7, 19)	3,744,579,776	23	3,960,513,793	25
Available-for-sale financial assets - noncurrent	216,896,500	2	198,791,000	1
Held-to-maturity financial assets - noncurrent (Notes 5)	1,813,832,593	11	1,602,639,324	10
Financial assets carried at cost - noncurrent (Notes 8, 19)	1,737,134,829	11	1,598,665,021	10
	7,512,443,698	47	7,360,609,138	46
FIXED ASSETS (Notes 9)				
Cost	40,655,703	-	40,502,893	-
Less: Accumulated depreciation	(26,657,725)	-	(24,351,489)	-
	13,997,978	-	16,151,404	-
OTHER ASSETS				
Deposits-out	425,582	-	383,949	-
Deferred expenses	1,055,976	-	1,854,586	-
	1,481,558	-	2,238,535	-
TOTAL ASSETS	\$ 16,137,241,922	100	\$ 15,980,933,950	100
LIABILITIES AND FUND BALANCES	December 31, 2013		December 31, 2012	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Payables (Notes 10)	\$ 385,545,458	2	\$ 147,971,710	1
Collections payable	2,990,883	-	3,245,123	-
Other current liabilities	868,200	-	10,051	-
	389,404,541	2	151,226,884	1
OTHER LIABILITIES				
Deposits-in	5,339,000	-	3,874,000	-
Other liabilities	280,775	-	241,585	-
	5,619,775	-	4,115,585	-
TOTAL LIABILITIES	395,024,316	2	155,342,469	1
FUND BALANCES				
Funds (Notes 13)	12,468,838,072	78	12,468,838,072	78
Accumulated earnings (Notes 14)	3,253,015,910	20	3,354,495,285	21
ADJUSTMENT FOR OTHER FUND BALANCES				
Unrealized gains on financial instrument	20,363,624	-	2,258,124	-
TOTAL FUND BALANCES	15,742,217,606	98	15,825,591,481	99
Commitments and contingencies (Notes 18)				
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,137,241,922	100	\$ 15,980,933,950	100

The accompanying notes are an integral part of these financial statements. See report of independent accountants dated March 28, 2014.

International Cooperation and Development Fund Statements of Revenues and Expenses

For the Years Ended December 31

(Expressed in NT\$)

	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUES				
Revenues from contracted projects	\$ 1,057,088,784	90	\$ 1,160,902,758	91
Revenues from banking and finance operations	112,346,133	10	114,693,158	9
	1,169,434,917	100	1,275,595,916	100
OPERATING EXPENSES				
Contracted project expenses (Notes 11)	(1,057,088,784)	(90)	(1,160,902,758)	(91)
Humanitarian assistance expenses	(25,272,450)	(2)	(18,894,531)	(2)
International human resources development expenses	(76,683,963)	(7)	(69,122,350)	(6)
Banking and finance operations expenses	(64,155,098)	(5)	(17,050,127)	(1)
Technical cooperation expenses	(69,614,193)	(6)	(68,803,871)	(5)
General and administrative expenses (Notes 17)	(140,256,451)	(12)	(129,840,540)	(10)
	(1,433,070,939)	(122)	(1,464,614,177)	(115)
NET OPERATING LOSSES	(263,636,022)	(22)	(189,018,261)	(15)
NON-OPERATING INCOME AND GAINS				
Interest on fund investments	149,733,897	13	153,826,604	12
Dividend income	4,988,250	-	6,835,750	1
Other revenues (Notes 15)	13,905,125	1	24,966,375	2
	168,627,272	14	185,628,729	15
NON-OPERATING EXPENSES AND LOSSES				
Loss on disposal of fixed assets	(338,485)	-	(58,980)	-
Foreign exchange loss	(6,043,828)	(1)	(73,960,421)	(6)
Other expenses	(125,331)	-	(121,960)	-
	(6,507,644)	(1)	(74,141,361)	(6)
Income tax benefit (Notes 11)	37,019	-	-	-
EXCESS OF EXPENSES OVER REVENUES	(\$ 101,479,375)	(9)	(\$ 77,530,893)	(6)

The accompanying notes are an integral part of these financial statements. See report of independent accountants dated March 28, 2014.

International Cooperation and Development Fund Statements of Changes in Fund Balances

For the Years Ended December 31

(Expressed in NT\$)

	FUNDS	ACCUMULATED EARNINGS	UNREALIZED GAINS (LOSS) ON FINANCIAL INSTRUMENT	TOTAL
2012				
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
2013				
Balance, January 1, 2013	\$12,468,838,072	\$ 3,354,495,285	\$ 2,258,124	\$ 15,825,591,481
Excess of expenses over revenues for 2013	-	(101,479,375)	-	(101,479,375)
Unrealized gains on financial instrument	-	-	18,105,500	18,105,500
Balance, December 31, 2013	\$12,468,838,072	\$ 3,253,015,910	\$ 20,363,624	\$ 15,742,217,606

The accompanying notes are an integral part of these financial statements. See report of independent accountants dated March 28, 2014.

International Cooperation and Development Fund
Statements of Cash Flows
For the Years Ended December 31

(Expressed in NT\$)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	(\$ 101,479,375)	(\$ 77,530,893)
Adjustments to reconcile excess of expenses over revenues to net cash provided by (used in) operating activities:		
Depreciation	3,873,530	3,901,583
Amortization	1,245,510	1,231,353
Reversal of allowance for bad debts	(4,453,537)	(9,125,688)
Held-to-maturity financial assets - Interest amortization	7,079,738	9,218,647
Impairment loss on financial assets carried at cost	42,692,839	-
Loss on disposal of fixed assets	338,485	58,980
Changes in assets and liabilities:		
Receivables	13,806,481	(18,167,987)
Prepayments	(8,114,630)	2,097,418
Other financial assets - current	(932,897)	-
Other current assets	(37,993,825)	(12,570,797)
Accrued expenses	(657,695)	4,655,541
Retained money payable on completed projects	8,128,039	-
Other payables	195,599,715	-
Collections payable	(254,240)	(2,407,735)
Other current liabilities	858,149	10,051
Other liabilities	39,190	4,350
Net cash provided by (used in) operating activities	119,775,477	(98,625,177)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in long-term lending	(251,122,315)	(486,022,389)
Proceeds from long-term loans receivable	438,226,896	708,673,234
Acquisition of held-to-maturity financial assets	(921,728,637)	(390,866,332)
Proceeds upon maturity of held-to-maturity financial assets	986,390,000	581,796,525
Increase in financial assets carried at cost	(181,162,647)	(2,034,688)
Acquisition of fixed assets	(2,063,749)	(3,025,164)
Proceeds from disposal of fixed assets	5,160	6,224
(Increase) decrease in deposits-out	(41,633)	14,928
Increase in deferred expenses	(446,900)	(524,772)
Net cash provided by investing activities	68,056,175	408,017,566
CASH FLOWS FROM FINANCING ACTIVITY		
Increase (decrease) in deposits-in	1,465,000	(2,936,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	189,296,652	306,456,389
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,220,950,191	6,914,493,802
CASH AND CASH EQUIVALENTS AT END OF YEAR	7,410,246,843	7,220,950,191

The accompanying notes are an integral part of these financial statements. See report of independent accountants dated March 28, 2014.

International Cooperation and Development Fund

Notes to Financial Statements

December 31, 2013 and 2012

(Expressed in NT\$, 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, 2013, the TaiwanICDF had 143 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 Taiwan ICDP 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) Available-for-Sale Financial Assets
 - 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 available-for-sale financial assets is the fair value plus increasing price.
 - B. Available-for-sale financial assets are evaluated by fair value. Moreover, value changes are recognized into the adjusted net value. The accumulated gain or loss is recognized in net income or loss when the financial assets are sold. Index stock fund is evaluated by fair value based on the closing prices at the balance sheet date.
 - C. If there is objective evidence of impairment, the accumulated loss previously recognized in net value is reclassified to profit or loss. If the fair value of equity instrument subsequently increases, the impairment loss is reversed to net value.
- 8) Held-to-maturity Financial Assets
 - A. Held-to-maturity financial assets are recorded using settlement date accounting and are stated initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
 - B. Held-to-maturity financial assets 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 further 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 the 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

None.

4. CASH AND CASH EQUIVALENTS

	December 31, 2013	December 31, 2012
Petty cash	\$ 110,000	\$ 110,000
Demand deposits	514,891,392	287,487,458
Checking deposits	517,576	302,909
Time deposits	6,895,660,772	6,883,049,824
	7,411,179,740	7,170,950,191
Less: classified as other financial assets - current	(932,897)	-
Cash equivalents		
- Bonds purchased under resale agreements	-	50,000,000
Total	\$ 7,410,246,843	\$ 7,220,950,191

5. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31, 2013	December 31, 2012
Current items		
Corporate bonds	\$ 400,324,932	\$ 686,960,370
Non-current items		
Corporate bonds	\$ 1,718,546,116	\$ 1,602,639,324
Government bonds	95,286,477	-
	\$ 1,813,832,593	\$ 1,602,639,324

6. OTHER RECEIVABLES

	December 31, 2013	December 31, 2012
Interest receivable	\$ 111,129,787	\$ 105,678,884
Retained money receivable on completed projects	92,205,338	43,289,622
Other receivables	-	15,556,316
	203,335,125	164,524,822
Less: Allowance for doubtful accounts	(817,359)	(812,117)
	\$ 202,517,766	\$ 163,712,705

7. LONG-TERM LOANS RECEIVABLE

	December 31, 2013	December 31, 2012
Current items		
Current portion of long-term loans receivable	\$ 471,332,036	\$ 438,226,896
Less: Allowance for doubtful accounts	(9,698,681)	(9,881,756)
Net	\$ 461,633,355	\$ 428,345,140
Non-current items		
Long-term loans receivable	\$ 3,845,746,456	\$ 4,065,956,177
Less: Allowance for doubtful accounts	(101,166,680)	(105,442,384)
Net	\$ 3,744,579,776	\$ 3,960,513,793
Total	\$ 4,206,213,131	\$ 4,388,858,933

- 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, 2013 and 2012, the total outstanding loans denominated in U.S. dollars amounted to US\$109,360,234.09 and US\$114,599,746.02, respectively. Moreover, as of December 31, 2013 and 2012, the total outstanding loans denominated in Euro dollars amounted to EUR 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 amounting 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. Under a resolution of the TaiwanICDF's 51st board, the TaiwanICDF has agreed for MOFA to repay the remaining loan balance under a term of 20 years. In its Wai-Jing-Fa Letter No. 10101172470 dated December 31, 2012, MOFA committed to pay the loan balance annually for three years beginning 2012. As of December 31, 2013, MOFA had repaid US\$5,793,162.77. In its Tsai-Kuo-Ho-Fa-Tou-Jong Letter No. 1035000198 dated March 28, 2013, the TaiwanICDF urged MOFA to fulfill its guarantee obligation.
- 4) In order to acquire the right to operate the Industrial Park, MOFA issued 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, 2013 and 2012.
- 6) See Appendix 1 for the statement of changes in long-term loans for the year ended December 31, 2013.

8. FINANCIAL ASSETS CARRIED AT COST

	December 31, 2013		December 31, 2012	
	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	124,024,153	6.80%	121,991,506	6.80%
	(=US\$ 3,975,147)		(=US\$ 3,907,120)	
Less: Accumulated Impairment	(53,499,324)		(10,806,485)	
	(=US\$ 1,608,939)		(=US\$ 329,466)	
	70,524,829		111,185,021	
Net	194,524,829		235,185,021	
International institution investment fund:				
FISF-Small Business Account	325,000,000		325,000,000	
	(=US\$ 10,000,000)		(=US\$ 10,000,000)	
FISF-Small Business Account II	330,660,000		330,660,000	
	(=US\$ 10,000,000)		(=US\$ 10,000,000)	
FISF-Small Business Account III	410,650,000		231,520,000	
	(=US\$ 14,000,000)		(=US\$ 8,000,000)	
MIF-Specialized Financial Intermediary Development Fund	476,300,000		476,300,000	
	(=US\$ 15,000,000)		(=US\$ 15,000,000)	
FISF-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)	
	-		-	
Net	1,542,610,000		1,363,480,000	
Total	\$ 1,737,134,829		\$ 1,598,665,021	

- 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 loans in small businesses. Under the agreement, the total investment amount was US\$10,000,000, and the TaiwanICDF's accumulated contribution amounted to US\$10,000,000 as of December 31, 2013 and 2012.
- 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 had invested US\$5,000,000 as of December 31, 2013 and 2012. Based on conservative principles, the TaiwanICDF provided for impairment of NT\$161,750,000 in 2009. The programme has been terminated, and the guarantee period expired in 2013. Accordingly, the aforementioned loss is considered realized.
- 3) The TaiwanICDF engaged 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, 2013 and 2012, 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's accumulated contribution amounted to US\$10,000,000 as of December 31, 2013 and 2012.
- 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's accumulated contribution amounted to US\$14,000,000 and US\$8,000,000 as of December 31, 2013 and 2012, respectively.
- 6) The above listed foreign currency investments projects are stated using the historical exchange rate.
- 7) After assessing the loss on the investment in BTS India Private Equity Fund Limited, the TaiwanICDF provided for impairment of NT\$42,692,839 in 2013 based on conservative principle.
- 8) See Appendix 2 for the statement of changes in financial assets carried at cost for the year ended December 31, 2013.

9. FIXED ASSETS

	December 31, 2013		
	Cost	Accumulated Depreciation	Net Book Value
Mechanical Equipment	\$ 31,393,887	\$ 20,882,379	\$ 10,511,508
Communication & transportation equipment	2,847,815	1,597,960	1,249,855
Miscellaneous equipment	4,104,535	2,728,799	1,375,736
Leasehold improvements	2,309,466	1,448,587	860,879
	\$ 40,655,703	\$ 26,657,725	\$ 13,997,978

	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

See Appendix 3 for the statement of changes in fixed assets for the year ended December 31, 2013.

10. PAYABLES

	December 31, 2013	December 31, 2012
Accrued expenses	\$ 40,623,025	\$ 41,280,720
Retained money payable on completed projects	149,322,718	106,690,990
Other payables	195,599,715	-
	\$ 385,545,458	\$ 147,971,710

11. CONTRACTED PROJECT EXPENSES

	December 31, 2013	December 31, 2012
Contracted project expenses		
Personnel expenses	\$ 505,428,743	\$ 532,080,621
Operating expenses	466,677,292	538,696,768
Travel and transportation expense	62,817,383	61,933,881
Equipment investment expense	22,165,366	28,191,488
Total	\$ 1,057,088,784	\$ 1,160,902,758

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 2011 have been assessed and approved by the Tax Authority.

13. FUNDS

	December 31, 2013	December 31, 2012
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 19, 2014, 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 the 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, 2013.

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

	December 31, 2013	December 31, 2012
Reversal of allowance for doubtful accounts	\$ 4,453,537	\$ 9,125,688
Others	9,451,588	15,840,687
Total	\$ 13,905,125	\$ 24,966,375

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\$86,393,838 and NT\$92,318,901 as of December 31, 2013 and 2012, respectively.
- 2) The account for employees' retirement funds allocated by the TaiwanICDF was detailed as follows:

	December 31, 2013	December 31, 2012
Balance at the beginning of the year	\$ 92,318,901	\$ 96,399,979
Interest income	1,177,330	1,465,525
Contribution during the year	4,000,000	-
Payments during the year	(11,102,393)	(5,546,603)
Balance at the end of the year	\$ 86,393,838	\$ 92,318,901

- 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 \$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, 2013 and 2012 amounted to \$10,246,497 and \$6,524,908, respectively.

17. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	December 31, 2013	December 31, 2012
Personnel expenses		
Salaries	\$ 117,642,581	\$ 115,232,022
Labor and health insurance	11,482,370	8,658,716
Pension	10,246,497	6,524,908
Others	3,274,559	3,303,324
	\$ 142,646,007	\$ 133,718,970
Depreciation	\$ 3,873,530	\$ 3,901,583
Amortization	\$ 1,245,510	\$ 1,231,353

18. PLEDGED ASSETS

The TaiwanICDF's assets pledged as collateral as of December 31, 2013 and 2012 are as follows:

Pledged asset	December 31, 2013	December 31, 2012	Purpose
Other financial assets-current	\$ 932,897	\$ -	Tender security

19. COMMITMENTS AND CONTINGENCIES

- 1) Pursuant to the Regulations for Loans by the International Cooperation and Development Fund, the loan amount in U.S. dollars under the loan agreements entered into by the TaiwanICDF amounted to US\$235,271,488.8 and US\$247,140,769.35 as of December 31, 2013 and 2012, respectively. The total amount of loans drawn down amounted to US\$221,306,635.12 and US\$213,947,697.63, and the undisbursed committed balance amounted to US\$13,964,853.68 and US\$33,193,071.72 as of December 31, 2013 and 2012, respectively. Additionally, the loan amount in Euro amounted to EUR56,553,755.54 as of December 31, 2013 and 2012. The total amount of loans drawn down amounted to EUR20,837,674.52, and the undisbursed committed balance amounted to EUR35,716,081.02 as of December 31, 2013 and 2012.
- 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\$58,132,652 and US\$52,064,625 had been invested as of December 31, 2013 and 2012, respectively. The balance of the commitment was US\$6,867,348 and US\$12,935,375 as of December 31, 2013 and 2012, 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, 2013 and 2012.
- 3) The TaiwanICDF had entered into a lease agreement with the 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.

20. RECLASSIFICATION

Certain accounts in the 2012 financial statements were reclassified to conform with the 2013 financial statement presentation.

21. 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, 2013 and 2012, the book value of "Properties under Custodianship" was NT\$376,220,562 and NT\$675,618,570, respectively. In addition, as of December 31, 2013 and 2012, 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\$57,084,686 and NT\$60,614,954, respectively.

2) The MOFA has engaged the TaiwanICDF to manage the Central American Economic Development Fund (ROC-CAEDF). As of December 31, 2013 and 2012, the total amount of the ROC-CAEDF was NT\$7,647,188,575 and NT\$7,459,167,576, respectively, and the details of the financial assets of the ROC-CAEDF are as follows:

	December 31, 2013		December 31, 2012	
	US\$	NT\$	US\$	NT\$
Cash in bank	\$ 679,332	\$ 20,247,502	\$ 986,382	\$ 28,626,097
Time deposits	254,376,718	7,581,698,086	254,341,779	7,373,368,166
Interest receivable	1,366,219	40,720,162	1,839,529	53,327,956
Prepaid expenses	150,761	4,522,825	131,609	3,845,357
Total	\$ 256,573,030	\$ 7,647,188,575	\$ 257,299,299	\$ 7,459,167,576

International Cooperation and Development Fund
Statement of Changes in Long-term Loans
For the Year Ended December 31, 2013

(Expressed in NT\$)

	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	\$ 189,192,963	\$ -	\$ 13,572,720	\$ 175,620,243	May. 2010 - May. 2029 (Note)
Highway Construction Loan Project in Costa Rica	536,969,131	-	98,558,024	438,411,107	Nov. 2006 - May. 2018
The expansion of Terminal Moin Port in Costa Rica	58,618,987	-	29,309,494	29,309,493	Jun. 2003 - Dec. 2014
Quimistan Valley Irrigation Project in Honduras	167,514,978	-	19,295,098	148,219,880	Nov. 2005 - Nov. 2021
Housing Solidarity Reconstruction Program in Honduras	101,728,860	-	9,328,860	92,400,000	May. 2004 - Nov. 2023
Phase I Housing Solidarity Reconstruction Program in Nicaragua	113,719,785	-	9,920,790	103,798,995	Jul. 2004 - Jan. 2024
Phase II Housing Solidarity Reconstruction Program in Nicaragua	105,741,283	-	8,082,672	97,658,611	Mar. 2006 - Sep. 2025
Guatemala Rio Polochic Region Recovery Program	79,420,899	-	10,128,273	69,292,626	Jul. 2004 - Jan. 2024
Technical Education Project in Guatemala	167,689,071	-	17,998,617	149,690,454	Aug. 2007 - Feb. 2022
Housing Solidarity Reconstruction Program in El Salvador	76,259,542	-	6,588,000	69,671,542	Nov. 2004 - May. 2024
Program for Environmental Pollution Control in Critical Areas in El Salvador	143,253,364	-	17,332,122	125,921,242	Nov. 2006 - May. 2021
Belize Tourism Development Project / Caracol road	57,552,710	-	4,525,680	53,027,030	Nov. 2005 - May. 2026
Belize Southern Highway Rehabilitation Project	140,118,782	-	21,841,668	118,277,114	Aug. 2003 - Feb. 2019
CABEI SMME Re-lending Project	130,414,286	-	43,471,428	86,942,858	May. 2009 - Nov. 2015
Program for Modernizing the National Congress and the Office of the Comptroller General in Dominican Republic	88,969,676	-	6,815,768	82,153,908	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	315,903,889	-	35,219,044	280,684,845	Aug. 2001 - Feb. 2021
Third Urban Water-Supply Project in Papua New Guinea	68,450,486	-	11,484,530	56,965,956	Nov. 2000 - Nov. 2018
Village Loan Project in the Solomon Islands	2,224,155	-	2,224,155	-	Mar. 2002 - Sep. 2013
Credit Project for Small Farms in South Africa	\$ 37,304,385	\$ -	\$ 17,522,771	\$ 19,781,614	Mar. 2000 - Mar. 2014
Two International Roads Project	40,382,547	-	7,342,280	33,040,267	Nov. 2003 - May. 2018
Rural Credit Project in Burkina Faso	50,360,470	-	4,779,416	45,581,054	Nov. 2005 - May. 2023
Microfinancing and Capacity Building Project in the Gambia	12,811,995	-	1,067,666	11,744,329	Mar. 2010 - Sep. 2024
Agricultural Production Reactivation Phase II in Nicaragua	138,665,374	-	8,630,912	130,034,462	Mar. 2011 - Sep. 2028
Lower Usuthu Smallholder Irrigation Project in Swaziland	120,109,620	-	8,897,010	111,212,610	Jul. 2009 - Jan. 2026
Small Farmholders' Financing Scheme--El Salvador - Agua Azul project	2,049,520	-	2,049,520	-	Dec. 2013
Information Technology School Project	122,738,048	-	-	122,738,048	Sep. 2014 - Mar. 2031
Microcredit project in St. Vincent and the Grenadines Second Phase	8,557,500	-	2,445,000	6,112,500	Nov. 2012 - May. 2016
Small Farmholders' Financing Scheme--El Salvador - Fruit and Vegetable project	6,470,000	-	6,470,000	-	Dec. 2013
Microcredit project in St. Kitts & Nevis Second Phase	11,329,500	-	3,237,000	8,092,500	Sep. 2012 - Mar. 2016
Technical and Vocational Education and Training project in the Gambia	46,814,653	11,738,063	-	58,552,716	Jan. 2016 - Jul. 2031
Small Farmholders Loan Project in Belize for Export Papaya Production	6,751,950	-	-	6,751,950	Jan. 2016
CABEI's Special Fund for the Social Transformation of Central America	171,502,432	-	10,088,378	161,414,054	May. 2012 - Nov. 2029
CABEI SMME Re-lending Project--Phase II	291,873,993	-	-	291,873,993	Jan. 2014 - Jul. 2020
CABEI's Special Fund for the Social Transformation of Central America Phase II	-	98,354,275	-	98,354,275	Nov. 2014 - May. 2032
TaiwanICDF-CABEI Technological and Vocational Education and Training Student Loan Fund	-	22,349,977	-	22,349,977	Jan. 2015 - Jul. 2024
FINCORP MSME Re-lending Project	-	118,680,000	-	118,680,000	Jul. 2014 - Jan. 2019
The Green Energy Special Fund	863,096,479	-	-	863,096,479	The period depends on the sub-project.
	4,504,183,073	\$ 251,122,315	\$ 438,226,896	4,317,078,492	
Less: Allowance for doubtful accounts	(115,324,140)			(110,865,361)	
	\$ 4,388,858,933			\$4,206,213,131	

Note: Under a resolution of the TaiwanICDF's 51st board, the TaiwanICDF has agreed for MOFA to repay the remaining loan balance under a term of 20 years. In its Wai-Jing-Fa Letter No. 10101172470 dated December 31, 2012, MOFA committed to pay the loan balance annually for three years beginning 2012. As of December 31, 2013, MOFA had repaid US\$5,793,162.77. In its Tsai-Kuo-Ho-Fa-Tou-Jong Letter No. 1035000198 dated March 28, 2013, the TaiwanICDF urged MOFA to fulfill its guarantee obligation.

International Cooperation and Development Fund
Statement of Changes in Financial Assets Carried at Cost
For the Year Ended December 31, 2013

(Expressed in NT\$)

	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	None
Less: Accumulated impairment		(6,000,000)		-		-		(6,000,000)	
		124,000,000		-		-		124,000,000	
BTS Private Equity Fund in India	6.8%	121,991,506	-	2,032,647	-	-	6.8%	124,024,153	None
Less: Accumulated impairment		(10,806,485)		(42,692,839)		-		(53,499,324)	
		111,185,021		(40,660,192)		-		70,524,829	
		235,185,021		(40,660,192)		-		194,524,829	
International Institution Investment Fund:									
FISF-Small Business Account		325,000,000		-		-		325,000,000	None
FISF-Small Business Account-Phase II		330,660,000		-		-		330,660,000	None
FISF-Small Business Account-Phase III		231,520,000		179,130,000		-		410,650,000	None
MIF-Specialized Financial Intermediary Development Fund		476,300,000		-		-		476,300,000	None
FISF-Trade Facilitation Program		161,750,000		-		-		161,750,000	None
Less: Accumulated impairment		(161,750,000)		-		-		(161,750,000)	
		-		-		-		-	
		1,363,480,000		179,130,000		-		1,542,610,000	
		\$ 1,598,665,021		\$ 138,469,808		\$ -		\$ 1,737,134,829	

International Cooperation and Development Fund
Statement of Changes in Fixed Assets
For the Year Ended December 31, 2013

(Expressed in NT\$)

	Beginning Balance	Acquisition	Disposal	Ending Balance	Note
Cost					
Mechanical equipment	\$ 31,653,238	\$ 1,506,863	(\$ 1,766,214)	\$ 31,393,887	None
Communication & transportation equipment	2,643,315	204,500	-	2,847,815	None
Miscellaneous equipment	4,230,072	19,188	(144,725)	4,104,535	None
Leasehold improvements	1,976,268	333,198	-	2,309,466	None
	\$ 40,502,893	\$ 2,063,749	(\$ 1,910,939)	\$ 40,655,703	
Accumulated depreciation					
Mechanical equipment	\$ 19,240,806	\$ 3,083,870	(\$ 1,442,297)	\$ 20,882,379	
Communication & transportation equipment	1,421,046	176,914	-	1,597,960	
Miscellaneous equipment	2,607,438	246,358	(124,997)	2,728,799	
Leasehold improvements	1,082,199	366,388	-	1,448,587	
	\$ 24,351,489	\$ 3,873,530	(\$ 1,567,294)	\$ 26,657,725	
Net book value	\$ 16,151,404			\$ 13,997,978	

Cooperation Projects in 2013

Africa

Country	Project	Sector	Type of Assistance
Burkina Faso	ROC-Burkina Faso Medical 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 Microenterprise Creation and Microcredit	Training	Technical Assistance (Workshop)
The Gambia	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 Consolidation 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
	Overseas Volunteers Program	Public Health and Medicine	Technical Assistance (Volunteer)
	Used Medical Equipment Donation and Training Project	Health	Technical Assistance
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)
	Overseas Volunteers Program	Education/ Tourism	Technical Assistance (Volunteer)
	Used Medical Equipment Donation and Training Project	Health	Technical Assistance
South Africa	Credit Project for Small Farms	Production	Lending
South Sudan	Food Security Assistance for IDPs, Returnees and Host Communities in the Abyei Area (Mercy Corps)	Humanitarian Aid	Technical Assistance (Reconstruction)
	Overseas Volunteers Program	Agriculture/ Education	Technical Assistance (Volunteer)
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
Fiji	Tropical Vegetable and Fruit Cultivation and Extension Project	Agriculture, Forestry and Fishing	Technical Assistance
India	BTS India Private Equity Fund	Production	Investment
Indonesia	Agribusiness Project	Agriculture, Forestry and Fishing	Technical Assistance
	One Village, One Product Agribusiness Project	Agriculture, Forestry and Fishing	Technical Assistance
Kiribati	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
	Overseas Volunteers Program	ICT/ Public Health and Medicine	Technical Assistance (Volunteer)
Marshall Islands	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
	Overseas Volunteers Program	Translation and Interpretation Services/ Education	Technical Assistance (Volunteer)
Nauru	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
Palau	Horticulture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Overseas Volunteers Program	Public Health and Medicine	Technical Assistance (Volunteer)
Papua New Guinea	Agriculture Integrated Development Project	Agriculture, Forestry and Fishing	Technical Assistance
Solomon Islands	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
	Census and Classification of Plant Resources in the Solomon Islands	Agriculture, Forestry and Fishing	Technical Assistance
	Rural Credit Project	Economic Infrastructure and Services	Lending
Thailand	Overseas Volunteers Program	Education	Technical Assistance (Volunteer)
	Royal Project Foundation Technical Assistance Horticultural Development Project	Agriculture, Forestry and Fishing	Technical Assistance
Tuvalu	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)
	Overseas Volunteers Program	Education/ Public Health and Medicine	Technical Assistance (Volunteer)
Regional Cooperation Projects	Medical Project in Pacific Island Countries	Health	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
	Technical Assistance to Belize City House of Culture and Downtown Rejuvenation Project	Environmental Protection	Technical Assistance
	Overseas Volunteers Program	Marketing	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—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
	Overseas Volunteers Program	Education	Technical Assistance (Volunteer)
Guatemala	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
	SME Development Project	Trade	Technical Assistance
	Tilapia Feed Mill Investment Project	Agriculture, Forestry and Fishing	Technical Assistance
Honduras	Agricultural Production 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
	Capability Enhancement in Using Geographic Information Systems in Central America—Honduras	Environmental Protection	Technical Assistance
	Honduras Home Garden Project—Emergency Relief for Victims in the South	Humanitarian Aid	Technical Assistance (Emergency Response)
	Overseas Volunteers Program	Education	Technical Assistance (Volunteer)

Country	Project	Sector	Type of Assistance
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
	Specialized Financial Intermediary Development Fund—Program for Increasing Access to Funding to Improve Housing for Low-income Families in Nicaragua	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
	Capability Enhancement in Using Geographic Information Systems in Central America—Nicaragua	Environmental Protection	Technical Assistance
	Overseas Volunteers Program	Education	Technical Assistance (Volunteer)
Panama	Overseas Volunteers Program	Education/ ICT/ Public Health and Medicine/ Tourism	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
	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
	Strengthening the Control and Area-wide Management of Coffee Rust and Other Diseases 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
	Latin America and Caribbean Bamboo Industries Development Project—Ecuador	Agriculture, Forestry and Fishing	Technical Assistance
Paraguay	Floriculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Aquaculture Project	Agriculture, Forestry and Fishing	Technical Assistance
	Feed Production 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)
	Overseas Volunteers Program	Public Health and Medicine	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
	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
	Les Cayes Cereal Crops Development Project	Agriculture, Forestry and Fishing	Technical Assistance
	Haiti New Hope Village Residents Resettlement Project—Phase II	Humanitarian Aid	Technical Assistance (Reconstruction)
	Emergency Cholera Prevention and Response for Vulnerable Households Affected by Hurricane Sandy	Humanitarian Aid	Technical Assistance (Emergency Response)
	Haitian Emergency Liquidity Program (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
	Overseas Volunteers Program	Education/Tourism	Technical Assistance (Volunteer)
St. Lucia	Banana Black Sigatoka Disease Prevention and Treatment Project	Agriculture, Forestry and Fishing	Technical Assistance
	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
	Overseas Volunteers Program	ICT/ Site Preservation/ Public Health and Medicine/ Environmental Protection/ Marketing	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
	Overseas Volunteers Program	Public Health and Medicine	Technical Assistance (Volunteer)

Europe and West Asia

Country	Project	Sector	Type of Assistance
Azerbaijan	EBRD Financial Intermediary Investment Special Fund—Small Business Account—Phase III—TBC Kredit Project	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
Moldova	Green Energy Special Fund—Chisinau Urban Road Sector 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
	Green Energy Special Fund—EU Cohesion Fund Water Co-Financing (R2CF) Sub-Project-Valcea	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
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

Country	Project	Sector	Type of Assistance
Inter-regional Projects	Overseas Investment & Development Corp.	Production	Investment
	Healthcare Personnel Training Program	Health	Technical Assistance
	International Human Resource Development Workshop Program	Training	Technical Assistance (Workshop)
	International Higher Education Scholarship Program	Education	Technical Assistance (Scholarship)
	TaiwanICDF Overseas Volunteers Service	Agriculture/ Education/ ICT/ Public Health and Medicine/ Site Preservation/ Environmental Protection/ Marketing/ Tourism/ Health	Technical Assistance (Volunteer)
	Used Medical Equipment Donation and Training Project	Health	Technical Assistance

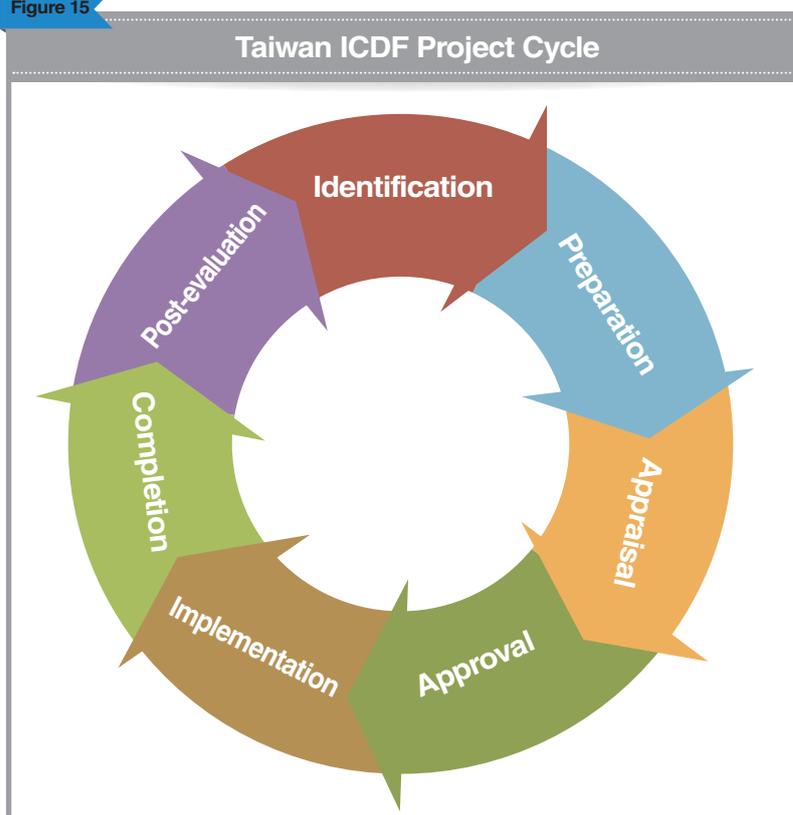
Cooperative Projects with International Organizations, NGOs and Bilateral Development Organizations in 2013

	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
		CABEI-Taiwan/CDF Fund for Consulting Services		Technical Assistance
		Professional Workshops	Training	Technical Assistance (Workshop)
	Development Bank of Southern Africa (DBSA)	Credit Project for Small Farms	Economic Infrastructure and Services	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
		Professional 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	
	Strengthening the Control and Area-wide Management of Coffee Rust and Other Diseases Project	Agriculture, Forestry and Fishing	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	Food Security Assistance for IDPs, Returnees and Host Communities in the Abyei Area	Humanitarian Aid	Technical Assistance (Reconstruction)
		Overseas Volunteers Program	Agriculture/ Education	Technical Assistance (Volunteer)
		Professional Workshops	Education	Technical Assistance
	Red Cross Society of the Republic of China (Taiwan)	Haiti New Hope Village Residents Resettlement Project—Phase II	Humanitarian Aid	Technical Assistance (Reconstruction)
	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	
	Emergency Cholera Prevention and Response for Vulnerable Households Affected by Hurricane Sandy	Humanitarian Aid	Technical Assistance (Reconstruction)	
Bilateral Development Organizations	Afro-Asian Rural Development Organization (AARDO)	Professional 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

Taiwan ICDF 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 15). Through systematic thinking and goal-oriented procedures, this model ensures robust and comprehensive projects that maximize results more effectively while requiring less investment.

Figure 15



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

The purpose of appraising documentation is to perform preliminary checks on projects and so appraisals must be strict. Opinions are presented as a list of criticisms to facilitate effective screening. Tasks are then defined based on the actual needs of projects. This procedure not only enhances the effectiveness of follow-up missions but also prevents the waste of human resources and funds due to excessive traveling as part of preliminary evaluation work.

2. Preparation

- Project design
- Fact-finding mission

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 (such as memoranda and 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 partner 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 Taiwan/ICDF department that is independent from the unit executing the project

TaiwanICDF 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 design and monitoring framework (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.3).

Design	Table 3: Design and Monitoring Framework (DMF)			
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	

After project identification is completed, the DMF itself needs to be created (Table 3), 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 16). 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 (impact←outcome→outputs→activities→inputs). At this point, the project's compliance with the results chain is checked (inputs→activities→outputs→outcome→impact). The contents of the DMF are described below:

1. Outcome

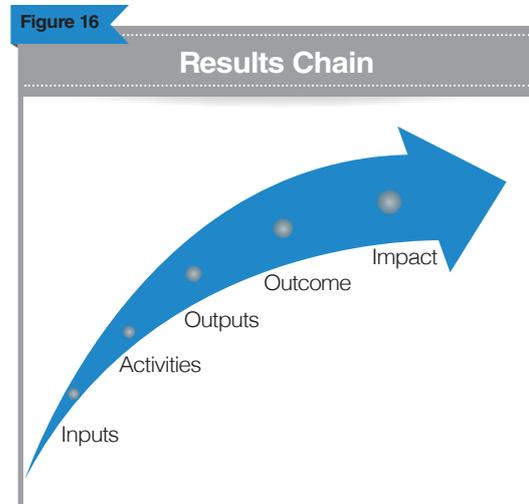
After defining and confirming major problems, the first step is to state the specific goals that the project expects to achieve on completion, the core problems to be solved and the outcome expected at the end of the project. This is the project outcome and also the most important part of the DMF.

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 longer-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 our organization must provide 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 day-to-day operations fairly broadly. These activities will be 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.