



















Core Strategies and Operational Priorities

In recent years, globalization has opened up the world. Major natural disasters, often caused by the onset of climate change, are making the news with increasing frequency. Taiwanese citizens are becoming ever more aware of the kind of issues and problems facing the developing world and, at the same time, showing increasing concern that international aid provided by our government should generate substantive outcomes and benefits.

Having participated in Taiwan's transition from being a recipient to a donor of aid, authorities in government are aware of the ongoing necessity to adjust the strategies underpinning the provision of aid.

Foreign assistance from Taiwan passed yet another milestone on June 15, 2010, following the promulgation of the International Cooperation and Development Act. At the TaiwanICDF, we have a duty to abide by this new item of legislation. We must also maintain our ongoing commitment to President Ma Ying-jeou's three guiding principles for foreign assistance, whereby the relevant agencies must adhere to appropriate motives, due diligence and effective practices.

As such, we implemented a substantial number of organizational reforms and strategic innovations at the TaiwanICDF during 2010. These changes will consolidate our status as Taiwan's dedicated foreign aid organization and allow us to pursue a mission that promotes human development and strengthens diplomatic relations. We continue to refine our medium- to long-term strategies and integrate Taiwan's comparative advantages in specific industrial and technical sectors into our operations.

Following this period of reform, we are now better placed to uphold the spirit of the constitution of the Republic of China (Taiwan), operate in accordance with MOFA's recent White Paper on Foreign Aid Policy, Partnerships for Progress and Sustainable Development, and follow the Organisation for Economic Co-operation and Development's (OECD) Paris Declaration on Aid Effectiveness, which calls on development actors to promote localized, transparent, results-oriented and resource-coordinated methodologies.

Strategies and Operations

Our work with existing partners can now take place within a more professional and effective cooperation framework. We will also seek to expand cooperation with new partners. By drawing on a vision of "realistic idealism," our core strategies will maximize the potential benefits of Taiwan's limited resources and complement the vision of the Millennium Development Goals (MDGs) by seeking to eliminate extreme poverty and hunger, strengthen human resources development, combat infectious diseases and improve health care, promote sustainable development and strengthen global partnerships for development.

Tying Taiwan's Comparative Advantages To Strategic Trends in International Development

The operations of the TaiwanICDF must reflect Taiwan's priorities for development and maximize the effectiveness of the assistance we provide. Each year, we review our policy guidelines and adjust our core strategies on the basis of four criteria: overall strategic outlook, objectives, regional priorities and work plan. The result is a detailed plan of work designed to strengthen interdisciplinary links between projects, which increases the effectiveness of our assistance and advances Taiwanese diplomacy.

During 2010, the TaiwanICDF focused on five strategic objectives: echoing emerging trends in international cooperation and development, and gaining a better understanding of such issues; making a meaningful contribution to the international community, in accordance with the government's overall foreign aid policy; conducting a professional appraisal of current development needs in our partner countries; integrating public and private sector resources, and sharing Taiwan's development experiences; and strengthening cooperation with international organizations and establishing new partnerships. These strategies are designed to complement the framework of the MDGs and make the most of Taiwan's own strengths and comparative advantages. This will allow us to strengthen the effectiveness of our assistance and establish ever closer partnerships with international, multilateral and nongovernmental organizations.

Contemporary Concerns with a Regional And Local Focus

Since the mid-twentieth century, the international community has pursued development goals designed to create a sustainable, balanced and more prosperous world. Although the concept of human security has remained at the heart of this mission, development values have since diversified to encompass other, newer concepts such as individual well-being, national stability, regional development and global sustainability. Furthermore, concepts such as human security and sustainable development have altered over time and differ from region to region. Our core strategies are matched by concrete objectives, ensuring that our priorities reflect the times and focus on local conditions in different regions.

In 2010, we prioritized five contemporary development themes of particular relevance in the international community: poverty alleviation, food security, public health and medicine, climate change and sustainable development, and social development. From these five themes, we then developed nine specific tasks: increase food production; integrate public health care resources; promote information and communications technology (ICT); strengthen human resources development and technical and vocational education and training (TVET); facilitate private sector development; strengthen humanitarian assistance and post-disaster reconstruction; promote environmentally sustainable and clean energy solutions; expand cooperation with international organizations and establish partnerships; and develop cooperation in Aid for Trade. This approach will assist developing partners to overcome the obstacles they face as part of the development process.

The TaiwanICDF's partner countries are spread across the world and due to significant variation in terms of geography, culture, social norms and economic characteristics, these countries face a contrasting and wide-ranging set of development challenges. For this reason, the TaiwanICDF has adopted distinct operational policies that recognize the need to localize assistance.

Long-term problems affecting development in Africa include a lack of food security, particularly in terms of grains and staple foods; insufficient health care resources; limited access to education and training; and inequitable access to ICT. We will redress current imbalances in social and economic development by focusing on food production, providing assistance to improve sanitation and health care, promoting TVET, bridging the "digital divide," supporting the development of the microfinancing sector and implementing projects that improve access to potable water.

In Latin America and the Caribbean, our priorities are to support the development of distinctive industries and export-oriented trade, actively promote the development of agribusinesses and the small- and mediumsized enterprise (SME) sector, build capacity in ICT and promote microfinance and private sector development. Since industrial development in the region will increase demand for wellqualified human resources, we will also expand support for TVET. Meanwhile, we will seek to mitigate the regional impact of climate change by promoting environmental protection and clean energy projects, particularly by expanding the scope of cooperation with international and nongovernmental organizations (NGOs).

Development amongst our Asian-Pacific partner countries faces the most severe constraints: Our Pacific island partner countries are characterized by unique geographies, fragile ecosystems and underdeveloped, vulnerable economies. For this reason, our work in the region will facilitate environmentally sustainable development, strengthen assistance for public health and medicine, nurture personnel training and TVET, and promote the development of the microfinancing sector.

In Central Asia we will diversify the cooperative operations of our Taiwan Technical Missions by implementing new projects in horticulture and landscape design, promoting a wider range of consultancy services and deepening technical cooperation at a local level. In Central and Eastern Europe, we will initiate cooperative projects designed to revive the banking sector and promote further development in trade and microfinancing.





In Pursuit of Pragmatic, Mutually Beneficial, Sustainable Forms of Assistance

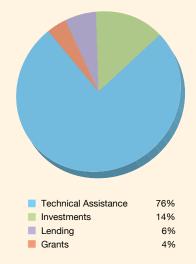
The history of overseas development assistance can be traced back to the advent of the Marshall Plan in 1947. Throughout this time, the international development community has alleviated and addressed problems faced by developing nations by committing considerable financial, material and human resources to the cause. Yet, although the overall standard of living in the developing world has improved significantly over more than half a century, it cannot be denied that the gap between industrialized and developing societies continues to widen. There is still a long way to go if we are to realize our ideal vision of a well-balanced, prosperous world.

The effective application of development aid lifted Taiwanese people out of poverty. In the process, Taiwan gained significant experience and showed the international community that it is possible to overcome the development gap by making the most of valuable resources. Having already provided overseas development assistance for a half-century, Taiwan will continue to pursue pragmatic, mutually beneficial and sustainable forms of assistance into the future. These efforts can make a substantial contribution as part of the international community's unceasing pursuit of a more balanced and prosperous world.

Operational Outlook

Total expenditures associated with all TaiwanICDF projects in 2010 amounted to NT\$2.04 billion (including disbursements of lending and investments of NT\$412.13 million, and technical assistance and grants of NT\$1.63 billion). The largest share of expenditures was given over to technical assistance projects (76 percent, or NT\$1.55 billion), and then projects funded by investments (14 percent, or NT\$295.39 million), lending (six percent, or NT\$116.74 million) and grants (four percent, or NT\$83.31 million).

Total Expenditures by Project (2010)



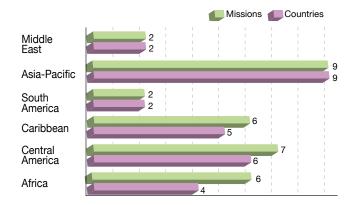
Technical Cooperation

Overseas Missions

MOFA commissions the TaiwanICDF to operate overseas missions. As of the end of 2010, a total of 32 technical, medical, industrial service and trade missions were stationed in 28 countries throughout Africa, Latin America, the Caribbean, Asia-Pacific and the Middle East. These missions were served by 208 technicians, with 86 projects under implementation.

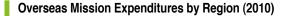
Overseas missions continue to adjust their work according to shifting demand, with an increasing number of projects in ICT and systems planning. Non-agricultural projects accounted for 26 percent of the 86 projects implemented during 2010.

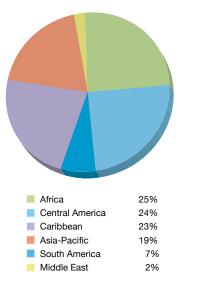
Overseas Missions and Cooperating Countries (2010)

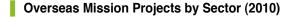


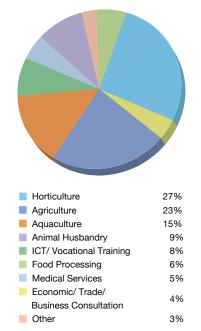
Achievements of Projects Implemented by Overseas Missions (2010)

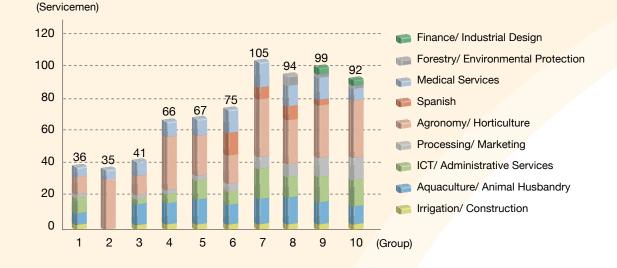
Sector	Area (Hectares)	No. of Persons Trained	Value of Output (US\$)
Agriculture	15,830	31,832	15,255,476
Horticulture	1,492	19,528	5,456,033
Aquaculture	286	8,981	2,357,743
Animal Husbandry	-	10,573	1,355,903
Food Processing	-	2,065	261,581
Vocational Training	-	2,851	96,925
Medical Services	-	(No. of Patients) 909	-
Other	345	11,507	11,216,772
Total	17,953	88,245	36,000,432











Taiwan Youth Overseas Service (Since 2001)

Taiwan Youth Overseas Service

In 2010, we enrolled 92 servicemen to work at overseas missions. This was the tenth group of servicemen to be dispatched since 2001. In late November, these servicemen were posted to 27 missions in 23 partner countries, having completed a six-week period of training. Their scheduled period of service will be completed in September 2011.

Humanitarian and Technical Assistance

Humanitarian Assistance

In 2010, the TaiwanICDF continued to offer humanitarian assistance in areas affected by natural disasters by providing emergency relief and assistance for reconstruction.

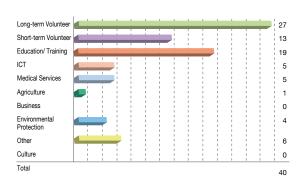
Following the passage of Hurricane Agatha through Guatemala, assistance was provided to Esperanza de Vita, a charitable foundation, to renovate and manage tilapia ponds. These and other forms of assistance have contributed toward economic reconstruction.

Following the January 12 earthquake in Haiti, we cooperated with Taiwan Root Medical Peace Corps to provide free medical treatment for survivors, operated cash-for-work and cholera prevention programs in Port-au-Prince in association with Mercy Corps, and teamed up with World Vision Taiwan to distribute emergency materials, all of which alleviated the effects of the disaster felt on the ground.

During 2010, we also organized the donation of some 800 tons of rice from government stocks. This food aid was distributed throughout Haiti and Kenya by Food For The Poor (FFP) and Feed the Children, alleviating hunger among vulnerable children and the elderly. Similarly, when Hurricane Tomas struck Haiti in November, we cooperated with the Ministry of Agriculture there to release 100 tons of rice seed, which helped local farmers to get agricultural production back on track in short order.

We also accepted a commission from MOFA to implement the Vocational Training and Career Guidance Program in Haiti, which comprises three sub-projects focusing on bricklaying and construction, agricultural production and bamboo handicrafts.

Following severe flooding in Pakistan, we cooperated with Mercy Corps by releasing funds from our joint Humanitarian Cooperation Fund, to support small-scale relief and reconstruction work through the Pakistan Livelihood Recovery Program. We also joined forces with World Vision El Salvador on a project to establish clean and



TaiwanICDF Overseas Volunteers by Category (2010)

sustainable sources of drinking water in Dos Quebradas, San Vicente Municipality.

Through the operation of the TaiwanICDF Overseas Volunteer Service, we have dispatched 491 short- and long-term volunteers to 35 partner countries since 1996. In 2010, 40 new volunteers were enlisted for overseas service. In response to shifting operational demands, we also established a training program through which to create a pool of long-term, reserve volunteers. In addition to providing such volunteers with a higher standard of pre-placement training, the program aims to strengthen participants' understanding of international cooperation and encourage recruitment by raising the visibility of the service.

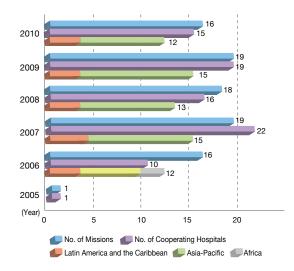
Public Health and Medicine

In 2010, the TaiwanICDF dispatched 16 Mobile Medical Missions (MMMs). To do this, we coordinated and assembled 104 medical personnel from 15 cooperating hospitals and medical institutions in Taiwan, providing services in 12 partner countries. Some 14,000 persons benefitted from these missions.

During 2010, the TaiwanICDF also arranged for 41 medical personnel from partner countries to receive two-month training placements at 19 hospitals and medical institutions in Taiwan, as part of the Healthcare Personnel Training Program. This year the program focused on three specialties: medical administration, biomedical engineering and laboratory medical science.

To improve the quality of medical equipment

Mobile Medical Missions (2005-2010)

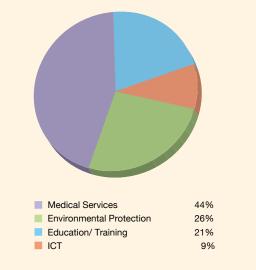


available within partner countries, 2010 also saw the TaiwanICDF initiate a pilot project, Donation and Training of Used Medical Equipment, in cooperation with the Department of Health and partner hospitals. Serviceable equipment worth approximately NT\$11 million was procured and donated to the Regional Hospital in Koudougou, Burkina Faso, which will raise local medical standards by supplementing and replacing outdated equipment.

Technical Assistance

New technical assistance initiatives launched during 2010 included a Computer Learning Center Project in cooperation with FFP, through which 170 N-Computing systems were donated to 52 schools and community centers throughout Haiti. In the wake of the recent earthquake, this equipment continues to provide Haitian children with opportunities to engage in computer-based learning and remain in touch with the world.

In other initiatives, support was also given to technical education and vocational training following the implementation of a Vocational Training Project in the Marshall Islands. The project provides local people with courses in practical skills such as electrical systems, plumbing and automobile maintenance, which should prove to be a stepping stone to further education or employment opportunities in future.



Technical Assistance Projects by Sector (2010)

Elsewhere, technical assistance was provided to address another issue of international concern. By providing imaging from Taiwan's Formosat-2 satellite and operating associated geographic information systems (GIS) in cooperation with Nicaragua's Ministry of the Environment and Natural Resources and the Nicaraguan Institute of Territorial Studies, the TaiwanICDF assisted Nicaraguan authorities to perform regular monitoring of land use and track environmental development. Furthermore, when other partner countries were struck by major natural disasters, the satellite was used to provide rapid-response monitoring of environmental conditions on the ground, marking a new era of "diplomacy through technology."

Lending and Investment

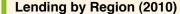
In accordance with our overall strategic plan, the priority for our lending and investment operations during 2010 was to implement the core work plan approved by the Board of Directors.

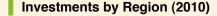
Personnel were involved in the post-disaster recovery of Haiti's financial sector, and also prepared operational guidelines in preparation for the implementation of agricultural microfinancing initiatives by our Taiwan Technical Missions. Additionally, operations continued to promote multilateral cooperation: Negotiations with international organizations reached an advanced stage for two new projects involving co-financing for agribusinesses and clean energy.

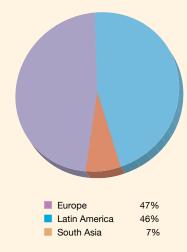
Following the promulgation of the International Cooperation and Development Act and amendments to the Statute Governing the Establishment of the International Cooperation and Development Fund, draft revisions relating to Investment Regulations, Lending Regulations and the organization's statute on Dealing with Past-Due/ Non-Performing Loans and Bad Debts have also been submitted for the review of the relevant authorities.

Overall, institutional reforms and business transformation implemented at the TaiwanICDF during 2010 should allow us to accord our lending and investment operations a much more central role in our development work. Our next task is to build on past experience, integrate these operations into our wider work and adjust project









implementation methodologies. We will station financial experts overseas for periods of service, during which time such colleagues will review the funding requirements of our Taiwan Technical Missions, including requirements for promotional activities, and design plans for agricultural microcredit services and investments that are suited to local conditions. At the same time, we will gradually increase the size and scope of bilateral projects and deepen our involvement in largescale and nationwide lending and investment projects.

In 2010, the TaiwanICDF oversaw 81 lending projects, including Small Farmholders' Financing Schemes. As of December 31, 2010, aggregate loan commitments exceeded US\$550 million. We also oversaw or were involved in 12 investment projects for which commitments amounted to US\$78.84 million, including co-financing operations with international organizations.

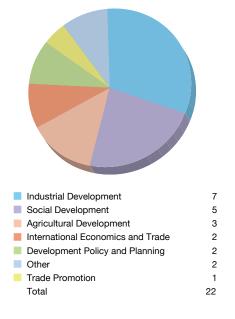
During the year, TaiwanICDF personnel were directly involved in the preparation, appraisal, negotiation, approval, implementation and supervision of 23 lending, investment or grantbased projects. Agreements were signed for four other projects, including two loan projects, one post-disaster financial recovery plan and one agricultural microfinancing project at a Taiwan Technical Mission. Staff from our Lending and Investment Department also participated in the negotiation and appraisal of one agricultural project, two private sector development projects and one clean energy development project in cooperation with other international organizations.

International Education and Training

International Workshops

The purpose of TaiwanICDF international workshops is to assist developing partner countries to develop human resources, particularly by sharing Taiwan's own experience of economic development.

International Workshops by Category (2010)







Each year, we make adjustments to our program of workshops to reflect new topics and issues in contemporary development. This year, in addition to long-standing workshops on themes such as industrial development, trade promotion, agricultural development, social development, international trade and development policy and planning, we introduced new workshops that target the needs of specific partner countries and regions. These included a Workshop on Taiwan's Micro and Small Enterprise Development, for Latin American participants; a Workshop on Technical Education and Vocational Training, for African participants; a Workshop on the Development of the Republic of China (Taiwan), for the benefit of citizens in the Dominican Republic; and a Workshop on River Management and Debris Flow Control, open to Guatemalan government officials.

Twenty-two workshops were held during 2010, attended by 475 officials from 63 countries.

International Higher Education Scholarship Program

The TaiwanICDF's International Higher Education Scholarship Program was initiated to support the increasing demand for highly skilled human resources with our partner countries. Courses offered through the program focus on research and analysis of issues affecting local development in these partner countries. All courses are taught in English and provide students with a high standard of education in their chosen discipline.

Since the program was established in 1998, 640 students have received scholarships. As of the end of 2010, the TaiwanICDF was cooperating with 16 universities to offer 23 undergraduate and graduate degree programs. At this time, 265 students from 28 countries were studying in Taiwan, of whom 107 had been newly enrolled at the start of the academic year in September.

International Workshops (2010)

No.	Workshop	No. of Participants	No. of Countries Represented	Date
1	Healthcare Management (I)	23	20	1/13-1/26
2	Taiwan's Media Development	24	24	3/4-3/16
З	Taiwan's Micro and Small Enterprise Development	13	6	3/1-3/30
4	Technical Education and Vocational Training	15	5	3/31-4/13
5	Agribusiness Strategy and Management	17	15	4/7-4/20
6	Development of Distinctive Local Industries	25	22	5/19-6/01
7	Waste Management	23	19	6/2-6/15
8	Food Safety	25	20	6/17-6/30
9	Taiwan's Economic Planning and Development (I)	25	24	7/7-7/20
10	WTO Technical Barriers to Trade	23	22	7/28-8/10
11	Agricultural Marketing and Rural Development	23	19	8/4-8/17
12	Trade Promotion	22	21	8/18-8/31
13	Community Development	20	18	9/1-9/14
14	Development of the Republic of China (Taiwan) (Dominican Republic)	28	1	9/20-10/1
15	WTO SPS of Poultry and Livestock	23	20	10/13-10/26
16	Healthcare Management (II)	24	22	10/14-10/27
17	Human Capital Management	23	19	10/20-11/2
18	Urban Planning and Development	19	17	10/27-11/9
19	Taiwan's Economic Planning and Development (II)	25	1	11/3-11/16
20	Women's Development	23	21	11/4-11/17
21	Climate Change and Natural Resource Management	19	16	11/10-11/23
22	River Management and Debris Flow Control (Guatemala)	25	1	12/1-12/10
	Total 63 countries	175 participa	ate	

Total 63 countries, 475 participants



Students Enrolled in the International Higher Education Scholarship Program (2010)

			Latin		Control or d	
University	Program	Africa	Latin America and the Caribbean	Asia- Pacific	Central and Eastern Europe; Central Asia	Total
	Undergraduate Program for Tropical Agriculture for Central Americans	-	13	-	-	13
NPUST	Master's Program in Tropical Agriculture	2	12	1	-	15
	Ph.D. Program in Tropical Agriculture	1	2	2	-	5
NCCU	International Undergraduate Program in Business Administration	-	28	-	-	28
NOOD	International Master's in Business Administration	1	12	-	1	14
NTOU	International Master's Program in Aquatic Sciences and Marine Resources Management	4	5	2	-	11
NTNU	Graduate Institute of International Workforce Education and Development	З	12	-	-	15
	International MBA in Technology Management	1	10	-	-	11
NTHU	International Master Program in Information Systems and Applications	1	7	-	-	8
	International Master's Program in Public Health	4	3	1	-	8
NYMU	International Ph.D. Program in Public Health	З	1	-	-	4
NCU	International Master's Program in Environment Sustainable Development	2	10	1	-	13
KSU	International Undergraduate Program in Mechanical Engineering	-	29	1	-	30
N30	International Master's Program in Mechanical Engineering	1	6	-	1	8
NSYSU	International Master's Program in Electric Power Engineering	1	2	1	-	4
YZU	International Master's Program in Industrial Engineering and Management	1	8	1	-	10
NTUNHS	International Health and Nursing Administration Undergraduate Program	-	3	-	-	3
	International Nursing Master of Science Program	6	1	1	1	9
NTU	Agricultural Economics Master Program	4	6	-	-	10
NCKU	International Graduate Program in Civil Engineering and Management	1	7	1	-	9
MCU	Undergraduate Program in International Trade and Management	-	23	-	-	23
KMU	Master's Program in Clinical Medicine	1	2	-	-	З
TMU	International Master's Program in Health Care Administration	З	6	2	-	11
Total		40	208	14	3	265

TaiwanICDF Alumni Society

Region	Africa	Latin America and the Caribbean	Asia-Pacific	Central and Eastern Europe, Central Asia and Middle East
Chapter	The Gambia Ivory Coast Swaziland South Africa	Argentina Belize Chile Colombia Dominican Republic Ecuador El Salvador Guatemala Haiti Honduras Mexico Nicaragua Panama Paraguay Peru St. Kitts and Nevis St. Vincent and the Grenadines	Fiji Kiribati Indonesia-Jakarta Philippines Solomon Islands Thailand Tuvalu Vietnam-Hanoi Vietnam-Ho Chi Minh City	Czech Republic Hungary Latvia Oman Poland Russia
Total	4	17	9	6

Elsewhere, the implementation of the TaiwanICDF Scholarship Program in Mongolia provides funding for the distribution of textbooks and school equipment to 1,000 children from lowincome families per year. Since 2001, around 7,000 children have benefited from the program.

TaiwanICDF Alumni Society

The TaiwanICDF offers annual funding for the establishment and operation of chapters of the TaiwanICDF Alumni Society, which support the activities of former workshop participants and scholarship students. Alumni engage in a range of pursuits such as seminars, orphanage visits or community service and are also invited to take part in and contribute to events organized by Taiwan's overseas diplomatic missions, which helps to maintain good relations between Taiwan and its allies. At present, 36 chapters of the society are in service in 35 countries.

The Republic of China-Central American Economic Development Fund

The Republic of China (Taiwan)-Central American Economic Development Fund was founded in 1998. The secretariat is based at and managed by the TaiwanICDF, and operates in accordance with relevant legislation. The purpose of the Fund, whose member countries include Taiwan, Belize, El Salvador, Guatemala, Honduras, Nicaragua and Panama, is to promote trade, economic cooperation and investor relations between members.

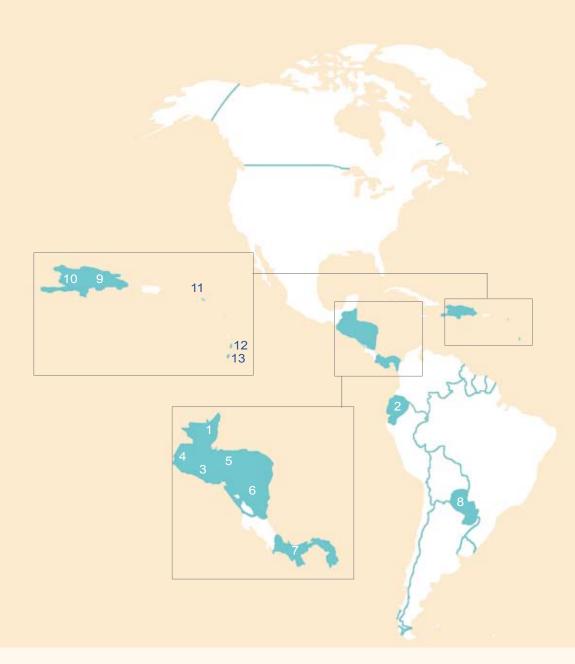
The secretariat of the Fund oversaw two projects during 2010. The first project, Promoting Relations Between the ROC and Friendly Countries by Way of Best Practice Transfers, supported networking and information exchange between member countries on a range of successful projects covering the humanities, education, agriculture, environmental protection, biotechnology, culture and legal reform. The second project involved the construction of an office for the Central American Integration System, SICA.

Meanwhile, the Fund also sponsored the ongoing operation of two scholarship programs open to nationals from member countries: The Scholarship Program for Central American Students Studying in Taiwan, and the Scholarship Program for Human Resources Strengthening in Socio-Economic and Agricultural Development.

Finally, the Fund supported the management of the Central American Trade Office, which conducts exhibitions and visits, facilitates exchange between Taiwan and member countries of the Fund and promotes Central American culture, tourism and goods within Taiwan.

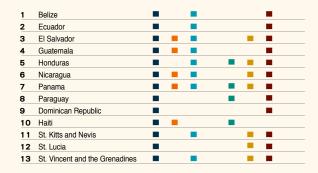


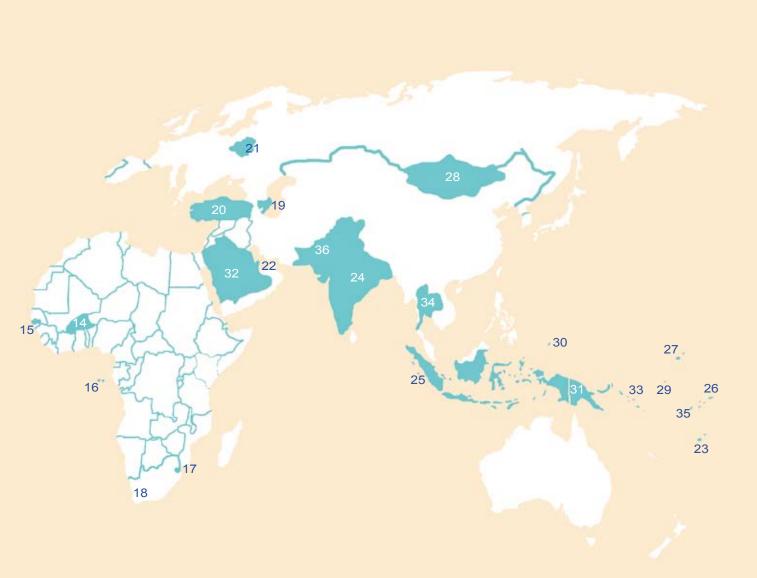
2010 Cooperating Countries and Projects



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

Latin America and the Caribbean





Africa

14	Burkina Faso		
15	The Gambia		• •
16	São Tomé and Príncipe		
17	Swaziland		
18	South Africa		

Central and Eastern Europe; Central Asia

19	Azerbaijan	
20	Turkey	
21	Belarus	

Asia-Pacific and the Middle East

