

The TaiwanICDF 2005 Board of Directors and Supervisors Conferences

1. The 34th Joint Board Conference (March 28, 2005) approved the following:

- (1) The 2004 operational results and settlement of the budget
- (2) The allocation of US\$10 million for the Lombard Asia III Fund, in cooperation with the Asian Development Bank
- (3) A US\$2 million loans for Vocational Education Project in Malawi
- (4) A US\$5 million cofinancing for the Mundo Maya Project - Rio Amarrillo Airport Construction in Honduras
- (5) An early retirement program for the TaiwanICDF staff
- (6) Mr. Hsiao Hsing-ming and Mr. Yang Wen-jung as members of the Consultative Committee
- (7) Mr. Hu Chun-pu to concurrently serve as deputy secretary general

2. The 35th Joint Board Conference (November 14, 2005) approved the following:

- (1) Mr. Chen Cheng-chung as secretary general, Mr. Shao Li-chung as deputy secretary general, and Mr. Hu Chun-pu to concurrently serve as deputy secretary general
- (2) Mr. Chang Chin-sheng as a member of the Consultative Committee
- (3) Medium-term international cooperation strategies and core projects for 2006 to 2008, as well as the 2006 budget
- (4) A joint fund to Consolidation Investment in Latin America through the cooperation of the Executive Yuan's Development Fund
- (5) The commissioning by the Southern Taiwan Science Park Administration to carry out the "Taiwan-El Salvador Park" development and management project
- (6) A US\$10 million loans for the "MSME Re-lending Project" to CABEI

3. The 36th Joint Board Conference (December 23, 2005) approved the following:

- (1) The design of the TaiwanICDF's organization identity system
- (2) Amendments to Regulations Governing Donation and Grants by the TaiwanICDF
- (3) Amendment to guidelines concerning management of the TaiwanICDF's capital
- (4) Approving that surplus funds in 2005 be - used for employees retirement funds
- (5) Amendments to the TaiwanICDF's bylaws
- (6) For financial market operation increase the stock market investment capital from NT\$ 500 Million to NIS 1 Billion
- (7) A special investment account for Agricultural Investment in Nicaragua
- (8) A special account for microcredit project in the Marshall Island

Independent Auditor's Report



14F, 111, SEC.2, NANKING E. RD. TAIPEI 104 ROC
 台北市 104 南京東路 2 段 111 號 14 樓(頂樓)
 T E L : (0 2) 2 5 1 6 - 5 2 5 5 (代 表 號)
 F A X : (0 2) 2 5 1 6 - 0 3 1 2 統 一 編 號 : 0 1 0 4 5 2 1 7

NO.073594EA

The Board of Directors

International Cooperation and Development Fund (TaiwanICDF)

We have audited the balance sheets of the TaiwanICDF as of December 31, 2005 and 2004, and the related statements of income, changes in equity and cash flows for the periods then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. In the matter of the investee companies stated in the foregoing financial statements, we have not audited the financial statements of the Latin America Development Company but had to refer to the report of another independent auditor; hence all opinions stated regarding the amounts declared by the Latin America Development Company stated in the foregoing financial statements are based on the given independent auditor's report. As of December 31, 2004, the long-term investment in the Latin America Development Company amounted to NT\$5,214,042, that is 0.04% of the total assets; moreover, during the period from January 1 to December 31, 2004, investment losses the company suffered from the long-term investment in the Latin America Development Company amounted to NT\$1,759,074, that is (0.09%) of the income of the period.

We conducted our audit in accordance with generally accepted auditing standards. 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 audit and the other independent auditor's report can provide a reasonable basis for our opinion.

In our opinion and the other independent auditor's report, the financial statements referred to above present fairly, in all material respects, the financial positions of the TaiwanICDF as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the periods then ended, in conformity with note No.2 and generally accepted accounting principles in the ROC (Taiwan).

Clock & Co., CPAs
 January 25, 2006

International Cooperation and Development Fund Balance Sheets

December 31, 2005 and 2004

(Expressed in NT\$)

ASSETS	NOTES	2005		2004	
		Amount	%	Amount	%
CURRENT ASSETS		\$ 9,092,265,131	59.64	\$ 9,057,407,642	60.85
Cash and cash equivalents	2, 4	5,100,195,796	33.46	5,931,780,636	39.86
Short-term investments	2, 5	3,728,731,084	24.46	2,801,750,264	18.82
Other receivables	6	228,932,777	1.49	284,910,555	1.91
Other current assets		34,405,474	0.23	38,966,187	0.26
LONG-TERM INVESTMENTS AND LENDING		5,145,866,126	33.76	4,784,834,531	32.15
Long-term lending	2, 7	4,635,549,423	30.41	4,580,590,368	30.78
Less: Allowance for uncollectable accounts		(178,676,015)	(1.17)	(231,402,597)	(1.55)
Long-term investments	2, 8	4,456,873,408	29.24	4,349,187,771	29.23
FIXED ASSETS	2, 9	688,992,718	4.52	435,646,760	2.92
Information equipment		10,034,488	0.07	11,525,334	0.08
Communication & transportation equipment		17,517,089	0.11	17,109,719	0.12
Miscellaneous equipment		1,734,370	0.01	1,734,370	0.01
Lease improvement		3,846,467	0.03	3,720,397	0.02
Less: Accumulated depreciation		19,125,133	0.13	19,470,073	0.13
OTHER ASSETS		42,223,059	0.28	42,034,559	0.28
Suspend accounts receivable	10	(32,188,571)	(0.21)	(30,509,225)	(0.20)
Deposits to suppliers		995,268,987	6.53	1,029,779,630	6.92
Other	2	979,643,701	6.43	1,018,703,631	6.84
TOTAL ASSETS		15,342,544	0.10	10,282,388	0.07
		282,742	—	793,611	0.01
TOTAL ASSETS		\$ 15,243,434,732	100.00	\$ 14,883,547,137	100.00
LIABILITIES AND EQUITY	NOTES	2005		2004	
		Amount	%	Amount	%
CURRENT LIABILITIES		\$ 336,896,952	2.21	\$ 166,890,984	1.12
Accrued expenses	11	106,811,700	0.70	17,191,623	0.11
Other payable		170,718,895	1.12	90,031,880	0.61
Retained money payable		34,243,068	0.23	56,872,119	0.38
Other current liabilities		25,123,289	0.16	2,795,362	0.02
OTHER LIABILITIES		24,184,274	0.16	5,614,750	0.04
Reserve for Guarantee Loss Contingencies		19,308,982	0.13	2,733,137	0.02
Deposits received		4,547,748	0.03	2,619,225	0.02
Other		327,544	—	262,388	—
TOTAL LIABILITIES		361,081,226	2.37	172,505,734	1.16
FUNDS AND SURPLUS					
Initial funds	11	11,614,338,576	76.19	11,614,338,576	78.03
Donated funds	11	854,499,496	5.61	854,499,496	5.74
Accumulated surplus		2,413,515,434	15.83	2,242,203,331	15.07
TOTAL EQUITY		14,882,353,506	97.63	14,711,041,403	98.84
TOTAL LIABILITIES AND EQUITY		\$ 15,243,434,732	100.00	\$ 14,883,547,137	100.00

(Please see Notes to Financial Statements and the January 25, 2005 independent auditor's report of Clock & Co., CPAs for details.)

International Cooperation and Development Fund Statements of Income

For the Years Ended December 31, 2005 and 2004

(Expressed in NT\$)

DESCRIPTION	NOTES	2005		2004	
		Amount	%	Amount	%
REVENUES		\$ 1,982,556,732	100.00	\$ 1,827,454,952	100.00
Revenues from contracted projects	2	1,435,926,918	72.43	1,361,651,905	74.51
Revenues from investment & lending		184,814,677	9.32	195,384,491	10.69
Interest from fund		164,680,935	8.31	139,499,704	7.64
Investment income		14,454,050	0.73	978,014	0.05
Miscellaneous revenues		516,084	0.03	4,004,366	0.22
Other revenues	13	145,199,345	7.31	71,555,387	3.92
Gain on disposal of investments		26,080,477	1.32	54,381,085	2.97
Foreign exchange gain	2	10,884,246	0.55	—	—
EXPENSES		1,811,244,629	91.36	1,818,404,381	99.50
Contracted projects expenses	2	1,435,926,918	72.43	1,361,651,905	74.51
Investment & lending expenses		52,599,540	2.65	56,685,842	3.10
Education training expenses		74,525,067	3.76	97,922,783	5.36
Technical cooperation expenses		65,634,774	3.32	67,224,117	3.68
Operational planning expenses		21,495,921	1.08	39,173,955	2.15
General & administrative expenses		154,366,448	7.79	93,431,496	5.11
Interest expenses		—	—	1,229,500	0.07
Investment losses pursuant to the equity method	2, 8	—	—	1,759,074	0.09
Miscellaneous expenses		156,307	—	—	—
Other expenses		6,539,654	0.33	1,753,729	0.09
Losses on sales of short-term investments		—	—	52,903,497	2.90
Loss on exchange		—	—	44,668,483	2.44
NET INCOME		\$ 171,312,103	8.64	\$ 9,050,571	0.50

(Please see Notes to Financial Statements and the January 25, 2005 independent auditor's report of Clock & Co., CPAs for details.)

International Cooperation and Development fund Statements of Changes in Equity

For the Years Ended December 31, 2005 and 2004

(Expressed in NT\$)

DESCRIPTION	INITIAL FUNDS	DONATED FUNDS	ACCUMULATED SURPLUS	CUMULATIVE TRANSLATION ADJUSTMENTS	TOTAL
Balance, January 1, 2004	\$ 11,614,338,576	\$ 854,499,496	\$ 2,233,152,760	\$ 2,736,626	\$ 14,704,727,458
Cumulative translation adjustments of long-term investment based on stock ownership percentage	—	—	—	(2,736,626)	(2,736,626)
Net income for 2004	—	—	9,050,571	—	9,050,571
Balance, December 31, 2004	11,614,338,576	854,499,496	2,242,203,331	—	14,711,041,403
Net income for 2005	—	—	171,312,103	—	171,312,103
Balance, December 31, 2005	\$ 11,614,338,576	\$ 854,499,496	\$ 2,413,515,434	\$ —	\$ 14,882,353,506

(Please see Notes to Financial Statements and the January 25, 2005 independent auditor's report of Clock & Co., CPAs for details.)

International Cooperation and Development Fund Statements of Cash Flows

For the Years Ended December 31, 2005 and 2004

(Expressed in NT\$)

DESCRIPTION	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 171,312,103	\$ 9,050,571
Adjustments:		
Depreciation expenses	2,945,887	6,527,146
Amortization expenses	120,450	231,979
Unrealized reduction of short-term investment	4,926,120	—
Adjust allowance for bad debt	(34,777,815)	(71,001,292)
Investment losses pursuant to the equity method	—	1,759,074
Gain on disposal of investments	(26,080,477)	(1,477,588)
Loss on disposal of fixed assets	213,559	325,834
Guarantee loss contingencies expenses	—	2,733,137
Changes in assets and liabilities		
Decrease in other receivables	60,798,620	7,972,529
Decrease in other current assets	4,990,063	4,361,347
Increase in accrued expenses	89,620,077	10,723,430
Increase in other payables	80,687,015	7,253,625
Decrease in retained money payable	(22,629,051)	(30,650,539)
Increase in other current liabilities	22,327,927	2,089,257
Net Cash (Used in) Provided by Operating Activities	354,454,478	(50,101,490)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in short-term investments	(905,826,463)	(709,662,174)
Increase in long-term lending	(654,506,347)	(532,089,098)
Recovery long-term lending	592,309,641	682,447,267
Acquisition of long-term investments	(258,560,000)	—
Acquisition of fixed assets	(1,698,212)	(4,779,518)
Proceeds from disposal of fixed assets	—	70,500
Recovery of suspend accounts receivable	44,918,121	—
Increase in deposits to suppliers	(5,060,156)	(10,175,657)
Other	390,419	(677,226)
Net Cash (Used in) Provided by Investing Activities	(1,188,032,997)	(574,865,906)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term liabilities	—	(57,000,000)
Increase (Decrease) in deposits from suppliers and other	1,993,679	(182,359)
Net Cash Used in Financing Activities	1,993,679	(57,182,359)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(831,584,840)	(682,149,755)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,931,780,636	6,613,930,391
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 5,100,195,796	\$ 5,931,780,636
Supplemental Disclosure Of Cash Flow Information		
Cash paid during the year for Interest	\$ —	\$ 1,229,500
Non-cash Investing and Financing activities		
Long-term loans reclassified to suspend accounts receivable	4,117,192	724,706,260

(Please see Notes to Financial Statements and the January 25, 2005 independent auditor's report of Clock & Co., CPAs for details.)

International Cooperation and Development Fund

Notes to Financial Statements

December 31, 2005 and 2004

(Expressed in NT\$ except as cited in particular footnotes)

1. ORGANIZATION AND HISTORY

In accordance with the Statute for the Establishment of the International Cooperation and Development Fund, promulgated by the President of the ROC (Taiwan), 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 and registered as a consortium juridical person in law, with the succession of the net value of the International Economic Cooperation Development Fund (IECDF), which ceased to exist on June 30, 1996.

The mission of the TaiwanICDF is to assist developing countries in their economic growth, strengthen international cooperation, develop foreign relations with allied and friendly countries, and encourage social progress.

2. SIGNIFICANT ACCOUNTING POLICIES

(1) Accounting Basis

Accrual basis, except funds for contracted projects from government agencies or other organizations.

(2) Cash Equivalents

The TaiwanICDF considers all highly liquid instruments purchased with a maturity of three months or less from date of acquisition to be cash equivalents.

(3) Short-Term Investments

Short-term investments are recorded at cost. If they belong to short-term notes, the valuations are based on cost or market price, whichever is lower. In the cases of no market price, the available cost will govern. When they are exchanged before maturity or sold at maturity, their cost and gain or loss are calculated based on specific identification. Income/loss from cost of sold funds and stock certificates is computed through the weighted average method.

(4) Long-Term Lending

The TaiwanICDF loans are recorded and calculated based on actual exchange rate on the date of settlement of exchange.

(5) Long-Term Investments

Long-term investments are recorded based on the cost and valued based on cost method.

Long-term investments, ownership of investee company stocks has not exceeded 20 percent, is appraised based on the cost method. If ownership of investee company stocks has exceeded 20 percent (inclusive), then the equity method is employed, investment gains (losses) suffered from the long-term investment of the income of the period by shareholding ratio.

(6) Allowance for Uncollectable Accounts—Long-Term Lending

The provision of reserve for bad debts is made based on their risk levels in accordance with the Regulation for the TaiwanICDF Deal with Past-Due/Non-Performing Loans and Bad Debts.

(7) Reserve for Guarantee Loss Contingencies

The TaiwanICDF issues guarantees for enterprises to secure loans in compliance with the Regulations Governing Investment & Credit Guarantee of Private Companies in the Countries with Diplomatic Relations promulgated by the MOFA, the reserve has been made for liabilities arising from issuing guarantees as per the Regulations for the TaiwanICDF Deal with Past-Due/Non-Performing Loans and Bad Debts.

(8) Fixed Assets

Fixed assets are recorded at cost. Major improvements, renewals and replacements are capitalized, while repairs and maintenance are expensed currently. 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.

Depreciation is computed by the straight-line method over estimated useful life.

(9) Intangible Assets

Intangible assets are amortized by the straight-line method.

(10) Pension Plan

The staff employed by the TaiwanICDF is entitled to the employee pension and smart money. Seven percent of the employees' enumeration provided by the TaiwanICDF every month and the pension fund allocated to make up the deficiency in accordance with actuarial calculation will be recognized as annual expenses. The pension reserve is deposited in a special purpose account of the financial institution. This fund is not listed as assets of the TaiwanICDF. When the pension is paid out, the payment is made from the pension reserve. In the case of deficiency, the TaiwanICDF will make up for the deficiency which is recognized as expense of the TaiwanICDF.

(11) Foreign-Currency Transactions

Foreign-currency transactions are recorded in New Taiwan dollars at the exchange rate when the transactions occur. Deposits denominated in foreign currencies are translated into New Taiwan dollars at the rates of exchange prevailing at the balance sheet date. Exchange gains or losses are credited or charged to income in the year of actual conversion or settlement.

(12) Receipt and Disbursement of Entrusted Projects

The TaiwanICDF receives funds for entrusted projects from government agencies or other organizations. When the funds are used, the expenditure is charged to Contracted Project Expenditure accounts by project. At the end of each month the amount of accumulated fund expenditures are deducted from the Received in an Advance-Contracted Project Funds account and charged to Revenue from a Contracted Project account.

(13) Expense of Financing-Donation

The TaiwanICDF is in charge of the applications for contributions and donations made by friendly and developing nations. As per the Regulations Governing Donation and Grant by the TaiwanICDF, the amounts of donations and donated materials have been recognized after the TaiwanICDF consulted the relevant authority and the amounts were approved by the board of directors.

3. APPROVAL AND ADJUSTMENT OF FINANCIAL STATEMENTS

The Ministry of Audit should review the receipt and disbursement accounts of government special funds of this foundation. After its review and approval, the receipt and disbursement accounts of government special funds are then settled. If there are any adjustments, the adjustment will be booked in the following year.

4. CASH AND CASH EQUIVALENTS

	December 31, 2005	December 31, 2004
Petty cash	\$ 110,000	\$ 110,000
Demand deposits	637,221,335	143,095,367
Checking deposits	3,611,390	100,000
Time deposits	4,399,299,672	4,909,259,216
Cash equivalents—Short-term notes	59,953,399	879,216,053
Total	\$5,100,195,796	\$5,931,780,636

5. SHORT-TERM INVESTMENTS

	December 31, 2005	December 31, 2004
Company bonds	\$2,784,973,949	\$2,527,790,989
Government bonds	731,492,337	114,419,221
Beneficiary certificates	—	3,547,455
Marketable stock	217,190,918	155,992,599
Total	3,733,657,204	2,801,750,264
Less: Allowance for reduction of short-term investment to market	(4,926,120)	—
Net	\$ 3,728,731,084	\$ 2,801,750,264

6. OTHER RECEIVABLES

	December 31, 2005	December 31, 2004
Interest receivable	\$ 99,349,275	\$ 81,548,754
Retained money receivable	6,048,083	18,573,911
Receivable due to sale of shares	8,175,491	57,164,097
Receivable liquidation	11,273,133	—
Other receivables	105,255,328	128,988,048
Total	230,101,310	286,274,810
Less: Allowance for uncollectable accounts	(1,168,533)	(1,364,255)
Net	\$ 228,932,777	\$ 284,910,555

- (1) The loans interest dues amounting to US\$6,620,776.54 of the Subic Bay Industrial Park Development Project-Phase I & II and the Paraguay Industrial Park loans reclassified to suspend accounts receivables and Grenada Micro Credit pursuant to the Regulations for the TaiwanICDF Deal with past-Due/ Non-Performing Loans and Bad Debts should also be noted.
- (2) As of December 31, 2005, other receivables amounting to NT\$85,515,628 belong to the fund used by the MOFA for investment into the Skopje Development Management Co., Ltd. in the FYR Macedonia. However, after the ROC (Taiwan) and the FYR Macedonia cut diplomatic ties, the MOFA terminated the development project. Therefore, pursuant to MOFA instructions, the TaiwanICDF transferred the funds from “long-term loan investment” to “other receivables.” Efforts have been made to find a buyer for this investment project. In addition, the relevant authority issued a letter, (93) Chin-Mao-Er-Tzu-Ti No. 09301014920, to the TaiwanICDF. As per the letter, the TaiwanICDF was instructed to make payment for the fund required in this project. If the remaining amount after the liquidation of the project is less than the above payment, the relevant authority will reimburse the difference.
- (3) Allowance for bad debts from long-term loan interest receivable are computed based on the Regulation for the TaiwanICDF Deal with Past-Due/ on-Performing Loans and Bad Debts.

7. LONG-TERM LENDING

	December 31, 2005	December 31, 2004
Long-term lending	\$ 4,635,549,423	\$ 4,580,590,368
Less: Allowance for uncollectable accounts	(178,676,015)	(231,402,597)
Total	\$ 4,456,873,408	\$ 4,349,187,771

- (1) The TaiwanICDF conducts long-term lending in accordance with the Regulations Governing the TaiwanICDFin Loans and Investment, approved by the Executive Yuan. To the end of December 31, 2005, actual loans were US\$145,885,252.83.
- (2) Allowances for uncollectable accounts were based on the Regulations for the TaiwanICDF Deal with Past-Due/Non-Performing Loans and Bad Debts.
- (3) The overdue lending plans involving in the long-term lending cased as of December 31, 2005 are detailed below: (Unit: US\$)

Country	Plan	Date Prescribed for Repayment	Principal	Interest	Promise Fee	Deferred Interest	Total	Remarks
Costa Rica	Highway construction project	2005.11.15	\$ —	\$ 68,333.33	\$ —	\$ —	\$ 68,333.33	
Senegal	Mid- and small-sized enterprise re-financing project	2005.12.16	3,733,333.24	55,896.29	—	—	3,789,229.53	
	Sum		\$3,733,333.24	\$124,229.62	\$ —	\$ —	\$3,857,562.86	

PS: The above-mentioned plan does not include case by write-off or cases reclassified to suspend accounts receivable.

8. LONG-TERM INVESTMENTS

	December 31, 2005		December 31, 2004	
	Investment Cost	Shareholding Ratio	Investment Cost	Shareholding Ratio
Equity method:				
Latin America Development Company	\$ —	—	\$ 5,214,042	28.57%
Cost method:				
Overseas Investment & Development Corporation	130,000,000	14.44%	130,000,000	14.44%
Micro-Credit National S.A.	2,895,918 (USD91,368)	5%	2,895,918 (USD91,368)	5%
Foundation investment				
EBRD—Financial Intermediary Investment Special Fund	426,816,800 (USD12,500,000)	—	297,536,800 (USD8,500,000)	—
European currency fund—Small business development project	129,280,000 (USD 4,000,000)	—		
Total	\$ 688,992,718		\$ 435,646,760	

- (1) The TaiwanICDF conducts long-term investment in accordance with the Regulations Governing, the TaiwanICDF Fund in Loans and Investment approved by Executive Yuan.
- (2) The TaiwanICDF commissioned the EBRD to manage the Financial Intermediary Investment Special Fund for dealing with investment and lending plans with private in Central and Eastern Europe by offering funds mutually. According to the contract, US\$12,500,000 must be put in the investment. US\$12,500,000 has been invested as of December 31, 2005.
- (3) The TaiwanICDF commissioned the EBRD to undertake the FIISF-the Small Business Account for dealing with investment and lending plans in small business by offering funds mutually. According to the contract, US\$10,000,000 must be put in the investment. US\$4,000,000 has been invested as of December 31, 2005.
- (4) The investment in the Latin American Development Co., Ltd. had been dealt under the equity method in 2003. The TaiwanICDF recognized the loss of NT\$1,759,074 from the Latin American Development Co., Ltd. as per the financial statement audited by the CPA in 2004. The company was dissolved according to the resolution adopted in the special shareholders' meeting on July 13, 2005.
- (5) Above investments projects in foreign currencies took the amount actually converted at the exchange rate on the day when the exchange was actually settled as the investment costs.

9. FIXED ASSETS

	December 31, 2005		
	Cost	Accumulated Depreciation	Net
Information Equipment	\$ 17,517,089	\$ 9,843,209	\$ 7,673,880
Communication & Transportation Equipment	1,734,370	865,250	869,120
Miscellaneous Equipment	3,846,467	2,354,979	1,491,488
Lease Improvement	19,125,133	19,125,133	—
Total	\$ 42,223,059	\$ 32,188,571	\$ 10,034,488

	December 31, 2004		
	Cost	Accumulated Depreciation	Net
Information Equipment	\$ 17,109,719	\$ 8,481,328	\$ 8,628,391
Communication & Transportation Equipment	1,734,370	754,965	979,405
Miscellaneous Equipment	3,720,397	2,050,284	1,670,113
Lease Improvement	19,470,073	19,222,648	247,425
Total	\$ 42,034,559	\$ 30,509,225	\$ 11,525,334

Depreciation for 2005 and 2004 are NT\$2,945,887 and NT\$6,527,146, respectively.

10. SUSPEND ACCOUNTS RECEIVABLE

	December 31, 2005		December 31, 2004	
	Loans (US\$)	Loans (US\$)	Loans (US\$)	Loans (US\$)
Nauru Parkview Hotel Building Loan Project	\$ —	\$ —	\$ 145,386.37	\$ 5,000,000
Industrial Park Development Project in Paraguay	11,003,488.32	355,803,957	11,003,488.32	355,803,957
Subic Bay Industrial Park Development Project—Phase I	21,561,678.55	601,960,282	21,561,678.55	601,960,282
Subic Bay Industrial Park Development Project—Phase II	3,161,432.94	98,888,952	4,410,097.25	138,453,324
Grenada—Micro Credit Project	126,165.10	4,317,127	—	—
Total		1,060,970,318		1,101,217,563
Less: Allowance for uncollectable accounts		(81,326,617)		(82,513,932)
Net		\$ 979,643,701		\$1,018,703,631

(1) The amount of US\$3,503,718.35 has been collected as the repayment of the loan in Nauru Parkview Hotel Building Loan Project in 2005, which has been listed as other income after the 2004 delinquent debts were deducted.

(2) The TaiwanICDF evaluated the substantial situation about the guarantees in the above urgently-demanded-loan cases in accordance with the Regulations for the TaiwanICDF Deal with Past-Due/Non-Performing Loans and Bad Debts. The allowance for bad debts of Grenada Micro Credit Project is 25%. Moreover, the relevant authority will discharge the obligation of assumption in respect of the urgently-demanded loan of the Paraguay Industrial Park on a consecutive basis as per (94) Wai-Chin-Mao-Er-Tzu-Ti No. 0943200189 letter. In terms of the delinquent debts arising from the Subic Bay Industrial Park Development Project Phase I & II, the Development Bank of the Philippine has issued a promissory note as guarantee for the first phase debt while the International Commercial Bank of China (ICBC) has issued a Stand-by Letter of Credit for the second phase to protect the TaiwanICDF right over the debt. In compliance with the decision made in the 33rd term of the joint meeting of directors and supervisors, the TaiwanICDF allocated the 20% of the urgently-demanded loan of Paraguay Industrial Park Project and the 1% of Phase I & II loans of the Subic Bay Industrial Park Development Project to allowance for bad debts.

(3) Loan cases for debt arrangement are detailed as follows: (Unit: US\$)

Loan Case	Year of Debt Arrangement	Amount as Creditor's Right before Debt Arrangement	Amount as Creditor's Right after Debt Arrangement	Amendment Condition	Amount as Creditor's Right on 31 Dec. 2004
Subic Bay Industrial Park Development Project—Phase I	2004	\$21,157,894.32	\$21,157,894.32	Loan was extended for two years from 2004, interest rate was charged to 3.3% from 3.5% (The negotiation of re-payment terms was completed in 2005, which is now awaiting the approval of the Executive Yuan.)	\$21,561,678.55
Subic Bay Industrial Park Development Project—Phase II	2004	4,351,900.71	4,351,900.71	Received guarantee Letter of credit, interest rate was changed to 5.3% from 5.5%	3,161,432.94

11. FUNDS AND CURRENT SURPLUS AND DEFICIT

The Fund took the net worth (NT\$11,614,338,576) of the TaiwanICDF, Ministry of Economic Affairs (MOEA), on 30 June 1996 as the founding fund (NT\$11,634,131,427 in total assets, NT\$19,792,851 as the total liabilities). In the registration with the court for judicial person, the total assets as shown in account closing (NT\$11,634,131,427) of the TaiwanICDF, MOEA, were registered as the total property value.

The donated funds in the TaiwanICDF include NT\$4,423,541 of Overseas Technological Cooperation Commission of the MOFA for overseas technological cooperation consolidated in the TaiwanICDF on July 1, 1997; the NT\$600,000,000 sum donated by MOFA on 16 January 2000; and the US\$6,000,000 sum, equivalent to NT\$197,820,000, provided by the MOFA on April 3, 2001 for investment in the Skopje Development & Management Co., Ltd. in the FYR of Macedonia. However, the subsequent ROC-Macedonia diplomatic tie cut also led to the MOFA's cancellation of this development plan. Hence, the TaiwanICDF returned the remaining unused funds (US\$3,489,285.55) for this investment to the MOFA in April 2003. The utilized fund amounting to US\$2,510,714.45 was declared as "long-term loan and investment" and pursuant to the MOFA instructions, the amount was reclassified from "donated funds" to "other receivables" and the related "long-term loan and investment" was reclassified to "receivables – other receivables"; the NT\$250,075,955 sum provided by the MOFA on 31 December 2001 as required for Regulation for the Taiwan ICDF in Providing Guarantee for Credit Facilities extended to Private Enterprises who Invest in Countries with Formal Diplomatic Relationships; totaling NT\$854,499,496.

12. RETIREMNET FUNDS

The special account for employees' retirement funds allocated by the TaiwanICDF is detailed below:

	2005	2004
Balance at the beginning of this term	\$ 21,204,023	\$ 19,933,874
Allocation of this term	19,894,139	4,531,230
Interest income	86,578	86,719
Payment of this term	(25,043,293)	(3,347,800)
Balance at the end of this term	\$ 16,141,447	\$ 21,204,023

The amount of retirement funds payable NT\$54,587,516 at the end of the year had been allocated to the special account on January 6 2006.

13. OTHER REVENUES

	2005	2004
Reverse on allowance for bad debt	\$ 34,777,815	\$ 71,241,238
Income converted from delinquent debts (Nauru case)	110,420,530	—
Other	1,000	314,149
Total	\$ 145,199,345	\$ 71,555,387

14. COMMITMENTS

- (1) Pursuant to the Regulations Governing TaiwanICDF in Loans and Investment, the Fund had signed contracts with foreign governments amounting to US\$436,219,733.17 as of December 31, 2005. The loans having been granted as of the said dates amounted to US\$382,761,182.97, with US\$53,458,550.20 committed balances.
- (2) The assets under the TaiwanICDF custody and operation as consigned by the government do not belong to the Fund. The TaiwanICDF entered into these funds into account as Properties Under Custody” and “Custody Property Payable.
The Properties Under Custody were entered at cost. Expenditures for major addition, renewal and improvement were entered as revenues and expenditures of consigned projects. Upon dispossessing, the cost was deducted out of the book amount. As of December 31, 2005, the Properties Under Custody showed NT\$793,867,648 book value.
- (3) As of December 31, 2005, and pursuant to the MOFA approved Regulation for the TaiwanICDF in Providing Guarantee for Credit Facilities Extended to Private Enterprises who Invest in Countries with Formal Diplomatic Relations, the TaiwanICDF had provided guarantees for credit facilities extended to private enterprises amounting to US\$1,160,202.76 and NT\$169,887,359.
- (4) The Central American Economic Development Fund (CAEDF) under the Fund’s management as consigned by the MOFA does not belong to the Fund. The fund entered into account in equivalent asset titles and collection for third party. As of December 31, 2005 and 2004, the assets show details below:

	December 31, 2005		December 31, 2004	
	US\$	NT\$	US\$	NT\$
Cash in bank	\$ 2,482,441.94	\$ 81,506,168	\$ 5,774,251.20	\$ 182,813,435
Time deposits	125,756,246.82	4,124,804,896	102,196,138.93	3,235,529,758
Interest receivable	2,137,466.04	70,108,886	687,068.00	21,752,573
Clearing account	502,065.12	16,856,025	573,028.29	19,141,899
Total	\$130,878,219.92	\$ 4,293,275,975	\$109,230,486.42	\$ 3,459,237,665

Table of Regional Cooperation Projects

Cooperation Projects in Africa	
Burkina Faso	
Bagré Right Bank Farmland Reclamation Project	This project is developing 1,200 hectares of farmland and carrying out irrigation engineering, as well as providing maintenance for roads, transport systems and rice fields. The Technical Mission also provides rice cultivation and extension, offers training and creates production and marketing teams.
Upland Rice Cultivation Extension Project	This project is developing 1,460 hectares of farmland in Dionkélé. In cooperation with the Burkina Faso Ministry of Agriculture, upland rice cultivation is now being extended nationwide on 4,540 hectares for a total of 6,000 hectares.
Fisheries Development Project	A fresh water fish breeding research and development center has been established in the Bagré Right Bank farmland reclamation area, including breeding ponds, an office, a laboratory and a training center. Tilapia fry will be provided for commercial use. Various trials are being conducted to determine the optimal cultivation models. In addition, local crops and by-products are being used to develop the most suitable feed.
Medical Assistance Project	The medical mission is providing services at CHR de Kougougou L'Hopital de l' Amitie in Koudougou, offering knowledge and technology transfers to boost the medical standards of the hospital.
ICT Cooperation Feasibility Study	Experts in ICT have been sent to Burkina Faso to assess the development of these sectors and collect related information to serve as a reference in implementing future ICT cooperation projects.
Rural Credit Project	Channel through Banque Agricole et Commerciale du Burkina to provide small loans to farmers and women in order to improve production and business activities, increase employment opportunities in the rural area.
Taiwan Overseas Volunteers	The TaiwanICDF has sent three volunteers to engage in environmental protection, handicrafts and medical work.
Taiwan Youth Overseas Service	The TaiwanICDF has provided 11 servicemen for assistance in the areas of hydraulic engineering, farming machinery maintenance, aquaculture, administration and medicine.
Chad	
Rice Yield Increase Project	Another 100 hectares of farmland has been reclaimed in Kolobo. Assistance has been provided in creating a paddy and upland rice production zone as well as in organizing production and marketing teams with farmers. Work is being carried out to maintain irrigation systems and improve farm roads. Locals are being trained to repair farm machines, and farmers are being instructed on enhanced rice growing techniques. A revolving fund has been established to provide capital for fertilizers and pesticides to help farmers achieve self-reliance.
Vegetable Production Marketing Team Project	The Technical Mission continues to establish vegetable plots in the Djadeya area near the capital of N'Djamena. It has also developed a five-hectare area for plots, has helped farmers in establishing production and marketing organizations, and has provided assistance in farming technology and marketing, helping to boost profits.

Medical Assistance Project	The Medical Mission provides services at N'Djamena's L'Hospital de la Liberte in pediatrics, acupuncture, surgery, pathology and ultra-sound. It also offers training of medical personnel and periodically holds free clinics to boost the impact of its services.
Taiwan Youth Overseas Service	The TaiwanICDF has provided 13 servicemen for assistance in the areas of hydraulic engineering, agronomy, administration and medicine.
The Gambia	
Paddy Rice Yield Increase and Agricultural Machinery Center Project	Cooperation is being carried out with the local government in the extension of 500 hectares of paddy and upland rice, and farmers are also being assisted in creating 40 hectares of rice seed. The TaiwanICDF is working with ActionAid on developing 80 hectares of tidal rice paddies and is expanding the grinding factory, strengthening the grading system and packaging, and instructing farmers on marketing the high quality rice.
Vegetable Yield Increase and Extension Project	The Technical Mission is providing assistance in giving production materials and technical consultations to production and marketing teams. It has created a farm products wholesale market in Banjul to improve distribution of the area's output.
Food Processing Technical Assistance Project	The TaiwanICDF cooperated with local agricultural authorities in developing the food processing industry and improving the processing technology for crops such as sorghum, millet, corn, and mangos. These activities increased the added value of agricultural products and creating product with high economic value.
Technical Assistance Project to Reduce Digital Divide	This project assists the Gambia for e-government preparation work and personal training. The TaiwanICDF collaborates with GAMTEL in planning an Information Technology Center in Banjul and further educational programs and training will be implemented.
Microfinancing and Capacity Building Project	This project reinforces the structure of Gambian microcredit institutions, including strengthening the VISACA Promotion Center (VPC), helping it to become the microcredit education and training center for the nation. Microcredit is extended primarily to women, farmers, and youth so they have access to obtain financing resources to stage economic activities and improve their lives.
Aquaculture Feasibility Research Project	The TaiwanICDF has sent aquaculture experts to assess the state of the aquaculture industry in The Gambia, collect relevant information, and draft assistance plans.
Dental Clinic Service Project	The TaiwanICDF cooperated with Chinese Christian Dental Services to upgrade dental clinic facilities in remote service stations. Free dental clinic are also provided to residents of the regions.
Taiwan Youth Overseas Service	The TaiwanICDF has provided five servicemen for assistance in civil engineering, horticulture, hydraulic engineering and administration.
Malawi	
Grain Development and Extension Project	The project has completed maize extension on 4,000 hectares and is training farmers in growing techniques as well as in the operational management of farmers' organizations. Over 10,000 kg of rice seed has been supplied to paddy rice farmers. Assistance is being provided to production teams to boost yields and breed superior rice varieties.

Horticulture Development and Extension Project	Courses were held that trained 310 local officials and extension personnel in vegetable and fruit orchard planting techniques. Various trial cultivations were carried out. Assistance was also provided in creating vegetable and fruit production and marketing teams with farmers.
Vocational Training Cooperation Project	The Technical Mission is cooperating with Lilongwe Technical College to design courses and instructional materials. The project is also providing instructional demonstrations, assisting in the maintenance of various equipment and facilities, and providing consultation services.
Medical Assistance Project	The Medical Mission has set up a clinic at Mzuzu Central Hospital in the northern part of the county, providing services in the areas of surgery, pediatrics, and pathology. Special medical services “Rainbo Clinic” has been established to offer treatment to AIDS patients. Clinical instruction and training for local doctors and medical personnel has been carried out in the hospital. The Mission also holds free clinics and mobile medical service to other part of the country to expand the impact of its services.
Small Sized Corn Grinding Factory Project	Five model cornstarch factories have been completed in the southern part of the country, five in the central, and seven in the north. Extension assistance is also being provided to farmer organizations.
Taiwan Overseas Volunteers	The TaiwanICDF has sent two short-term volunteers to assist in computer education, Web page creation and hardware maintenance.
Taiwan Youth Overseas Service	Twelve servicemen have been sent to assist in agronomy, administration and medicine.

São Tomé and Príncipe

Horticulture Extension Project	Tropical fruit trees from Taiwan have been introduced to the country, while vegetables that are suitable for storage and transportation have also been extended to farmers. The Mission assists farmers in establishing vegetable production teams and helps households in setting up gardens, and providing farming technology. This helps to boost vegetable output and benefit farmers.
Livestock Development Project	The project is improving equipment in demonstration chicken farms and is creating a comprehensive egg production model. A basic feed mixture factory has been erected to reduce production costs. Chicken farmer cooperatives are also being established.
Medical Assistance Project	Medical services are being provided at Centro Policlinico de Agua Grande. Management systems at the clinic are also being improved to raise the country’s medical standards.
Malaria Eradication Project	The TaiwanICDF is assisting in establishing a control and therapy mechanism to help reduce the spread of malaria and the number of deaths caused by the disease. Information campaigns are staged to raise basic health and sanitation awareness among the public to reduce the spread of malaria.
Taiwan Youth Overseas Service	Eight servicemen are assisting in horticulture, and medicine.

Swaziland	
Small Farmer Corn and Sweet Potato Project	In conjunction with the Government of Swaziland's policy on increasing staple food output, the Technical Mission is assisting in the extension of corn and sweet potato cultivation and in organization of production and marketing teams. The Mission is gradually developing other staple foods to raise self-sufficiency and boost farmer incomes.
Royal Project	This project introduces superior varieties of rice, vegetables, and sweet potatoes to increase per-unit output. To boost income, assistance is provided to the Royal Family Tisuka Organization Farm in personnel training and management procedures. In addition, advice is being given on creating farmer production and marketing teams at the Ngwempisi reclamation area and to carry out direct sales. Mission members also provide instruction on post-harvesting and packaging to raise income among farmers.
Handicrafts Training Project	By training technicians and seed instructors, the Technical Mission has established training courses in handicrafts, sewing, machinery, plumbing and computers. It has also established a handicrafts display and sales center. The project works to create educational and business opportunities for local residents. A self-sufficient demonstration-training center is in place with an eye to long-term sustainability.
Lower Usuthu Smallholder Irrigation Project	This is a financing project involving cooperation with six international organizations—the AfDB, the BADEA, the DBSA, the EDF, the EIB and the IFAD to develop irrigation systems in the Lower Usuthu Basin. Dams and other infrastructure are also constructed to create a beneficial production environment to help smallholders grow high value crops, increase direct and indirect employment opportunities, raise incomes and reduce poverty.
Taiwan Youth Overseas Service	Four servicemen are stationed in Swaziland to assist in the areas of agronomy and administration.
Regional Cooperation Projects in Africa	
TaiwanICDF Scholarship Program for Master's/ Ph.D. Degrees in Taiwan	A total of 27 students from 6 African nations have been brought to Taiwan to study in eight master's and Ph.D. degree programs including tropical agriculture, Aquatic Sciences and Marine Resources Management and International Workforce Education and Development.
International Human Resource Development Workshop	A total of 56 participants from eleven African countries attended 14 workshops including Taiwan experience, community development and tourism industry, and aquaculture.

Latin America and the Caribbean

Belize

Seed Rice Supply Project	This project introduces superior rice varieties, establishes a seed propagation system and expands the scale of seed production. Seed rice is provided to farmers. In addition, farmers are instructed in modern farming techniques and management technology. Furthermore, training is provided to local agricultural officials.
Food Processing Project	In cooperation with the Belize Ministry of Agriculture, the project maps out food processing projects, holds courses to train processing technicians, and provides assistance to factories. Processed products with export potential such as fruit, vegetable chips and dried fruit are developed and commercialized. A food products exhibition center has been created and is being integrated with the tourism and leisure sectors to develop and extend local specialties.
Vegetable and Crop Production Improvement and Extension Project	This project is being implemented in conjunction with Belize's policy of diversifying the agricultural industry through introducing and developing vegetables and staple crops with market potential. In addition to producing seeds and seedlings to supply to farmers, the Mission assists farmers in production and sales technologies, and in adjusting the production period of pineapple to increase profit. Students from the local agricultural college are trained, boosting agricultural knowledge and cultivation management techniques.
Public Service Management System Improvement Project	This project utilizes hardware and software developed by Taiwan companies to assist the Belize government in creating an information database for public service. In 2005, an Information Technology Training Center was established, with the TaiwanICDF providing PCs and other network equipment, and holding seminars to share Taiwan's experiences in e-government. A survey was also completed focusing on the needs for various e-applications.
Small Farmholders' Financing Scheme	This project is being carried out in conjunction with the Taiwan Technical Mission's Vegetable and Crop Production Improvement and Extension Project, creating a revolving fund to assist on-farm activities. Loan recipients are selected by the Technical Mission and Belize's Ministry of Agriculture, with the names of those selected provided to financial institution for reference. Small loan will be lent to the qualified farmers to purchase equipment, fertilizer, and seed.
Taiwan Overseas Volunteers	The TaiwanICDF has sent five long-term volunteers to assist in medical education, food processing, agricultural education, computer education and Web page design. In addition, three short-term volunteers assist in creating computer hardware and software education.
Taiwan Youth Overseas Service	Four servicemen are providing assistance in agriculture, horticulture, food processing and administration.

Costa Rica

Agriculture Development Project	This project covers fruit trees, flowers, bananas, root vegetables, and guava jam processing. The goal is to produce all types of high quality seedlings and jam to provide to the local farmers and consumer market.
---------------------------------	---

Fisheries Development Project	The Technical Mission introduces highly efficient fishing methods and provides training seminars for local fishermen. In addition, tilapia cultivation is being introduced in remote mountainous areas to address the insufficient levels of protein in the local diet. The project is also carrying out trials on raising fish in saltwater cages and in helping fishermen raise economically valuable fish to boost their incomes.
Highway Construction Loan Project	This project aim to construct a 40 km highway in the San Carlos region. The road is 10.9 m wide and includes 11 bridges. Upon completion, it will connect rural and urban areas, facilitating the transport of agricultural and livestock products and sparking regional development.
Taiwan Overseas Volunteers	The TaiwanICDF has sent ten volunteers for assistance in Chinese language instruction, computer education, horticulture and medicine.
Taiwan Youth Overseas Service	Four servicemen are providing assistance in horticulture and administrative work.
Ecuador	
Vegetable Project	The Technical Mission's farming training center provides demonstrations on vegetable planting, fruit tree cultivation, and organic farming. It also produces vegetable seedlings and fruit saplings to provide to farmers. Extension activities are also carried out, training local farmers in vegetable and fruit tree cultivation and product sales.
Rice Project	The Technical Mission introduces superior varieties of rice and assists in producing seed to raise the quality and yield of rice in Ecuador. Farmers are organized to form production and marketing team, assistance in marketing is also carried out. Education and training is provided for farmers and agricultural officials in transfer cultivation techniques.
Bamboo Handicraft Development and Cultivation Project	This project is held in conjunction with the local Ministry of Agriculture and the Natural Resources Protection Foundation to promote the growth of bamboo, improve bamboo cultivation techniques and assist bamboo farmers in propagation. Bamboo cultivation and bamboo handicraft training courses are held regularly to raise the abilities of bamboo farmers and persons in the bamboo processing industry in Ecuador.
Taiwan Youth Overseas Service	Two servicemen are providing assistance in horticulture and agronomy work.
El Salvador	
Vegetable Production Extension Project	This project produces vegetable seeds and provides them to farmers, as well as carrying out vegetable extension work and organizing production and marketing organizations. The mission also works in conjunction with local government policies to promote household and school vegetable gardens, assists farmers in establishing simple nurseries and improves vegetable seedling quality, and helps in developing potato tissue culture techniques.
Fruit Tree Production Improvement Project	This project creates demonstration orchards and trains personnel in planting and grafting. Cultivation technology is passed to farmers to raise tropical fruits such as guava, wax apples and dates and temperate fruits such as litchis and tangerines. Local coffee farmers are also provided assistance in changing crops.

Fish Breeding and Aquaculture Extension Project	This project promotes tilapia, fresh water shrimp and saltwater shrimp farming techniques, as well as the production of tilapia fry and shrimp fry to be provided to fishermen. It also assists in techniques to ensure freshness of tilapia raised in inland areas and helps open up markets. The project also reclaims area to be used for fishery and develops commercialized farming methods to raise the added value of products and promote sustainable development of the sector.
ICT Education Capacity Upgrading Project	This project assists El Salvador in ICT human resource training with Universidad Tecnológica de El Salvador (UTECS). Two digital learning centers have been established in the country.
Program for Environmental Pollution Control in Critical Areas	Cofinancing with the IDB to create a national hazard prevention strategic platform – including air and water pollution prevention measures and waste processing regulations – and assist local governments in waste processing. This funding program also helps to integrate the country’s environmental protection organizations.
Taiwan Youth Overseas Service	Three servicemen are providing assistance in aquaculture, horticulture and administrative work.
Guatemala	
Bamboo Cultivation and Utilization Project	Cooperation is carried out with Guatemala’s National Vocational Training Bureau to stage bamboo handicraft training courses as well as classes on building bamboo housing and bamboo cultivation. The people trained were well-organized bamboo handicraft production and marketing teams. The cultivation of bamboo suited to building structures and handicrafts and those that are edible has also been promoted. The better management of bamboo forests is executed and bamboo construction is encouraged to reduce costs and protect Guatemala’s forestry resources.
Export Crops Development Project	This project organizes cooperation between production and marketing teams with exporters of agricultural products. It also strengthens the diversity of crops including high altitude vegetables, oriental vegetables, peas and black plums that are primarily exported to the United States and Europe. Cultivation technology and equipment loans are provided. The project also promotes a papaya export plan in northern Guatemala that consists of assisting farmers in cultivation and harvesting, and a joint venture between the TaiwanICDF, Taiwanese and American companies. The products will follow the US Department of Agriculture packing protocol and be exported to the US.
Aquaculture and Farm Product Processing Technology Improvement Project	Assistance is provided to aquaculture centers in Sabana Grande and El Remate as well as local aquaculture experimental stations to carry out tilapia breeding and advance cultivation techniques. Instruction is also offered to fishermen and technicians in saltwater shrimp propagation and cultivation. In terms of agricultural products, support continues to be provided to processing factories under the auspices of the local agricultural and animal husbandry ministry in meeting sanitation standards. Technical training is also carried out to provide extension personnel.
SMEs Development Project	Cooperation has been carried out with Guatemalan authorities (AGEXPRONT) in planning and staging workshops for external trade personnel and seminars on SMEs management. Topics include Corporate Competitiveness and Social Responsibility, Industrial Value Chain, Support Networks, Industry Cluster and the Division of Labor.

Information Technology Cooperation Project	Research has been carried out on Guatemala's information technology industry and a feasibility study on establishing local digital centers was also implemented. Seminars, fairs and education were held in cooperation with the Guatemalan government (CONCYT), and the industrial and academic sectors. Technicians from the information technology industry were brought to Taiwan for short-term training and will serve as future seed teachers.
Technical Education Project	This project aims to establish a new technical school to serve as a model Guatemala. Funds are being used for school buildings and dormitories, curricula enhancement, educational materials, teacher training and equipment procurement.
Taiwan Youth Overseas Service	Five servicemen are providing assistance in aquaculture and horticulture at the Technical Mission, and one serviceman is assisting in administration at the Investment and Trade Service Mission.
Honduras	
Crop Production Project	The Technical Mission is extending production of Taiwan guava, papaya, oriental vegetables and other crops to local farmers in developing export markets. The mission is also helping to establish production and marketing teams, and providing new seedling propagation technique and low-cost seedlings to farmers. Training courses are held regularly in cultivation management and propagation technology for technicians from Dirección de Ciencia y Tecnología Agropecuaria (DICTA) and farmers.
Aquaculture Project	A tilapia fry propagation demonstration station has been created and loans offered to fishermen to purchase production materials. Technical assistance is provided to fishermen in tilapia pond and cage aquaculture, as well as marketing. The project also cooperates with other aid agencies, such as World Vision, Food For the Poor to provide assistance to underprivileged people in raising tilapia, boosting incomes and improving lifestyles.
Hog Breeding Project	Operations at a pig farm in Comayagua continue and a new farm is being developed in Ominita to produce superior piglets for farmers to raise. In addition to assistance on production techniques and disease prevention, loans are provided for pigsties and production materials. In the future, a small-sized slaughterhouse will be established and the meat will be sold to supermarkets, thereby expanding products and markets and raising the income of farmers.
Quimistan Valley Irrigation Project	The project establishes irrigation and farming systems in the northern Quimistan Valley, including construction of dikes at Blanco and Chiquila as well as two conduits and other maintenance facilities.
Special Fund for the Social Transformation of Central America—Social Infrastructure Project	The TaiwanICDF is participating in CABEI's Special Fund for Social Transformation of Central America, helping improve the quality of life and meet the basic needs of people. Two subproject will be carried out under this Fund: Satellite Market Program in the Central District Municipality of Tegucigalpa, and Quetzal Corridor Project.
Small Farmholders Financing Scheme—Tilapia Raising Program	To support the Technical Mission's Aquaculture Project, the TaiwanICDF provides fishermen in the Logo Yojoa region with revolving fund for working capital and equipment. This helps to boost economic activity and development in the region.

Small Farmholders Financing Scheme—Rice Production Program	This program is carried out to complement the Technical Mission's rice extension component by providing revolving funds for participating farmers to purchase raw materials. It helps to produce rice seeds and increase rice yields and quality, resulting in the raising of farmers' incomes.
Taiwan Overseas Volunteers	One long-term volunteer carries out computer instruction and information processing work. Two short-term volunteers provide assistance in food processing factory planning, and orchid tissue culture education.
Taiwan Youth Overseas Service	Eight servicemen are providing assistance in the areas of agronomy, horticulture, livestock, administration and veterinary medicine.
Nicaragua	
Oilseed and Rice Production Improvement Project	Cooperation is carried out with the Nicaraguan government (INTA) in improving varieties of paddy and upland rice. Production and marketing technology is offered to rice cooperatives. In addition, assistance is provided in expanding the scale of oilseed cultivation, helping to improve rural economy and boost income among farmers. An agricultural machinery maintenance center has been established to provide the services of mechanized contracted farming and agricultural machinery maintenance.
Horticultural Crop Production Improvement Project	This project carries out extension of vegetables in both high and low altitude areas, and assists in greenhouse farming and production and marketing work. Crops focus on tomatoes and melons. Training courses in farming and husbandry are provided to local prisoners for them to acquire skills. This approach is expected to make a desirable impact on the society in Nicaragua.
Livestock Extension Project	This project is to provide superior breeder hogs and ewes to local farmers. Farmers are also trained in production techniques. A waste separator helps create organic fertilizer, improving the use of pig farms feces and also helping to protect the environment. Experts have been sent to the national breeding center to assist in the creation of a pig semen bank that will produce superior breeder pigs and to carry out training in artificial insemination techniques.
Small Farmholders Financing Scheme	This scheme provides financing to the Omar Torrijos Cooperative to resolve its financial problems and improve administration and fiscal management systems. The project aims to boost farming techniques and introduce superior rice varieties to raise productivity and incomes of cooperative members.
Agricultural Production Reactivation Phase II	The TaiwanICDF provides cofinancing with the IDB to build infrastructure and expand support services, such as irrigation engineering, farming technology, warehousing, and facilities to protect against natural calamities. This assistance is helping small farmers in improving production and management techniques, is raising profits for low-income farmers and is promoting agricultural production on a national basis.
Special Fund for the Social Transformation of Central America—Social Infrastructure Project	The TaiwanICDF is participating in CABEI's Special Fund for Social Transformation of Central America, helping improve the quality of life and meet the basic needs of people. Two subproject will be carried out under this Fund: Satellite A Low Income Housing Project and Integral Health Attention Program for Children.
Taiwan Overseas Volunteers	The TaiwanICDF has sent eight long-term volunteers to engage in Chinese language instruction, nursing services and ethnic dance instruction. In addition, three short-term volunteers are engaging in Spanish translation, computer hardware platforms building, network platforms construction, and Web page design.

Taiwan Youth Overseas Service	Five servicemen provide assistance in the areas of livestock, agronomy and administration.
Panama	
Fruit and Vegetable Project	The Technical Mission has established propagation centers in eastern, central and western Panama to provide the seeds and seedlings needed by farmers. In addition, other crops such as Taiwan sweet potatoes, guava, and medical herbs are being introduced. The mission is creating production and marketing teams for farmers and providing guidance on production and sales. An agricultural pesticides residue testing center has been set up to strengthen monitoring of food safety and protect the health of the public.
Food Processing Project	The TaiwanICDF has helped Panama create a food-processing center and develop processing techniques for fruit and vegetable, nutritional products and medicinal foods. Food-processing instructors for agricultural schools are also trained.
Fishing Village Development Project	This project has helped fishermen create cooperatives and jointly carry out production and marketing activities, and has also established a central station for catches, helping to boost sales. A fund has been established to provide microloans to fishermen, enabling them to purchase their own fishing boats and equipment, which in return boosts their income.
Agriculture Information Upgrading Project	This project assists Panama's agricultural authorities in establishing an agricultural information system. An information center has been established and seminars on information and technology development policies are conducted. The agricultural information announcement scheme will be accomplished in 2006 and the Technical Mission will jointly provide assistance in the nation's agricultural development.
Small Farmholders Financing Scheme-Fishing Boat Loans	This project is held in conjunction with assistance provided by the Technical Mission. A fisheries fund has been established, providing loans for fishermen and cooperation, and helping them to obtain production materials. This increases the efficiency of fishing operations.
Public Library Reconstruction Project	Assistance was provided in reconstruction work of six public libraries in poor areas near the capital of Panama and in the countryside as well as the purchase of desks, chairs and equipment. This helped address a lack of educational resources in remote areas.
Taiwan Overseas Volunteers	The TaiwanICDF has sent thirteen volunteers to engage in Chinese language, English language, computers, fine arts and athletics instruction, as well as agricultural extension, nursing services, and computer hardware repair.
Taiwan Youth Overseas Service	Six servicemen are providing assistance in the areas of horticulture, food processing and administration work.
Paraguay	
Agricultural Crop Extension Project	This project provides instruction and consultation services on crop production in extension areas. In addition to offering seedlings to farmers, assistance in production and marketing is also provided for extending vegetable cultivation. Wholesale markets in the capital and other areas have been established. The Technical Mission also helps to sell farmers' products in supermarkets.

Floriculture Project	This project aims to raise the quality and quantity of flowers grown in Paraguay, promoting development of this industry. The Technical Mission reproduces high-quality seedlings to farmers and establishes a seedlings and production materials supply system, helping to reduce production costs. The mission also regularly holds floriculture training for farmers in cultivation and sales techniques, boosting farmers' incomes and the economic activity in farming villages.
Hog Raising Project	This project cooperates with Universidad Nacional de Asunción in establishing a hog raising center. Not only does the center raise breeder hogs for farmers, but also provides quality pork meat to the market. Corn produced under the Agricultural Crops Extension Project is used to make feed, reducing production costs. Guidance is also provided to agricultural schools and farmers in production management and sales techniques.
Taiwan Industrial Park	After obtaining the ownership of the industrial park in Ciudad del Este in 2005, the TaiwanICDF re-arrange the management of the park. Investment incentives are offered by Paraguayan Government for both local and Taiwanese companies.
Taiwan Youth Overseas Service	Six servicemen are providing assistance in the areas of livestock, agronomy, horticulture and administration.

The Dominican Republic

Industrial Technology Cooperation Project	Experts have been sent to the Dominican Republic to provide assistance to strategic industries, to provide diagnosis to individual companies and to hold industrial technology conferences. In addition, training courses are held to train locals and promote industrial competitiveness. In 2005, assistance was provided to the metals processing, food processing and furniture industries.
Rice Extension Project	The Technical Mission participates in the Dominican Republic's rice research project, testing various types of paddy rice and propagating new varieties of rice seed. Superior paddy rice seed is then provided for extension and yield improvement. Instruction is offered to farmers on paddy rice cultivation and harvesting techniques.
Oriental Vegetables, Tropical Fruit and Bamboo Development Project	This project includes completing a survey on Oriental vegetables production, introducing new varieties, and assisting in the export of these products. Demonstrations are provided and seed teachers are trained on bamboo house construction. Bamboo planting is also extended to help local authorities improve soil conservation. Tropical and sub-tropical fruit trees with potential are introduced. Farmers are trained in cultivation and orchard management.
Aquaculture Development Project	Fresh water fish fry and shrimp fry and propagated and provided to fish and shrimp farmers. New propagation and cultivation techniques are developed and are transferred to fishermen.
Program for Modernizing the National Congress and the Office of the Comptroller General	Cofinancing with the IDB, the project is modernizing the Congress and strengthening its legislative and oversight functions. Facilities will be upgraded and consultations and training on law drafting techniques and procedures are provided. Budget and fiscal management planning and employee human resource mechanism are being improved and relevant information systems established.
Taiwan Overseas Volunteers	The TaiwanICDF has sent two short-term volunteers to provide consultation on furniture design, diagnosis for individual company, seminars on manufacture technology and human resource training.

Taiwan Youth Overseas Service	One serviceman is providing assistance in administration work.
Haiti	
Rice Yield Enhancement Project	Rice varieties that are resistant to local diseases are being selected and introduced in this project. Technicians assist farmers in improving their farming technology and fertilizing methods, helping to reduce production costs and increase yields.
Horticultural Crop and Bamboo Technology Development Project	Vegetable seedlings production and cultivation demonstration is carried out to complement the government's vegetable export project. In addition, bamboo seedlings are propagated and planted. Students are trained in bamboo furniture manufacturing, new products developing and marketing.
Chicken Raising Project	This project assists the agriculture ministry in improving technologies to raise egg and meat chickens, reducing production costs and boosting self-sufficiency in chicken eggs in Haiti. In 2005, renovation of the ministry's chicken farm was completed. In addition, superior breeder chickens were introduced.
Microcredit National S.A. Investment Project	Capital from international institutions, technique assistance and local financial institution are jointed in the establishment of a new microcredit institution that provides microfinancing. Loan officers at the institution are trained to boost their expertise.
Lending Project to Microcredit National S.A. (Phase II)	The TaiwanICDF provides financing to assist MCN in extending its financing operations, and helps in strengthening internal management, training a management team and seeking alliances with the private sector.
St. Christopher and Nevis	
Fruit and Vegetable Project	This project complement's the local government's policy of promoting tourist- and recreational-oriented agriculture and also assists farmers in technology to grow pineapples and other fruits, working to manage these crops from a commercial perspective.
Medical Equipment Improvement Project	The TaiwanICDF provides US\$100,000 annually to upgrade medical equipment. In 2005, the funds were used to improve equipment at Joseph N France General Hospital, purchase industrial exhaust fans, dryers, and industrial electric cookers. These items help to improve the medical environment and food and beverage safety.
Small Farmholders' Financing Scheme	Carried out in conjunction with the Technical Mission's Fruit and Vegetable Project, a US\$100,000 revolving smallholders' fund has been created. The Technical Mission and local authorities select qualified farmers to receive funding from financial institution, helping to raise farmer output and boosting income.
Microcredit Project	The TaiwanICDF is cooperating with the NFD to provide microcredit to help micro-enterprises obtain funding that they would otherwise not be able to access given their lack of collateral.
East Caribbean Scholarship Project	The TaiwanICDF provides US\$100,000 annually for outstanding students to continue their studies, the purchase of reference books and training of instructors. From 1997 to 2005, 347 elementary school students, 471 secondary school students, and 111 technical school students on St. Christopher have benefited from this program. In addition, the project has provided the opportunity for 31 students to continue their studies overseas.

Taiwan Youth Overseas Service	Two servicemen are providing assistance in horticulture.
St. Vincent and the Grenadines	
Horticultural Crop Development Project	This project is helping to train local technicians in pineapple, banana and flower growing techniques. It also helps farmers in vegetable and fruit tree planting and seedling propagation, and strengthens management of orchards. Food processing training center is established for further food product development.
Livestock Extension Project	A breeder chicken and incubation farm has been completed, and a chicken company to produce meat has been jointly established by the government and private companies. The Technical Mission provides assistance to farmers in selling their meats to supermarkets and fried chicken outlets. Assistance continues to be provided to hog farms. Guidance is provided in maintaining sanitation at slaughterhouses to raise the quality and sanitation of pork.
Medical Equipment Improvement Project	The TaiwanICDF provides US\$100,000 annually to upgrade medical equipment. In 2005, the funds were used to create therapy rooms, purchase blood oximeters, cardiocographs, coolers, air compressors for intensive care rooms, pediatric respirators, and oscilloscopes.
Microcredit Project	The TaiwanICDF cooperates with the NDFSVG to provide financing to micro-enterprises to assist them in obtaining financial services.
East Caribbean Scholarship Project	The TaiwanICDF provides US\$100,000 annually for outstanding students to continue their studies, the purchase of reference books and training of instructors. From 1997 to 2005, 336 elementary school students, 549 secondary school students, and 124 technical college and university students on St. Vincent have benefited from this program. In addition, the project has provided the opportunity for 64 students to continue their studies overseas.
Taiwan Overseas Volunteers	The TaiwanICDF has set five volunteers for work in the areas of medical care, computers, music education, forest conservation and social services.
Taiwan Youth Overseas Service	Two servicemen are providing assistance in the area of horticulture.
Regional Cooperation Projects	
InfoBiz Youth Information Project	Given the lack of online information in Latin America and the Caribbean, the TaiwanICDF and the YABT, an organization affiliated with the General Secretariat of the OAS, cooperated to set up an e-business information portal to encourage young entrepreneurs in the region to carry out e-business.
The Agricultural Enterprise Video Conference	The TaiwanICDF worked with the YABT and GDLN from the World Bank, holding an agricultural enterprise videoconference in April 2005. Taiwan technical missions in Latin America shared their experiences in assisting in the development of agricultural enterprises in the region with conference participants. Representatives from the United States, Honduras, Nicaragua, Ecuador and the Dominican Republic participated.

International Seminar on Innovation, Management and Commercialization of Biotechnology	The TaiwanICDF sent experts to take part in the seminar held by the Biotechnology Project, OAS, and the YABT. The experts delivered speeches on the state of Taiwan's biotechnology industry and shared Taiwan's experiences in development of the sector. Also attending the seminar were representatives from France, the United States, Germany, Canada, Brazil, Argentina and Chile.
Cooperation with World Links	Technology education has been pegged as an important educational policy in Costa Rica, El Salvador, Panama, Guatemala and the Dominican Republic. In 2005, the TaiwanICDF continued cooperation with World Links in helping these countries set up network computer education facilities in secondary school and bridging the digital divide.
Training Program for High-Level Economic Planners of Central and South American Allies	This project assists friendly and allied nations in Latin America and the Caribbean to boost their ability in economic planning and policy implementation. High-ranking government officials from these nations took part in training workshops in seven areas: economic development strategy; agriculture, forestry, fisheries and animal husbandry development; industrial development; trade and investment; development of cultural tourism; human resources; and infrastructure. A total of 28 officials from seven nations took part.
TaiwanICDF Scholarship Program for Master's/ Ph.D. Degrees in Taiwan	A total of 42 students from eight Latin American and Caribbean countries are studying for their master's or doctoral degrees in such fields as Tropical Agriculture, Aquatic Sciences and Marine Resources Management, International Workforce Education and Development, and International Health.
International Human Resource Development Workshops	A total of 139 participants from 22 Latin American and Caribbean countries attended 14 workshops including Taiwan experience, community development and the tourism industry, and aquaculture.
North America	
United States	
Taiwan Overseas Volunteers	The TaiwanICDF sent five short-term volunteers to provide assistance in Chinese cooking education.
Asia and the Pacific	
Azerbaijan	
EBRD Financial Intermediary Investment Special Fund-SME Re-lending Project	Channel through Financial Intermediary Investment Special Fund, the TaiwanICDF assists the UniBank to provide loans to SMEs to promote private sector development.
Bahrain	
Horticulture Project and Landscaping Project	The Technical Mission is assisting Bahrain's Ministry of Agriculture in developing a tourism sector. Specialists are helping locals with urban planning and landscaping work to raise the quality of life in Bahrain. The project is also assisting the local government in creating a sod and grass production system, which reduces the need to use foreign exchange to import ornamentals. This plan also increases the number of employment opportunities and raises farmer incomes.
Taiwan Youth Overseas Service	Two servicemen are providing assistance in horticulture and administration.

Fiji	
High quality vegetable and tropical fruit cultivation and extension project	The Technical Mission has introduced vegetables and tropical fruits appropriate to be cultivated in Fiji and has carried out extension. In addition to instructing farmers in cultivation techniques, it also guides packaging technology essential for exporting top quality products to Australia and New Zealand and supplying for local tourist hotels and supermarkets.
Georgia	
Taipei-EBRD Financial Intermediary Investment Special Fund—ProCredit Bank of Georgia	The TaiwanICDF and the EBRD have established the Financial Intermediary Investment Special Fund to provide loans to ProCredit Bank of Georgia. The funds are used for branch expansion and for re-lending to MSEs, providing unnecessary capital to bolster private sector development.
India	
Love from Taiwan—Tsunami Disaster Fund-raising Activity	The TaiwanICDF participated in a group of 16 domestic NGOs organized by MOFA to form the “Love from Taiwan” movement to raise funds to aid people in South Asian nations ravaged by the tsunami. The TaiwanICDF coordinated the delivery of medical items and relief to disaster areas.
Feasibility Research for an Information Technology Center in the Tibetan Refugee Self-Help Center in Darjeeling	The TaiwanICDF has sent experts to the Tibetan Refugee Self-Help Center in Darjeeling to look into the feasibility of establishing an Information Technology Center there. The project calls for assistance in providing hardware and software and promoting information technology education and training in the self-help center to help Tibetan youth find jobs in India.
Taiwan Overseas Volunteers	The TaiwanICDF has sent three volunteers to engage in medical care, Chinese-language instruction and computer education. It has also sent a seven-member short-term mobile medical team to engage in free medical services.
Indonesia	
General Agriculture Management Project	This project establishes a vegetable production and marketing system to boost farmer incomes. Farmer organizations have been strengthened and vegetable and fruit production and marketing teams created. In an effort to strengthen the bilateral relationship between the two nations, the project also encourages Taiwan investment in other agricultural business in Indonesia.
Livestock Project	This project is developing the meat and milk potential of the Indonesian Peranakan Ettawa goat and is establishing a production and marketing system for goat milk in the region, boosting farmer incomes and improving the economy of farming villages.
Aquaculture Project	This project focuses on biological purification methods to improve the ecology and water quality of feeding ponds, and to reduce pollution in order to boost the change of success in shrimp farming. Taiwan agricultural experts were sent to provide assistance on shrimp disease prevention. The project also encourages Taiwan aquaculture firms to invest in Indonesia, introducing the latest technologies to improve the country’s aquaculture industry.
Cooperative Rural Saving and Credit System in Indonesia	This project focuses on assisting Indonesia in improving and expanding the financing services of its cooperatives. The loan is offered to Bank Bukopin (the executing bank) and then re-lent to the Village Unit Cooperatives (KUDs).
Love from Taiwan—Tsunami Disaster Fund-raising Activity	The TaiwanICDF participated in a group of sixteen domestic NGOs organized by MOFA to form the “Love from Taiwan” movement to raise funds to aid people in South Asian nations ravaged by the tsunami. The TaiwanICDF coordinated the delivery of medical items and relief to disaster areas.

Taiwan Youth Overseas Service	Three servicemen are providing assistance in horticulture, animal husbandry and aquaculture.
Kiribati	
Aquaculture Project	This project cooperates with local fisheries officials on developing milkfish raising techniques and instruct farmers with raising technology. It also strengthens demonstration and extension to increase farmer incomes.
Horticulture Project	This project assists farmers in developing vegetable cash crops and improving fruit tree cultivation technology to provide a more varied nutritional balance for local residents. It encourages family farms to become self-sufficient in produce. Specific plants are also introduced to enhance the environment and the quality of life.
Livestock Project	The Technical Mission cooperates with livestock authorities to raise hogs, improve the environment of livestock farms and establish waste water systems. It also develops feed for pig and chicken raisers , reducing the need for imported feed. The mission also regularly holds hog farming technology training courses for local farmers and extension instructors.
Taiwan Youth Overseas Service	Seven servicemen are providing assistance in the aquaculture, horticulture and livestock projects and administration work.
Kyrgyzstan	
EBRD Financial Intermediary Investment Special Fund—MSE Finance Facility Phase I and II	The MSE facility began in April 2002, together with the US, IFC and SECO participating. The goal is to strengthen the sustainability and profitability of loan operations among financial institutions.
ICT Industry Entrepreneurs Training Project	The EBRD has commissioned the TaiwanICDF to bring entrepreneurs from five ICT companies in Kyrgyzstan to Taiwan for industry visits, training and attending seminars.
The Marshall Islands	
Horticulture Crop Development Project	Fruits and vegetables suited to the local environment have been selected and assistance in cultivation techniques has been extended. This helps to promote small-sized, but productive farms throughout the Marshall Islands. In addition, a farmers' organization division of labor system has been set up in the capital, establishing a cooperative production and sales system.
Livestock Project	A demonstration farm with breeder pigs provides the source of piglets for farmers to raise. Farmers are instructed in hog raising techniques. Feed crops are being developed in suitable outlying islands to provide feed for hog farms, helping to reduce production costs.
Taiwan Overseas Volunteers	The TaiwanICDF has sent four volunteers to assist in the areas of medical care and computer instruction.
Taiwan Youth Overseas Service	Three servicemen provide assistance in livestock and horticulture work.
Mongolia	
Mongolia Cooperation Fund	The TaiwanICDF participates in the Mongolia Cooperation Fund established by the EBRD, assisting the country in implementing economic and systematic reforms, enabling transformation into a market economy that enhances the investment environment and supports private sector development. Donor nations and international financial organizations cooperate with the local authorities to provide technical assistance. The Netherlands, Japan, Luxembourg and the TaiwanICDF have donated capital to the Fund.

Children's Scholarship Program	Held in cooperation with World Vision Mongolia, the Mongolia-Taiwan Exchange Association and the Mongolian Ministry of Science and Technology Education Culture, this project provides 1,000 first- to fourth-grade children from low-income families each with US\$100 annually. The funds are used to buy books, pens, paper, meals, sanitation items, and coats, and for transportation fees. From 2001 to 2005, the TaiwanICDF has provided assistance to 4,000 Mongolian children.
Palau	
Agriculture and Tourism Development Project	This project assists the Palau government in establishing tourist-oriented agricultural development models aimed at sparking sustainable development of both sectors and boosting economic growth.
Taiwan Youth Overseas Service	Three servicemen engage in horticulture and hydraulic engineering work.
Papua New Guinea	
Cereal Grain Production Project	The Technical Mission is assisting the local government in reaching its goal of producing 10,000 tonnes of rice in 2007 by increasing the production of rice seed. It is also extending upland rice, vegetables, corn and peanuts production each year. Agricultural workshops are held regularly and farmers are assisted in planting technology.
The Philippines	
Subic Bay Industrial Park Development Project —Phase I and II Loan Project	Comprehensive infrastructure facilities in the industrial park will attract Taiwan companies to invest there. This is also helping the Philippine government in its efforts to attract foreign investment and promote production technology, creating local employment opportunities and boosting prosperity.
Cleft Palate Clinic Project	The TaiwanICDF, the Noordhoff Craniofacial Foundation and the Chang Gung Craniofacial Center cooperated, holding a free clinic in the Philippines in March 2005 and treating 23 persons with cleft palates. The TaiwanICDF covered all of the medical expenses for the patients in the Philippines and also donated equipment to the Our Lady of Peace Hospital.
Saudi Arabia	
Agriculture and Fisheries Project	This project carries out aquaculture experiments on raising various types of fish and shrimp. It also conducts market surveys to determine which types are most suited to Saudi Arabia's aquaculture environment. In addition, tissue culture technology is used to create large numbers of superior quality date palm seedlings and other crops.
Transportation Technology Cooperation Project	Specialists from Taiwan assist the Saudi Ministry of Transportation in designing and supervising bridge projects and reviewing structural blueprints and construction standards. Saudi engineers are also being trained in on-site supervision techniques. Surveys are carried out to monitor maintenance issues with existing bridges.
The Solomon Islands	
Rice Project	The Technical Mission assists in the production of superior rice seed and setting up a rice seed propagation system. It also works with the government in instructing farmers on the development of upland rice fields and cultivation, assists in the creation of community farms and production and marketing teams. The mission also instructs public and private rice farms to grow grain crops and vegetables in rotation.

Livestock Project	This project assists local authorities in strengthening the hog production system and to provide high-quality breeder hogs. It also has designed a hog rating system so that superior breeder hogs will be supported to farmers. A livestock and feed supply center has been created, as have production and marketing teams. A supply system has also been designed for domestic and export sales.
Taiwan Youth Overseas Service	Seven servicemen engage in agronomy, agricultural machinery, livestock and administration work.
Sri Lanka	
Love from Taiwan—Tsunami Disaster Fund-raising Activity	The TaiwanICDF participated in a group of sixteen domestic NGOs organized by MOFA to form the “Love from Taiwan” movement to raise funds to aid people in South Asian nations ravaged by the tsunami. The TaiwanICDF coordinated the delivery of medical items and relief to disaster areas.
Thailand	
Pre-school Education Project	The Taiwan Overseas Peace Service (TOPS) and the Karen Women’s Organization (located in refugee camps on the Thai-Burmese border) work together to provide assistance for 34 pre-schools in three refugee camps in northwestern Thailand. The TaiwanICDF provided teaching facilities required for the schools.
Taiwan Overseas Volunteers	The TaiwanICDF has sent seven volunteers to teach Chinese, computers and commerce.
Tuvalu	
Horticultural Crop Development Project	The Technical Mission has created experimental farms for vegetable and fruit tree production. Suitable crops are selected for extension to farmers, who are provided with technology training. This increases yields and incomes, and enables farmers to become self-sufficient in fruit and vegetables, reducing the needs to import produce.
Vietnam	
Medical Personnel Training Project	The TaiwanICDF and the Taiwan Nongovernmental Hospitals & Clinics Association have worked together in training five Vietnamese medical experts in the fields of ear/nose/throat, dermatology, thoracic surgery and nursing in Taiwan at Taipei Municipal Wan-Fang Hospital and Cheng Hsin Rehabilitation Medical Center.
Uzbekistan	
Community Health and Sanitation Project (CHS) Phase II	The TaiwanICDF cooperates with Mercy Corps in creating health education systems in eight remote communities in the Ferghana Valley. The TaiwanICDF provides funding and has dispatched volunteers with an expertise in public health to the area, providing locals with Taiwan’s experience in creating health systems and helping to raise public health there.
Regional Cooperation Projects	
Emergency Regional Support to Address the Outbreak of Severe Acute Respiratory Syndrome (SARS)	The TaiwanICDF was invited by the ADB to participate in this project, which provides emergency assistance to strengthen and improve the health systems of ADB member countries to prevent and control SARS and other outbreaks, such as avian flu. It also carries out assessments on the impact of outbreaks on the economy to serve as a basis for assistance projects in the future.

EBRD Financial Intermediary Investment Special Fund (FIISF)—Small Business Account	The TaiwanICDF and the EBRD have established the Small Business Account to assist the development of MSMEs in Eastern European and Central Asian nations. This helps to alleviate difficulties among these enterprises in obtaining financing, which could limit their operations. The Fund currently provides loans to the non-bank microfinance institution in ETCs, supporting the growth of microcredits in these nations.
TaiwanICDF Scholarship Program for Master's/ Ph.D. Degrees in Taiwan	A total of two students, both from the Solomon Islands are studying for master's degrees in Tropical Agriculture and International Workforce Education & Development.
International Human Resource Development Workshops	A total of 125 participants from 26 countries in the region attended 15 workshops including Taiwan experience, community development and the tourism industry, aquaculture, and ICT Business Development.

Europe

Bulgaria

ProCredit Bank Project	The TaiwanICDF provides US\$3 million of financing to ProCredit Bank for re-lending to small enterprises to promote private sector development.
------------------------	---

Lithuania

EBRD Financial Intermediary Investment Special Fund—Drobe Privatization Project	The fund is led by the EBRD, but the TaiwanICDF and the IFC are also donors. In this project, the fund is providing investment and financing to the Drobe Wool Company, which is one of Eastern Europe's largest wool and wool yarn manufacturers. Investment comes in the form of purchasing the company's shares, while credit is in the form of loans to the company so that it can modernize its equipment.
---	---

Romania

Taipei-EBRD Financial Intermediary Investment Special Fund—ProCredit Bank in Romania	The TaiwanICDF and the EBRD jointly assist Romania's ProCredit Bank in bolstering its services and providing capital needed for expansion, helping to meet the financing needs for private sector development. This project aids the bank in operational growth and boosts financing services to local MSMEs.
--	---

Belarus

Belarus SME Re-lending Project	The project involves confinancing Funds are re-loaned out to SMEs to solve the problem of insufficient capital. This aids in private sector development and raises international competitiveness.
--------------------------------	---

Regional Cooperation Projects

EBRD Financial Intermediary Investment Special Fund (FIISF)—Small Business Account	The TaiwanICDF and the EBRD have also established the Small Business Account under FIISF which provides financing to assist the development of MSMEs in Eastern European and Central Asian nations. This helps to alleviate difficulties among these enterprises in obtaining funds, which could limit their operations. The Fund currently provides loans to non-bank microfinance institutions in ETCs, thereby supporting the growth of microcredit in these nations.
--	--

International Human Resource Development Workshops	A total of 30 participants from eight European countries attended 15 workshops including Taiwan experience, community development and the tourism industry, aquaculture and ICT business development.
--	---

Cooperation with International Organizations

European Bank for Reconstruction and Development (EBRD)

<p>Belarus SME Re-lending Project</p> <p>The TaiwanICDF and EBRD have provided US\$7.5 million and US\$15 million, respectively, in a co-financing project. Funds are re-lent via the Belarus' Central Bank and domestic financing institutions, helping to hasten the development of SMEs in that nation.</p>	<p>Bulgaria ProCredit Bank Project</p> <p>The TaiwanICDF provides US\$3 million in financing to the ProCredit Bank for re-lending to MSMEs. It also shares information with the EBRD, and the two organizations jointly oversee the implementation of the project.</p>
<p>ICT Development Policy Seminar</p> <p>The TaiwanICDF assisted the EBRD President's Office in organizing an ICT development policy seminar during the EBRD 2005 annual meeting in Belgrade, Yugoslavia. ICT policy-making officials from a total of 15 countries, including the Balkan states, Central Asian nations, countries in the Caucasus region, Taiwan, Japan, Switzerland and Greece participated.</p>	<p>EBRD Financial Intermediary Investment Special Fund</p> <p>This entity provides equity investment and loans to SMEs. Projects currently being implemented via the special fund include the Azerbaijan SME re-lending Project, the Lithuania Drobe Privatization Project, the Georgia Micro-credit Bank Lending Project, the Romania ProCredit Bank Lending Project, and the Kyrgyzstan MSE Finance Facility Phase I and II.</p>
<p>Mongolia Cooperation Fund (MCF)</p> <p>The primary goal of this project is to assist Mongolia in reforming its economic system and to transforming into a market-oriented economy. The support from The TaiwanICDF is to create a better environment for investment and benefit private sector development.</p>	<p>Kyrgyzstan Information and Communications Technology Industry Entrepreneurs Training Project</p> <p>The EBRD has commissioned the TaiwanICDF to bring entrepreneurs from five ICT companies in Kyrgyzstan to Taiwan for industry visits, training and seminars.</p>
<p>Taiwanese Enterprise Consultant Recruiting Project</p> <p>This project assists the EBRD's Corporate Restructuring Department in coming to Taiwan to recruit a total of 60 corporate consultants to serve as a consulting database for the EBRD.</p>	<p>EBRD Consultants</p> <p>The TaiwanICDF sent a consultant to be stationed at the EBRD on a short-term basis to help coordinate cooperation projects between the two institutions and assist the EBRD in staging a ICT industry development policy seminar during its 2005 annual meeting.</p>
<p>EBRD Financial Intermediary Investment Special Fund—Small Business Account-ETC Non-bank MFI Framework</p> <p>The TaiwanICDF and the EBRD have also established the "Small Business Account" which provides a financing to assist the development of MSMEs in Eastern European and Central Asian nations. This helps to alleviate difficulties among these enterprises in obtaining funds, which could limit their operations. The Fund currently provides loans to the non-bank microfinance institution in ETCs, supporting the growth of micro-credits in these nations.</p>	<p>ICT Business Development Workshop</p> <p>The EBRD commissioned the TaiwanICDF to hold this workshop in late November 2005. Fourteen representatives from Kazakhstan, Kyrgyzstan, Moldova and Georgia attended the workshop held in Taiwan. The Taiwan participants shared their development experiences with the guests, enabling the participants to plan appropriate policies upon returning to their nations. The workshop also offered a platform to create business opportunities between Taiwan companies and the participants.</p>

Central American Bank for Economic Integration (CABEI)

<p>Special Fund for the Social Transformation of Central America (FETS)</p> <p>The TaiwanICDF has provided a US\$10 million loan to establish the fund with the CABEI and assists the bank in carrying out social transformation projects in countries in the region, such as Nicaragua and Honduras. The project will be implemented to help reach the MDGs of cutting poverty in half by 2015. Subprojects in Nicaragua include a housing construction project for low-income householders and a comprehensive children's health plan. In Honduras, subprojects consist of a satellite city project for areas around the capital and developing infrastructure in rural areas.</p>

Asian Development Bank (ADB)

Emergency Regional Support to Address the Outbreak of SARS and Other Diseases

To prevent and control SARS outbreaks and other contagious diseases such as the avian flu, the TaiwanICDF cooperates with the ADB in providing assistance to strengthen the national health systems of ADB member countries. The project includes: (1) providing initial assistance to prevent and control SARS and avian flu outbreaks; (2) providing rapid assessments on public health systems of the outbreaks, determining the economic impact of the outbreaks, compiling information on SARS and avian flu and sharing experiences; and (3) initiating medium- and long-term technology assistance to prevent the spread of infectious diseases or providing credit to stage such projects.

Development Bank of South Africa (DBSA)

Lower Usuthu Smallholder Irrigation Project in Swaziland

This project aims to create an environment beneficial to agricultural production, assisting small farmers in developing high-value crops, ensuring food security, boosting income, and alleviating poverty.

Inter-American Institute for Cooperation on Agriculture

Panama Agricultural Development Project

The Technical Mission in Panama cooperated in holding a seminar to promote the cultivation of organic crops and rapid tests for pesticide residues in agricultural products.

International Finance Corporation (IFC)

Micro-Credit National S.A. in Haiti

The project combines international capital, technical assistance and local financial institutions to assist Haiti in establishing a new microfinancing institution to provide microcredit. The project also helps train individuals with strong financial specialties.

Organization of American States (OAS)

Agricultural Enterprise Video Conference

The TaiwanICDF worked with the YABT and GDLN from the World Bank, holding an agricultural enterprise videoconference in April 2005. Taiwan Technical Missions in Latin America shared their experiences in assisting in the development of agricultural enterprises in the region with conference participants. Representatives from the United States, Honduras, Nicaragua, Ecuador and the Dominican Republic participated.

Latin America InfoBiz Youth Information Project

The TaiwanICDF provided US\$100,000 in cooperation with the YABT, OAS to stage the InfoBiz project in Latin America. This project is creating an information and commerce platform for the region, assisting young people in starting businesses and sparking SMEs and economic development throughout the region.

Program for Modernizing the National Congress and the Office of the Comptroller General

This project is modernizing the Dominican Republic National Congress and the Office of the Comptroller General to strengthen their legislative and oversight functions. The long-term goal is to improve democratic governance in the Dominican Republic.

Inter-American Development Bank (IDB)

Aquaculture Development Project for the Dominican Republic

The Japan Program of the IDB and the Technical Mission to the Dominican Republic cooperated in holding aquaculture demonstrations and promotion in Comunidad Clavellina and Dajabon. Successful rural development experiences from Taiwan and Japan were used to help these agricultural villages on the boarder improve their economies.

International Seminar on the Innovation, Management and Commercialization of Biotechnology

The TaiwanICDF sent experts to take part in the seminar held by the Biotechnology Project, OAS and YABT. The experts delivered speeches on the state of Taiwan's biotechnology industry and shared Taiwan's experiences in the development of the sector. Also attending the seminar were representatives from France, the United States, Germany, Canada, Brazil, Argentina and Chile.

Program for Environmental Pollution Control in Critical Areas of El Salvador

This project is establishing environmental pollution prevention and control systems in three critical areas: air quality, water quality and integrated solid waste management. It also assists local governments in processing refuse.

Cooperation with NGOs and Other Entities

Humanitarian Assistance		
<p>Sixteen Domestic NGOs</p> <p>The TaiwanICDF participated in a group of 16 domestic NGOs organized by MOFA to form the “Love from Taiwan” movement to raise funds to aid people in South Asian nations ravaged by the tsunami. The TaiwanICDF coordinated the delivery of goods to India, Indonesia, and Sri Lanka.</p>	<p>Mercy Corps</p> <p>The TaiwanICDF cooperates with Mercy Corps to provide public health education to eight remote communities in the Ferghana Valley of Uzbekistan. The TaiwanICDF provides funding for the project and has sent volunteers with expertise in public health to the area to assist and improve health care.</p>	
<p>Noordhoff Craniofacial Foundation</p> <p>The TaiwanICDF, the Noordhoff Craniofacial Foundation, and the Chang Gung Craniofacial Center have cooperated with each other in holding a free clinic in the Philippines in March 2005 and treating 23 persons with cleft palates. The TaiwanICDF covered all of the medical expenses for the patients in the Philippines and also donated equipment to the Our Lady of Peace Hospital.</p>	<p>Taiwan Overseas Peace Service (TOPS)</p> <p>The Taiwan Overseas Peace Service (TOPS) and the Karen Women’s Organization (located in refugee camps on the Thai-Burmese border) work together to provide assistance for 34 pre-schools in three refugee camps in northwestern Thailand. The TaiwanICDF provided teaching facilities required for the schools.</p>	
<p>FUNDACUNA</p> <p>Assistance was provided in reconstruction work of six public libraries in poor areas near the capital of Panama and in the countryside as well as the purchase of desks, chairs, and equipment. This helped address a lack of educational resources in remote areas.</p>	<p>Chinese Christian Dental Services</p> <p>The TaiwanICDF and the Chinese Christian Dental Services (CCDS) cooperated in implementing the free dental clinic service in the Gambia. The TaiwanICDF provided dental equipment in the hinterland areas of Gambia.</p>	
Small Farmholders’ Financing Scheme		
<p>Omar Torrijos Cooperative in Nicaragua</p> <p>The technical mission and the Omar Torrijos Cooperative are jointly managing and funding this rice production project, providing farmers with needed equipments and financing.</p>	<p>Belize Enterprise for Sustainable Technology (BEST)</p> <p>In conjunction with BEST, the scheme provides formal better financial services to small farmholders.</p>	
<p>Seven Fishermen Cooperatives in Panama</p> <p>The TaiwanICDF providing loans for local fishermen to acquire necessary fishing boats and equipment. The loan of this project is co-managed by the fishermen cooperative and the Technical Mission to Panama.</p>	<p>Fisheries Organizations near Lago de Yojoa, Honduras</p> <p>The TaiwanICDF is cooperating with three fisheries organizations to provide group loans for aquaculture development and tilapia breeding activities.</p>	
<p>Guava Production Association in Costa Rica</p> <p>The Costa Rican Guava Production Association supplies the land, while the TaiwanICDF provides the funding to establish guava juice processing factories. The Technical Mission to Costa Rica assists in purchasing raw materials and enhancing the processing technologies to facilitate the sales.</p>	International Human Resource Development	
<p>Foundation for National Development (FND) of St. Christopher and Nevis</p> <p>This project enhances the availability of credit assistance to the target beneficiaries through the FND in order to increase job opportunities.</p>	<p>World Links</p> <p>TaiwanICDF cooperated with World Links in assisting Costa Rica, El Salvador, Nicaragua, Guatemala, and the Dominican Republic in developing Internet education curricula for secondary schools.</p>	
	<p>Gambia Women’s Finance Association (GAWFA)</p> <p>The TaiwanICDF assists the GAWFA carry out a microfinance project in the Gambia mainly for impoverished women.</p>	

<p>Gambia Village Savings and Credit Associations (VISACAs) and VISACA Promotion Center (VPC)</p> <p>The TaiwanICDF assists the VPC in strengthening the center's efforts in training Credit Association and villagers to form and manage savings and credit service and carrying out micro-loans throughout the Gambia.</p>	<p>Caisse Nationale De Credit Agricole (CNCA) in Burkina Faso</p> <p>The TaiwanICDF provides loans that are distributed through the CNCA to farmers, women, and youth in Burkina Faso that help farmers and enable women and youth to engage in agricultural production. This boosts employment and alleviates poverty.</p>
<p>National Development Foundation of St. Vincent and the Grenadines (NDFSVG)</p> <p>The TaiwanICDF provides funding to the NDFSVG for MSE re-lending.</p>	<p>The Village Unit Cooperatives (KUDs) in Indonesia</p> <p>The TaiwanICDF assists KUDs in strengthening and expanding savings and credit systems.</p>

Technical Assistance

<p>World Vision in Honduras</p> <p>The Technical Mission in Honduras is providing tilapia fry and tilapia raising technology, while World Vision is providing the capital necessary to purchase cages for the continued development of the aquaculture industry in southern Honduras.</p>	<p>Canadian International Development Agency (CIDA) in Honduras</p> <p>The Technical Mission in Honduras provides breeder pigs and related technology, while CIDA provides capital and loans for Hondurans to construct pigsties.</p>
<p>Agencia Española de Cooperación Internacional (AECI) in Honduras</p> <p>The Technical Mission in Honduras provides tilapia fry and tilapia raising technology, while the AECI is providing capital to Hondurans to create fishponds for the further development of the tilapia culture industry.</p>	<p>Food For the Poor (FFP) in Honduras</p> <p>The Technical Mission in Honduras cooperates with FFP in carrying out tilapia extension work in northern Honduras. FFP provides funding to create fishponds, while the technical mission provides tilapia fry and technology. This project helps alleviate poverty.</p>
<p>Fundación de Investigación y Desarrollo Rural (FIDER) in Nicaragua</p> <p>The Technical Mission in Honduras in Nicaragua is working with FIDER to help Nicaraguans improve agricultural output.</p>	<p>Centro Internacional de Agricultura Tropical (CIAT) in Colombia</p> <p>The Technical Mission in Nicaragua cooperated with CIAT in culture high yield upland rice that is resistant to sheath brown rot.</p>
<p>Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) in Nicaragua</p> <p>The Technical Mission in Honduras in Nicaragua is supplying breeder hogs and technical assistance in the construction of hog breeding enclosures. The funding is provided by the GTZ. The overall program is helping to reduce poverty in the farming community.</p>	<p>ActionAid in The Gambia</p> <p>The Technical Mission in The Gambia and ActionAid jointly provide capital to carry out construction of tidal irrigation rice paddies. This increases the amount of paddy land and creates a better environment to grow rice, achieving the goal of boosting the output of staple foods.</p>

Acronyms and Abbreviations

ADB	Asian Development Bank
AECI	Agencia Española de Cooperación Internacional
AfDB	African Development Bank
AGEXPRONT	La Asociación Gremial de Exportadores de Productos No Tradicionales
APEC	Asia-Pacific Economic Cooperation
BADEA	Arab Bank for Economic Development in Africa
BEST	Belize Enterprise for Sustainable Technology
CABEI	Central American Bank for Economic Integration
CADEF	Central American Economic Development Fund
CIDA	Canadian International Development Agency
CITA	Centro Internacional de Agricultura Tropical
CONCYT	Consejo Nacional de Ciencia y Tecnología
CNC	Computer Numerical Control
CNCA	Caisse Nationale de Credit Agricole in Burkina Faso
DBSA	Development Bank of South Africa
DIRTA	Dirección de Ciencia y Tecnología Agropecuaria
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EDF	European Development Fund
ETC	Early Transition Countries
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFP	Food For the Poor
FIDER	Fundación de Investigación y Desarrollo Rural
FIISF	Financial Intermediary Investment Special Fund
FND	Foundation for National Development of St. Christopher and Nevis
GAWFA	The Gambia Women's Finance Association
GAMTEL	Gambia Telecommunications Company Limited
GDLN	Global Development Learning Network
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HIV/AIDS	Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome
ICBC	International Commercial Bank of China
ICT	Information and Communication Technology
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
INA	Instituto Nacional de Aprendizaje
INTA	Instituto Nicaragüense de Tecnología Agropecuaria
JICA	Japan International Cooperation Agency

KSU	Kun Shan University
KUDs	Village Cooperative Unit in Indonesia
MDGs	Millennium Development Goals
MIF	Multilateral Investment Fund
MOEA	Ministry of Economic Affairs, ROC (Taiwan)
MOFA	Ministry of Foreign Affairs, ROC (Taiwan)
MSE	Micro and Small-sized Enterprise
MSME	Micro, Small and Medium-sized Enterprise (also refers to SMME; Small, Medium and Micro-sized Enterprise)
NCCU	National Chengchi University
NCU	National Central University
NDFSVG	National Development Foundation of St. Vincent and the Grenadines
NGO	Non-Governmental Organization
NPUST	National Pingtung University of Science and Technology
NT\$	New Taiwan Dollars
NTOU	National Taiwan Ocean University
NTHU	National Tsing Hua University
NTNU	National Taiwan Normal University
NYMU	National Yang Ming University
OIS	Organization Identification System
OAS	Organization of American States
ODA	Overseas Development Assistance
OECD	Organization for Economic Cooperation and Development
ROC	Republic of China (Taiwan)
ROC-CAEDF	Republic of China-Central American Economic Development Fund
SARS	Severe Acute Respiratory Syndrome
SME	Small and Medium-sized Enterprise
TaiwanICDF	International Cooperation and Development Fund
TICA	Taiwan International Cooperation Alliance
TOPS	Taiwan Overseas Peace Service
UNDP	United Nations Development Program
U.S.	The United States
US \$	The United States Dollars
UNESCO	United Nations Educational, Scientific and Cultural Organization
UTEC	Universidad Tecnológica de El Salvador
USAID	United States Agency for International Development
VISACAS	Village Savings and Credit Associations
VPC	VISACAS Promotion Center
WHO	World Health Organization
WTO	World Trade Organization
YABT	Young Americas Business Trust