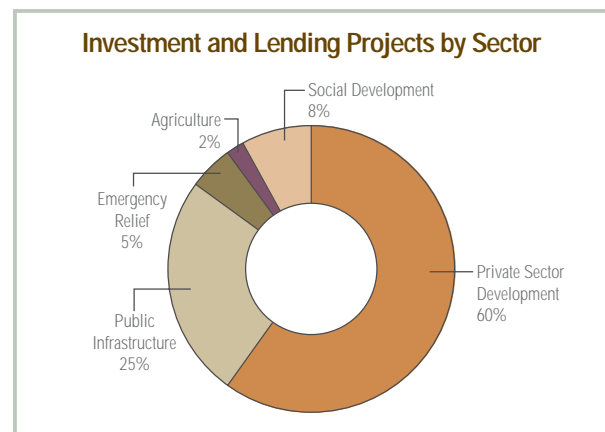
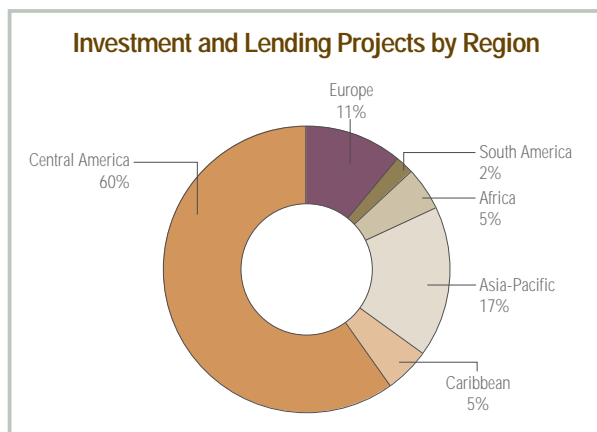


Summary of 2003 Operations

Investment and Lending Operations

Investment and lending operations include implementing core projects approved by the ICDF Board of Directors and Supervisors, extending credit guarantees to private companies that invest in developing countries, promoting private sector

investment plans, cooperating with international development organizations, and providing agricultural credits for selected areas identified by overseas technical missions. By the end of 2003, the ICDF had signed agreements for 68 investment and lending



Projects Approved by the Board (yet to be signed)

\$US

Project Name	Project Type	Joint Board Conference	Budget Allocation
El Salvador Technical Education Modernization Project	Lending	14th	8,000,000
Micro-Financing Project in The Gambia	Lending	23rd	1,000,000
Agricultural Production Reactivation II in Nicaragua	Lending	26th	5,000,000
Technical and Vocational Education Project in Senegal	Lending	27th	8,000,000
Micro-Credit Project in Malawi	Lending	28th	1,000,000
MSME Credit Project in Bulgaria	Lending	29th	3,000,000
Total Amount			26,000,000

2003 Signed Investment and Lending Projects

Project Name	Project Type	Joint Board Conference	Budget Allocation
Haiti Lending Project to Micro-Credit National S.A.–Phase II	Lending	23rd	US\$ 1,900,000
Lower Usuthu Smallholder Irrigation Project in Swaziland	Lending	26th	US\$ 5,000,000
Mongolia Cooperation Fund	Technical Cooperation	27th	€ 1,000,000
Technical Assistance to the Development Bank of Tuvalu	Technical Cooperation	27th	US\$ 100,000



projects, covering an accumulated investment contract amount of US\$19.76 million, and an accumulated loan agreement amount of US\$474.97 million. Six more plans covering US\$26 million in financing are awaiting to be signed. Of the approved plans, the greatest amount of capital has been channeled to Central and South America (62 percent), followed by the Asia-Pacific region (17 percent), Europe (11 percent), Africa (five percent), and the Caribbean (five percent).

Technical Assistance

Technical assistance operations include consultancy services for SMEs, institutional capacity building and specialized research. In 2003, the ICDF executed 22 technical assistance projects, with 14 related to SME development, four targeted at capacity building, and two involving specialized research. Furthermore, two seminars were conducted for participants from Latin America and the Caribbean.

2003 Technical Assistance Projects

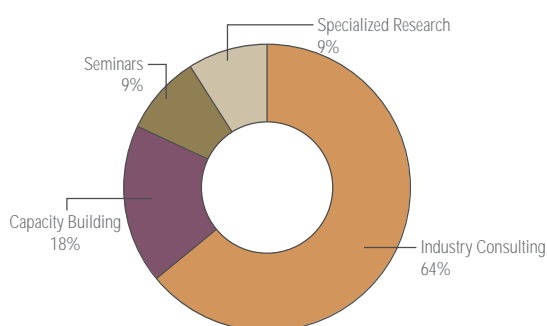
Country	Project Name	Project Type
Latin America		
Belize	Food Processing Assistance Project	Industry Consulting
Costa Rica	Mold Industry Development Assistance Project	Industry Consulting
El Salvador	Wood Furniture Industry Assistance Project	Industry Consulting
Honduras	Shoe Manufacturing Assistance Project	Industry Consulting
Honduras	Food Processing Assistance Project	Industry Consulting
Guatemala	Wood Furniture Industry Assistance Project	Industry Consulting
Nicaragua	Shoe Manufacturing Assistance Project	Industry Consulting
Nicaragua	Food Processing Assistance Project	Industry Consulting
Panama	Metal Machine Industry Assistance Project	Industry Consulting
Central America	Vacuum Dried Food Processing	Seminar
Caribbean		
Dominica, Grenada, St. Christopher & Nevis and St. Vincent & the Grenadines	Medical Equipment Improvement Project	Capacity Building
	Computer Instruction Project	Seminar
Africa		
Burkina Faso	Clothing Industry Vocational Training Project	Industry Consulting
	Biomass Application Research and Demonstration Project	Specialized Research
Malawi	SME Technical Assistance Project	Industry Consulting
Senegal	Food Processing Technical Assistance Project	Industry Consulting
	Biomass Application Research and Demonstration Project	Specialized Research
The Gambia	Food Processing Technical Assistance Project	Industry Consulting
Asia-Pacific		
Mongolia	Household Chicken Raising Extension and Educational Training Project	Industry Consulting

Education and Training

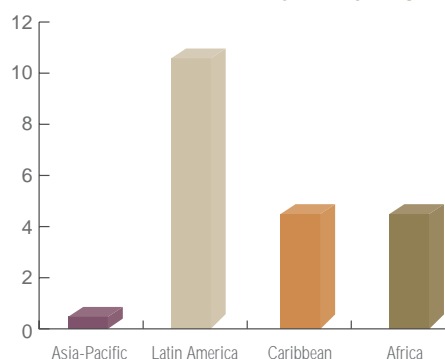
International human resources development operations are devoted to training the personnel needed by allied and friendly countries for economic and social

development. Through the end of 2003, the ICDF held 14 seminar courses, providing specialized training for 348 people. The courses were attended by 86 persons from the Asia-Pacific region, 35 from West Asia, 43

Technical Assistance Projects by Category



Technical Assistance Projects by Region



2003 Education and Training Seminars

Seminars	Number of Participants	Number of Countries Attended
Administration and Management		
Seminar on Small / Medium Enterprise Assistance Policy in Taiwan, ROC	30	25
Taiwan Experience and Development Seminar	29	25
Workshop on Community Development and the Tourism Industry	23	23
“Micro-Credit Experience in Taiwan” Seminar	27	24
Workshop on Agricultural Policy and Rural Development	29	24
International Workshop on Technology Industry Policy and Management	21	19
International Workshop on Sustainable Management of Tropical and Subtropical Fisheries	22	21
International Trade Promotion Workshop	29	23
Management of Textile Industry Seminar	20	16
Specialized Program		
Workshop on Customs Modernization	17	12
International Economic and Trade Leadership Symposium for Central America	26	10
Agriculture and Aquaculture Technology		
Workshop on the Quarantine and the Biosecurity of Livestock and Poultry	19	17
Food Processing Workshop	24	19
Technology and Management Of Aquaculture Workshop	32	27
Total	14	64



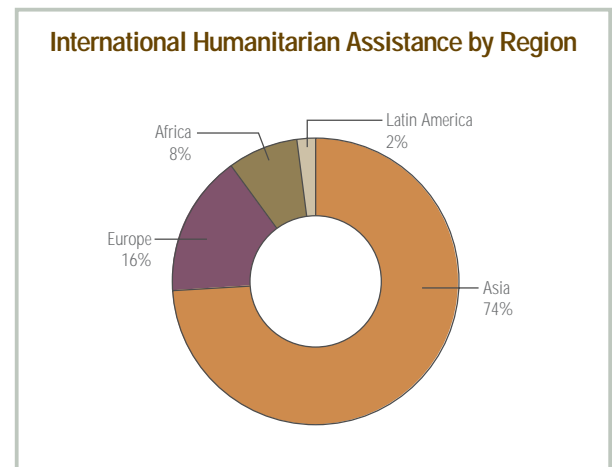
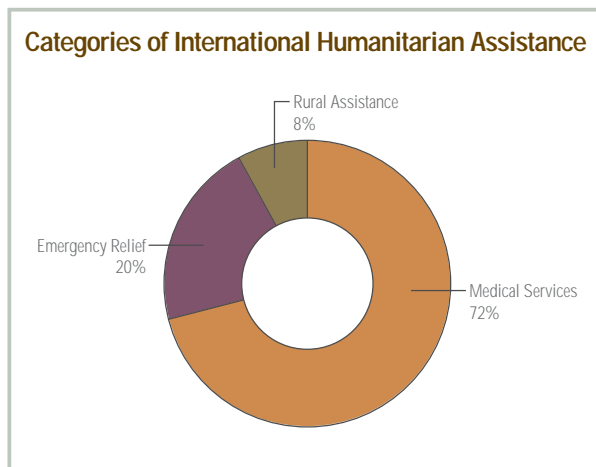
from Africa, 18 from Europe, and 166 from Central and South America.

In 2003, the ICDF continued its work with World Links, a global learning network linking thousands of students and teachers around the world via the Internet, for collaborative projects and the integration of technology into the classroom. In addition, the ICDF bestowed US\$500,000 in scholarship funds for students in four East Caribbean nations and Mongolia. The Fund also worked with six universities (National Pingtung University of Science and Technology, National Chengchi University, National Taiwan Ocean University, National Tsinghua University, National Yang Ming University, and National Normal University) through the Educational Strategic Alliance for International Cooperation (ESAIC) to conduct graduate courses for 46 students from allied countries. There are now 34 ICDF Alumni Societies throughout the world where former seminar participants can network and discuss their experiences.

International Humanitarian Assistance

The ICDF's humanitarian assistance focuses on providing emergency assistance to friendly and allied nations following natural disasters. The help consists

of grassroots medical, health and nutritional assistance. In 2003, the ICDF provided international disaster relief assistance, post-disaster reconstruction work and medical services. The ICDF's humanitarian assistance projects during 2003 included: (1) A medical assistance project for the Tibetan community in India with the Taiwan-Tibet Exchange Foundation; (2) A community tuberculosis (TB) care project in the Altai region of Russia with the Taiwan-Russia Association; (3) A mobile hospital project in Mongolia with the Taiwan-Mongolia Association; (4) Emergency regional support with the Asia Development Bank (ADB) to address the outbreak of SARS; (5) Medical assistance projects with the Taiwan Roots Medical Corps in The Gambia, Philippines and Sri Lanka; (6) Medical assistance for the Chinese refugee community in northern Thailand with the Taipei Medical University; (7) The "Love from Taiwan" Material Assistance Distribution Project in Iraq with MOFA and 18 domestic NGOs; (8) The Vincent Kabore Medical Treatment Project with the Noordhoff Craniofacial Foundation, the E-Charity Foundation and other domestic NGOs; (9) The Rural Farmer Livelihood Improvement Project in Cambodia- Phase II; and (10) A roundworm medical treatment project in Paraguay. Overall, more than US\$1.2 million was spent on these projects.



Cooperation with International Organizations and NGOs

The ICDF cooperates on various development projects with the ADB, the AfDB, the CABI, the EBRD, the IDB and the OAS on a bilateral or multilateral basis. The ICDF also works with NGOs in the evaluation, implementation and supervision of various projects. In addition, the ICDF is helping to design projects and is looking for further cooperative opportunities with NGOs. At the end of the year, the ICDF was involved in nearly 60 projects with 50 international organizations and NGOs.

Taiwan Overseas Volunteers

Initiated in 1997 when the ICDF sent five volunteers to Swaziland, the Taiwan Overseas Volunteer program is now in its seventh year. By the end of 2003, 133 volunteers had participated in the program, which now includes 21 friendly and allied nations.

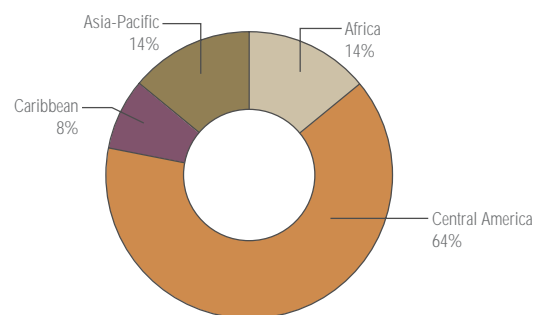
Volunteers engage in a wide range of services, including SME consultation, computer maintenance and training, Chinese and English language teaching, ethnic dance instruction, agricultural product distribution assistance, pest prevention and medical assistance.

As the ICDF expands recruitment for its volunteer

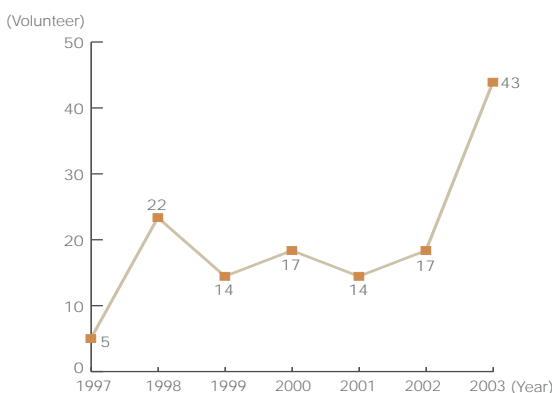
program, it is also working to diversify the range of volunteer services in cooperating countries. The ICDF is utilizing Taiwan's own human resources during this process in an effort to attract highly experienced retirees into the volunteer service. In 2003, the ICDF relaxed age limit restrictions for volunteers so that nearly any ROC citizen over 20 years of age and in good health can serve. To date the ICDF has signed volunteer agreements with 16 countries or organizations. After evaluation missions and environmental safety assessments, over 92 volunteer positions were approved by the ICDF in 2003. After the recruitment process, the Fund successfully found 43 volunteers with designated specialties to serve overseas.

Currently, 55 volunteers are serving in Costa Rica,

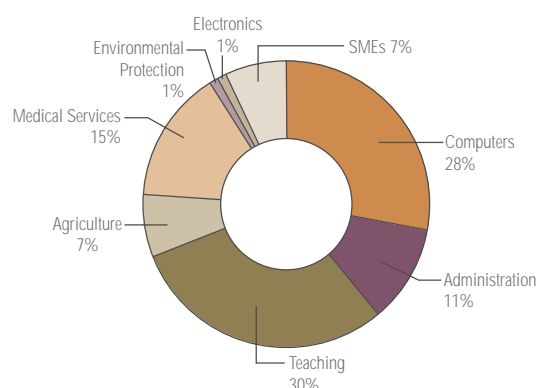
Taiwan Overseas Volunteers by Region (Since 1997)



Number of Taiwan Overseas Volunteers



Taiwan Overseas Volunteers by Category (Since 1997)





Honduras, Nicaragua, Panama, St. Christopher and Nevis, São Tomé and Príncipe, and Tuvalu. Volunteer service both enables a broad cross-section of Taiwan society to engage in work that advances the nation's diplomatic priorities and demonstrates Taiwan's willingness to play an active role in the international community.

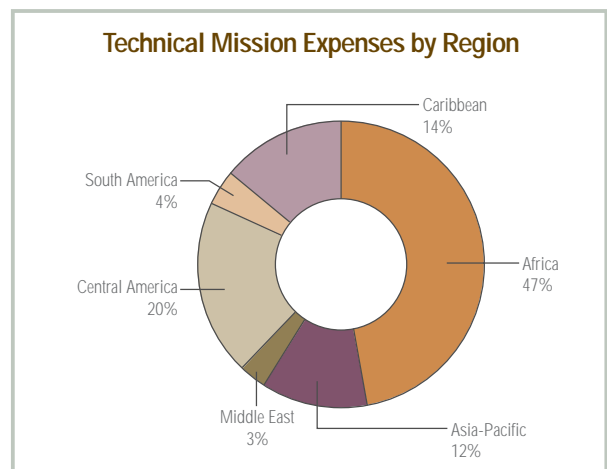
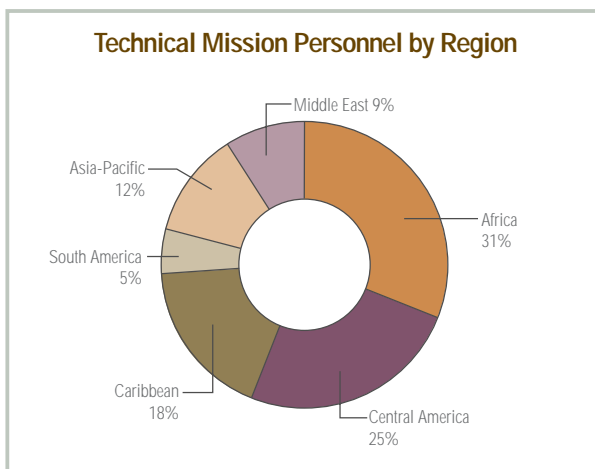
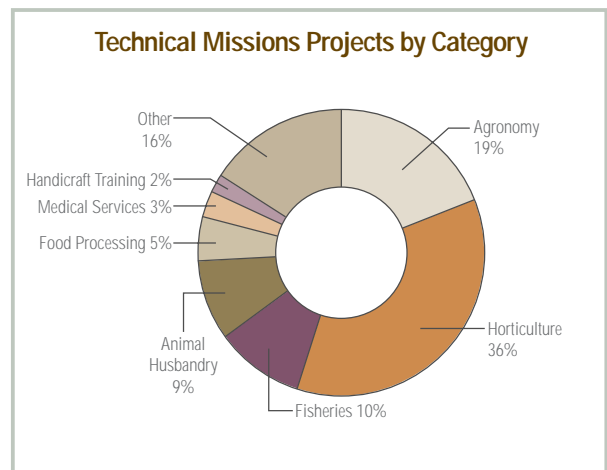
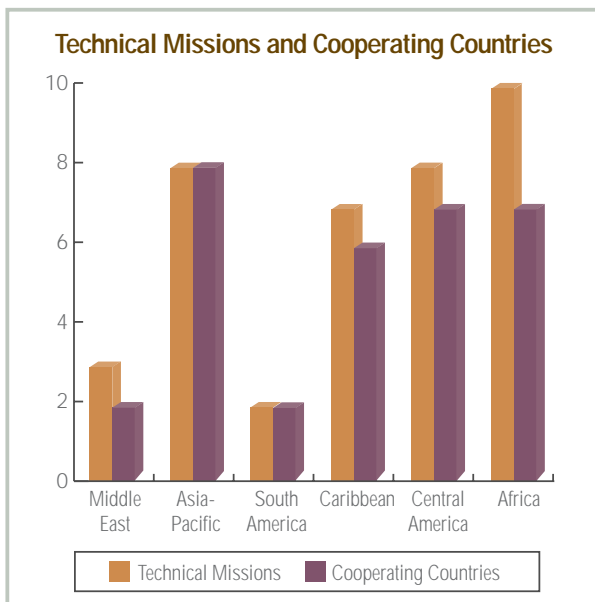
Technical Missions

In 2003, the Ministry of Foreign Affairs (MOFA) in Taiwan continued to commission the ICDF to manage overseas technical missions. At mid-year, the ICDF was managing 39 technical missions stationed in

33 countries in Africa, Central and South America, the Caribbean, the Asia-Pacific and the Middle East. The missions, with a combined staff of 252, are involved in 86 cooperation projects.

There are a total of 11 missions in Asia-Pacific and the Middle East including the new technical mission to Tuvalu, which was established at the end of December of 2003. These missions are engaged in numerous horticulture, agronomy, printing, and transportation technology based projects.

Latin America and the Caribbean has 17 missions including the Industry Service Mission and the Investment and Trade Service Mission. Various projects in the region are involved in work related to horticulture, fisheries, agronomy, animal husbandry, bamboo cultivation and



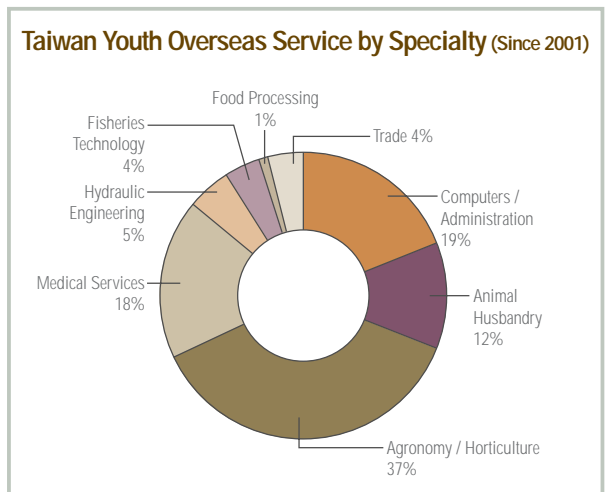
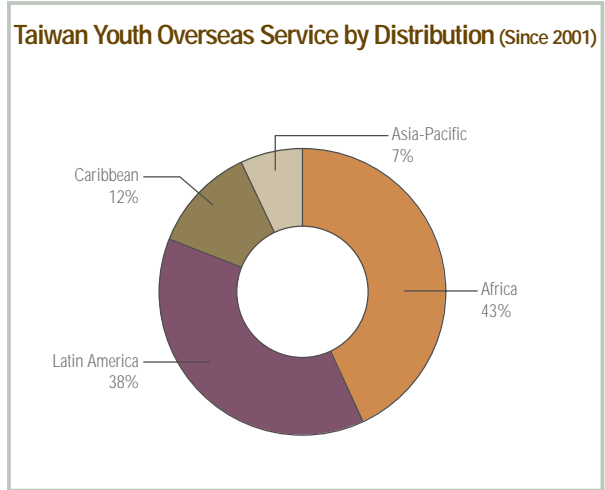
processing, trade and investment, and industrial technology development and assistance.

There are eight missions in Africa and three medical missions covering projects in agronomy, horticulture, medical, and vocational training assistance.

In 2003, the ICDF implemented a total of 16 agronomy projects, 30 horticulture projects, nine aquaculture projects, eight animal husbandry projects, four food processing projects, three medical projects, two handicraft projects and 14 projects in other areas.

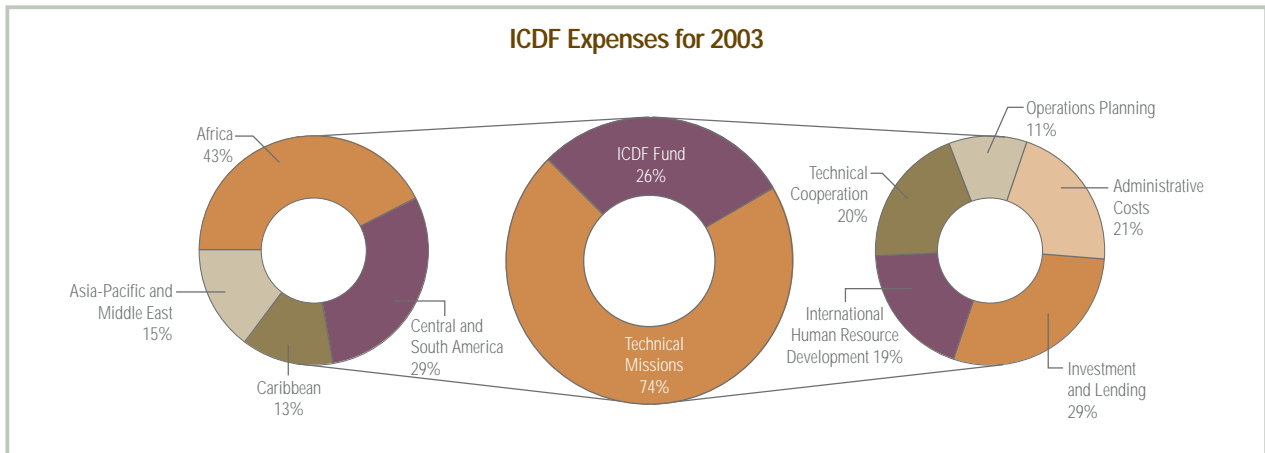
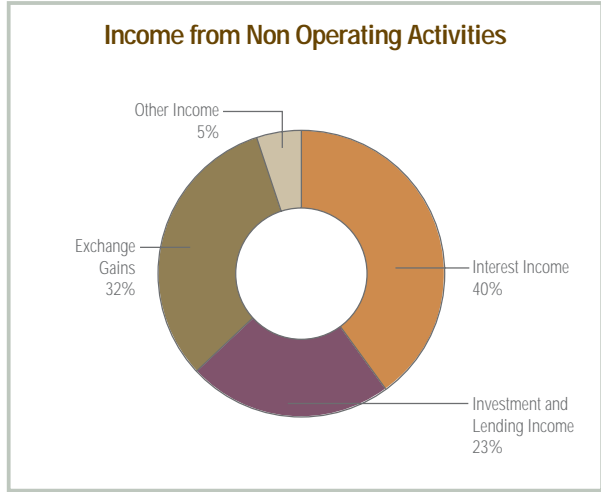
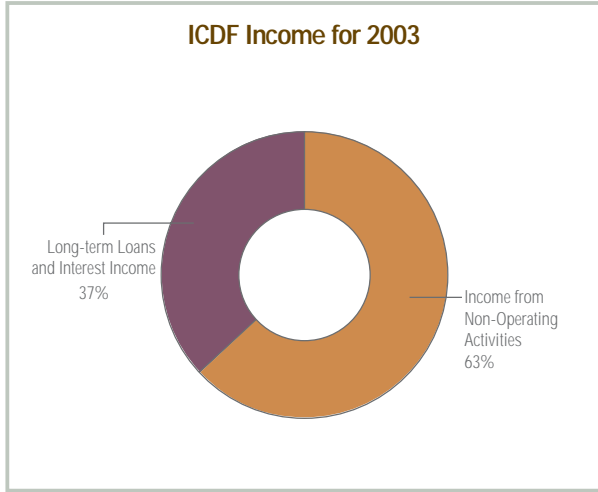
Taiwan Youth Overseas Service

The Taiwan Youth Overseas Service is carried out under regulations enacted by the Ministry of the Interior. Under this program, young men are chosen based on their area of expertise and they are sent overseas to contribute at Taiwan technical, medical or trade missions. After completing their service, the first group of 36 men returned to Taiwan during the summer of 2003. The program was a success, and the participants earned high praise from ICDF technical mission staff and host country locals alike. In August, the ICDF held a homecoming reception for the returning men, whose experiences have set a model for future groups to emulate. The second group of 35 servicemen are still stationed overseas, with 16 in Africa, 16 in Latin America and the Caribbean, and three in the Asia-Pacific region. Of these men, five are serving as agricultural technicians, two as medical technology technicians, six as medical therapists, and 22 as horticulturalists. The third group of 41 servicemen were selected during 2003 and will be sent overseas by the end of January 2004 after completion of their training. Seven of the 2003 group have a background in medical therapy or medical technology, 27 in agricultural technology, and seven in computer related areas.



ICDF Fund Utilization

At the end of 2003, the ICDF's pledged investment and lending amounted to approximately US\$494.73 million, with 73.36 percent of those funds being utilized. The ICDF has already recovered US\$141.16 million of the funds. Recovered loans, funds yet to be used, and pledged funds are deposited primarily at banks and invested in short term bills and bonds. A small portion of the capital is being invested in stock and mutual funds.



ROC–Central American Economic Development Fund

The ROC–Central American Economic Development Fund had a total capital base of US\$100 million at the end of 2003. Funding for various programs comes from interest on these funds, since regulations prohibit use of the base capital. To this point, the Fund held a total of 11 board meetings, at which eight projects and initiatives were approved including:

- (1) Executive Training Project: This project completed at the end of 2003 and provided scholarships up to US\$50,000 apiece for 10 recipients.
- (2) “Allocation of operational funds for the Central American Economic and Trade Office”

- (3) Scholarship Program for Central American Students to Study in Taiwan: Six students from four countries in the region attended the masters program in agriculture at National Pingtung University of Science and Technology and the IMBA program at Chengchi University.
- (4) “Central American Technical Training Seminars”
- (5) “Scholarship Program for Human Resources Development and Improvement in the Fields of Socio-Economic and Agricultural/Farming Development in Central America”
- (6) “Strengthening OSPESCA projects”
- (7) “Proposal of Support to the Central American Isthmus Region for Ratification of Integration Instruments”

(8) “Promoting Relations between the ROC and Friendly Countries by way of a Best Practice Transfer”

Latin America Development Company

The Latin America Development Company (LADC) was established to make diverse investments in Central and South America, thereby promoting economic development in friendly nations and strengthening ties in the region. Uni-President Enterprises, President Chain Store Corp., and President International Investment are among 25 companies that have invested a total of NT\$1.1 billion in the LADC. The ICDF, which holds three seats on the board, has invested NT\$100 million in the firm to foster development in the region.

Overseas Investment and Development Corporation

The Overseas Investment and Development Corporation promotes the development of export industries and sustained economic growth in South American, East European and Asia-Pacific countries. The company establishes economic and trade networks and provides Taiwan’s SMEs with opportunities to invest in overseas factories.

The Overseas Investment Company, which has 31 corporate shareholders, is capitalized at NT\$1 billion. The ICDF holds a 13 percent stake in the venture and has one seat on the board. The company has established six subsidiaries in South America, Eastern Europe and Central and South America that engage in engineering, metals processing and petrochemical production. One of the company’s overseas engineering companies is participating in bidding for projects in Koror, the capital of Palau.

Distribution of Assistance Projects, 2001–2003

