

Asia-Pacific and the Middle East



Introduction

Economic Overview

Asia is the largest of the world's continents and its range of countries and nationalities reflects the great variance in geography, climate, and natural resource endowments. While the US-Iraq War and the outbreak of SARS hit economic development in the region, annual growth still attained 5.4 percent in 2003, somewhat above the world average of five percent for developing nations.

Nearly all the world's major manufacturers have production facilities in East and Southeast Asia. Bolstered by low interest rates and cheap labor, the region's exports are highly competitive. The economies of Southern and Western Asia, however, are quite different. Some countries, such as Nepal, still focus primarily on agriculture. Eighty percent of that nation's populace is employed in the agricultural sector, making Nepal one of the world's least developed nations. India is the biggest of South Asia's economies and ranks fifth in the world. It exhibits vigorous development in the high-tech industry, especially in computer software development, telecommunications networks, agriculture, defense technology and nuclear energy.

The nations of the Arabian Peninsula and former Soviet republics such as Georgia and Azerbaijan have long relied on oil production for their wealth. While the overall economic growth rate exceeded five percent in 2002 and 2003, growth in individual countries varied widely. The Middle East continues to face numerous economic and security pressures. The daunting challenge of rebuilding Iraq and Afghanistan, ongoing terrorism and extremist violence, and the continuing conflict between Israel and the Palestinians continued to aggravate security problems within the region in 2003.

The economies of Pacific island nations rely mostly on agriculture, fishing and tourism. Unfortunately, most of these countries have little arable

land and limited experience with agricultural technology, preventing them from being self-sufficient in food production. Outlays for food imports represent a key drain on the foreign reserves of these countries.

Scattered over a vast area, the countries and territories of the Pacific reflect the "tyranny of distance." What distinguishes their remoteness from that associated with parts of Africa or the Caribbean is the huge expanse of ocean that separates and isolates these islands both from themselves and the outside. These barriers create high transport costs which inhibit inter-island trade, increase the costs of providing social services such as education and health care, and restrain tourism industry expansion.

Countries in the region in recent years have looked to take advantage of their diversity and clean environments to develop the tourism sector. Lack of roads, transportation facilities, hotels, and basic infrastructure have so far prevented this sector from achieving its full potential.

Social Overview

Despite economic and social progress, wide disparities exist in living standards within Asia. The region had an estimated population of 3.3 billion in 2002, comprising 56 percent of the world's total population. The immense population weighs heavily on economic development and social budgets. However, according to a report by the ADB, population growth in the region from 1995 to 2000 was only 1.4 percent—the lowest level ever recorded. Rising levels of education, increased female labor participation, and greater access to and use of contraceptives were significant reasons behind the improved social conditions.

In Asia, many countries have made considerable progress in economic and social development and in reaching poverty alleviation goals articulated under the



United Nation's Millennium Development Goals (MDGs), which outline anticipated improvements in living standards, education and health care as well as reductions in disparities between different population groups. However, despite the successes, overall progress in the region remains uneven. The 2003 United Nations report entitled *Promoting the Millennium Development Goals in Asia and the Pacific: Meeting the Challenges of Poverty Reduction* notes that, while the overall poverty rate has been reduced from 34 to 24 percent over the last decade, an estimated 768 million people in the region still live on less than US\$1 a day.

The greatest progress has been achieved in East and Southeast Asia. The nations in this region are expected to meet their MDGs ahead of time. The relatively high level of education enjoyed by the people of these countries is a key factor underscoring this achievement. For East and Southeast Asia as a whole, the rate of school enrollment today is nearly 100 percent. Well-educated populations have driven growth-oriented industrial development policies to success and been important factors behind the region's well-documented economic achievements. At the other end

of the spectrum are the nations of South Asia, which continue to see high illiteracy levels among both adults and children. Adding further complications to the problem, illiteracy is significantly more prevalent among women than men.

Better healthcare has also made its mark on the region, where life expectancy is now 65 years. Changing demographic patterns, with declines in fertility and longer life expectancies, are altering the age structure of populations in this region and will have long-term repercussions on social and healthcare policies and priorities.

Challenges and Opportunities

Asian development over the past decade has attracted the attention of the world community mainly because the region boasts billions of consumers with significant purchasing power. This situation represents an unlimited source of business opportunity for developed nations, while also presenting significant challenges. Presently, Asia, with the EU and North America, is one of the world's "big three" economic blocs, representing a full 80 percent of global GDP.

Indonesia Aquaculture Project

Project Goals

Tiger prawns are one of Indonesia's most important aquaculture products. Prawns are raised on 320,000 hectares throughout the country, creating an annual export industry worth US\$2 billion. However, in recent years, disease has crippled the industry. In light of this setback, this project is assisting farmers in solving these problems and is introducing the latest aquaculture technology and management concepts.

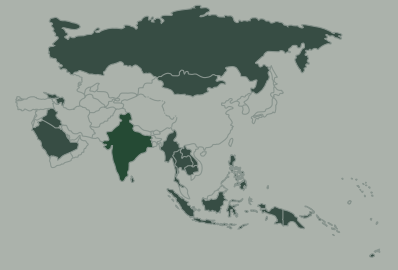
State of Implementation

1. The ICDF Technical Mission improves shrimp ecology by improving water purification. Processed water is used to raise shrimp, reducing the opportunity for bacteria to spread and effectively preventing shrimp diseases from developing.

2. The project also assists farmers, whose shrimp farms have been decimated by disease, to switch to high-value milkfish, giant sea perch and grouper farming, helping farmers diversify risk.

Project Benefits

1. In the wake of the mission's assistance to shrimp farmers, each harvest now yields over 1,000 kilograms. There has already been a 42 percent return on the original investment.
2. Since aquaculture utilizes advanced technology, proper operations can result in high profits in a short period of time. The technical mission is producing fry at a demonstration farm. Technical cooperation provides breeding technology to local farmers, which should significantly raise the output of the farms.



However, Asia is quite different from Europe and North America due to its high degree of social and economic diversity. Asia is home to advanced industrialized nations, emerging industrialized nations and even countries at the lowest stage of development. In seeking sustainable development, the region will need to address effectively the disparate social and economic conditions that exist here.

While the manufacturing sector is Asia's primary source of growth and wealth, underdeveloped nations, without the production base with which to compete, see much less benefit from the region's progress. Furthermore, while agriculture accounts for an overall smaller and smaller portion of the region's GDP, investment in the agriculture sector is still needed to alleviate poverty, reduce hunger, create competitiveness and promote economic growth in many of the countries of Asia. As inefficient agricultural technology and lack of control or access to resources are key factors contributing to undernourishment in the region, improvements in agricultural methods and diversification within the agricultural sector can significantly advance the cause of poverty reduction on the continent. An added bonus

of such measures could also be the increasing competitiveness of Asia's agricultural products in overseas markets.

Another key area of concern for many Asian nations is the social and economic inequalities that separate urban and rural areas. The movement of large numbers of people from the countryside to cities creates numerous social problems. As such, governments in the region should hasten rural development and improve infrastructure in remote areas, creating a stable environment for agricultural production and for the development of MSMEs. The resulting increase in prosperity and economic opportunity in the countryside can help relieve the pressures on urban areas caused by unrestrained population growth.

Regional Strategic Goals

Since Taiwan is situated in the Asia-Pacific, the island is especially concerned about development in the region. Presently, the ICDF has technical missions and assistance projects, investment and lending projects, and international human resource development programs in 16 countries throughout the region.

Solomon Islands Rice Project

Project Goals

In recent years, ethnic strife has undermined stability and civil society. Moreover, it has had a negative impact on the agricultural industry. This project primarily assists people of the Solomon Islands to begin to cultivate fallow land, helping residents to meet their food security needs.

State of Implementation

1. The ICDF Technical Mission is working with the Solomon Islands' Department of Fisheries and Livestock to assist small farms in resuming operations and helping public and private upland rice farms. The mission also provides instruction to local farmers in planting various other crops.
2. Agricultural associations have been established to

serve farmers and assist them in establishing production and marketing teams that boost output and quality, increasing farmer incomes.

Project Benefits

1. The project expects to help the Solomon Islands increase grain production by a factor of seven within three years. This will directly benefit 5,000 farming families, boosting annual incomes in the region by US\$4 million, and creating 30,000 new employment opportunities.
2. The project expects to largely reduce foreign exchange expenditures for staple foods and rice in particular. It hopes to improve rural lifestyles, thus relieving unemployment and urban population growth.



Given the cultural differences and varied states of social and economic development in each of these countries, the ICDF undertakes programs tailored to the needs of each nation. For countries with a basic level of development, the ICDF provides assistance in industrial technology to hasten upgrading and transformation. For countries where there is emphasis on a single industry, the ICDF helps to implement industrial and economic diversification. Meanwhile, in nations that are the least developed, the ICDF's initial focus is to make these countries self-sufficient in food production and provide basic infrastructure. This strategy enables these countries to provide for themselves and reduce poverty.

Implementation of Development Cooperation

Technical Cooperation

• Boosting Agricultural Commercialization

Provides assistance for farmers in cooperating countries to operate and manage private farms. Aims to improve output and assist farmers in establishing a comprehensive production and marketing system.

• Increasing Crop Yields Through Agricultural Diversification

Aims to increase crop yields and reduce reliance on imports. This will encourage people in the host country to enjoy high-quality, low-cost farm products. To encourage commercialization and boost incomes, the ICDF assists in developing horticulture through farming a wide variety of fruits and vegetables.

• Transferring Technology

Introduces advanced or competitive technologies from Taiwan, assisting the host country in developing new products. It also helps to improve the farming environment and farming equipment, boosting output and yields.

• Training Local Specialists

Enables locals to have the ability to carry out operations on their own, reducing reliance on foreign assistance. In the meantime, this training raises the quality and quantity of specialists in the host country.

Mongolia Cooperation Fund

Project Goals

In 1991, Mongolia began to shift from a state-planned to a market-based economy and, in support of this policy, the country began privatizing state-run enterprises. To assist Mongolia in its transition, the EBRD created a Mongolia Cooperation Fund in March 2001 with six years of planned funding. The ICDF provided €1 million for the project to assist Mongolia in an array of sectors ranging from telecommunications to tourism, as well as for the facilitation of investments and overall private sector development.

State of Implementation

1. The operation of the fund and the planning of technical assistance programs are jointly carried out by the Mongolian Government, the EBRD and

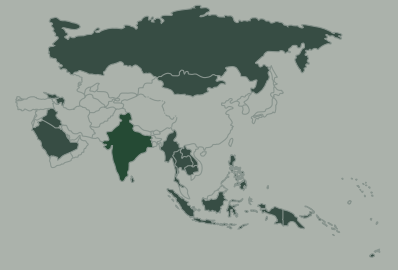
donor countries including Taiwan, Japan, the Netherlands, and Luxembourg.

2. The fund is currently helping to strengthen the financial system, provide human resource training, and assist in judicial reform, energy development and air control management.

Project Benefits

1. Assists the Mongolian government in creating a healthier economic and legal environment through commercialization and privatization of state-owned enterprises.

2. Provides financial institutions and private enterprises with technical training and consultation services, and assists in carrying out capacity building projects to promote economic transformation.



Investment and Lending Operations

• Using Credit and Loan Programs to Strengthen Banking Systems

Re-lending and loan programs are used to strengthen financial organizations of the cooperating country. The ICDF injects funds into the financial system and helps to achieve the goal of promoting sustainable operations among local institutions.

• Establishing Long-term Regional Partnerships

The ICDF seeks to stage regional financing programs jointly with regional or global NGOs or development agencies to boost the effectiveness of assistance and to promote further cooperation between private sectors in Taiwan and the host country.

International Human Resource Development

• Conducting Successful Technology Transfers

Many international human resource development programs take advantage of the “Taiwan experience.” Officials and experts from cooperating countries come to Taiwan, participate in various seminars and

workshops, and learn the latest trends through successful technology transfers.

• Utilizing Marine Resources

Most Asia-Pacific nations are located near the ocean, providing an abundant variety of marine resources. The lives of people and economic development are inextricably linked to the ocean. The ICDF takes advantage of Taiwan’s research in fishing techniques to hold courses and scholarship programs, assisting cooperating nations to better utilize and maintain their marine resources.

• Establishing a Network of International Specialists

Each year, the ICDF holds a number human resources development programs in various fields as well as international seminars, workshops, and conferences to promote Taiwan’s economic and cultural diversity to the world. This strategy also creates a solid foundation for future cooperation between both the official and private sectors.

Technical Assistance to the Development Bank of Tuvalu

Project Goals

The main purpose of the Tuvalu Development Bank is to provide local private enterprises in Tuvalu with loans. This will help them overcome their current resource constraints. However, due to improper management, the bank has lost a large amount of its capital and client base. The project is assisting the bank in strengthening its institutional functions and is also supporting on-the-job training for the staff.

State of Implementation

After careful assessment, the ICDF decided to provide the Tuvalu Development Bank with

US\$100,000 to strengthen banking operations and management. The project provides consultations in these selected areas. Some employees will undergo special training at selected banks in Fiji. The project also strengthens financial services, computer information hardware equipment, and loan operations software.

Project Benefits

After strengthening its ability to provide financing, the Tuvalu Development Bank will likely receive other international loans in the near future. This will strengthen private sector development by extending micro-credit a greater number of MSEs.



ICDF Projects in the Region

Azerbaijan

• EBRD Financial Intermediary Investment Special Fund–Silk Road Motel Project

The ICDF and the EBRD have been providing financing for a motel in Baku. The new accommodations are providing a place to stay for tourists, businesspeople, and short- and long-term consultants in the gas development sector.

• EBRD Financial Intermediary Investment Special Fund–SME Re-lending Project

The ICDF has provided a US\$1.5 million loan via the Special Investment Fund to assist in the extension of loans to SMEs, which is helping to promote private sector development.

Bahrain

• Horticulture Project and Landscaping Project

The ICDF Technical Mission is assisting the Ministry of Agriculture in developing a tourism and recreational industry. This project is assisting in garden designing and in introducing urban landscaping concepts. This has raised the quality of life in Bahrain, and has also helped to spark tourism development. The mission is also assisting the Bahraini Bureau of Parks to create a sod and flower production system, which is increasing employment opportunities and boosting incomes for farmers.



International Workshop and Seminar on the Sustainable Management of Tropical and Subtropical Fisheries

Project Goals

Fisheries are sure to play an important role in the future food security of the world. Taiwan, an island nation, has accumulated significant experience in researching and utilizing marine resources. The ICDF has sought to leverage this advantage by holding workshops and seminars on tropical and subtropical fisheries management that address key issues within the industry.

State of Implementation

1. Officials from allied and friendly countries with fisheries potential, as well as numerous scholars, experts, and NGO representatives have been invited to attend courses. A total of 21 people participated in the 2003 course, with nine from the Asia-Pacific and the Middle East, including participants from Saudi Arabia, Thailand, Malaysia, Tuvalu, Fiji, the Marshall Islands, Papua New Guinea and Oman.

2. The workshop and seminar briefed participants on the development of the fisheries industry in Taiwan and Taiwan's cooperation in the field of aquaculture with other nations. Fishing developments in each participating nation were also discussed.

Project Benefits

1. The workshop and seminar particularly focused on the development of regional fisheries and offered consultation and research services. By holding the course, Taiwan also helped participating countries in designing policies that promote the advancement of the fisheries industry through organization and workforce development.

2. The course provided participants from Taiwan and other countries opportunities to discuss cooperation projects face to face. It also boosted exchanges of fisheries information among the participating nations, helped ameliorate fishing rights disputes and increased the development of marine resources.



Cambodia

• **The Rural Farmers' Livelihood Improvement Project–Phase I**

The ICDF is working in partnership with the French NGO SODECO to provide multivitamins, bicycles and wireless equipment to farming families, aiming to improve their nutrition and overall quality of life.



Fiji

• **Off-season Vegetable Project**

The ICDF Technical Mission is introducing suitable vegetables and tropical fruits and is providing technical assistance to farmers to boost production quality. The project is strengthening production and marketing functions and providing grading and packaging instruction for exports and local sales.

• **Taiwan Youth Overseas Service**

The ICDF has provided one serviceman for assistance in the area of horticulture.



Georgia

• **EBRD Financial Intermediary Investment Special Fund–Micro-Credit Bank of Georgia**

The ICDF has provided US\$3 million in financing through the EBRD Special Investment Fund to the Micro Bank of Georgia for assistance in MSE development.



India

• **The Medical Assistance Project for the Tibetan Community**

This project, implemented in conjunction with the Taiwan-Tibet Exchange Foundation, is providing mobile medical services to Tibetan refugees in India.

• **The Medical Equipment Improvement Project for the Tibetan Refugee Self Help Center**

Under this project, the ICDF is working with the Tibetan Refugee Self-help Center to boost the quality of medical equipment available at the grassroots level. It is establishing an examination, prevention, and treatment mechanism for detecting breast cancer in women.



Indonesia

• **General Agriculture Management Project**

This project is establishing a vegetable production and marketing system to boost farmer incomes. It is also encouraging Taiwanese investment in related industries to strengthen the cooperative relationship between the two countries.

• **Livestock Project**

This project is developing the meat and milk potential of the Indonesian Peranakan Ettawa goat and is establishing a strong production and marketing network for livestock projects in the region.

• **Aquaculture Project**

The ICDF Technical Mission is utilizing Taiwan's advanced aquaculture technology to improve local aquaculture farming techniques and increase product diversity.

• **Cooperative Rural Saving and Credit System Project**

This project has provided the Central Bank of Indonesia with a US\$10 million loan to assist, strengthen and expand the current cooperative credit program for the grass-roots level.

• **Taiwan Overseas Volunteers**

The ICDF has provided two volunteers for assistance in Mandarin language instruction.



Iraq

• “Love from Taiwan” Material Assistance Distribution Project

This project is implemented in conjunction with Taiwan’s MOFA, 18 domestic NGOs, and America’s Mercy Corps, all of which are providing material goods to displaced Iraqis. The ICDF was responsible for the transportation of the donated goods.



The Marshall Islands

• Horticulture Crop Development Project

This project is assisting in the development of economically viable fruits. It is strengthening management, promoting specialization and establishing a cooperative production and marketing system for farmers.

• Livestock Project

The ICDF Technical Mission is instructing farmers in proper feeding and livestock rearing techniques. A fund is created for purchasing raw materials and feed. Overall, the project is transferring chicken and hog rearing techniques to farmers in the Marshall Islands while establishing a feed crop growing area on the outlying islands.

• Taiwan Youth Overseas Service

The ICDF has provided two servicemen for assistance in the fields of livestock and horticulture.



Myanmar (Burma)

• Taiwan Overseas Volunteers

The ICDF has provided one volunteer to assist in educational work for overseas Chinese.



Mongolia

• Household Chicken Raising Extension and Educational Training Project

The ICDF has been sending experts to Mongolia to provide technical assistance in chicken raising. Seed instructors have been trained and a local information network has been established. The overall consultations are helping with the future development of the poultry industry.

• Mongolia Cooperation Fund

This Fund is facilitating ICDF participation in the EBRD-established Mongolia Cooperation Fund. Overall, the project helps Mongolia create an open market environment by strengthening an array of sectors ranging from telecommunications to tourism.

• The Mobile Hospital Medical Assistance Project

This project is cooperating with the Taiwan-Mongolia Exchange Foundation by providing medical services and care for those with cardiovascular disease in the southern Gobi region. A mobile hospital is helping improve medical standards at the grassroots.

• Children’s Scholarship Program–Phase I and II

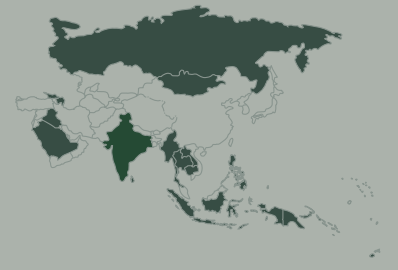
This project is assisting Mongolia World Vision by providing scholarships, clothes and medical supplies for needy children. Each child in the program receives US\$100. The project has funding to assist 1,000 children.



Palau

• Horticultural and Crop Extension Project

The ICDF Technical Mission works in conjunction with local government policies that focus on enabling the country to be self-sufficient in agricultural prod-



ucts. The mission is also assisting in developing new crops, extending traditional crops, and boosting the supply of fruits and vegetables.

- **Taiwan Youth Overseas Service**

The ICDF has provided two servicemen for assistance in agricultural technology and horticulture.



Papua New Guinea

- **Cereal Grain Production Project**

In this project, the ICDF Technical Mission is promoting crops such as upland rice, vegetables, corn and peanuts. Extension has been carried out among farmers, and regular courses are held on planting techniques.



The Philippines

- **Subic Bay Industrial Park Development Project—Phase I and II**

This project is developing about 150 hectares of industrial land in Subic Bay. This is improving infrastructure, attracting foreign investment, increasing jobs and bringing overall economic prosperity to the region.

- **SME Re-lending Project**

The ICDF is assisting the Philippines in developing export-oriented SMEs as well as a center-satellite model production system.

- **Re-lending Program for Food Processing and Agricultural Machinery**

This project is providing loans to the Development Bank of the Philippines for re-lending to small-sized food and agricultural processing companies and farmers for production equipment procurement.

- **Medical Assistance Project**

The ICDF is cooperating with the Taiwan Root Medical Peace Corps in the provision of free medical care.



Russia

- **The Community Tuberculosis (TB) Care Project in the Altai Region of Russia**

The ICDF is working together with the Taiwan-Russia Exchange Foundation in providing medical care and services for those with tuberculosis in the Altai border area. The mobile medical services are helping to raise local medical standards.



Saudi Arabia

- **Agriculture and Fisheries Project**

This project is carrying out aquaculture experiments on raising fresh and salt-water fish and shrimp. Market surveys are also conducted to develop various aquaculture development projects. The agricultural component is utilizing tissue culture technology to produce top-quality date palm seedlings. In light of the market saturation of date palms, planning for other crops is also carried out.

- **Transportation Technology Cooperation Project**

In this project, specialists from Taiwan are assisting the Saudi Ministry of Transportation in a variety of transportation and road construction projects.

- **Printing Technology Cooperation Project**

This project is upgrading printing technologies at agencies related to the Saudi Ministry of Finance.



The Solomon Islands

- **Rice Project**

The ICDF Technical Mission is assisting in the



re-sowing of rice fields to satisfy the basic food requirements of Solomon Islanders. The project is also improving rural lifestyles and relieving unemployment.

• **Livestock Project**

This project is extending pig farming and the training of farmers to create jobs and boost farmer incomes. A breeding system is being established to provide high-quality breeder pigs to farmers. This will help reduce production costs. The mission also organizes pig production and marketing teams and designs supply systems for domestic and export sales.

• **Rural Credit Project**

This project provides a line of medium- and long-term credit to rural farmers, as well as to participants in the technical mission rice extension project.



Sri Lanka

• **Medical Assistance Project**

This project is providing free medical care in conjunction with the Taiwan Root Medical Peace Corps.



Thailand

• **Northern Thailand Horticulture and Forestry Development Project**

Under this project, the ICDF Technical Mission is training technicians to work at various field stations operated by the Thai Royal Foundation. Agricultural assistance and guidance are also provided to boost agricultural technology in the northern highlands.

• **Royal Project**

Assists the Thai Royal Foundation in carrying out research and development projects involving fruit trees, vegetables and processed foods.

• **Medical Assistance for the Chinese Refugee Community in Chiang-Rai**

The ICDF is cooperating with Taipei Medical University to provide free medical services to ethnic Chinese refugees in Chiang-Rai Province. It also provides information on health and sanitation and provides humanitarian medical assistance.

• **Taiwan Overseas Volunteers**

The ICDF has provided four volunteers for assistance in computers, business consulting, and Mandarin instruction.



Tuvalu

• **Horticultural Crop Development Project**

The ICDF Technical Mission is assisting the Government of Tuvalu in improving the cultivation technology of various horticultural products. The project's overall aim is to help Tuvalu reach self-sufficiency for fruits and vegetables, thus reducing the nation's demand for imports.

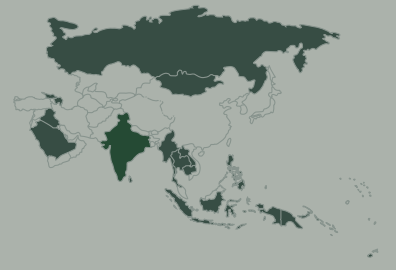
• **Technical Assistance to the Development Bank of Tuvalu**

This project is assisting the Tuvalu Development Bank in strengthening its institutional functions and in providing diversified financial services to clients. A grant has been made to provide the bank with consulting services, loan officer training, and other required assistance needed for the adoption of sound lending procedures.

• **Taiwan Overseas Volunteers**

The ICDF has provided three volunteers to teach computer and English language courses.





Vietnam

• SME Re-lending Project

This project is providing a US\$15 million loan for SMEs in Vietnam to purchase production equipment from Taiwan. Two-thirds of the loan must be used specifically for this purpose. However, the remaining funds can be disbursed as SME all-purpose loans.



The Asia-Pacific Region

• International Workshop and Seminar on the Sustainable Management of Tropical and Subtropical Fisheries

This workshop and seminar is providing a forum for consultations and discussions on regional fisheries development and cooperation. It boosts exchanges of information on fisheries topics, ameliorates disputes over fishing rights, and raises the overall development of marine resources throughout the region.

• Emergency Regional Support to Address the Outbreak of Severe Acute Respiratory Syndrome (SARS)

In light of the serious economic and political impact that the SARS outbreak had on Asian nations, the ICDF was invited to participate in this regional project by the ADB. The ICDF shared Taiwan's successful experiences in handling the SARS outbreak to assist ADB developing nation members in boosting public health measures to prevent future outbreaks.



Photograph by Li Jyh-horng



① The ICDF donates an X-ray machine for the mobile van at the Tibetan Refugee Self-Help Center ② The Papua New Guinea Cereal Grain Production Project ③ The Fiji Off-season Vegetable Project ④ The Mongolia Children's Scholarship Program