

Foreword

This year was a milestone for the International Cooperation and Development Fund as it celebrated its fifth anniversary. Since its creation in 1996, the ICDF has been responsible for the implementation of ROC overseas assistance and development programs. The ICDF has carried out this important mission with respect for the various cultures it encounters, genuine interest in the economic and social development of peoples worldwide, keen understanding of the ROC's international roles and responsibilities, and above all, a thoroughgoing commitment to excellence.

Based on this approach, the ICDF coordinates its programs with the ROC Ministry of Foreign Affairs. It is further guided by the latter's three principles of "people's diplomacy"—democracy-based diplomacy, civilian-based diplomacy, and public-opinion based diplomacy. The ICDF conforms to these principles by drawing on the ROC's democratic achievements, the energy and enthusiasm of the nation's population, and the growing sophistication and expanding worldview reflected in its public opinion.

The ROC government regards ICDF cooperation programs in allied nations and its work with international institutions and NGOs vital in establishing fruitful and lasting relationships with other countries, stimulating economic and social development, and deepening the ROC's contributions to the international community. With these compelling incentives and outcomes in mind, the ROC will continue to strengthen implementation of its cooperative development and assistance policies and programs in 2002.

The ICDF employs an efficient project-oriented methodology that leads to integrated packaged projects. When successful, these projects are scaled up in their original countries or replicated in new countries. The ICDF's core professional competencies and service areas include macroeconomic planning and management, small and medium enterprise (SME) expansion, agricultural industry research and

development, foreign trade promotion, and human resources capacity-building and development. The ICDF uses these competencies to spur economic development and learning opportunities at multiple levels; support development of free and open societies; provide humanitarian aid to victims of natural disasters; and encourage economic cooperation and cultural exchange within an international development framework.

With finite resources, the ICDF builds greater leverage and extends the positive results of its work by cooperating with international development organizations and NGOs. Joint funding arrangements, cooperative strategic planning and tactical project execution, and combined educational efforts have eased budgetary pressures, enhanced project performance and elevated the ROC's capacity in international development work. The ICDF extended the scope of its cooperation with these organizations in 2001 through efforts that included a tourism project to improve access to Mayan ruins in Belize jointly funded with the Inter-American Development Bank (IDB); the modernization of the Dominican Republic National Congress (also jointly funded with the IDB); a technology cooperation agreement signed with the Central American Bank for Economic Integration (CABEI); a vegetable extension project in Nicaragua overseen by CABEI; and a children's scholarship project in Mongolia conducted by World Vision Mongolia.

In order to widen its economic development work in partner nations and deepen bilateral trade relationships, the ICDF completed the *Regulations for the International Cooperation and Development Fund in Providing Guarantees for Credit Facilities Extended to Private Enterprises who Invest in Countries with Formal Diplomatic Relations* in 2001, and now provides such services. The ICDF's Credit Guarantee Scheme provides an additional measure of security for Taiwanese investors and

financial institutions investing in business development in nations allied with the ROC. The ICDF further established the "Overseas Business Opportunity Information System" and has created an Internet portal to collect, organize and edit information and announcements promoting business opportunities involving international development organizations (including consulting and engineering tenders and overseas procurement activities). With these tools, the ICDF is enabling ROC businesses to take better advantage of overseas investment opportunities, expand their overseas markets, and cultivate new and existing business relationships.

Last year, the ICDF adopted micro-enterprise development as a new strategy to extend the organization's existing SME development efforts. Micro-enterprises with only 1-5 employees constitute a pillar of economic development in many nations allied with the ROC, and supporting these businesses has been designated a priority. Micro-loans and related technical training are effective ways of meeting micro-enterprise financing needs and improving the skills of these businesses. Ultimately, they raise standards of living, develop the private sector, and reduce poverty. The ICDF's cooperation with regional NGOs on the Micro-Credit in the Eastern Caribbean Region Project, launched in 2001, is a perfect example of this approach.

In keeping with the United Nations International Year of Volunteers in 2001, the ICDF trained and in October dispatched 14 volunteers to take part in the ICDF Volunteers program. The Fund was also instrumental in training the first group of 37 young men participating in the Diplomatic Alternative Service. This program, in which ROC conscripts may opt for service in overseas medical or technical missions in lieu of national service at home, is an important achievement in broadening public participation in international affairs. The ICDF Volunteers and the Diplomatic Alternative Service provide new skills and energy to ROC overseas technical and medical missions and help realize the ROC's "people's diplomacy" ideals.

Seeking to contribute to the international community and demonstrate its sincere humanitarian spirit, Taiwan provides substantial emergency aid to nations struck by natural disasters, including urgent medical, resettlement and reconstruction assistance. In 2001, the ICDF provided emergency earthquake assistance to El Salvador after a pair of strong earthquakes struck the country in January and February; extended relief to Mongolia after blizzards in the winter of 2000-2001; and helped Peru rebuild housing destroyed or damaged by an earthquake in June. In addition to providing emergency aid during crises, these actions demonstrated Taiwan's enduring commitment to long-term safety and security in the international community.

The ICDF contributes significantly to ROC international cooperation and economic development undertakings. As the scope and diversity of its activities has expanded over the years, the organization has required ever wider and deeper expertise, and public expectations have grown ever higher. In order to build a more solid legal foundation for the nation's international cooperation undertakings and establish comprehensive oversight mechanisms for foreign aid projects, the Ministry of Foreign Affairs has drafted and submitted to the Legislative Yuan the *International Cooperation Development Law*. This law will require from the ICDF even more rigorous professionalism, systematic procedures and operational transparency, which will better prepare it for its manifold future duties. With this firm basis, the ICDF will continue to strengthen its collaborative relations, carefully respond to global trends, and assiduously design and implement projects that have a positive impact on development worldwide.

In undertaking international development and humanitarian aid work, the ICDF faces difficult challenges to simultaneously maintain tradition and "invent the future." In our work, we hope to strike a balance between stability and innovation, stressing the continuity of existing diplomatic policies and commitments while eagerly embracing growth and change. As we move forward, we will strive to earnestly fulfill our

international responsibilities, steadily improve our professional skills, and actively expand citizen participation in international development activities. I hope that the 2001 ICDF Annual Report provides readers with a complete picture of the Fund's hard work and solid achievements during the past year and of its plans for the future. Finally, I would like to take this opportunity to thank those who have supported the ICDF in its work, and to invite feedback from our valued friends in nations around the world.



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ICDF Chairman