



# Overview

## International Cooperation and Development Strategies

**I**nternational cooperation development plays an important role in Taiwan's foreign affairs efforts and the ICDF-TAIWAN formulates international cooperation and development initiatives that complement with diplomatic priorities. In addition, the ICDF works to showcase the government's strategy of "people's diplomacy." Through its broad-based portfolio, which includes technical cooperation, investment and lending operations, international human resource development, and humanitarian assistance programs, the ICDF helps partner nations develop their economies, reduce poverty, strengthen education and training infrastructure, expand agricultural output and rebuild after natural disasters. The ICDF works regularly and closely with international organizations and NGOs to achieve its international development cooperation goals.

Taiwan is part of an increasingly complex and interconnected "global village." Globalization has brought unprecedented opportunities. With this trend, comes new challenges of increasing populations, urbanization and environmental degradation and a growing prosperity gap between developed and developing countries. These challenges cannot be addressed by national governments alone and global efforts are required to achieve real progress. Taiwan's international cooperation and development aims to provide an enabling environment that will increase access to global knowledge and resources in allied and friendly countries. To address global poverty by bridging the gulf between the two-thirds of the world's population that live in the developing countries and the one-third who live in developed and industrialized economies, the ICDF promotes poverty reduction and economic development strategies that share the "Taiwan experience" of growth and opportunity and make the world a safer, more prosperous and inclusive place to live.

The ICDF has the following objectives in its international cooperation initiatives:

(1) Reducing poverty in developing countries through a wide array of international assistance programs; (2) Expanding international cooperation and promoting "people's diplomacy;" (3) Assisting in economic development by strengthening the private sector; (4) Sharing a commitment to sustainable development.

### Poverty Reduction

Starting in the 1990s, the international community began assessing a nation's development by more than just level of economic development. Human development, as described in Chapter I of the *Human Development Report 1992 of the United Nations Development Programme (UNDP)*, is a process of broadening the choices available to a nation's people, most critical of which are those that promote long and healthy lives, education, and improving living standards. The Human Development Index (HDI), first published by the UNDP in 1992, attempts to measure human development. The HDI focuses on the health of a nation's populace (as measured by average lifespan), level of education (literacy rate and level of school attendance of adults over 15 years old), and living standards (purchasing power as a measure of per capita GNP). Level of development is categorized as high, medium or low.

The UNDP data identifies most of the world's developing nations as concentrated in Africa, South America, and South and East Asia. Countries in the sub-Saharan region of Africa and South Asia are on the lowest rung. The obstacle to development in these countries is primarily poverty. Chronic problems associated with poverty such as hunger, illiteracy,



disease, lack of empowerment, and vulnerability to natural disasters magnify the problems faced by populations in these countries.

Over one billion people throughout the world live on a daily income of US\$1 or less (the accepted definition of poverty). Of the 800 million people who are malnourished, 700 million reside in developing countries. At the 2002 World Summit on Sustainable Development held in South Africa, participants reached consensus on topics related to rural poverty reduction. The “Plan of Implementation,” agreed to in Johannesburg, set several targets and timetables for a number of initiatives dealing with health, agriculture and private sector development. These proposals will help to strengthen agricultural productivity, boost rural infrastructure, expand micro-credit services and enhance education.

In recent years, international development organizations, government agencies and NGOs have made the reduction of poverty a focal point of foreign assistance work. Presently, this work focuses on economic development and social improvement through community participation and a more effective allocation of resources. Assistance includes technology transfer, donation of goods, and workforce training.

Development is a precondition for reducing poverty. All ICDF assistance projects aim to boost the local economy and put the host country on the road to development and prosperity. The ICDF provides assistance by transferring technology, providing investment and lending services, conducting international human resource training, and granting humanitarian assistance.

### **International Cooperation and the Promotion of “People’s Diplomacy”**

The ICDF is diversifying its cooperation with global partners to enhance the power and effectiveness of its operations. In addition to continuing economic development cooperation and other assistance projects

to diplomatic allies, the ICDF is looking to expand cooperation with other friendly countries on a mutually beneficial basis. This type of endeavor will broaden the ICDF’s international cooperation activities and boost the standing of the agency among other international assistance organizations and national governments.

Recent years have seen the vibrant development of NGOs both domestically and internationally. In the future, the ICDF will further develop its relationships with NGOs and “third sector” organizations in the areas of philanthropy, civil society and non-profit service. It will strengthen Overseas Volunteer and Youth Overseas Service programs and will work with the private sector to promote “people’s diplomacy,” raising the level of its international cooperation and creating synergy.

Taiwan’s foreign affairs work is no longer the sole preserve of the Ministry of Foreign Affairs (MOFA). The government in recent years has increasingly tapped private resources as a means to realize diplomatic objectives. It has especially promoted concepts of diplomacy and the importance of international relations to the general public. Taiwan’s policy of promoting “people’s diplomacy” unites the power of the public and private sectors. Winning public support in this regard and integrating private resources offers new possibilities in diplomatic initiatives. George F. Kennan, a noted US diplomat and historian, said that foreign affairs work in the future may be accomplished without the service of diplomats. This is the fundamental meaning of “people’s diplomacy.” Given the present state of development in the international community, and based on the trend toward a broad-based participatory diplomacy, this third sector provides the best organizational structure and vitality to achieve diplomatic goals.

The third sector underscores the power of the private sector and utilizes the massive well of information available from all of the parties joined together by mutual interest. NGOs represent a

prominent force in the international community today. They not only interact with the public sector, but also in many cases remain a step ahead of government organizations in dealing with important global issues.

In an effort to expand international cooperation activities and boost the effectiveness of operations further, the ICDF has also instilled “people’s diplomacy” into a wide range of programs, including the Youth Overseas Service and Overseas Volunteer programs.

The Taiwan Youth Overseas Service supplies ICDF missions around the world with new expertise and fresh enthusiasm. Meanwhile, the ICDF is increasing aggressively the scope and numbers of volunteers in its Overseas Volunteer program. For example, it has begun to accept applications from retired and mid-career volunteers. These new participants will infuse new passion and energy into overseas service work. The ICDF is also expanding the types of service and categories of volunteers to broaden such diplomatic work among the public.

## **Assisting in Economic Development by Strengthening the Private Sector**

A dynamic private sector is essential to the vitality of a free market economy and thus its role in spurring economic growth and reducing poverty is every bit as important as that of the public sector. ICDF international cooperation operations provide private sector development assistance to further economic development in host countries. Presently, the ICDF provides assistance to diplomatic allies and friendly countries to create overall strategies that nurture thriving private sectors. These strategies are formulated based on various policy and pragmatic considerations.

From a policy standpoint, the ICDF helps host countries to design laws and regulations beneficial to developing a healthy private sector and commercial

environment. On the practical front, the ICDF provides financing to get various projects off the ground and spark peripheral commercial opportunities. Technical assistance and human resource training are also provided to improve the investment and economic climate. In the process, business opportunities are identified and companies from Taiwan are encouraged to invest. This economic and trade cooperation spurs economic development in host countries and creates a win-win situation for all involved.

Private sector growth helps alleviate poverty by creating local employment opportunities and strengthening the overall economy. These in turn trigger economic growth and reduce poverty. Tax income generated by the private sector also provides a source of capital, which can then be used to carry out key public works projects. Most developed countries achieved their developed status by adhering to this economic development model. Governments set out policies to support development both in the public and private sectors and provided assistance in the development of the private sector. While the public sector may have designated economic development policies, the private sector created economic activity and sparked growth.

The ICDF is an organization dedicated to international cooperation and to assisting friendly developing nations in the development of their economies and societies. The ICDF’s international operations are carried out in a spirit that works to spread the “Taiwan experience” throughout the world. It provides loans, investment, credit guarantees, technical assistance, international human resource training and help countries overcome poverty and create prosperity.



## Sharing a Commitment to Sustainable Development

There have been a number of important milestones in the global pursuit of sustainable development. One example is the 1972 UN Conference on the Human Environment in Stockholm, Sweden, where the “Declaration on the Human Environment” was made—the first international declaration which considered the need for a common outlook and common principles to inspire and guide the peoples of the world to maintain and enhance the general human condition. The declaration urged the world to cooperate in the protection of the environment and its natural resources. In 1987, the UN’s World Commission on Environment and Development (WCED) released a report entitled *Our Common Future*. This report sparked wide-ranging discussions throughout the world. Also in 1987, the UN’s Brundtland Commission unveiled the organization’s definition of sustainable development as a form of development that meets the needs of the present without compromising the ability of future generations to meet their needs. This concept was instilled in the policies of countries and organizations throughout the world to address environmental issues and changes.

In 1992, the UN held the Earth Summit in Rio de Janeiro, Brazil. The 104 countries participating in the summit passed Agenda 21, which mapped out the spirit and concept of sustainable development and drafted concrete action plans. A decade later in 2002, the World Summit on Sustainable Development, held in Johannesburg, examined participating country implementation of Earth Summit action plans. Summit participants also exchanged opinions on water resources, energy, health, agricultural resources, poverty eradication and biodiversity. The *Plan of Implementation of the World Summit on Sustainable Development* and the *Johannesburg Declaration on Sustainable Development* were both released following the

Johannesburg summit to spur practical action that would help realize sustainable development.

A wide variety of issues have come to the fore of international attention due to the increasing discussion of and importance given to sustainable development. International organizations and governments throughout the world have started to focus on these issues and the three pillars of environmental protection, economic development and social justice have given rise to discussions of environmental and ecological protection, health risks, cultural education, social well-being, urban-rural development, democratic human rights, technology research and development and international cooperation have gained widespread attention.

In carrying out its international cooperation activities, the ICDF remains centered on the mainstream values of the international community and aims to work in concert with international trends. The ICDF blends the spirit of “civil society” into its cooperation activities. In addition to assisting developing nations to reduce poverty and promote economic and social development, the ICDF focuses on trade development, environmental and ecological protection and other topics of international concern. The ICDF has broadened its operations from economic development cooperation to encompass a wide variety of disciplines. In the future, the ICDF will deepen its work to incorporate concerns regarding human rights, the environment and economic development into its development work. The ICDF will utilize resources from various sources and join efforts with the private sector and third sector organizations both domestically and internationally to carry out sustainable development and international cooperation activities. The agency will participate actively in various international sustainable development initiatives in an effort to exhibit its responsibility as a member of the “global village.”