

**Data Collection Survey on  
Current Situation and Outlook of  
Taiwanese ODA Policies and  
Project Implementation**

**Final Report**

**February 2025**

**Japan International Cooperation Agency (JICA)**

**ERM Japan Ltd.**

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## List of Abbreviations

Abbreviation	English	Taiwanese/ Chinese
4P	Public-Private-People Partnership	-
AARDO	African-Asian Rural Development Organization	亞非農村發展組織
ADB	Asian Development Bank	亞洲開發銀行
AIT	American Institute in Taiwan	-
APEC	Asia Pacific Economic Cooperation	亞太經濟合作
CABEI	Central American Bank for Economic Integration	中美洲經濟整合銀行
CRS	Creditor Reporting System	-
CSR	Corporate Social Responsibility	-
DAC	Development Assistance Committee	發展援助委員會
DPP	Democratic Progressive Party	民主進步黨
EBRD	European Bank for Reconstruction and Development	歐洲復興開發銀行
GCTF	Global Cooperation Training Framework	全球合作暨訓練架構
GNI	Gross National Income	國民總收入
ICDA	International Cooperation and Development Act	國際合作發展法
ICT	Information and Communication Technology	資訊通信科技
IDB	Inter-American Development Bank	美洲開發銀行
IFC	International Finance Corporation	國際金融公司
JICA	Japan International Cooperation Agency	-
JPY	Japanese Yen	-
KMT	Chinese Nationalist Party/ Kuomintang	國民黨
MDB	Multilateral Development Bank	-
MOFA	Ministry of Foreign Affairs, Taiwan	外交部

<b>Abbreviation</b>	<b>English</b>	<b>Taiwanese/ Chinese</b>
MOU	Memorandum of Understanding	-
NGO	Non-Governmental Organization	-
NTD	New Taiwan Dollar	新台幣
OAC	Ocean Affairs Council	海洋委員會
ODA	Official Development Assistance	政府發展援助
OECD	Organization for Economic Cooperation and Development	經濟合作暨發展組織
OIRSA	International Organization for Plant and Animal Health	-
OOF	Other Official Flow	-
PPP	Public-Private Partnership	-
SDGs	Sustainable Development Goals	-
SMEs	Small- and Medium-sized Enterprises	-
TaiwanICDF	International Cooperation and Development Fund	財團法人國際合作發展基金會
TECRO	Taipei Economic and Cultural Representative Office	台北經濟文化代表處
TTM	Taiwan Technical Mission	-
USAID	United States Agency for International Development	美國國際開發總署

## List of Terminologies

Terminology	Definition in this report
Diplomatic Country/ Diplomatic Ally (ies)	Countries with official diplomatic relations with Taiwan <sup>1</sup>
Friendly Country/ Nation	Countries that have no official diplomatic relations with Taiwan, but are willing to cooperate with Taiwan to jointly promote economic development and strengthen substantive bilateral relations <sup>2</sup>
Like-minded Country/ Like-minded Nation	A partner country that, like Taiwan, values democratic values, openness, human rights, and mutual development <sup>3</sup>
New Southbound Policy	Taiwan's policy introduced in 2016 as part of a concerted effort to expand Taiwan's presence in the Indo-Pacific region. It aims to strengthen relations with 18 countries, including 10 Association of Southeast Asian Nations (ASEAN) countries, six South Asian countries, Australia, and New Zealand. <sup>4</sup>
Official Development Assistance (ODA)	A flow of funds of a concessional nature, granted by a public agency or its implementing agency, with the primary purpose of contributing to economic development and improving the welfare of developing countries. <sup>5</sup> See "Official Development Assistance (ODA)" below for further details.
All-people Diplomacy	Foreign aid activities that actively involve NGOs, volunteers, and the private sector
Steadfast Diplomacy	Taiwan's foreign policy aimed at promoting mutual assistance for mutual benefit. Aimed at building strong relationships with diplomatic allies and countries that share common values of freedom and democracy. <sup>6</sup>
Taiwan Model	An assistance model that takes the needs of partner countries as its starting point and leverages Taiwan's strengths in industry and technology <sup>7</sup>
Trilateral Cooperation (Triangular)	A development model in which three or more entities cooperate to create solutions to common challenges. In this report, this refers specifically to Trilateral Cooperation between traditional (Global North) donors such as the United States and Japan (or international organizations, international NGOs, etc.), Taiwan, and the recipient country. <sup>8</sup>

### \*Official Development Assistance (ODA)

In this report, among Taiwan's foreign aid, Official Development Assistance (ODA) is the primary focus. However, other types of foreign aid, economic cooperation, and international cooperation may also be cited when necessary. The definition of ODA in this report adopts the following definition by the Ministry

<sup>1</sup> The following definitions in [Taiwan Regulations for Investments by the International Cooperation and Development Fund \(Amended in 2015\)](#), Article 2, are applied.

1) Diplomatic allies: Countries that have official diplomatic relations with Taiwan.

2) Friendly countries: Countries that have no official diplomatic relations with the Taiwan but intend to engage in cooperation with Taiwan to jointly promote economic development or enhance substantive bilateral relations.

3) Foreign governments: Central governments and local self-governing bodies that are recognized as public legal persons of foreign countries.

<sup>2</sup> Same as above

<sup>3</sup> The definition in [Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" \(November 2023\)](#) Chapter 6, p47, is applied. In this White Paper, the United States, Japan, Australia, and European countries are listed as "Like-minded countries."

<sup>4</sup> Executive Yuan website, "[New Southbound Policy](#)," Center for Strategic and International Studies (CSIS) website "[Taiwan's New Southbound Policy](#)."

<sup>5</sup> Definitions by the OECD and the Japanese Ministry of Finance are applied.

<sup>6</sup> Defined based on [Taiwan authority website "Foreign Affairs."](#) Executive Yuan website "[External Relations](#)," etc.

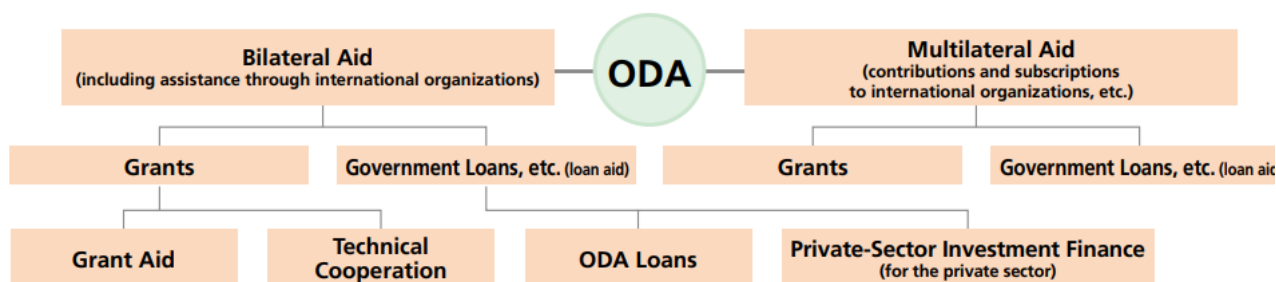
<sup>7</sup> [Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" \(November 2023\)](#) Chapter 5, p28- and p34-. The White Paper shows five major elements of the Taiwan Model: Leverage Taiwan's industry development strengths; respect project countries' actual needs; work closely with local governments; on-site missions; and assist partner countries with local capacity building.

<sup>8</sup> Chien Shih-hu, Wu Yi-Chen "Trilateral humanitarian aid: Continuities and changes in Taiwan's aid policy before and during the first Taiwan During the First Administration of Tsai Ing-wen" (2021)). For the philosophy and definition of Trilateral Cooperation, see also [OECD "Global Perspectives on Triangular Cooperation" \(October 2023\)](#), etc.

of Finance of Japan,<sup>9</sup> which is based on the Organization for Economic Cooperation and Development (OECD) definition.<sup>10</sup> ODA therefore refers to a flow of funds that meets the following three requirements:

- Provided by a public agency or its implementing agency.
- The primary objective of which is to contribute to the economic development and welfare of developing countries.
- Has a concessional character (in the case of loan aid, the loan conditions (interest rate, redemption period, etc.) are set in favor of the recipient country).

Regarding the types of ODA, the "Forms of Development Cooperation" by the Japanese Ministry of Foreign Affairs (see figure below) was used as a reference. ODA is broadly divided into "Bilateral Aid" and "Contributions to and Financing of International Organizations," with "Grants" and "Government Loans etc. (Loan Aid)" included in "Bilateral Aid".



(Source: Ministry of Foreign Affairs, "White Paper on Development Cooperation 2023-Japan's International Cooperation"<sup>11</sup>)

**Figure 0-1 : Japan's Official Development Assistance**

\*The conversion rates used in this report, unless otherwise indicated, are or 1INTD= 4.55JPY<sup>12</sup> and 1USD=143.10JPY.<sup>13</sup>

<sup>9</sup> Ministry of Finance: Definition of ODA

<sup>10</sup> OECD: official development assistance - definition and coverage

<sup>11</sup> MOFA, "White Paper on Development Cooperation 2023-Japan's International Cooperation" (December 2024) p. vi

<sup>12</sup> Bank of Mitsubishi UFJ, Taiwan Dollar Rate on October 1, 2024

<sup>13</sup> Mitsubishi UFJ Research and Consulting | Foreign Exchange Rates on October 1, 2024|Japanese Rates in TTB

## **Disclaimer**

This report is based on publicly available documents that can be viewed and obtained, as well as the results of the field survey.

The information contained in this report has not been prepared in accordance with legal requirements, nor is it prepared as legal advice. Nothing contained in this report represents a recommendation, suggestion, or recommendation for correction by ERM.

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## Summary

The purpose of this study is to provide an overall picture of Taiwan's foreign aid policies and trends, analyze its strengths and challenges, and offer recommendations to enhance learning for Japan International Cooperation Agency (JICA).

This research report consists of five chapters. Chapter 1 describes the background, objectives, contents, and methods of the study. Chapter 2 summarizes the status and trends of Taiwan's foreign aid and changes to date (including aid policies and strategies, scale of aid, aid implementation systems, schemes, priority countries and regions, and priority areas), and Chapter 3 describes methods and status of cooperation with international organizations and aid agencies of other countries. Chapter 4 analyzes the similarities and differences between Taiwan and Japan in terms of aid policy and implementation. Chapter 5 discusses the characteristics of Taiwan's aid and future prospects, based on the overview and analysis provided in Chapters 2 through 4.

Taiwan's aid is characterized by its aid policy and strategy, which emphasizes the protection of universal values such as democracy in its international cooperation and development objectives, aid based on the "Taiwan Model," and its policy of expanding ODA. In terms of the budget, there has been a general increase over the past five years, but most of this increase has been in the form of grants aid, technical cooperation, and capital contributions. Regarding cooperation with international organizations, Taiwan has been trying to deepen its relationship with like-minded countries and international organizations. Based on the above, the "strengths" of Taiwan's assistance can be derived as follows.

- Aid policies and strategies: Based on the "Taiwan Model," Taiwan excels in an aid model that takes the needs of partner countries as its starting point and utilizes industries and technologies in which Taiwan has strengths.
- Target countries: Taiwan provides assistance to countries other than those with which it has diplomatic relations and is particularly flexible in situations that require urgent assistance, such as humanitarian aid.
- Priority sectors: Extensive experience and expertise in supporting sectors such as digital, education, health care, and agriculture.
- Collaboration with international organizations: Taiwan has long maintained good relations with international organizations such as the European Bank for Reconstruction and Development (EBRD),

Central America Bank of Economic Integration (CABEI) and Asian Development Bank (ADB) through financial support.

Challenges include the difficulty of expanding international cooperation and development and ODA, due to international political reasons; the decreasing number of countries with diplomatic relations with which priority is given; and the difficulty of increasing the transparency of official information and data related to international cooperation and development and ODA.

Based on the above, the report concludes as future perspectives that Taiwan has an intention of expanding its foreign aid and increasing its presence in the world by targeting a wider range of countries for assistance, rather than limiting it to Diplomatic Countries, and by enhancing partnerships with like-minded countries and international organizations that share the same values with Taiwan.

## Chapter 1 Survey Summary

### 1.1 Background and Purpose of the Survey

#### 1.1.1 Survey Background

According to the "International Cooperation and Development Affairs Annual Report" (2010-2022) issued by the Ministry of Foreign Affairs, Taiwan (MOFA),<sup>14</sup> Taiwan's authorities have a certain presence in the world, spending around 300 million USD or more on foreign aid each year. According to the "White Paper on International Cooperation and Development Policies" (2023), one of the objectives of MOFA's activities is to promote friendship and development with other countries around the world, and the promotion of development through international cooperation is a major way to achieve this goal. Although the number of Diplomatic Countries with which Taiwan has diplomatic relations has decreased in recent years to 12 countries – mainly located in the Pacific, Latin America and the Caribbean – Taiwan has been actively contributing in various fields such as disease prevention, humanitarian aid, disaster relief, and advocacy of democratic values through cooperation with like-minded countries and Friendly Countries, as well as making joint efforts for sustainable development in the Indo-Pacific region and the world. The White Paper further states that it will strengthen its relationship with Multilateral Aid Agencies, including close cooperation with countries with similar values such as Japan and Australia, and will actively participate in opportunities for exchange with other countries and jointly participate in development with private sector including businesses and Non-Governmental Organizations (NGOs).

Against this background, it is worthwhile to analyze Taiwan's aid policy. Furthermore, Taiwan's International Cooperation and Development Fund (TaiwanICDF), in addition to loans and investment, also focuses on technical cooperation and training programs for human resource development. TaiwanICDF is expected to serve as a reference for the Japan International Cooperation Agency (JICA), as its operations are similar in many respects to those of the JICA, including its emphasis on technical cooperation and training programs for human resource development, in addition to loans and investments.

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<sup>14</sup> In Taiwan, organizations that correspond to the public ministries are referred to as “部” in local language, and this character can be translated as "departments" in general. However, these organizations are generally translated as “ministries” in English, and accordingly are described as "Ministries" in this report.

### 1.1.2 Purpose of the Survey

The purpose of this work is to compile the information necessary to understand the overall picture of Taiwan's foreign aid policies and trends, and to analyze the strengths and challenges of Taiwan's foreign aid policies and methods to make recommendations for JICA on lessons to be learned from Taiwan.

## 1.2 Survey Contents

A summary of the research conducted for this work is presented below:

- Current situation, trends and past changes in Taiwan's foreign aid:
  - Aid policies and strategies (laws and regulations, medium- and long-term strategies, development cooperation as foreign policy).
  - Current assistance and trends (financial scale, implementation structure, scheme (assistance methods), target countries/regions, focus areas (priority sectors)).
- Collaboration with international organizations and other aid agencies.
- Similarities and differences in Taiwan's and Japan's aid policies and practices.
- Characteristics of Taiwan's aid and future prospects.

## 1.3 Methodology for Conducting the Survey and Schedule

### 1.3.1 Implementation Method

This study was conducted primarily based on desk research using publicly available information and interviews with relevant organizations during the field survey. The following is a list of the main literature referred to in this study. In addition to the references listed here, other publicly available information has also been referenced. The sources of publicly available information are clearly indicated in footnotes in the report.

**Table 1-1 : List of Main Literature and Information Sources**

Document Name
International Cooperation and Development Act: ICDA (2010)
Act for the Establishment of the International Cooperation and Development Fund (2013)
International Cooperation & Development Affairs Annual Report 2022 (August 28, 2023)
White Paper on International Cooperation and Development Policies (November 2023)
MOFA website

Document Name
TaiwanICDF Annual Report (2023)
TaiwanICDF Website
(Source: Prepared by the study team)

### 1.3.2 Schedule

#### 1) Overall Schedule

The survey has been conducted from August 2024 to February 2025. The overall flow of the survey is shown in the table below.

**Table 1-2: Survey Schedule**

Work Item	Fiscal Year 2024												
	Aug	Sep	Oct	Nov	Dec	Jan	Feb						
Task 1: Desk research													
Task 2: Develop a draft survey policy													
Task 3: Coordination of interviews, etc.													
Task 4: First on-site work													
Task 5: Draft Interim Report and Interim Debriefing Session													
Task 6: Interview coordination, etc. 2													
Task 7: Second on-site work													
Task 8: Final Summary													
Submission of reports, etc.				△1	△2				△3				△4
1. Draft survey policy (first draft): Late September 2024 2. Questionnaire: Early October 3. Interim report (first draft): early December 4. Final report (final deliverables): February 28, 2025													

(Source: Prepared by the study team)

#### 2) On site survey

The study team visited Taiwan on two occasions to conduct face-to-face interviews with representatives of the following organizations:

- MOFA.
- TaiwanICDF.
- Chung-Hua Institution for Economic Research (CIER).

- Taiwan University.
- Palau Embassy.
- Taiwan Office for EBRD Business Development.
- TaiwanAid.

The field survey in Taiwan was conducted as follows.

**Table 1-3: First Field Survey Itinerary**

Date	Meetings	Main Participants
Year 2024 Monday, October 28	Departure from Tokyo Haneda Airport Arrival at Taipei Songshan Airport	-
	Meeting with ERM Taiwan	JICA, ERM Japan, ERM Taiwan
Tuesday, October 29	Meeting with the Chung-Hua Institution for Economic Research (CIER)	JICA, ERM Japan, ERM Taiwan
	Interview with National Taiwan University	JICA, ERM Japan, ERM Taiwan
Wednesday, October 30	Meeting with MOFA	JICA, ERM Japan, ERM Taiwan
	Meeting with Palau Embassy	JICA, ERM Japan, ERM Taiwan
	Interview with TaiwanICDF	JICA, ERM Japan, ERM Taiwan
Thursday, October 31	(Interviews cancelled all day due to typhoon) filing (documents, etc.)	-
Friday, November 1	Work at ERM Taiwan (meetings, organizing materials, preparing for interviews)	ERM Japan, ERM Taiwan
Saturday, November 2	-	-
Sunday, November 3	-	-
Monday, November 4	Meeting with MOFA	ERM Japan, ERM Taiwan
	Interview with Taiwan Office for EBRD Business Development	ERM Japan, ERM Taiwan
Tuesday, November 5	Interview with TaiwanAid	ERM Japan, ERM Taiwan
Wednesday, November 6	Departure from Taipei Songshan Airport Arrival at Tokyo Haneda Airport	-

(Source: Prepared by the study team)

**Table 1-4: Second Field Survey Itinerary**

Date	Meetings	Main Participants
Year 2025 Monday, January 13	Departure from Tokyo Haneda Airport Arrival at Taipei Songshan Airport	-
Tuesday, January 14	Interview with TaiwanICDF	ERM Japan, ERM Taiwan
Wednesday, January 15	Meeting with MOFA	ERM Japan, ERM Taiwan
Thursday, January 16	Filing (documents, etc.)	-
Friday, January 17	Departure from Taipei Songshan Airport Arrival at Tokyo Haneda Airport	-

(Source: Prepared by the study team)

## Chapter 2 Current Situation, Trends and Past Changes in Taiwan's Foreign Aid

### 2.1 Aid Policies and Strategies

#### 2.1.1 Major Laws and Regulations Regarding International Cooperation and Development

##### 1) International Cooperation and Development Act

According to Constitution of Taiwan, its foreign policy *"shall, in a spirit of independence and initiative and on the basis of the principles of equality and reciprocity, cultivate good-neighborliness with other nations, and respect treaties and the Charter of the United Nations, in order to protect rights and interests of [...] citizens residing abroad, promote international cooperation, advance international justice and ensure world peace."*<sup>15</sup> According to MOFA's International Cooperation and Development Affairs Annual Report (2023),<sup>16</sup> *"[t]he international cooperation and development affairs of Taiwan, therefore, aim to cultivate good-neighborliness with other nations, strengthen relations with friendly states, fulfill international responsibilities and obligations, give back to the global community, and support humanitarianism while upholding the Constitution and observing global trends."*

The International Cooperation and Development Act (ICDA) (2010),<sup>17</sup> based on the Constitution, is Taiwan's primary law on foreign aid. The ICDA is intended to *"help [...] Taiwan enhance its foreign relations and assume its international responsibilities, as well as to establish the goals, principles, scope, methods and partners with respect to international cooperation and development affairs"* (Article 1). Other key provisions of the ICDA are excerpted below.

Article 3: *The competent authority in charge of administering this Act is the Ministry of Foreign Affairs.*

Article 4: *The definition of "International Cooperation and Development Affairs" is as follows:*

*The term "international cooperation and development affairs" as used in this Act refers to cooperation and development projects carried out between [...Taiwan] and either its diplomatic allies, friendly countries, intergovernmental organizations or international non-governmental organizations in order to provide governmental development*

<sup>15</sup> [Constitution of Taiwan - Article Content - Laws & Regulations Database of Taiwan](#), Article 141

<sup>16</sup> [Ministry of Foreign Affairs of Taiwan "International Cooperation & Development Affairs Annual Report 2022" \(August 28, 2023\) p3](#)

<sup>17</sup> [Laws and Regulations Database of Taiwan "International Cooperation and Development Act" \(15 June 2010\)](#)

*assistance, humanitarian aid or other related forms of cooperation and development projects.*

*Article 5: The goals of international cooperation and development affairs are as follows:*

- 1. To promote diplomatic relations;*
- 2. To enhance friendly relations with countries that do not have diplomatic ties with [...Taiwan];*
- 3. To promote cooperation with intergovernmental organizations and international non-governmental organizations;*
- 4. To improve the welfare of the people of [...Taiwan]'s diplomatic allies and friendly developing countries by increasing income, alleviating poverty and raising living standards;*
- 5. To ensure human security and safeguard such universal values as peace, democracy, human rights, humanitarian care and sustainable development;*
- 6. To fulfill international obligations and responsibilities, and actively contribute to the international community.*

*Article 6: International cooperation and development affairs shall be handled in accordance with the following principles:*

- 1. To draw on [...Taiwan]'s development experience and comparative advantages to assist partner countries in their overall development strategies and establish partnerships accordingly;*
- 2. To promote the economic and social development of partner countries in line with international development trends and key issues;*
- 3. To assist partner countries in increasing government effectiveness, improving the quality of human resources, boosting employment and enhancing the competitiveness of the private sector;*
- 4. To help partner countries in formulating development strategies, ensuring the welfare of their people and promoting sustainable development;*
- 5. To participate in aid and development projects run by inter-governmental organizations and international non-governmental organizations, and establish cooperative relationships accordingly;*
- 6. International cooperation and development projects shall be in [...Taiwan]'s national interests.*

*Article 7: The scope of international cooperation and development affairs shall be as follows:*

- 1. To participate in bilateral or multilateral cooperation and development projects to improve the basic social, economic and production infrastructure, and promote sustainable development in the diplomatic allies of, or countries friendly to, Taiwan, with reference to*

*the official development assistance (ODA) categories of the Organization for Economic Cooperation and Development;*

2. *To provide humanitarian aid to countries and people suffering from natural disasters or wars;*
3. *Other matters related to international cooperation and development affairs.*

Article 8: *The following methods [(schemes)] may be used for international cooperation and development affairs:*

1. *Technical assistance and capacity building;*
2. *Investments;*
3. *Loans;*
4. *Guarantees;*
5. *Financial donations;*
6. *Gifts in kind;*
7. *Dispatch of personnel;*
8. *Development strategy consultations;*
9. *Other feasible methods.*

*The regulations pertaining to the means and procedures, parties involved and other relevant requirements for handling the affairs in the preceding paragraph shall be prescribed by the competent authority and submitted to the Executive Yuan for approval.*

It should be noted that Article 11 of the ICDA states that “[w]hen handling international cooperation and development affairs, the competent authority [(MOFA)] or other government agencies/institutions may first commission the International Cooperation and Development Fund [(TaiwanICDF)] or commission other legal entities, organizations or professionals to handle them.”

## **2) Act for the Establishment of the International Cooperation and Development Fund**

The rationale for the establishment of TaiwanICDF is provided in the Act for the Establishment of the International Cooperation and Development Fund (Promulgated in 1996, and last amended in 2013)<sup>18</sup>. According to Article 1 of the Law, the purpose of establishing TaiwanICDF is “[t]o strengthen international cooperation and enhance foreign relations through the promotion of economic development, social progress, and the welfare of all mankind”. It also states that MOFA is the competent authority (Article 3) and that its funding comes from budget allocations from the government, interest accrued from bank deposits, loans, donations, and other types of income (Article 5). Article 8 stipulates the membership

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<sup>18</sup> Act for the Establishment of the International Cooperation and Development Fund (May 22, 2013)

of the Board of Directors (11-15 members elected from the Minister of MOFA, the Minister of Economic Affairs, etc.). The schemes to be handled by TaiwanICDF are specified in Article 13, which is equivalent to the nine schemes in Article 8 of the ICDA mentioned above.

### 3) Other International Cooperation and Development Act Regulations

The main laws and regulations regarding International Cooperation and Development in Taiwan, including the International Cooperation and Development Act and the Act for Establishment of the International Cooperation and Development Fund, are as follows.

**Table 2-1: Major Laws and Regulations on International Cooperation and Development**

Classification	Regulation	Summary
Law	International Cooperation and Development Act (May 18, 2010)	Defines goals, principles, scope, methods, etc. for international cooperation and development.
Law	Act for the Establishment of the International Cooperation and Development Fund (Amendment; May 22, 2013) <sup>19</sup>	Defines the purpose, financial resources, policies, board composition and responsibilities, and operational approaches (schemes) of TaiwanICDF.
Regulation	Regulations Governing the Dispatch of Personnel for International Cooperation and Development Affairs (December 29, 2011)	Regulations pertaining to the dispatching of staff, technicians, and experts for international cooperation and development
Regulation	Regulations Governing Technical Assistance and Capacity Building for International Cooperation and Development Affairs (December 29, 2011)	Regulates the methodology and implementation for technical assistance and capacity building for international technical cooperation development.
Regulation	Regulations Governing Loans, Investments and Guarantees for International Cooperation and Development Affairs (December 29, 2011)	Regulates the purpose and implementation of loans, investments, and guarantees related to international cooperation and development.
Regulation	Regulations Governing Financial Donations and Gifts in Kind for International Cooperation and Development Affairs (December 29, 2011)	Regulates the purpose, recipients, conditions of payment, and process for monetary donations and gifts in kind related to international cooperation and development.
Regulation	Regulations Governing Development Strategy Consultations for International Cooperation and Development Affairs (December 29, 2011)	Regulates the development strategy consultations for international cooperation and development including its policies and assistance details.
Regulation	Regulations Governing the Planning, Appraisal, Implementation, Supervision and Performance Evaluation of International Cooperation and Development Affairs (December 29, 2011)	Regulates the contents, work process and evaluation items to be included in the plan (feasibility study) for planning, examination, implementation, supervision, evaluation, and other operations related to international cooperation and development.

<sup>19</sup> The original Act Establishing the International Cooperation and Development Foundation was promulgated on January 15, 1996. (TaiwanICDF hearing results)

Classification	Regulation	Summary
Regulation	Regulations for Investments by the International Cooperation and Development Fund (Amended: June 16, 2015)	Regulations pertaining to investment objectives, investment targets, investment instruments, etc. by TaiwanICDF
Guidelines (MOFA)	Guidelines for Budget Execution in International Cooperation and Development Affairs (「國際合作發展事務預算執行要點」) (2011)	Guidelines for strengthening internal controls and establishing a legitimate and transparent internal audit process
Guidelines (MOFA)	Standard Operating Procedures for the Implementation of International Cooperation Affairs by the Ministry of Foreign Affairs and Overseas Missions (「外交部及駐外館處執行國際合作事務標準作業程序」)	Guidelines that provide a comprehensive legal framework, and implementation procedures and protocols for international cooperation and development

(Sources: Prepared by the study team based on MOFA website,<sup>20</sup> Act for the Establishment of the International Cooperation and Development Fund (Amendment; May 22, 2013),<sup>21</sup> Regulations for Investments by the International Cooperation and Development Fund (June 16, 2015),<sup>22</sup> MOFA hearing results)

## 2.1.2 Medium- to Long-Term Strategy

### 1) Taiwan's International Cooperation and Development Strategy

Taiwan's first white paper on foreign aid policy, published in 2009 (Foreign Aid White Paper<sup>23</sup>), mentions advanced partnerships and sustainable development as the cornerstones of aid. In addition, the latest White Paper on International Cooperation and Development Policies (2023)<sup>24</sup> lists the following as goals for Taiwan's international cooperation and development policies:

- To strengthen relations with diplomatic allies and friendly relations with countries without formal diplomatic relations.
- To facilitate cooperation with international organizations and NGOs.
- To increase the income of the people of Diplomatic Allies and Friendly, Developing Nations to reduce the poverty, improve their living standards, and enhance their well-being.
- To protect people and uphold the universal values of peace, democracy, human rights, humanitarian aid, and sustainable development.
- To fulfill Taiwan's responsibilities and obligations to the international community and give back to society.

<sup>20</sup> Ministry of Foreign Affairs, Taiwan "Official Development Assistance".

<sup>21</sup> Act for the Establishment of the International Cooperation and Development Fund (May 22, 2013)

<sup>22</sup> Regulations for Investments by the International Cooperation and Development Fund (June 16, 2015)

<sup>23</sup> Ministry of Foreign Affairs, Taiwan "Partnerships for Progress and Sustainable Development: White Paper on Foreign Aid Policy " (May 2009

<sup>24</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023) Chapter 3, p10

Based on the above, and in consideration of recent diplomatic activities and global trends, the following four objectives of Taiwan's international cooperation and development are shown in the White Paper.

- ① Fostering friendly ties and achieving mutual benefits with partner countries<sup>25</sup>
- ② Expanding and deepening Taiwan's participation in the international community
- ③ Becoming a reliable partner in global sustainable development
- ④ Contributing professional expertise pragmatically

A summary of each objective is as follows: (underline added by study team).<sup>26</sup>

### ① **Fostering friendly ties and achieving mutual benefits with partner countries**

In order to strengthen diplomatic relations for the stability of Taiwan's international position, and to ensure its economic development and security, Taiwan puts great importance to promoting international cooperation. As most of Taiwan's diplomatic allies are developing countries in need of assistance, Diplomatic Countries have been Taiwan's priority recipients of aid. To date, under the philosophy of "putting people first", Taiwan has provided assistance for infrastructure development, technical cooperation (including the dispatch of volunteers), and support for the establishment of information and communication technology (ICT) systems, and through long-term cooperation has built good relations based on mutual trust.<sup>27</sup> Taiwan has built good relations based on mutual trust through long-term cooperation, and has provided assistance to partner countries, including allies, in accordance with the needs of each country based on the "Taiwan Model" of on-the-ground assistance. These efforts have accelerated the industrial development of diplomatic allies as well as the agricultural and fishery sectors, ensuring that cooperative development projects are sustainable for diplomatic allies, creating mutual benefits and strengthening the relationship between Taiwan and recipient countries. Taiwan will continue to aim to build friendly relations with partner countries and create mutual benefits with partner countries.

<sup>25</sup> For the purposes of this section, "partner country" shall be taken to be synonymous with "recipient country."

<sup>26</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023) Chapter 3, p.10 -17

<sup>27</sup> Regarding "trust," MOFA's position is as follows: *"MOFA prioritizes the building of 'trust' in development cooperation as a strategic objective. It also emphasizes transparency, accountability, and alignment with local needs to foster trust among partner countries. Key indicators to measure these include feedback from local stakeholders, continuity of cooperation, and partner country satisfaction. In addition, MOFA strives to strengthen "trust" with them through consistent engagement and capacity building, so that they see Taiwan as a reliable and faithful ally in their development activities."* (MOFA hearing results)

## ② Expanding and deepening Taiwan's participation in the international community

With the globalization of the international community, it is essential for Taiwan to secure its position in the global community. In order for Taiwan to continue to exist and grow in the future, Taiwan will actively cooperate with intergovernmental and multilateral organizations. Taiwan adheres to the principle of "steadfast diplomacy and mutual assistance for mutual benefit", adopting a dual-track approach of supporting the development of its partner countries while at the same time creating opportunities for engagement with the international community. Taiwan builds capacity to participate in the multilateral aid arena through existing bilateral aid relationships. By collaborating with other donors and other organizations through bilateral aid mechanisms, Taiwan will gain a foothold in the international community. By making financial and technical contributions in the multilateral aid arena, such as by establishing funds within international organizations and dispatching technical experts upon invitation as a means of providing bilateral aid, Taiwan will demonstrate its capabilities and value to the world.

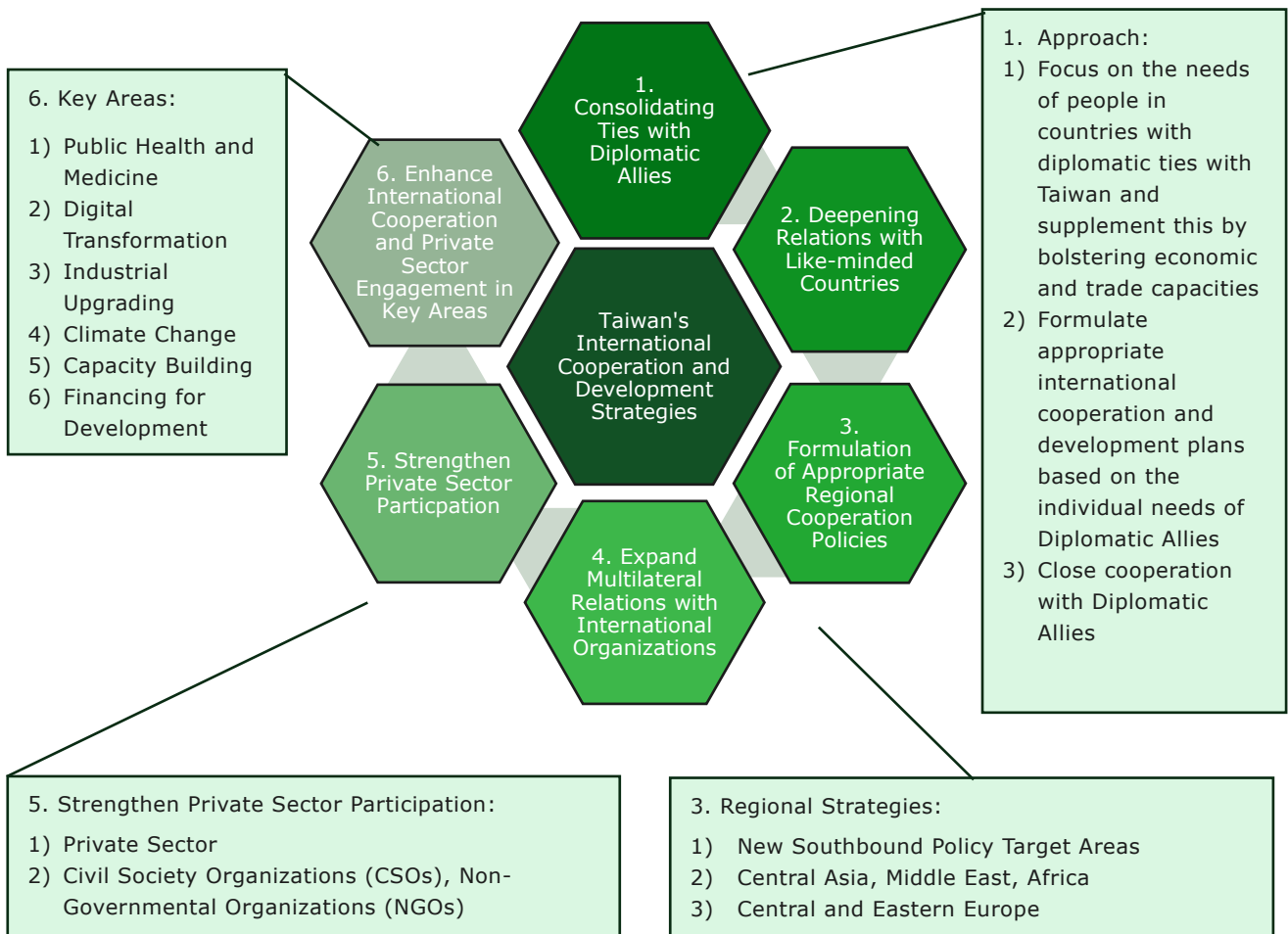
## ③ Becoming a reliable partner in global sustainable development

Taiwan seeks to align sustainable development with global trends and has formulated Taiwan's sustainability development goals in international cooperation development to address local development needs while contributing to global efforts. One of these goals is to transform Taiwan into an "island of resilience" capable of overcoming future challenges in a changing world and growing as a reliable partner, as evidenced by Taiwan's international aid work during the COVID-19 pandemic. Taiwan will continue to cooperate with other democratic nations and promote "Taiwan's values" and international development assistance in order to maintain global stability and promote peace and stability in the region.

## ④ Contributing professional expertise pragmatically

In Taiwan's international cooperation efforts to date, it has made active use of both public and private sector resources, adopting a professional approach as well as drawing on its abundant private sector resources. This has allowed Taiwan to demonstrate to various stakeholders its potential strengths and potential for collaboration in international development assistance work. Going forward, Taiwan's goal is to make even greater contributions by enhancing its expertise in international cooperation and development, both in the public and private sectors.

Based on the above goals and objectives, the White Paper on International Cooperation and Development Policies (2023)<sup>28</sup> describes Taiwan's international cooperation and development strategy as consolidating bilateral relations with diplomatic allies; deepening relations with like-minded countries; formulating appropriate regional cooperation policies; expanding multilateral relations with international organizations; strengthening private sector participation; and strengthening international cooperation and Taiwan's Advantageous Industrial Strategies (see figure below).



(Source: Prepared by study team based on Chapter 6 of MOFA's White Paper on International Cooperation and Development Policies (2023)<sup>29</sup> )

<sup>28</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023) Chapter 6

<sup>29</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023) Chapter 6

### Figure 2-1 : Taiwan's International Cooperation and Development Strategy

As a feature of the “White Paper on International Cooperation and Development Policies” (2023), Taiwan Today<sup>30</sup> summarizes the following in the form of "According to MOFA". Because it is an important perspective, the original article is quoted verbatim below (underline added by study team).

*First, in line with the global trend and in response to the principle that “all countries must work together to realize the United Nations Sustainable Development Goals,” the White Paper has consistently changed the term “international development cooperation” from “foreign aid” to “international cooperation and development.” “International cooperation and development” refers to Official Development Assistance, humanitarian aid, and other related cooperative development programs of a cooperative nature implemented by Diplomatic Countries, Friendly Countries, International Intergovernmental Organizations, and Non-Governmental Organizations with Taiwan.*

*Second, the subtitle “Striving for a World of Freedom and Democracy of Common Good” describes Taiwan's efforts to work for good governance with Diplomatic Countries and other countries with similar ideals. In particular, the paper introduced Taiwan's efforts to promote democratic cooperation and demonstrate Taiwan's “democratic power for good” as an important international partner as the world faces common challenges such as climate change and infectious diseases.*

*Lastly, Taiwan has highlighted its own method of the “Taiwan Model” for international development cooperation. The “Taiwan Model” takes the actual needs of the partner country as its starting point and utilizes Taiwan's strong industries and technologies. We work with the government and people of the partner country to help them achieve the United Nations Sustainable Development Goals by sending technical cooperation teams to the partner country to help them build their capacity.”*

According to a report by Minister of MOFA Lin Chia-Lung<sup>31</sup> to the Legislative Yuan Committee on Foreign Affairs and National Defense in October 2024, MOFA is currently actively promoting the "Diplomatic Allies Prosperity Project (榮邦計畫)". The project, which aims to deepen relations with Diplomatic Countries and like-minded countries, has identified 8 flagship projects in 5 sectors for planning and implementation. These are as follows:

- Semiconductor supply chain resilience.

<sup>30</sup> Taiwan Today 「外交部が新たな「国際開発協力政策白書」を公表」（2023年12月12日）。 Taiwan Today is a Japanese news website established and operated by the Taiwan authority. The English article is shown here, with slightly different content. Taiwan Today, "MOFA releases latest international cooperation white paper" (December 12, 2023).

<sup>31</sup> MOFA hearing results, "Report by Lin Chia-lung, Minister of Foreign Affairs of (...) Taiwan, at the Foreign and National Defense Committee of the Legislative Yuan on October 21, 2024"

- Reliable networking and digital governance.
- New energy and carbon credit cooperation.
- Smart demonstration parks overseas.
- Smart medicine and healthcare.
- Smart agriculture.
- Sovereign AI.
- Sustainable tourism.

## 2) TaiwanICDF's Medium- and Long-Term Strategy

TaiwanICDF, Taiwan's foreign aid implementing agency, also has a medium- to long-term strategy centered on the founding principle of “*strengthening international development, promote foreign relations, and facilitate economic development, social progress, and human well-being among Taiwan's developing partner nations.*”<sup>32</sup> This founding principle is in line with Article 141 of Constitution of Taiwan, which stipulates that Taiwan should “*cultivate good neighborliness with other nations, ...promote international cooperation, advance international justice and ensure world peace*”. In order to realize this founding principle, TaiwanICDF reflects the three core values of “progress, development and humanity” in its activities. It also states that it will share Taiwan's successful economic development experience in order to leverage Taiwan's comparative advantage and alleviate poverty around the world. Its core strategy<sup>33</sup> also states that it will leverage Taiwan's comparative advantage to meet the needs of its partners and integrate public and private sector resources to strengthen cooperation.

TaiwanICDF's 2030 Strategic Plan<sup>34</sup> identifies six major priority areas: food security and rural development, health, learning and capacity building, governance, climate change and ocean sustainability, and economic development and global partnerships. The relationship between these priority areas and the United Nations Sustainable Development Goals (SDGs) is shown in the figure below.

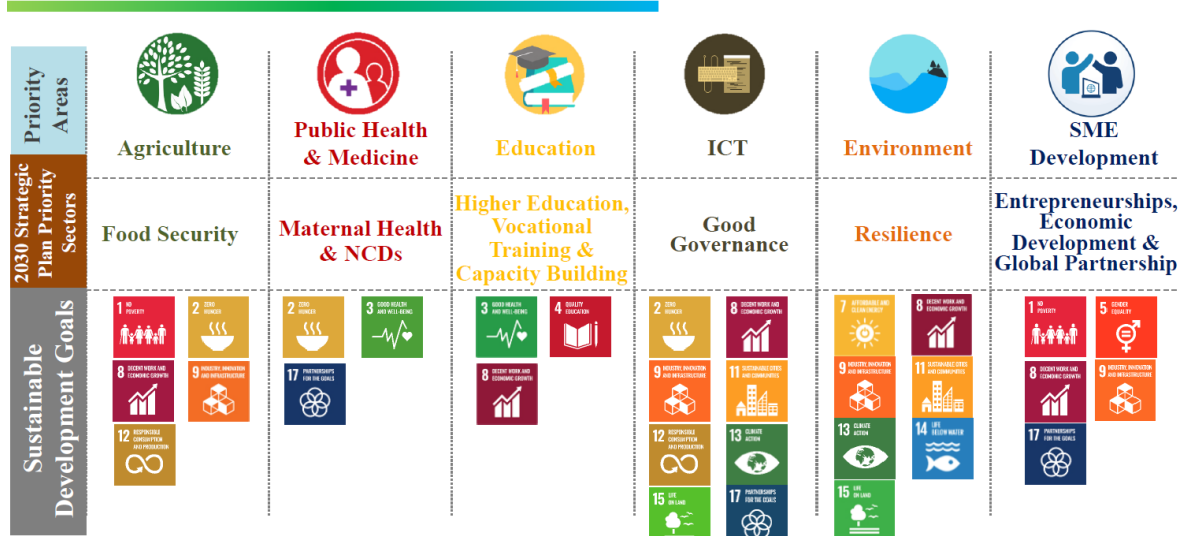
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<sup>32</sup> [TaiwanICDF "Directions in Strategic Planning"](#). Note, however, that the webpage does not reflect the SDGs, the ODA White Paper (2023), etc. (the information is out of date).

<sup>33</sup> [TaiwanICDF "Core Strategies"](#).

<sup>34</sup> [TaiwanICDF "Priority Areas"](#).

## Overview priorities and the SDGs



(Source: TaiwanICDF hearing results)

**Figure 2-2: TaiwanICDF's 2030 Strategic Plan**

TaiwanICDF's annual report (2023)<sup>35</sup> clearly states its vision, mission, and strategy, as shown in the figure below, and TaiwanICDF is operating based on this strategy.



(Source: Prepared by the study team based on TaiwanICDF Annual Report (2023) <sup>36</sup>)

**Figure 2-3: Philosophy, Mission and Strategy of TaiwanICDF**

### 2.1.3 Development Cooperation as Foreign Policy

“Taiwan's Aid Policy” (2008), a discussion paper by the Development Finance Institute of the Japan Bank for International Cooperation (JBIC),<sup>37</sup> points out that Taiwan's aid is clearly positioned as an instrument of foreign policy, and also as the background for the establishment in 1996 of TaiwanICDF, the main

<sup>35</sup> TaiwanICDF "Annual Report 2023" (May 2024), p6

<sup>36</sup> TaiwanICDF "Annual Report 2023" (May 2024), p6

<sup>37</sup> Hisahiro Kondo, "Taiwan's Aid Policy" (July 2008), p.30

agency for Taiwan's foreign aid. The paper also noted that diplomatic considerations were important in the context of Taiwan's international isolation. Furthermore, author Hisahiro Kondo notes that “*in light of Taiwan's special international status, TaiwanICDF clearly states that its own mission is to “expand Taiwan's presence in the international community through international cooperation, with international cooperation activities being a powerful tool of diplomacy.”*” Approximately 16 years have passed since these considerations, and in order to ascertain whether there has been any change in the concept of international cooperation and development as a foreign policy in Taiwan, the changes in Taiwan's administration and the history of its foreign aid are shown in the table below. It can be concluded that while international cooperation and development is still positioned as one of Taiwan's foreign policy instruments, the policy has undergone changes since approximately 2008, mainly due to international political reasons surrounding Taiwan.

**Table 2-2: Taiwan Administration and International Cooperation Development Policy Changes**

Dates	Administration	International Cooperation and Development Policy	Policy Background (Including International Trends)
January 1988 - March 2000	Kuomintang President Lee Teng-hui (KMT-Lee)	<ul style="list-style-type: none"> <li>• Purpose of foreign aid: recognition and support of "Taiwan" by the international community.</li> <li>• Priority is given to countries with diplomatic relations.</li> <li>• More than 90% of foreign aid is bilateral aid.</li> <li>• Very little collaboration with Taiwanese NGOs and private organizations.</li> <li>• <i>International Economic Cooperation and Development Fund (IECDF) (predecessor to TaiwanICDF) established (1989).</i></li> <li>• <i>International Cooperation and Development Foundation (TaiwanICDF) established (1996).</i></li> </ul>	<p>【Taiwan】</p> <ul style="list-style-type: none"> <li>• Tensions with the People's Republic of China (PRC).</li> <li>• “South Bound Policy”.</li> </ul>
March 2000 - March 2008	Democratic Progressive Party (Taiwan) President Chen Shui-bian (DPP-Chen)	<ul style="list-style-type: none"> <li>• Largely followed the policies of the KMT/Kuomintang's Lee administration.</li> </ul>	<p>【Taiwan】</p> <ul style="list-style-type: none"> <li>• As above.</li> <li>• “All-people Diplomacy”.</li> </ul>
March 2008 - January 2016	Kuomintang President Ma Ying-jeou (KMT-Ma)	<ul style="list-style-type: none"> <li>• Change in foreign policy goals: From "Acquiring New Diplomatic Partners" to "Strengthening Existing Diplomatic Partners”.</li> <li>• Expansion of humanitarian assistance.</li> <li>• Emphasis on Trilateral Cooperation.</li> <li>• <i>Formulation of Taiwan's first White Paper on Foreign Aid Policy (2009).</i></li> </ul>	<p>【Taiwan】</p> <ul style="list-style-type: none"> <li>• Diplomatic Truce (Improving Cross-Strait Relations).</li> <li>• The rise of civil society in Taiwan.</li> </ul> <p>【International】</p> <ul style="list-style-type: none"> <li>• UN SDGs (2015).</li> <li>• Paris Agreement (2015).</li> </ul>

Dates	Administration	International Cooperation and Development Policy	Policy Background (Including International Trends)
		<ul style="list-style-type: none"> <li>• <i>International Cooperation and Development Act enacted (May 2010).</i></li> <li>• <i>Amendment to the Act for Establishment of the International Cooperation and Development Fund (May 2013).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Rise of the Global South (including the PRC).</li> </ul>
January 2016 - January 2024	Democratic Progressive Party (Taiwan) President Tsai Ing-wen (DPP-Tsai)	<ul style="list-style-type: none"> <li>• Strengthening ties with like-minded countries (U.S. and other donors).</li> <li>• Shift from unilateral provision of foreign aid to two-way dialogue based on "Steadfast Diplomacy".</li> <li>• Expanding assistance to Indo-Pacific countries based on the New Southbound Policy.</li> <li>• Expanding humanitarian assistance.</li> <li>• Emphasis on Trilateral Cooperation.</li> </ul>	<p><b>【Taiwan】</b></p> <ul style="list-style-type: none"> <li>• Tensions with the PRC.</li> <li>• Decrease in Diplomatic Countries.</li> <li>• "Steadfast Diplomacy".</li> <li>• "New Southbound Policy".<sup>38</sup></li> </ul>
From January 2024	Democratic Progressive Party (Taiwan) President Lai Ching-de (DPP-Lai)	<ul style="list-style-type: none"> <li>• Largely followed the policies of the DDP Tsai administration.</li> <li>• Stronger commitment to the SDGs.</li> </ul>	<ul style="list-style-type: none"> <li>• "Value-based Diplomacy".</li> </ul>

(Sources: Prepared by the study team based on Ministry of Foreign Affairs of Japan, "Taiwan Basic Data",<sup>39</sup> Chien Shiu-Shen, Wu Yi-Chen "Trilateral humanitarian aid: Continuities and changes in Taiwan's aid policy before and during the first administration of Tsai Ing-wen" in "Taiwan During the First Administration of Tsai Ing-wen " (2021), MOFA hearing results, etc.)

Chien and Wu (2021)<sup>40</sup> outline the characteristics of the evolution of Taiwan's international cooperation and development policy, broadly divided into the following categories (underline added by study team):

- KMT's Lee Administration and DPP's Chen Administration: tendency to be more proactive in establishing formal diplomatic relations through bilateral aid in order to emphasize that Taiwan is different from the People's Republic of China (PRC).
- KMT's Ma Administration and DPP's Tsai Administration: Set goal of strengthening Trilateral Cooperation to gain understanding from other donor countries and to connect with more non-Diplomatic Countries recipients

Thus, it can be seen that Taiwan's international cooperation and development policy underwent a major policy shift after the inauguration of the KMT/Kuomintang's Ma administration in 2008. The enactment

<sup>38</sup> The New Southbound Policy consists of four pillars (economic and trade cooperation, personnel exchange, resource sharing, and regional cooperation), five flagship projects, and three areas of focus. For more information, see the Executive Yuan website "[New Southbound Policy](#)" and the U.S. Center for Strategic and International Studies (CSIS) website "[Taiwan's New Southbound Policy](#)."

<sup>39</sup> Ministry of Foreign Affairs of Japan, "Taiwan Basic Data."

<sup>40</sup> Chien Shiu-Shen, Wu Yi-Chen "Trilateral humanitarian aid: Continuities and changes in Taiwan's aid policy before and during the first administration of Tsai Ing-wen" in "Taiwan During the First Administration of Tsai Ing-wen" (2021) p350-

of the International Cooperation and Development Act (2010) and the Act on the Establishment of the International Cooperation and Development Foundation (2013) during the same administration are examples of this shift. It should be noted that these changes were due to changes in the international political situation surrounding Taiwan, such as the growing momentum for international cooperation, including the UN SDGs and the Paris Agreement (both in 2015), and the way Taiwan faced the PRC.

In addition, Chien and Wu<sup>41</sup> note that the KMT's Ma administration and the DPP's Tsai administration have in common the following international cooperation and development paths:

- Linking humanitarian assistance with Taiwanese NGOs to enhance Taiwan's international standing.
- Using public diplomacy<sup>42</sup> as Taiwan's soft power to enhance its international image.
- Promoting trilateral cooperation on humanitarian assistance with other major donors in many non-diplomatic nations.

Nevertheless, the report points out one major difference between the two administrations in the way they deal with the PRC. According to the report, *"The Ma administration hoped to first resolve tensions with the People's Republic of China and then provide an international forum for Taiwan to engage with other countries and international organizations. The Tsai administration, on the other hand, chose not to rely on the goodwill of that country and sought assistance not from the country but from other countries with which it did not have diplomatic relations, including recipient and donor countries."* Therefore, the Ma administration, in the words of the author, 'embraced the world through China,' while the Tsai administration 'bypassed China to embrace the world'.

The current DPP-Lai administration largely follows the policy line of the previous administration (DPP-Tsai administration) of "emphasizing cooperation with the international community rather than improving relations with PRC". As noted by the Diplomatic Countries,<sup>43</sup> Taiwan is actively promoting trilateral cooperation with countries, international organizations, and international NGOs that share similar principles. It should be noted that although the Lai administration has some continuity with the previous administration, the policy directions are not completely identical. One of the characteristics of the Lai

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<sup>41</sup> Chien Shih-shen, Wu Yi-Chen "Trilateral humanitarian aid: Continuities and changes in Taiwan's aid policy before and during the first administration of Tsai Ing-wen" in "Taiwan During the First Administration of Tsai Ing-wen" (2021) p354-

<sup>42</sup> Unlike traditional government-to-government diplomacy, diplomatic activities that directly reach out to foreign publics and public opinion through public relations and cultural exchange, also in cooperation with the private sector (Ministry of Foreign Affairs, "[Public Relations and Cultural Diplomacy](#)")

<sup>43</sup> MOFA hearing results. Examples of "Trilateral Cooperation" include cooperation with countries (U.S.), international organizations (EBRD, CABEI), and international NGOs (World Vision) that share similar principles. If limited to Asia Pacific, examples include cultural cooperation between Taiwan-New Zealand-French Polynesia, and capacity-building cooperation with APEC on women's empowerment.

administration is that it has taken an active and clear stance, especially in the areas of sustainability and environmental policy. The current administration has shown a strong commitment to advancing these areas, and it can be said that it represents a more ambitious approach to achieving Taiwan's Sustainable Development Goals.<sup>44</sup> Sustainable Development Goals are universal values, and climate change issues are of particular importance to the island countries with which Taiwan has diplomatic relations and are cross-sectoral issues that can be addressed through a wide range of cooperation. They are therefore considered to be of high importance in Taiwan's aid policy.

## 2.2 Current Assistance and Trends

### 2.2.1 Financial Scale of Assistance

#### 1) Scale of Taiwan's aid

According to MOFA's International Cooperation & Development Affairs Annual Report (2023),<sup>45</sup> Taiwan's total Official Development Assistance (ODA) in 2022 was approximately 12,858 million New Taiwan Dollars (NTD) (approximately 432 million US dollars (USD)), an increase of about 123 million USD from about 309 million USD in 2021.<sup>46</sup> The Gross National Income (GNI) ratio in 2022 was 0.055%, also an increase from 0.04% in 2021. The amount of Taiwan's ODA (actual for 2022) is shown in the table below. The conversion rates used in this report are 1NTD=4.55JPY<sup>47</sup> and 1USD=143.10JPY<sup>48</sup> unless otherwise indicated.

**Table 2-3: Taiwan ODA Amount (Actual for 2022)**

Category	Amount (USD)
Total ODA	431,809,559.16
GNI	780,209,000,000.00
ODA/GNI (%)	0.0553%

(Source: Prepared by the study team based on MOFA's "White Paper on International Cooperation and Development Policies (2023)"<sup>49</sup> Chapter 2.)

<sup>44</sup> Views by the study team (ERM Taiwan), MOFA hearing results

<sup>45</sup> Taiwan Ministry of Foreign Affairs, "International Cooperation & Development Affairs -Annual Report 2022" (August 28, 2023) p.7-8

<sup>46</sup> Taiwan Ministry of Foreign Affairs, "International Cooperation & Development Affairs -Annual Report 2022" (August 28, 2023) Based on rates stated in the report.

<sup>47</sup> Bank of Mitsubishi UFJ, Taiwan Dollar Rate on October 1, 2024

<sup>48</sup> Mitsubishi UFJ Research and Consulting |Foreign Exchange Rates on October 1, 2024|Japanese Rates in TTB

<sup>49</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023) Chapter 2

According to the OECD database, which publishes ODA statistics, the actual ODA by Taiwan is as follows, and has been in the range of 300 - 400 million US dollars from 2019 to 2023. As stated by MOFA, the figures submitted to the OECD are provisional before finalization, and there are deviations from the official figures published by MOFA in its annual reports and other documents.

**Table 2-4: Taiwan ODA Performance**

Aid Forms		Year	2019	2020	2021	2022	2023
ODA	Bilateral ODA	Grant Aid	257	187	157	194	453
		Government Loans (Grant equivalent)	0	9	11	1	7
		Total Bilateral ODA (Grant equivalent basis)	257	199	168	195	460
	Multilateral ODA	Grants to multilateral institutions	50	168	153	189	9
		Government Loans to multilateral institutions (Grant equivalent)	5	40	-	-	-
		Total contributions and subscriptions to multilateral institutions (Grant equivalent basis)	55	207	153	189	9
Total ODA (Grant equivalent)		312	406	321	384	468	
% of GNI (Grant equivalent basis)		0.05%	0.06%	0.04%	0.05%	0.06%	

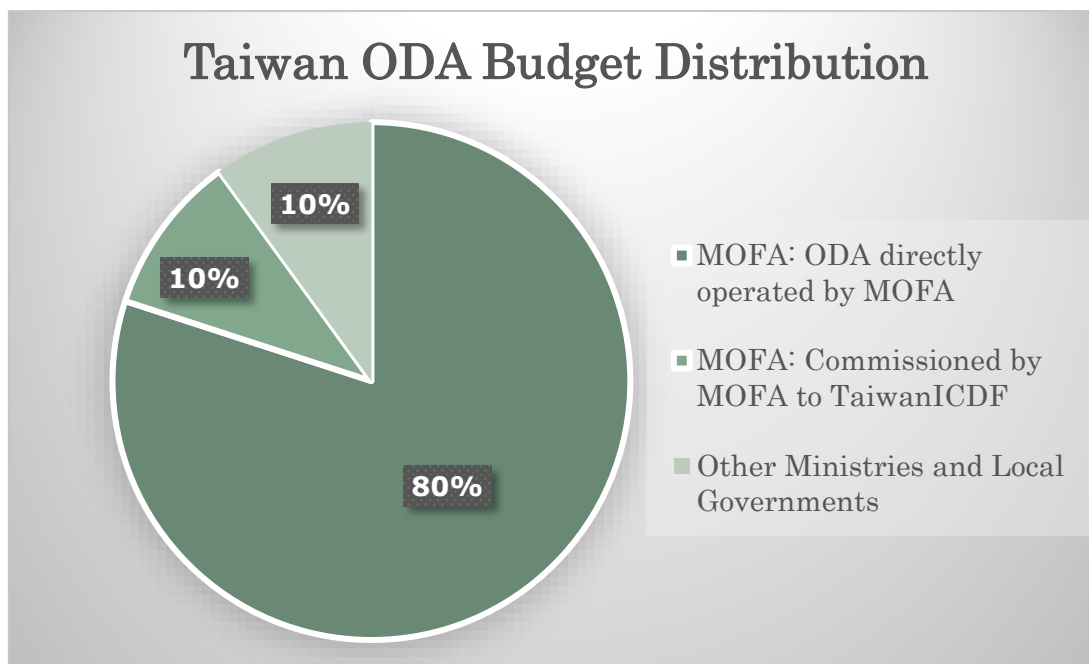
Note 1: In US dollar terms (US\$ 1 million) / Grant equivalent / Current prices

Note 2: Totals may not add up due to rounding.

(Source: Prepared by the study team based on OECD database<sup>50</sup>)

According to MOFA, although this varies from year to year, approximately 90% of the total Taiwan ODA budget is generally allocated to MOFA, and the remaining 10% is allocated to other ministries and local governments. Of the 90% MOFA budget, approximately 10% is allocated to TaiwanICDF, and the remaining 80% is spent directly by MOFA on ODA projects (see figure below). It should be noted that about half of the budget allocation for other ministries and local governments (10%) is for the Ministry of Agriculture, which accounts for the largest portion (the rest is for the Ministry of Education (about 4%) and the Ministry of Health and Welfare (less than 1%)); however, when considering the overall ODA budget, this represents a small percentage.

<sup>50</sup> [OECD Data Explorer - DAC1: Flows by provider \(ODA+OOF+Private\)](#)



(Source: Prepared by the study team based on MOFA hearing results)

Note: Outsourced projects from MOFA to TaiwanICDF fluctuate from year to year and on average account for about 10-15% of MOFA's ODA budget and about 9-14% of Taiwan's overall ODA budget.

#### Figure 2-4: Taiwan ODA Budget Breakdown Summary

According to MOFA,<sup>51</sup> “ODA projects directly operated by MOFA”, which accounts for the largest percentage in the above chart, include projects for which MOFA (regional bureaus at headquarters, and/or embassies in Diplomatic Countries and economic and cultural missions) directly procure construction companies and experts, and projects for which MOFA provides assistance to international organizations such as EBRD. In addition to Diplomatic Countries, Friendly Countries are also included in the recipient countries.

It should be noted that the outsourcing costs from MOFA to TaiwanICDF include administrative costs such as commission fees. There appears to be no other flow of funds from MOFA to TaiwanICDF. According to information on TaiwanICDF website,<sup>52</sup> of the approximately 14.31 billion NTD (approximately 65.11 billion JPY) budgeted for Taiwan's ODA in 2020, the Overseas Technical Cooperation Affairs fee (commissioned project fees) provided by MOFA to TaiwanICDF is approximately 1.2 billion NTD (approximately 5.46 billion JPY) (less than 10% of the ODA budget), and matches the budget allocation ratio stated in the figure above.

<sup>51</sup> According to MOFA, as for the budget allocation for each scheme, it is difficult to calculate due to the overlap of schemes in each project, and it is not possible to provide such information.

<sup>52</sup> [TaiwanICDF "Status" \(updated 3/1/2022\)](#)

Regarding economic assistance to developing countries through government funds not included in ODA, the OECD database shows the amount of Other Official Flow (OOF) for other Development Assistance Committee (DAC) member countries, but not for Taiwan.<sup>53</sup> According to MOFA, information on OOF is not available to the public.

## 2) Scale of Assistance from TaiwanICDF

As stated above, about 10% of Taiwan's overall ODA budget is allocated to TaiwanICDF through MOFA, although this amount fluctuates from year to year. According to MOFA, about 80% of TaiwanICDF's annual budget is commissioned by MOFA, with the remaining 20% coming from TaiwanICDF's own funds (loan repayments, etc.) (see figure below).

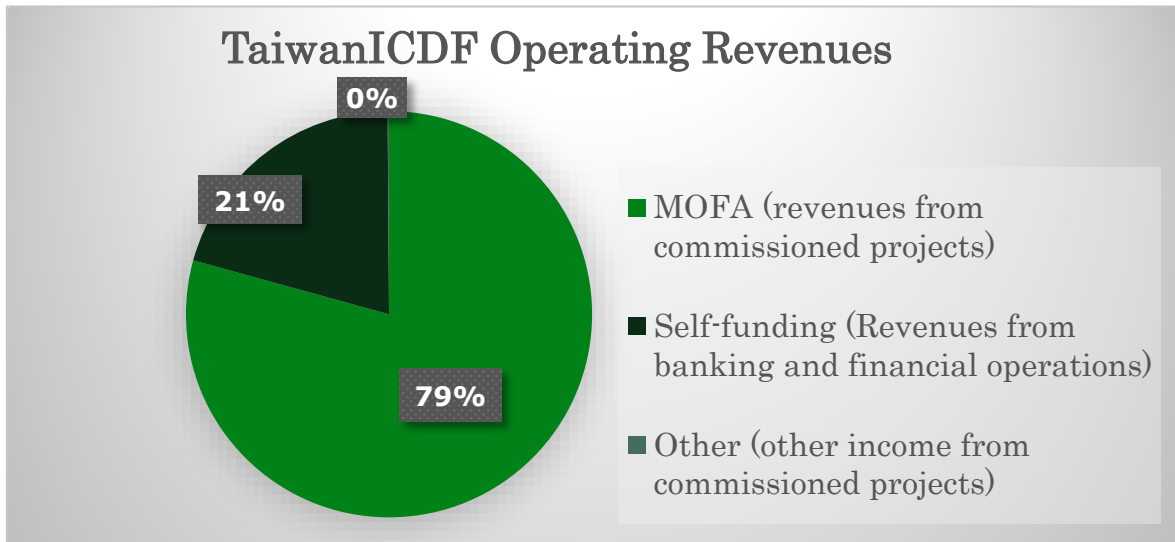
As shown in the breakdown of operating revenues in TaiwanICDF's annual report (2023) (see table below),<sup>54</sup> of the approximately NTD 1,616 million making up TaiwanICDF's revenues as of the end of December, approximately NTD 333 million (21%) came from banking and treasury operations (i.e. self-funding), while project commissioning revenues (i.e. from MOFA and other sources) amounted to approximately NTD 1,281 million (79%). Self-funding includes interest on long-term lending interest income, commitment fee income<sup>55</sup> and investment income-operating. TaiwanICDF charges 0.75% p.a. of commitment fee over undrawn loan commitments. Investment income operating refers to the income earned from its investment operations (for development and aid purposes rather than funding placement for financial earnings which refers to investment income- non-operating).

The balance for the year was a surplus of approximately NTD 44 million.

<sup>53</sup> © DAC1: Flows by donor (ODA+OOF+Private)

<sup>54</sup> TaiwanICDF "Annual Report 2023" (May 2024), Appendix p.77

<sup>55</sup> In project finance, the required amount is disbursed each time the project construction progresses, but the lender financial institution is obligated to maintain the committed amount for the term of the loan and to execute the loan when the conditions for drawdown are met. Commitment fees are paid as compensation for the lender's commitment and, like interest payments, are calculated as an annual percentage rate (%) on the undrawn balance of each bank's loan commitment. ([A-Z | Glossary of Financial Terms | DBJ \(DBJ\)](#))



(Source: Prepared by the study team based on Operating Revenues of TaiwanICDF “Annual Report 2023”, International Cooperation and Development Fund Statements of Comprehensive Income<sup>56</sup>).

**Figure 2-5: TaiwanICDF Annual Operating Revenue Breakdown**

Although it should be noted that there are year-to-year fluctuations, it is estimated from the numbers in FY2022 and FY2023, that the scale of operating revenues of TaiwanICDF (the amount commissioned by MOFA plus its own funds) is approximately 9 - 14% of Taiwan's overall ODA budget.

Compared to FY2022, operating revenues from the management of proprietary funds increased in both amount and percentage, from NTD 186.0 million (8%) in FY2022 to NTD 333.1 million (21%) in FY2023. On the other hand, MOFA's project contracting expenses were down to NTD 1,281.3 million in FY2023, compared to NTD 2,109.7 million in FY2022, a decrease in both amount and percentage. This was considered to be due to irregular allocation of the budget in the year of 2021 and 2022 as a result of the COVID-19 pandemic, with more allocated budget for “Post-pandemic recovery and women’s empowerment in Latin America and the Caribbean projects”. In 2023, operating revenues returned to their previous levels.<sup>57</sup>

<sup>56</sup> TaiwanICDF "Annual Report 2023" (May 2024) Appendix p.77

<sup>57</sup> TaiwanICDF hearing results

**Table 2-5: Breakdown of TaiwanICDF Operating Revenues (as of end of 2023)**

Items	December 31, 2023		December 31, 2022	
	Amount (NTD)	%	Amount (NTD)	%
<b>Operating Revenues</b>				
Revenues from banking and finance operations (Self-funding - revenues from banking and finance projects)	333,091,596	21	186,025,844	8
Revenues from contracted projects (Revenues from MOFA contracted project)	1,281,346,309	79	2,109,656,553	92
Other revenues from contracted projects (ex: projects contracted from OAC)	1,800,000	-	2,692,112	-
Total operating revenues	1,616,237,905	100	2,298,374,509	100

(Source: Prepared by the study team, excerpted Operating Revenues from TaiwanICDF, "Annual Report 2023",<sup>58</sup> unit: NTD)

Details of TaiwanICDF's operating revenue for FY2023 are shown in the table below. There is a project cost of 1.8 million NTD commissioned by the Ocean Affairs Council (OAC), which is an administrative agency in Taiwan, and other organizations besides MOFA have also commissioned work to TaiwanICDF.

**Table 2-6: Breakdown of TaiwanICDF Operating Revenues(FY2023 Details)**

Account	Amount (Million NTD)	%
Revenue from banking and finance operations	333.1	21
Long-term lending interest income	311.3	18
Commitment fee income	4.3	-
Investment income-operating	17.5	1
Revenue from contracted projects	1281.3	79
Commissioned by MOFA	1,281.3	71
Other revenues from contracted projects	1.8	-
Commissioned by OAC	1.8	-
Total operating revenue	1616.2	
Non-operating revenues	187.6	10
Total	1,803.8	100

Note 1: Totals may not add up due to rounding.

(Source: Prepared by the study team based on TaiwanICDF hearing results and TaiwanICDF "Annual Report 2023"<sup>59</sup>)

<sup>58</sup> TaiwanICDF "Annual Report 2023" (May 2024) Appendix p.77

<sup>59</sup> TaiwanICDF "Annual Report 2023" (May 2024) Appendix p.77

## 2.2.2 Implementation Structure

### 1) Implementation Structure prior to the Establishment of TaiwanICDF

According to TaiwanICDF, Taiwan's foreign aid began in 1959 with dispatching a group of agricultural experts to South Vietnam. In 1961, Taiwan sent a technical mission under the Agricultural Cooperation Task Force "Operation Vanguard" to help improve agricultural production in newly independent African countries. In 1962, the Operation Vanguard Task Force was expanded and became a permanent body in charge of agricultural cooperation with African countries, the Sino-Non-Technical Cooperation Committee (Taiwan-Africa Technical Cooperation Committee), and in 1972, the Committee of International Technical Cooperation (CITC), composed of officials from MOFA, the Department of International Cooperation and Economic Affairs, the International Economic Cooperation and Development Committee, the China Rural Reconstruction Alliance Committee, and the Taiwan Provincial Government, spearheaded Taiwan's technical cooperation with other countries and expanded technical cooperation, mainly in agricultural development.<sup>60</sup>

Kondo (2008), on the other hand, states that Taiwan began to get involved in foreign aid after the 1980s, when Taiwan entered a period of rapid economic growth and increased its presence in the international economy.<sup>61</sup> In the 1980s, Taiwan was facing international criticism for its rapid economic growth and trade balance surpluses, while facing the challenges of declining competitiveness in labor-intensive industries due to the revaluation of the exchange rate and rising labor costs. Against this backdrop, Taiwan established the International Economic Cooperation Development Fund (IECDF) in 1989 under the Ministry of Economic Affairs to share Taiwan's economic development experience with developing countries and to improve Taiwan's image in international politics. The IECDF became involved in trade and economic assistance to developing countries and provided Taiwanese assistance in the form of loans and investment in addition to traditional technical cooperation. As the number of cooperative development projects further increased and the number of overseas technical cooperation missions grew, the importance of aid in Taiwan's diplomacy grew. In 1996, the IECDF, which mainly provided loans, and the CITC, which mainly provided technical cooperation, were merged to form the Taiwan International Cooperation and Development Fund (TaiwanICDF), an independent organization under the jurisdiction of MOFA. Approximately NTD 11.6 billion of the establishment fund was contributed by the IECDF.<sup>62</sup>

<sup>60</sup> TaiwanICDF "Annual Report 2023" (May 2024), Appendix p.77

<sup>61</sup> Hisahiro Kondo, "Taiwan's Aid Policy" (July 2008), p.4

<sup>62</sup> Hisahiro Kondo, "Taiwan's Aid Policy" (July 2008), p.6

## 2) Current Implementation Structure

### ① MOFA Implementation Structure

Taiwan's ODA policy is implemented on the basis of diplomatic relations. For Diplomatic Countries, priority is given to comprehensive development assistance with an emphasis on long-term projects to pursue national development, such as infrastructure, agriculture, and healthcare. For Friendly Countries without formal diplomatic relations, cooperation generally focuses on capacity building for technical cooperation, humanitarian assistance, and community support. For other countries, assistance is generally provided in line with international humanitarian goals, often through multilateral organizations or cooperation with countries with similar principles.<sup>63</sup>

Approximately 90% of Taiwan's ODA budget is allocated to MOFA and the remaining 10% to other ministries and local governments. Approximately 90% of the ODA budget allocated to MOFA is for Diplomatic Countries and includes projects that are implemented by MOFA directly procuring construction companies and experts, and contributions from MOFA to International Organizations. Examples of ODA projects directly implemented by MOFA include humanitarian aid projects in Ukraine (hosting students from Ukraine and providing material assistance to the region) and human resource development in Central and Eastern Europe.<sup>64</sup>

The remaining approximately 10% of the budget is specifically allocated to other ministries such as the Ministry of Economic Affairs, the Ministry of Health and Welfare, the Ministry of Science and Technology, the Ministry of Transportation, the Ministry of Finance, the Ministry of Justice, the Ministry of Education, the Ministry of Environment, the Ministry of Agriculture, the Overseas Chinese Affairs Commission, and local governments. These ministries and local governments participate in international cooperation with like-minded and Friendly Countries through bilateral aid and multilateral aid models and in accordance with the OECD's definition of aid.

The MOFA assistance process is largely based on the international Standard Operating Procedure (SPO). The process is as follows:<sup>65</sup>

1. Needs are presented by recipient countries.
2. The needs of the recipient country are assessed.

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<sup>63</sup> MOFA hearing results

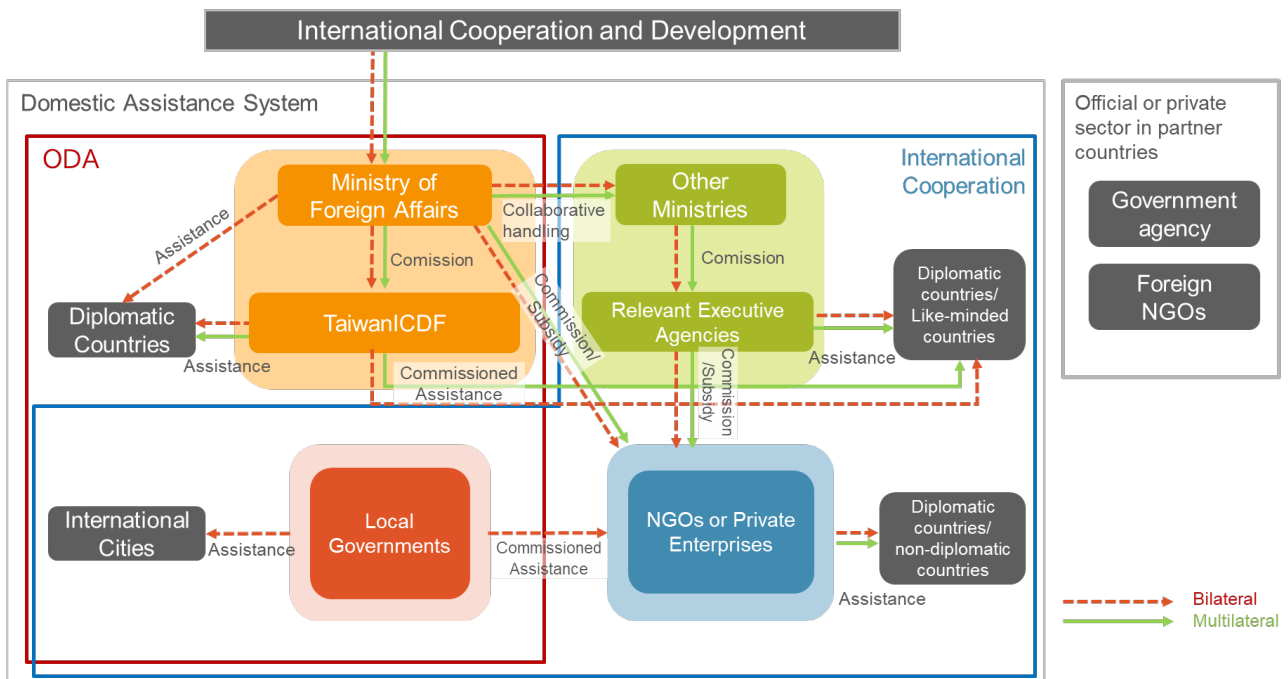
<sup>64</sup> MOFA hearing results

<sup>65</sup> MOFA hearing results

3. If MOFA is planning a new project, the project is checked to see if it is consistent with the relevant agreements signed with Diplomatic Allies and their validity period.
4. A Joint Feasibility Assessment is conducted. Approval is obtained from the recipient country and Taiwan's internal authorities for the project implementation plan, including the budget.
5. Experts are dispatched to the site as needed to conduct the evaluation. Results are reported to MOFA.
6. Based on the evaluation results, MOFA makes the final decision on program implementation.

MOFA also directly oversees the projects with NGOs. Each NGO operates differently and there is no common process, but the following process is listed as an example.<sup>66</sup>

1. NGOs submit business proposals to MOFA to support humanitarian projects.
2. MOFA reviews the proposal (check project objectives, etc. in light of the SDGs).
3. If the project plan passes MOFA's screening, MOFA's regional bureaus review the project plan (from the perspective of whether it meets the needs of the recipient country, etc.).
4. Upon completion of the project, MOFA reimburses the NGO.



(Source: MOFA, White Paper on International Cooperation and Development Policies (2023),<sup>67</sup> translated by the study team.)

**Figure 2-6: Taiwan Aid System**

<sup>66</sup> MOFA hearing results

<sup>67</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023) Chapter 3, p26

## ② TaiwanICDF Implementation Structure

Taiwan's current aid structure is based on the International Cooperation and Development Act (ICDA) (2010), and in accordance with Article 11 of the ICDA, *"When handling international cooperation and development affairs, the competent authority or other government agencies/institutions may first commission the International Cooperation and Development Fund, or commission other legal entities, organizations or professionals to handle them"*. In reality, however, MOFA allocates only about 10% of its total ODA budget to TaiwanICDF.<sup>68</sup> Regarding projects that are requested from recipient countries to MOFA, if the project relates to areas in which MOFA has expertise or priority areas (agriculture, public health, ICT, education, SMEs (small and medium enterprises), environment) MOFA will commission the project to TaiwanICDF on a project basis. Sometimes projects are also commissioned by ministries other than MOFA, but this percentage is very small.<sup>69</sup> The four types of cooperation offered by TaiwanICDF are (1) technical cooperation, (2) education and training, (3) humanitarian assistance, and (4) loans and investments. The fact that many projects are technical assistance suggests that technical cooperation is the main assistance scheme.<sup>70</sup>

Approximately, TaiwanICDF has 80 projects in 39 countries and dispatches 20 Taiwan Technical Missions (TTMs) to 19 countries (in most cases, one country have one TTM.)<sup>71</sup>. The mission chief is responsible for coordinating among the project managers, Taiwanese embassies, local government agencies and Official Development Assistance partners in the recipient country or region, and other relevant parties. Each project will be led by the project manager, who will work with Taiwanese technicians stationed in the recipient country, Taiwanese consultants, and local staff appointed by the implementing agency.<sup>72</sup> The mission chiefs, project managers, and Taiwanese technicians listed above are all employees of TaiwanICDF.

The usual process of project formation in Diplomatic Countries involves the recipient country first submitting its request to the Taiwanese Embassy in the recipient country. If MOFA determines that an expert is needed after review, the request is commissioned to TaiwanICDF. For assistance to countries without Diplomatic Countries, such as Thailand and Indonesia, requests for assistance are received through the Economic and Cultural Representative Offices located in each country. After being commissioned by the MOFA TaiwanICDF follows the project cycle, which includes, identification,

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<sup>68</sup> MOFA hearing results

<sup>69</sup> MOFA hearing results

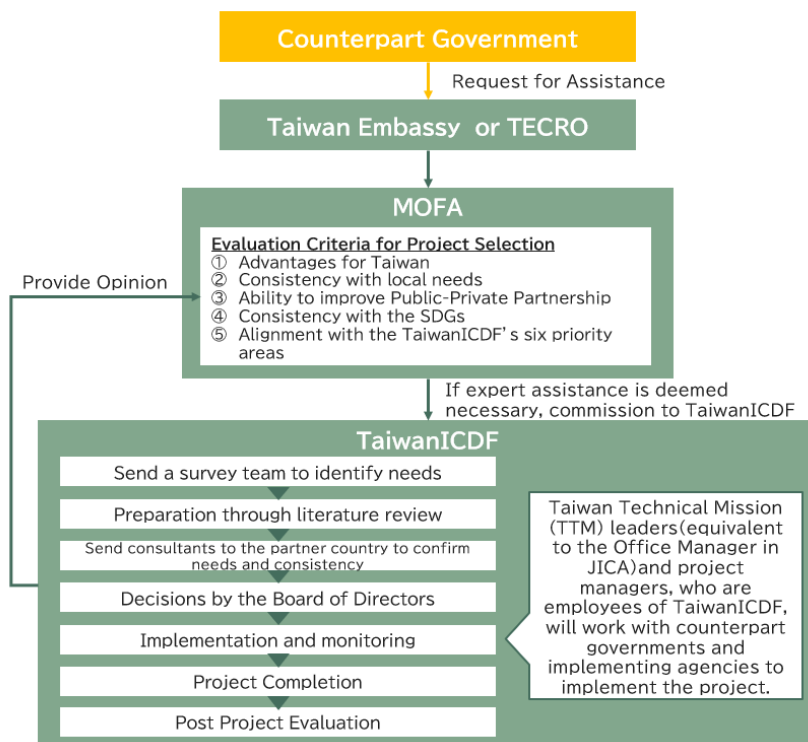
<sup>70</sup> TaiwanICDF "Annual Report 2023" (May 2024), Appendix p.96

<sup>71</sup> TaiwanICDF hearing results

<sup>72</sup> TaiwanICDF hearing results

preparation, appraisal, approval, implementation, completion, and post evaluation of a project. The recipient country is staffed by a TTM mission chief, who is an employee of TaiwanICDF, and a project manager for each project. The mission chief is responsible for all Taiwan-assisted projects in the recipient country, and the project manager is responsible for the implementation of that project, assigned on a project-by-project basis. There are usually several Taiwanese external experts assigned to each project to provide technical support. A representative of the recipient country serves as the project coordinator, who not only assists in communicating with all parties involved, but also works with TaiwanICDF project manager to plan activities and implement the project.<sup>73</sup>

Evaluation and monitoring are conducted in line with the project cycle, as is the case with many international development agencies. Regarding evaluation, ex-post evaluation (evaluation after completion of a project) is conducted for projects between 2 and 5 years after their completion, and the four evaluation criteria published by the OECD: relevance, effectiveness, efficiency, and sustainability are also referred to.<sup>74</sup>



(Source: Prepared by the study team based on MOFA hearing results and TaiwanICDF hearing results)

**Figure 2-7: Case Formation Flow in TaiwanICDF**

<sup>73</sup> TaiwanICDF hearing results

<sup>74</sup> TaiwanICDF hearing results

### 3) Major Stakeholders

#### ① Executive Yuan

The Executive Yuan is the highest administrative institution of Taiwan and is headed by the Premier of the Executive Yuan. The Premier of the Executive Yuan is directly appointed by the President, and other members of the Executive Yuan (Cabinet), including the Vice Premier, Ministers, Chairpersons of Commissions and Ministers without Portfolio, are appointed by the President upon recommendation of the Premier.<sup>75</sup>

Of the Executive Yuan, MOFA, the Ministry of Economic Affairs, the Ministry of Health and Welfare, and the Ministry of Agriculture have close ties to Taiwan's foreign aid. This is evidenced by the fact that five of the 14 TaiwanICDF directors appointed by the end of June 2024 were appointed from the above Ministries, and that the then-Chairman of the Board, Wu Chia-shan, is the Minister of MOFA.<sup>76</sup> In addition, the Ministry of Environment, the Ministry of Labor, and the Ministry of Information and Communication Technology are also involved in TaiwanICDF projects. These Ministries reflect the six priority areas of TaiwanICDF: Agriculture, Public Health, Education, Environment, Information and Communication Technology (ICT), and Small and Medium Enterprises (SMEs).

#### ② MOFA

MOFA is the competent authority for international cooperation and development assistance in Taiwan. From May 2024, MOFA is headed by Lin Chia-Lung, who also serves as Chairman of TaiwanICDF. MOFA consists of the departments shown in the figure below, but the departments primarily involved in foreign aid are the Department of International Cooperation and Economic Affairs (ICEA), the Department of International Organizations, the Department of International Affairs, Department of NGO and International Affairs, and Regional Departments. Among these departments, the Department of International Cooperation and Economic Affairs coordinates international cooperation and development-related activities within MOFA.

<sup>75</sup> Executive Yuan, R.O.C. (Taiwan)-Structure and Functions

<sup>76</sup> TaiwanICDF "Annual Report 2023" (May 2024)



(Source: MOFA website<sup>77</sup>)

**Figure 2-8: Organization chart of MOFA**

### ③ Taiwan International Cooperation and Development Foundation (TaiwanICDF)

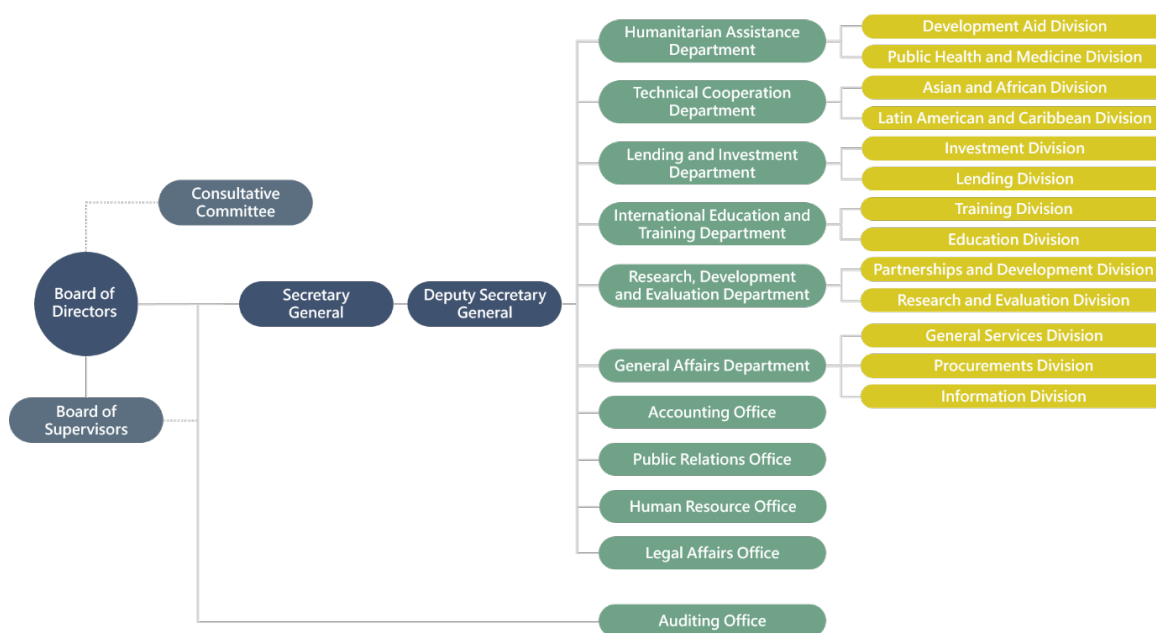
The members of the Board of Directors of TaiwanICDF are appointed by the Executive Yuan. The Board of Directors includes heads/senior officials of authorities, prominent academics, and leading businesspeople, including the Governor of the Central Bank; a professor at the School of Public Health of Taipei Medical University; the Vice President of the Taiwan Economic Research Institute; and the Chief Investment Officer of Cathay Financial Holdings.<sup>78</sup> The Board of Directors is responsible for developing organizational policies, approving specific projects and loan operations, overseeing annual budget

<sup>77</sup> Ministry of Foreign Affairs, Republic of China (Taiwan)-Structure and Functions

<sup>78</sup> TaiwanICDF "Annual Report 2023" (May 2024)

allocations, appointing and dismissing senior management, and deciding on other important matters related to the organization's operations. 11 Departments and Offices are established under the Board of Directors to implement aid, including the Humanitarian Assistance Department, the Technical Cooperation Department, the Lending and Investment Department, the International Education and Training Department, and the Research, Development and Evaluation Department. These departments are structured to reflect four of the nine schemes of TaiwanICDF (see figure below).

As of December 2023, TaiwanICDF has 117 technical staff, 15 Chinese language teachers, amongst others as overseas staff. There are 123 staff members working in Taiwan.<sup>79</sup>



(Source: TaiwanICDF "Organizational Framework"<sup>80</sup>)

**Figure 2-9: Organizational Chart of TaiwanICDF**

**Table 2-7: Roles of Departments in TaiwanICDF**

<p>Humanitarian Assistance Department Director: Hung-Tzu Wang</p>	<ul style="list-style-type: none"> <li>• Planning and management of international cooperation in the field of public health and medicine</li> <li>• Planning and management of humanitarian aid projects</li> <li>• Planning and management of the TaiwanICDF Overseas Volunteer Program</li> </ul>
<p>Technical Cooperation Department Director: Ming-Hong Yen</p>	<ul style="list-style-type: none"> <li>• Planning and management of overseas technical missions</li> <li>• Planning and managing technical assistance projects</li> <li>• Planning and operation of overseas technical cooperation reserve manpower dispatch program</li> </ul>

<sup>79</sup> TaiwanICDF "Annual Report 2023" (May 2024)

<sup>80</sup> TaiwanICDF "Organizational Framework".

Lending and Investment Department Director: Shih-Hung Liu	<ul style="list-style-type: none"> <li>• Identify, prepare, appraise, negotiate, implement, and manage the release and repayment of funds for investment projects</li> <li>• Identify, prepare, appraise, negotiate, implement, and manage the release and repayment of funds for lending projects</li> <li>• Estimation of financial revenues, financial planning, operation and allocation of funds</li> </ul>
International Education and Training Department Director: Shiang-Wu Tsai	<ul style="list-style-type: none"> <li>• Appraise, implement, and evaluate international higher education programs</li> <li>• Appraise, implement, and evaluate international education programs</li> <li>• Appraise, implement and evaluate international workshops</li> <li>• Promote, manage and evaluate TaiwanICDF Alumni Association</li> </ul>
Research, Development and Evaluation Department Director: Yun-Ching Tseng	<ul style="list-style-type: none"> <li>• Plan and manage international cooperation and development strategies, operational planning, coordination and integration</li> <li>• Plan and manage organizational and project level performance evaluation work</li> <li>• Plan and manage international cooperation strategic partnerships development and fund raising Plan and manage the organization's knowledge management system</li> <li>• Pilot Study on International Cooperation and Development Strategies</li> </ul>
General Affairs Department Director: Mei-Yun Kuo	<ul style="list-style-type: none"> <li>• Develop and manage the organization's information systems, planning and maintaining information security and software/hardware facilities</li> <li>• Implement and manage of procurement operations</li> <li>• Manage the organization's document management system and library</li> <li>• Perform cashiering, property and office management, and other general administrative duties</li> </ul>

(Source: Prepared by the study team based on TaiwanICDF "Annual Report 2023 " (May 2024)<sup>81</sup> )

#### ④ Recipient country

Taiwan's recipient countries are mainly Diplomatic Countries and Friendly Countries. According to MOFA, although there is neither a clear definition of the term "Friendly Countries" nor "Friendly Countries List," the term "Friendly Countries" refers to the approximately 90 countries to which Taiwan provides international cooperation and development assistance. Diplomatic Countries receive more aid than Friendly Countries with which Taiwan has no diplomatic relations. Aid to Friendly Countries is sometimes provided through international organizations such as EBRD. Taiwan can legally and technically support Friendly Countries through all the nine schemes listed in Article 8 of the ICDA Law, but in practice, the focus is on technical cooperation and humanitarian assistance. Projects relating to both Diplomatic Countries and Friendly Countries are demand-driven based on the needs of the recipient countries, and are mainly in areas where Taiwan has strengths, such as agriculture, ICT, and public health.<sup>82</sup>

<sup>81</sup> TaiwanICDF "Annual Report 2023" (May 2024) p72

<sup>82</sup> MOFA hearing results

## ⑤ Private-sector business

The White Paper on International Cooperation and Development Policies (2023) states that the private sector is the driving force behind Taiwan's economic development, and that building partnerships with businesses in areas of international cooperation and development will lead to the long-term development of foreign aid. Taiwan is promoting "All-people Diplomacy," in which NGOs, volunteers, and the private sector are actively involved in aid policies and activities. "All-people Diplomacy" aims to expand the momentum and benefits of Taiwan's international cooperation and development overseas by introducing Taiwan's lucrative industries into international cooperation. The intervention of Taiwanese companies – which have long promoted Corporate Social Responsibility (CSR) and the SDGs – in the field of international cooperation, is highly compatible with Taiwan's commitment to international development with the SDGs at its core.<sup>83</sup>

In its Annual Report (2023), TaiwanICDF discusses the growing importance of the role of the private sector in aid and the role of TaiwanICDF as a public-private development platform.<sup>84</sup> As part of its private sector engagement efforts, in 2021, TaiwanICDF is launching the Impact Frontier Lab, a business program that invites Taiwanese companies to submit proposals in line with international development trends to explore business opportunities with Friendly Countries.<sup>85</sup> Below is a list of projects in which TaiwanICDF has collaborated with private companies.<sup>86</sup>

**Table 2-8: Examples of Cooperation Projects between TaiwanICDF and Private Companies**

Company Name	Project Name	Cooperation Details
Speedtech Energy Co.	Donation for Solar Power Lighting System in the Rural Solar Photovoltaic Project in Myanmar, 2019	<ul style="list-style-type: none"> <li>Provides matching funds for the introduction of household solar power generation systems in Myanmar</li> <li>TaiwanICDF covers 50% of the hardware costs of the solar system</li> <li>Speedtech Energy Co., Ltd. donated a total of 600 sets of systems to Myanmar</li> </ul>
HyWeb Technology Inc.	MYOOL-GO in Belize, 2021.10.18-2022.12.31	<ul style="list-style-type: none"> <li>Matching Fund to HyWeb Technology Inc. through Impact Frontier Lab</li> <li>HyWeb Technology Inc. invests approximately US\$360,000 to establish a digital financial system with a sustainable business model in Belize</li> </ul>

<sup>83</sup> TaiwanICDF "Annual Report 2023" (May 2024), p.53

<sup>84</sup> TaiwanICDF "Annual Report 2023" (May 2024), p.53

<sup>85</sup> The "Impact Frontier Lab" identifies potential partners for TaiwanICDF through a business competition and provides up to US\$200,000 in matching funds to the winner. It aims to help Diplomatic Countries achieve the SDGs by 2030 by attracting innovative business proposals tailored to the development needs of partner countries. 2023 will be the year of the "Climate Change Adaptation," "Ecology and Environmental Sustainable Development," "Revitalization of Disadvantaged Communities," and "Green and Sustainable Diet" The winning team will receive up to 6 million Taiwan dollars (approximately 28 million JPY). ( Taiwan Immigrants' Global News Network "TaiwanICDF recruits for the Impact Frontier Lab Program to create sustainable opportunities with Taiwan's diplomatic allies."(Oct 2023) )

<sup>86</sup> TaiwanICDF hearing results

Company Name	Project Name	Cooperation Details
Ccilu International Inc.	Guatemala Eco-friendly Materials Factory Project, 2023.08.15-2025.12.31	<ul style="list-style-type: none"> <li>TaiwanICDF provides up to US\$200,000 in matching funds to the second Impact Frontier Lab winner, Ccilu International Inc.</li> <li>Plans to invest approximately 150 million Taiwan dollars to establish a recycling economy with a sustainable business model in Guatemala</li> </ul>
SAC Apoyo Integral, S.A. (Integral)	Integral Microfinance Project	<ul style="list-style-type: none"> <li>TaiwanICDF disburses loan funds to Integral to support the expansion of its microfinance business, ultimately contributing to the development of local microfinance services.</li> </ul>
Gojo & Company, Inc.	Gojo & Company, Inc. Investment Project	<ul style="list-style-type: none"> <li>TaiwanICDF subscribed equity to support corporate objectives that are strongly aligned with the priorities of TaiwanICDF.</li> </ul>

(Source: TaiwanICDF hearing results)

## ⑥ NGOs

MOFA notes that NGOs' local networks and expertise play an important role in promoting international cooperation and development, hence they are important partners.<sup>87</sup> MOFA established the NGO Affairs Committee in 2000, which was renamed the Department of NGO and International Affairs in 2012 following a reorganization.<sup>88</sup> The Department of Non-Governmental Organization and International Affairs supports Taiwan's foreign policy and international initiatives such as the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs) by assisting and guiding Taiwanese NGOs to participate in international exchange and cooperation projects. Activities focus on themes such as international humanitarian and medical assistance, poverty and disease eradication, promotion of democracy and human rights, sustainable ecosystem conservation, and climate change. Through these efforts, the program aims to strengthen friendly relations with partner countries, enhance Taiwan's international visibility and favorable image, demonstrate Taiwan's soft power, and realize the concept of public diplomacy.<sup>89</sup> In March 2023, the then Foreign Minister invited 160 people to the Taipei Guest House. He invited over 160 NGO officials and promised to continue to boost the international participation of Taiwanese NGOs.<sup>90</sup>

Furthermore, in promoting international cooperation and development through NGOs, MOFA expects TaiwanICDF to serve as an institutionalized platform for diverse stakeholders in both the public and

<sup>87</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023)

<sup>88</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023)

<sup>89</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023), P57

<sup>90</sup> [Taiwan Today "MOFA pledges to increase Taiwanese NGO visibility on world stage" \(27<sup>th</sup> May 2024\)](#)

private sectors to formulate aid policies and exchange aid resources.<sup>91</sup> TaiwanICDF currently is in cooperation with 11 NGOs, of which 10 are international NGOs and one is a Taiwanese NGO. Kondo (2008) states that the reasons why NGOs and other organizations are expected to participate in international cooperation and aid are 1) it is difficult for the public sector alone to overcome international isolation and 2) Taiwan's international status is expected to be enhanced through international cooperation by the private sector.

MOFA supports the participation of NGOs in international activities primarily by:<sup>92</sup>

1. Providing support for participation of Taiwanese NGOs in international activities: this includes financial and administrative support for Taiwanese NGOs to participate in or sponsoring various international NGO activities.
2. Providing guidance for Taiwan NGO's international cooperation: MOFA encourages and subsidizes Taiwanese NGOs to align themselves with the UN SDGs and Taiwan's foreign policy. This includes implementing international cooperation and development projects that leverage Taiwan's development experience and strengths, as well as participating in international cooperation projects of international NGOs.
3. Building the capacity of Taiwanese NGOs to engage in international issues: organizing training programs for NGO staff on international issues and sending NGO leaders and students abroad for internships with international NGOs.
4. Establishment of a platform for regular dialogue between the authority and NGOs: MOFA has been holding the "NGO Leadership Forum" annually since 2020 to exchange views on Taiwan's participation in international aid from NGO representatives and others in Taiwan, and to solicit new proposals.

Taiwanese authorities have been actively attracting foreign NGOs to Taiwan to further deepen ties with the international community with democracy while enhancing the international competitiveness of Taiwanese NGOs. From 2020, MOFA is promoting the simplification of regulations on the establishment of international NGOs in Taiwan. In addition, MOFA has established a bilingual information platform to foster a more open and supportive environment for international NGO activities and promote the establishment of international NGOs that share the same values as those of Taiwan. Priority themes

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<sup>91</sup> Hisahiro Kondo, "Objectives and Approaches in Taiwan's Foreign Aid" (2012), p. 44

<sup>92</sup> Ministry of Foreign Affairs Taiwan, "White Paper on International Cooperation and Development Policies" (November 2023), P96

include international humanitarian and medical assistance, poverty and disease eradication, promotion of democracy and human rights, sustainable ecological preservation, and climate change. These efforts are intended to strengthen friendly relations with partner countries, enhance Taiwan's international visibility and favorable image, demonstrate Taiwan's soft power, and realize the concept of public diplomacy.

**Table 2-9: Example of Collaboration between TaiwanICDF and NGOs**

NGO	Project Name	Sector	Scheme	Theme
World Farmers Organization (WFO)	The Climakers Initiative	Multi-sectoral / Cross-sectoral	Other	Other
World Vision	Cash assistance project to complement the maternal and child health improvement project in the Kingdom of Eswatini (Phase 2)	Humanitarian aid (Protection and support services)	Humanitarian aid	Public Health and Medicine/Others
Food for the Poor, FFTP	Development of Aquaculture Value Chain in Tabacal Village	Production (Agriculture)	Technical support	Agriculture
	TaiwanICDF Sheep Livelihoods Project	Production (Agriculture)	Technical support	Agriculture
	Southern Province of Haiti Farmers Association Rice Production and Marketing Project - in	Production (Agriculture)	Technical support	Agriculture
Catholic Relief Services	AURE Technical Services and Capital Mobilization to Strengthen Community-Based and Municipally Operated Water Supply and Sanitation Systems in Honduras	Social Infrastructure and Services	Technical support	Public Health and Medicine
Step 30 International Ministries	TaiwanICDF Overseas Volunteer Program	Social Infrastructure and Services (Health)	Technical assistance (volunteer)	Public Health and Medicine
Love Binti International	TaiwanICDF Overseas Volunteer Program	Production (Agriculture)	Technical assistance (volunteer)	Agriculture
Stimson Center	Climate and Ocean Risk Vulnerability Index (CORVI) for Coastal Cities in Belize	Multi-sectoral / Cross-sectoral	Preliminary investigation	Environment

NGO	Project Name	Sector	Scheme	Theme
Terre des hommes Foundation, Tdh	Improving access to basic water and sanitation in 10 health facilities for vulnerable communities in Garissa County, Kenya	Humanitarian Assistance (Health)	Humanitarian aid	Public Health and Medicine
People in Need, PIN	Early Restoration Project for Companies in Earthquake Affected Areas of Turkey	Humanitarian Assistance (SME)	Humanitarian aid	SME
Good Neighbors Taiwan, GNT	Project to Strengthen PSS Services for Ukrainian Refugee Children in the Cities of Suceava and Constanta, Garazi Province, Romania	Humanitarian Assistance (Health)	Humanitarian aid	Public Health and Medicine
	TaiwanICDF Overseas Volunteer Program	Social Infrastructure and Services	Technical assistance (volunteer)	Other
Cheetah Conservation Fund	TaiwanICDF Overseas Volunteer Program	Social Infrastructure and Services (Environment)	Technical assistance (volunteer)	Environment

(Source: TaiwanICDF Annual Report 2023<sup>93</sup>)

## ⑦ Universities and Research

Regarding universities and research institutes, the Annual Report mainly describes the efforts of TaiwanICDF, which cooperates with universities in two main ways: cooperation in the implementation of international cooperation projects, and human resource development through the "International Exchange Support Program for Taiwan Students".

As an example of the cooperation between TaiwanICDF and universities in the implementation of international cooperation projects, TaiwanICDF have cooperated with the Taiwan University Hospital-Yunlin Branch (NTUH-YL) and the Somaliland Ministry of Health and Development to launch a three-year project to strengthen the public health emergency response system in Somaliland.<sup>94</sup> Other initiatives include working with National Taiwan University and the Department of Rural Development and Soil Conservation, Ministry of Agriculture, Taiwan, to implement a project to improve flood warning capacity in the Belize River Basin, including automated training of emergency response teams and strengthening community disaster management capacity.

<sup>93</sup> TaiwanICDF "Annual Report 2023" (May 2024), Appendix p.105

<sup>94</sup> TaiwanICDF "Annual Report 2023" (May 2024)

Starting in 2019, TaiwanICDF has collaborated with various universities to focus on the development of human resources for international cooperation and development. University partners include Pingtung University of Technology, Chiayi University, Yang-Ming Chiao Tung University, Chengchi University, Setsuji University, Wen-Mo University of Foreign Studies, Taiwan University College of Agriculture, Donghua University, and Taipei University. TaiwanICDF has established the "Taiwan Student International Exchange Support Program" to provide support to students in these universities in the areas of Agriculture, Animal Husbandry & Veterinary Medicine, Aquaculture, Nutrition, Environmental Studies, Business Management, and Information Technology. These universities will have the opportunity to participate in a semester-long internship in Taiwan's Diplomatic Countries and Friendly Countries in Latin America, the Caribbean, Africa, and the Asia-Pacific region by participating in TaiwanICDF's Technical Cooperation Program. Under the guidance of Taiwan's technical team, students will gain practical experience in international development cooperation, and Taiwan is poised to build a talent pool for foreign aid.

### **2.2.3 Scheme (Assistance Methods)**

#### **1) Schemes of Taiwan (MOFA)**

As indicated in “2.1.1 Laws”, Article 8 of Taiwan's International Cooperation and Development Act (ICDA)<sup>95</sup> lists the following nine methods (schemes) for international cooperation and development work. These are:

1. Technical assistance and capacity building.
2. Investments.
3. Loans.
4. Guarantees.
5. Financial donations.
6. Gifts in kind.
7. Dispatch of personnel.
8. Development strategy consultations.

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<sup>95</sup> Laws and Regulations Database of Taiwan "International Cooperation and Development Act" (15 June 2010)

## 9. Other feasible methods.

According to MOFA,<sup>96</sup> all of these schemes can in principle be implemented for Diplomatic Countries (discussed below in 2.2.4). However, it is difficult to calculate the actual budget allocation for each scheme and the actual operation amount because of the overlap of schemes in some cases. In addition, for countries that do not have diplomatic relations with Taiwan, MOFA largely provides technical cooperation or humanitarian assistance such as dispatching Taiwanese experts (loans are provided through international organizations or co-financing<sup>97</sup>). However, it is possible to provide other schemes from a legal and technical standpoint. According to MOFA,<sup>98</sup> although the schemes are listed in the ICDA, in practice, certain schemes (such as investments for commercial purposes, loans at commercial interest rates, loans that do not meet the concessional nature of ODA and guarantees) are generally carried out within the framework of the OOF.

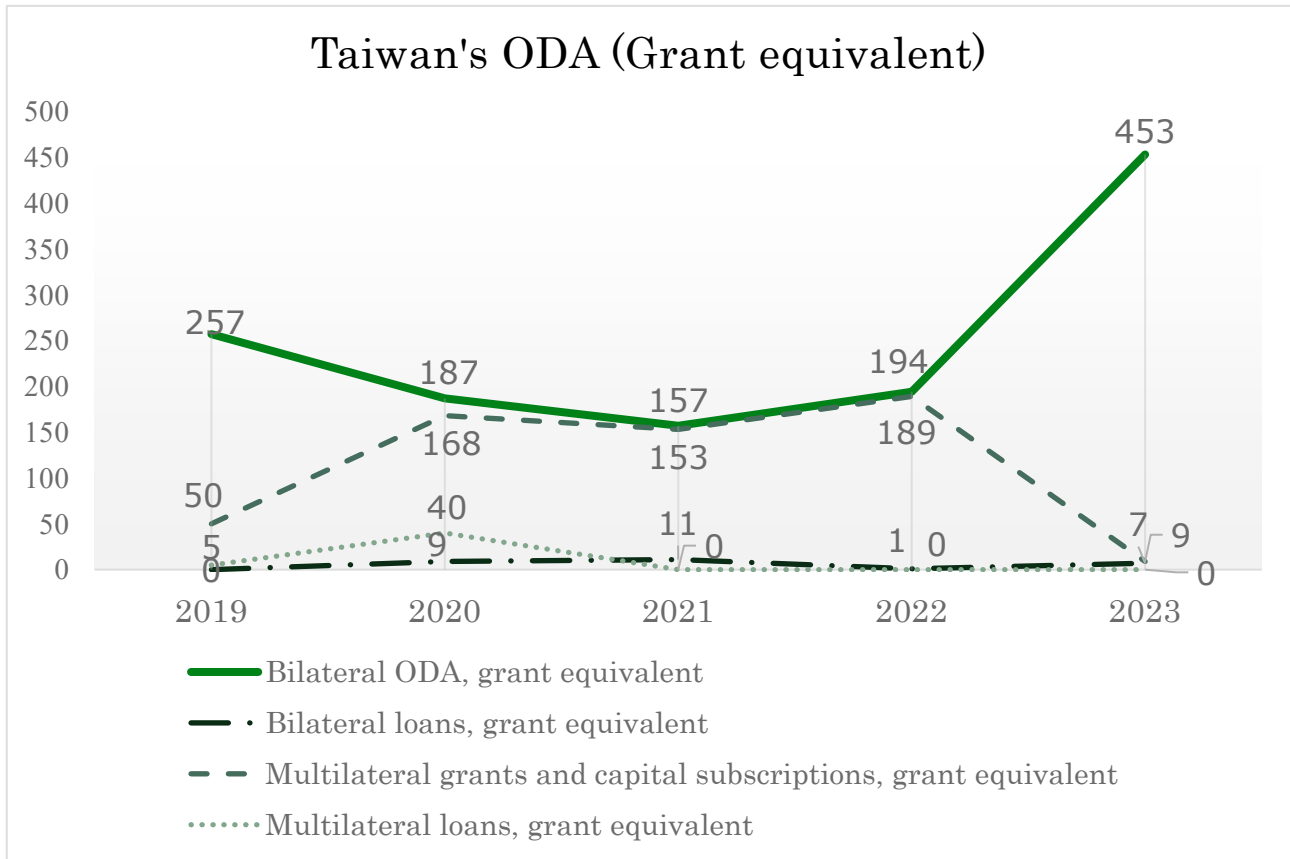
The OECD DAC statistics on Taiwan's ODA grant equivalents (see figure below) show that most of Taiwan's ODA, both bilateral aid and multilateral aid, are in the form of grants (grant aid, technical cooperation, and capital contribution), while government loans etc. (loan aid) are very small.

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<sup>96</sup> MOFA hearing results, TaiwanICDF hearing results

<sup>97</sup> TaiwanICDF "Annual Report 2023" (May 2024) Appendix p.96-103

<sup>98</sup> MOFA hearing results

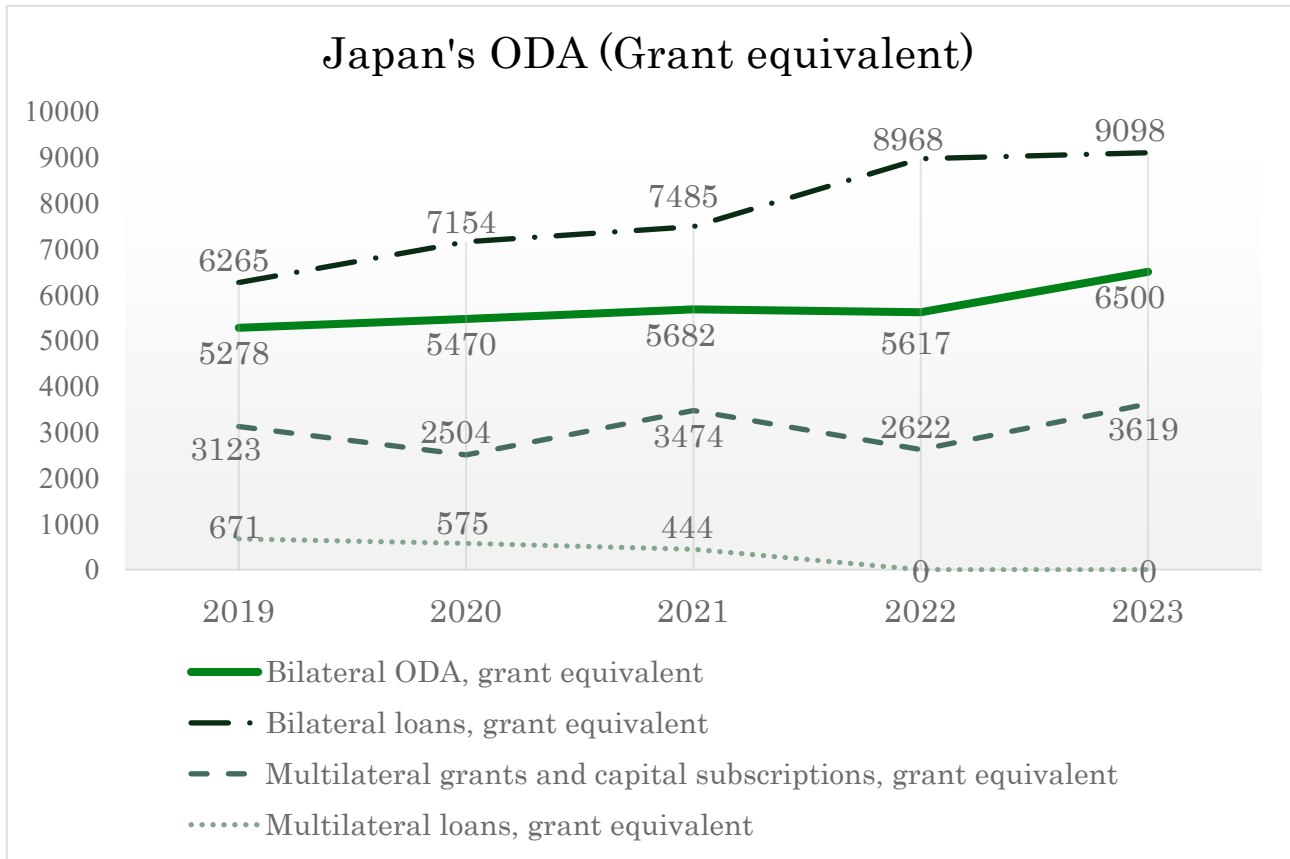


(Source: Prepared by the study team based on OECD Data Explorer.<sup>99</sup> Units are in million USD, Current prices)

**Figure 2-10: Taiwan ODA (Grant Equivalent)**

For reference, the following chart illustrating Japan's ODA shows a gradual increase from 2019 to 2023, with the largest amount of bilateral loans etc. (financial assistance with interest) in general, followed by bilateral ODA (grant aid and technical cooperation).

<sup>99</sup> [OECD Data Explorer - DAC1: Flows by provider \(ODA+OOF+Private\)](#)



(Source: Prepared by the study team based on OECD Data Explorer;<sup>100</sup> Units: 1 million USD; Current prices)

**Figure 2-11: Japan ODA (Grant Equivalent)**

According to MOFA, among the schemes listed in Article 8 of the ICDA, investments and loans are also available for the private sector (Article 7.1 of the Act stipulates that investments and loans can be used to improve bilateral economic exchanges with Diplomatic Countries and Friendly Countries, and as long as this is met, private sector investments and loans are possible). TaiwanICDF and other related agencies also provide credit guarantees to private sector companies in Taiwan, which allows private companies in Taiwan to secure credit financing from financial institutions.<sup>101</sup>

<sup>100</sup> OECD Data Explorer - DAC1: Flows by provider (ODA+OOF+Private)

<sup>101</sup> Note, however, as noted in the next section, that guarantee services for TaiwanICDF have not been provided since 2012 (with a few exceptions).

## 2) Schemes of TaiwanICDF

As mentioned above, Taiwan is engaged in international cooperation mainly through the following methods (schemes) of international cooperation and development work as stipulated in Article 8 of the International Cooperation and Development Act:

1. Technical assistance and capacity building.
2. Investments.
3. Loans.
4. Guarantees.
5. Financial donations.
6. Gifts in kind.
7. Dispatch of personnel.
8. Development strategy consultations.
9. Other feasible methods.

Of these schemes, TaiwanICDF mainly provides 1. Technical assistance and capacity building, 2. Investments, 3. Loans, 5. Financial donations, and 7. Dispatch of personnel. As shown in the table below, the projects provided in FY2023 were mainly in the form of technical cooperation. Financial donations, gifts in kind, and development strategy consultations are not listed, but it is assumed that these are included in other schemes such as technical cooperation, as TaiwanICDF does not clearly differentiate between schemes.<sup>102</sup> Regarding guarantees, following the decision by the Executive Yuan and TaiwanICDF Board of Directors, they have not been delivered (with some exceptions) since 2012.<sup>103</sup>

**Table 2-10 : TaiwanICDF Assistance Achievements (FY2023)**

Region <sup>104</sup>	Country/ Lead	Sector	Scheme	Priority Sector
East Asia and the Pacific	Thailand	Production (Agriculture), Social Infrastructure & Services (Education)	Technical Assistance, Dispatch of Personnel	Agriculture, Education
	Indonesia	Production (Agriculture), Social Infrastructure & Services (Health)	Technical Assistance	Agriculture, Public Health and Medicine

<sup>102</sup> MOFA hearing results

<sup>103</sup> TaiwanICDF hearing results

<sup>104</sup> The regions are based on the divisions in the TaiwanICDF's annual report, which may differ from the regional divisions commonly used in society in general.

Region <sup>104</sup>	Country/ Lead	Sector	Scheme	Priority Sector
	Palau	Production (Agriculture), Social Infrastructure & Services (Education, Health), Economic Infrastructure & Services (Banking and Financial Services)	Technical Assistance, Dispatch of Personnel, Loans	Agriculture, Education, Public Health and Medicine, SMEs
	Papua New Guinea	Production (Agriculture)	Technical Assistance	Agriculture
	Nauru	Production (Agriculture), Economic Infrastructure & Services (Banking and Financial Services)	Technical Assistance	Agriculture, SMEs
	Marshall Islands	Production (Agriculture), Social Infrastructure & Services (Education, Environment, Other)	Technical Assistance, Dispatch of Personnel	Agriculture, Education, Environment, Others
	Tuvalu	Production (Agriculture)	Technical Assistance, Dispatch of Personnel	Agriculture
	Fiji	Production (Agriculture)	Technical Assistance	Agriculture
	Philippines	Production (Agriculture), Social Infrastructure & Services (Health)	Technical Assistance	Agriculture, Public Health and Medicine
	Vietnam	Social Infrastructure & Services (Health, Other)	Technical Assistance, Dispatch of Personnel	Public Health and Medicine, Others
West Asia and Africa	Turkey	Production (Agriculture), Social Infrastructure & Services (Education), Humanitarian Aid (SMEs)	Technical Assistance, Loans, Dispatch of Personnel	Agriculture, Education, SMEs
	Jordan	Social Infrastructure Services (Education)	Technical Assistance	Education
	Saudi Arabia	Production (Agriculture), Social Infrastructure & Services (Transport and Storage)	Technical Assistance	Agriculture, Others
	Bahrain	Production (Agriculture)	Technical Assistance	Agriculture
	Lebanon	Multi-sector (Environmental Protection)	Loans	Environment
	Uganda	Production (Agriculture)	Dispatch of Personnel	Agriculture
	Kenya	Social Infrastructure & Services (Health), Humanitarian Aid	Dispatch of Personnel, Technical Assistance	Public Health and Medicine
	Eswatini	Production (Agriculture), Social Infrastructure & Services (Health), Humanitarian Aid	Technical Assistance, Financial Donations,	Public Health and Medicine, Education

Region <sup>104</sup>	Country/ Lead	Sector	Scheme	Priority Sector
			Dispatch Personnel of	
	Somaliland	Production (Agriculture), Economic Infrastructure & Services (ICT), Social Infrastructure & Services (Health, Environment), Humanitarian Aid	Technical Assistance, Dispatch Personnel of	Agriculture, ICT, Public Health and Medicine, Environment
	Mongolia	Social Infrastructure & Services	Dispatch Personnel of	Others
Latin America and the Caribbean Islands	Guatemala	Production (Agriculture), Economic Infrastructure & Services (Banking and Financial Services), Social Infrastructure & Services (Health), Humanitarian Aid, Environmental Protection	Technical Assistance, Guarantees	Agriculture, SMEs, Environment, Education, Public Health and Medicine
	Honduras	Production (Agriculture), Social Infrastructure & Services (Health, Education), Commodity Aid/General Program Assistance	Technical Assistance, Dispatch Personnel of	Agriculture, Public Health and Medicine, Education, Others
	Belize	Production (Agriculture), Social Infrastructure & Services (Environment, Health, ICT), Economic Infrastructure & Services (Banking and Financial Services)	Technical Assistance, Dispatch Personnel, Loans of	Agriculture, Public Health and Medicine, ICT, SMEs, Education, Environment
	Haiti	Production (Agriculture), Social Infrastructure & Services (Education), Economic Infrastructure & Services (Banking and Financial Services)	Technical Assistance, Guarantees	Agriculture, SMEs
	St. Kitts and Nevis	Production (Agriculture), Social Infrastructure & Services (Health, ICT, Education, Environment, Other), Economic Infrastructure & Services (Banking and Financial Services)	Technical Assistance, Loans, Dispatch of Personnel	Agriculture, Education, Public Health and Medicine, SMEs, Environment, Others
	St. Vincent and the Grenadines	Production (Agriculture), Social Infrastructure & Services (Health, Education, ICT)	Technical Assistance, Dispatch Personnel of	Agriculture, Education, ICT, Public Health and Medicine
	St. Lucia	Production (Agriculture), Social Infrastructure & Services (Health, Education, SMEs), Economic Infrastructure & Services (Business)	Technical Assistance, Dispatch Personnel of	Agriculture, Education, Public Health and Medicine, SMEs
	Paraguay	Production (Agriculture), Social Infrastructure & Services (Health, Education, Environment, SMEs, Other), Economic Infrastructure & Services (Banking and Financial Services)	Technical Assistance, Loans, Guarantees, Dispatch Personnel of	Agriculture, Education, Public Health and Medicine, Environment, SMEs, Others
	Central Asia and Central and Eastern Europe	Moldova	Production (Agriculture)	Loans
Romania		Economic Infrastructure Services (Banking and Financial Services), Humanitarian Aid (Health), Social Infrastructure & Services (Other)	Loans, Technical Assistance, Dispatch Personnel of	Environment, Public Health and Medicine, Others

Region <sup>104</sup>	Country/ Lead	Sector	Scheme	Priority Sector
	Bosnia and Herzegovina	Economic Infrastructure & Services (Energy Generation, Supply and Efficiency)	Loans	Environment
	Serbia	Economic Infrastructure & Services (Energy Generation, Supply and Efficiency)	Loans	Environment
	Ukraine	Production (Agriculture)	Loans	Agriculture
	Uzbekistan	Production (Agriculture), Economic Infrastructure & Services (Banking and Financial Services)	Loans	Agriculture, Environment
	Poland	Multisector, Environmental Protection	Loans	Environment
	Lithuania	Economic Infrastructure & Services (Transport and Storage)	Loans	Environment
Regional Cooperation Projects	EBRD, OIRSA, IDB, CABEI, CARICOM Development Fund (CDF), etc.	Production (Agriculture), Social Infrastructure & Services (Health, Education), Economic Infrastructure & Services (Banking and Financial Services, Other)	Technical Assistance, Investment, Loans, Guarantees	Agriculture, Education, Public Health and Medicine, SMEs, Other
Inter-regional Cooperation Projects	EBRD, MOFA-led projects, etc.	Production (industry, agriculture), Social Infrastructure & Services (Health, education), Economic Infrastructure & Services (Banking and Financial Services, Other)	Investments, Loans, Technical Aid (Workshops, Scholarships)	Public Health and Medicine, Education, ICT, Agriculture, SMEs, Environment

(Source: Prepared by the study team with excerpts from TaiwanICDF “Annual Report 2023”<sup>105</sup>)

TaiwanICDF has introduced an aid guideline called the “Taiwan Model”, which takes the actual needs of partner countries as its starting point and utilizes industries and technologies in which Taiwan has strengths. Based on trends in international development (e.g., climate change measures), TaiwanICDF engages in international cooperation centered on capacity building through collaboration with diverse local and global partners.<sup>106</sup> To promote collaboration, TaiwanICDF has adopted the Public-Private-People Partnership (4P) framework, and in FY2023, it focused on four themes (climate change control and adaptation, ecological and environmental sustainability, vulnerable group’s economic empowerment, and sustainable food production and consumption). The amount of assistance provided by TaiwanICDF by scheme in FY2023 is shown below.

<sup>105</sup> TaiwanICDF "Annual Report 2023" (May 2024) Appendix p.96-103

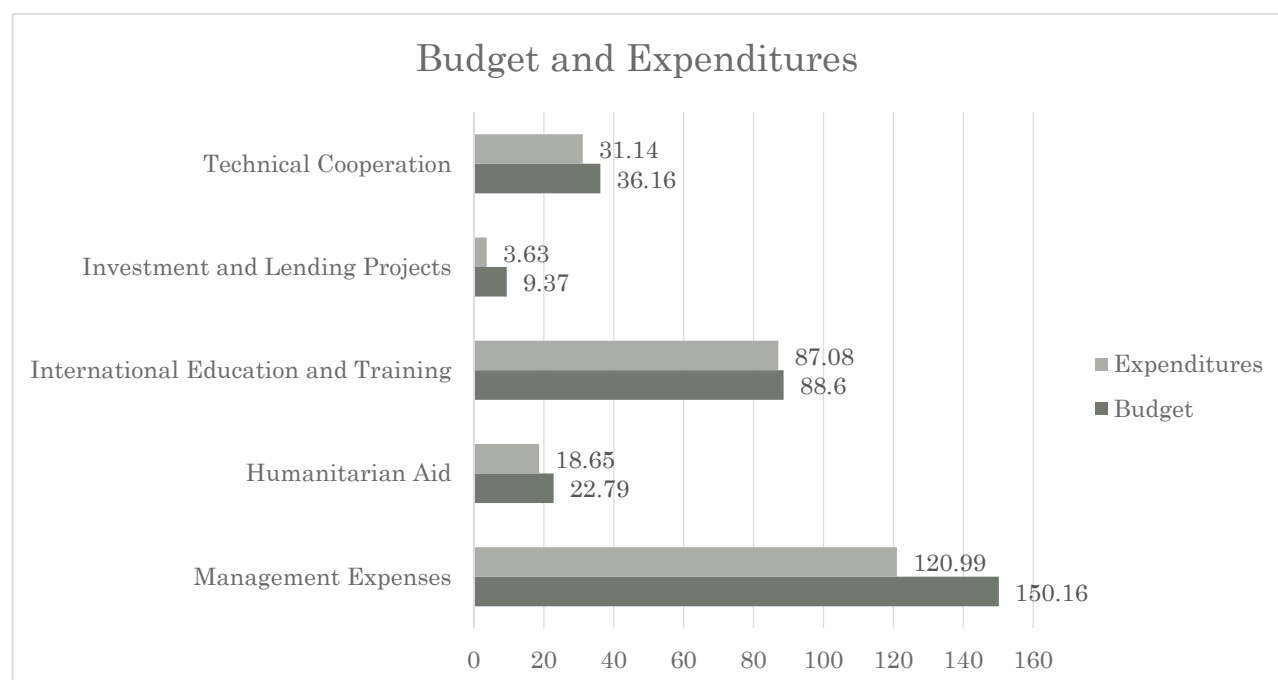
<sup>106</sup> TaiwanICDF "Annual Report 2023" (May 2024) p.6-9

**Table2-11 : Breakdown of TaiwanICDF Expenditures (as of the end of FY2023<sup>107</sup>)**

Items	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Operating expenses				
Humanitarian assistance expenses	18,650,312	1	23,316,407	1
Banking and finance operations	3,632,445	-	11,250,113	-
International human resources (dispatch of personnel; capacity building support)	87,078,757	6	83,195,968	4
Technical cooperation expenses	31,137,163	2	21,339,683	1
General and administrative expenses	120,989,035	8	110,663,629	5
Contracted project expenses (commissioned by MOFA)	1,281,346,309	83	2,109,656,553	89
Other contracted project expenses	1,800,000	-	2,574,746	-
<b>Total operating expenses</b>	<b>1,544,634,021</b>	<b>100</b>	<b>2,361,997,099</b>	<b>100</b>

(Source: Prepared by the study team by excerpting Operating Revenues section from International Cooperation and Development Fund Statements of Comprehensive Income in TaiwanICDF "Annual Report 2023",<sup>108</sup> numbers shown in NTD)

\*The above table shows the operating expense within the self-financing, by scheme, and does not show the specific schemes for contracted projects expenses that are commissioned from outside the organization.



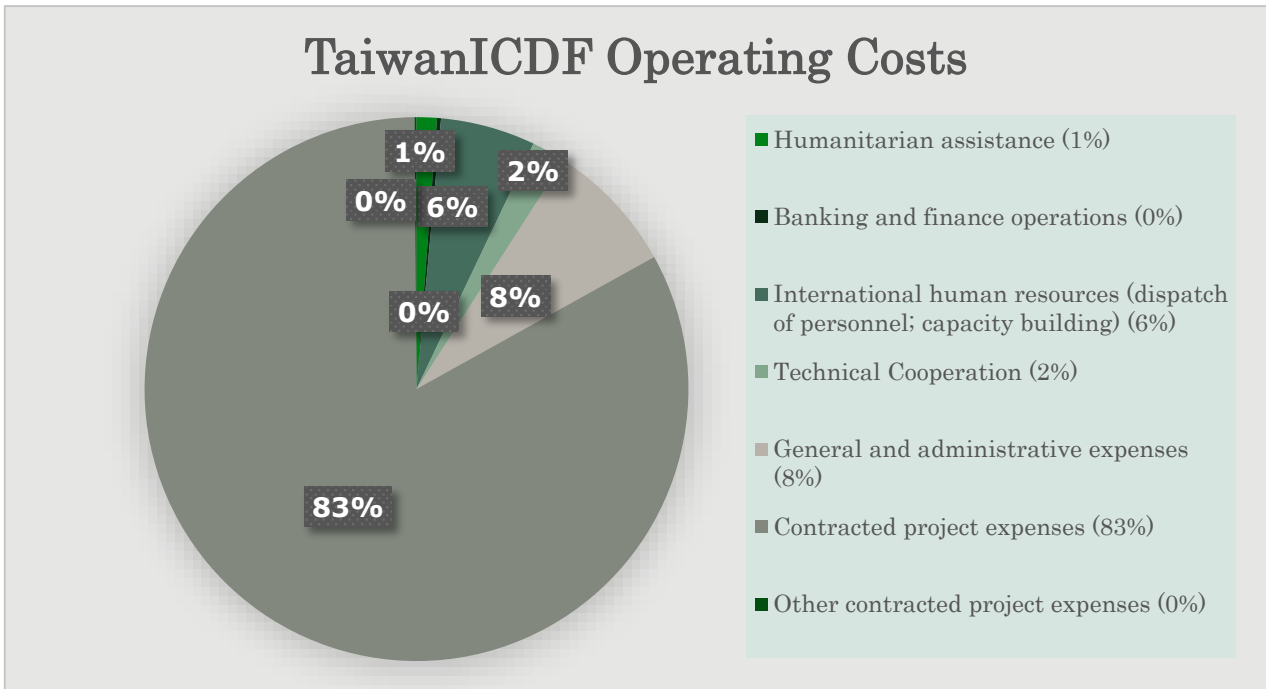
(Source: Prepared by the study team excerpting data from TaiwanICDF "Annual Report 2023",<sup>109</sup> in million NTD)

**Figure 2-12 : TaiwanICDF Budget and Actual Expenditures (FY2023)**

<sup>107</sup> In the TaiwanICDF Annual Report (2023), annual totals are compiled from January 1 to December 31 of a calendar year.

<sup>108</sup> TaiwanICDF "Annual Report 2023" (May 2024), Appendix p.77

<sup>109</sup> TaiwanICDF "Annual Report 2023" (May 2024), Appendix p.67



(Source: Prepared by the study team based on TaiwanICDF “Annual Report 2023”<sup>110</sup>)

**Figure2-13 : TaiwanICDF Breakdown of Costs by Form of Assistance (FY2023)**

The definitions, descriptions, financial scale, and project examples of each scheme handled by TaiwanICDF are shown in the table below.

<sup>110</sup> TaiwanICDF "Annual Report 2023" (May 2024), Appendix p.77

**Table2-12 : Schemes Implemented by TaiwanICDF**

Schemes	Definition	General Content of Assistance	Scale of assistance	Example of Projects
(1) Technical cooperation and capacity building	<p>International Education and Training Department: Enhance knowledge and skills to lead good governance</p> <p>Technical Cooperation Department &amp; Humanitarian Assistance Department: According to the “Regulations Governing Technical Assistance and Capacity Building for International Cooperation and Development Affairs”: The competent authority shall provide technical assistance and capacity building through the following methods:</p> <ol style="list-style-type: none"> <li>1. Organizing plans, studies, evaluations or research projects relating to technical assistance and capacity building.</li> <li>2. Offering training programs or scholarships to recommended candidates stipulated in the preceding article.</li> <li>3. Dispatching professional experts from Taiwan to diplomatic allies or friendly countries to assist in their national development through the organization of various training or counselling programs.</li> <li>4. Implementing other projects that fulfil the purpose of providing technical assistance and capacity building.</li> <li>5. Arranging the donation of funds, equipment or facilities to support projects mentioned in the above three subparagraphs.</li> </ol>	<p>International Education and Training Department: 1. Professional workshop Program 2. International Higher Education Scholarship Program 3. The Vocational Training Project for Latin America and the Caribbean</p> <p>Technical Cooperation Department: Dispatch technical missions to the region to advance technical cooperation projects and provide professional assistance to enhance local education, training, and capacity building; assign professional consultants to support educational training and capacity development.</p>	<ul style="list-style-type: none"> <li>• International Education and Training Department: 13 million USD</li> <li>• Technical Cooperation Department: In 2023, TaiwanICDF executed a total budget of approx. 46.5 million USD, implementing a total of 65 projects.</li> </ul>	<p>International Education and Training Department: Professional workshop Program: 1.6 million USD The Vocational Training Project for Latin America and the Caribbean :2.5 million USD International Higher Education Scholarship Program: 8.9 million USD</p> <p>Technical Cooperation Department: From April 2019 to April 2022, the Belize City Resilience and Disaster Prevention Project helped the Belizean government use GIS technology to establish an early warning system aimed at improving flood preparedness and disaster response efficiency. The project also included infrastructure upgrades at the demonstration site. The new system is expected to integrate into the country's disaster management framework, significantly reducing flood-related losses in life and property. On average, each project received about 716,000 USD in funding.</p>
(2) Investments	<ul style="list-style-type: none"> <li>▪ Bilateral ODA, loans for multi-country agreements</li> <li>▪ Bilateral ODA, Private Sector Aid Instruments (Equity)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contributions to special funds managed by MDBs</li> <li>▪ Equity investments in private companies</li> </ul>	6 million USD disbursed in FY2023	<ul style="list-style-type: none"> <li>▪ EBRD Special Funds Sustainable Agribusiness Value Chain Account</li> <li>▪ Gojo &amp; Company, Inc. Investment Project</li> </ul>

Schemes	Definition	General Content of Assistance	Scale of assistance	Example of Projects
				<ul style="list-style-type: none"> <li>Average scale of assistance: around 15.8 million USD</li> </ul>
(3) Loans	<ul style="list-style-type: none"> <li>Bilateral ODA, bilateral loans</li> <li>Multilateral ODA, multilateral loans to multilateral institutions</li> <li>Bilateral ODA, loans for multi-country agreements</li> <li>Bilateral ODA, private sector type assistance (loans to private sector)</li> </ul>	<ul style="list-style-type: none"> <li>Sovereign loans granted to partner countries to finance specific development projects</li> <li>Loans granted to MDBs to co-finance specific development projects</li> <li>Contributions to special funds managed by MDBs with proceeds being restricted only for lending purposes</li> <li>Loans granted to private companies/ financial institutions</li> </ul>	21 million USD disbursed in FY2023	<ul style="list-style-type: none"> <li>Nevis Small Enterprises Re-Lending Project</li> <li>CABEI Credit to Finance Public Sector Operations</li> <li>EBRD Special Fund for the High Impact Partnership on Climate Action</li> <li>Women's Livelihood Loan Project in Southeast and South Asia</li> <li>Average scale of assistance: around 13.9 million USD</li> </ul>
(4) Guarantees for investments	–	–	–	–
(5) Financial donations	–	–	–	–
(6) Grants	Pro bono financial funding	Humanitarian assistance for countries suffering from natural disasters, war or ethnic conflicts	750,000 USD in FY2023	<p>Projects:</p> <ol style="list-style-type: none"> <li>Cash Assistance Project to Complement Maternal and Infant Health Care Improvement Project in the Kingdom of Eswatini (Phase II); PSS Service Enhancement Project for Ukraine Refugee Children in Suceava, Galați, and Constanța, Romania; Early Recovery Project for local enterprises affected by earthquake in Türkiye; Improving access to basic water sanitation and hygiene in ten health care facilities for vulnerable communities in Garissa County, Kenya.</li> <li>Average scale of TaiwanICDF humanitarian assistance project: 200,000-500,000 USD.</li> </ol>
(7) Dispatch of personnel	TaiwanICDF Overseas Volunteers	Dispatch of volunteers	<ul style="list-style-type: none"> <li>A total of 489,000 USD in FY2023</li> <li>Overseas Professional Mandarin Teaching</li> </ul>	<ol style="list-style-type: none"> <li>Long-term Volunteers: Volunteers are usually dispatched to Taiwan's diplomatic allies for at least one year.</li> </ol>

Schemes	Definition	General Content of Assistance	Scale of assistance	Example of Projects
			Project. (1 million USD)	2. Project-based Volunteers: Volunteers with specific expertise are dispatched to the host International NGOs.
(8) Consultation of development strategies	–	–	–	–
(9) Other feasible forms	–	–	–	–

(Source: Prepared by the study team based on TaiwanICDF hearing results)

Note: No data available regarding (4) Guarantees for investments; (5) Financial donations; (8) Consultation of development strategies and (9) Other feasible forms.

## 2.2.4 Target Countries/Regions

### 1) Taiwan's Key Countries and Regions

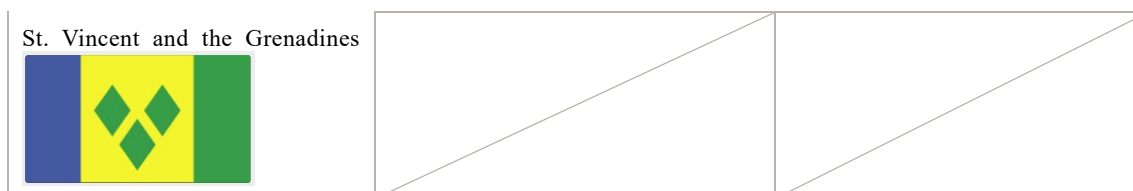
Taiwan's focus for international cooperation and development is on countries and regions with which it has diplomatic relations.<sup>111</sup> As of December 2024, the countries with which it has diplomatic relations are listed below; it should be noted however that Taiwan also provides assistance to other countries in addition to these. Typical examples are friendly nations, which are defined as countries that do not have formal diplomatic relations with Taiwan but are willing to cooperate with Taiwan to promote mutual economic development and strengthen substantive bilateral relations. Therefore, whether a country that has severed its diplomatic relations can still be considered a friendly nation depends on the development of mutual relations between the two sides after the severance.<sup>112</sup>

**Table2-13 : Diplomatic Countries which Taiwan has Diplomatic Relations with**

Region	Country-Flag		
East Asia and the Pacific	Marshall Islands 	Republic of Palau 	Tuvalu 
Africa	Eswatini 		
Europe	Holy See 		
Latin America and the Caribbean Islands	Belize 	Guatemala 	Haiti 
	Republic of Paraguay 	St. Kitts and Nevis 	St. Lucia 

<sup>111</sup> Ministry of Foreign Affairs, Taiwan "International Cooperation & Development Affairs Annual Report 2022" (August 28, 2023)

<sup>112</sup> MOFA hearing results



(Source: MOFA "Diplomatic Allies"<sup>113</sup>)

## 2) Priority Countries and Regions of TaiwanICDF

Similarly to MOFA, TaiwanICDF also gives priority to countries that Taiwan has diplomatic relations with. TaiwanICDF can also provide aid to countries with which it has no diplomatic relations, and in 2023 it provided aid to 36 countries, including countries with which it has no diplomatic relations.<sup>114</sup> The details of assistance by country are shown in the table below (including volunteer projects). It should be noted that 7 of these countries were not included in the list of recipient countries/regions of OECD's DAC.

Overall, the number of projects is higher in small island developing states, in particular those which have diplomatic relations with Taiwan, and in terms of regions, there are most projects per state in Central and South America. Moreover, there are many technical cooperation projects, but there are also some loan projects in Europe in cooperation with EBRD and in Central America with CABEL. In addition to the country cooperation projects listed below, regional cooperation projects and training programs in Latin America are also being implemented.

**Table2-14 : TaiwanICDF Cooperation Projects by Country (2023)**

Asia & Africa	Key Area of Assistance *1	DAC List*2	Central and South Americas & Europe	Key Area of Assistance *1	DAC List*2
Thailand(3)	Agriculture, <u>Education</u>	UMIC	Guatemala(7)	Agriculture, Public, Education, Environment, MSME	UMIC
Indonesia(4)	Agriculture, Public	UMIC	Honduras(7)	Agriculture, Public, Education	LMIC
Palau(6)	Agriculture, Education, <u>Public Health</u> , MSME	UMIC	Belize(8)	Agriculture, Public Health, Education, <u>[ICT]</u> , <u>Environment</u> , MSME	UMIC
Papua New Guinea(1)	Agriculture	LMIC	Haiti(6)	Agriculture, MSME	LDC
Nauru(2)	Agriculture, MSME	UMIC	St. Kitts and Nevis (9)	Agriculture, <u>Public</u> <u>Health</u> , Education, ICT, <u>Environment</u> , MSME, <u>Others</u>	N/A
Marshall Islands(3)	Agriculture, <u>Education</u> , <u>Environment</u> , <u>Others</u>	UMIC	St. Vincent and the Grenadines(7)	Agriculture, <u>Public</u> <u>Health</u> , Education	UMIC
Tuvalu(2)	<u>Agriculture</u>	LDC	St. Lucia(7)	Agriculture, Public Health, Education, <u>MSME</u>	UMIC
Fiji(2)	Agriculture	UMIC			
Philippines(2)	Agriculture, Public Health	LMIC			

<sup>113</sup> Ministry of Foreign Affairs, Taiwan "Taiwan-Diplomatic Allies".

<sup>114</sup> TaiwanICDF "Annual Report 2023" (May 2024) p.10-11

Asia & Africa	Key Area of Assistance *1	DAC List*2	Central and South Americas & Europe	Key Area of Assistance *1	DAC List*2
Vietnam(2)	Public Health, <span style="border: 1px solid black;">others</span>	LMIC	Paraguay(8)	Agriculture, <span style="border: 1px solid black;">Public Health</span> , <span style="border: 1px solid black;">Education</span> , <span style="border: 1px solid black;">Environment</span> , <span style="border: 1px solid black;">MSME</span> , <span style="border: 1px solid black;">Others</span>	UMIC
Turkey(4)	Agriculture, Education, MSME	UMIC	Moldova(1)	Agriculture	UMIC
Jordan(1)	Education	LMIC	Romania(4)	Public Health, <span style="border: 1px solid black;">Environment</span> , <span style="border: 1px solid black;">Others</span>	N/A
Saudi Arabia(3)	Agriculture, others	N/A	Bosnia and Herzegovina(2)	Environment	UMIC
Bahrain(2)	Agriculture	N/A			
Lebanon(1)	Environment	LMIC	Serbia(1)	Environment	UMIC
Uganda(1)	<span style="border: 1px solid black;">Agriculture</span>	LDC	Ukraine(2)	Agriculture	LMIC
Kenya(2)	<span style="border: 1px solid black;">Public Health</span>	LMIC	Uzbekistan(3)	Agriculture, Environment	LMIC
Eswatini(11)	Agriculture, <span style="border: 1px solid black;">Public Health</span> , Education, MSME	LMIC	Poland(1)	Environment	N/A
Somaliland(6)	Agriculture, Public Health, <span style="border: 1px solid black;">Environment</span> , ICT,	N/A	Lithuania(1)	Environment	N/A
Mongolia(1)	<span style="border: 1px solid black;">Others</span>	LMIC			

\*1: ICT: Digital Transformation / Information and Communication Technology, Environment: Environmental Protection, MSME: Micro Small and Medium Enterprises/Industry Development, Volunteer Assistance are shown in boxes (in some cases, there are overlaps with other assistances such as technical cooperation), numbers in parentheses indicate number of projects, and shading indicates Diplomatic Countries.

\*2: LDC: Least Developed Countries (LDCs), LIC: Low Income Countries which are not LDCs (LICs), LMIC: Lower Middle Income Countries & Territories which are not LDCs (LMICs), UMIC: Upper Middle Income Countries & Territories which are not LDCs (UMICs), UMIC: Upper Middle Income Countries & Territories which are not LDCs (UMICs)

(Source: Prepared by the study team with reference to TaiwanICDF "Annual Report 2023",<sup>115</sup>OECD "DAC list of ODA Recipients",<sup>116</sup> and TaiwanICDF hearing results)

## 2.2.5 Focus Areas (Priority Sectors)

### 1) Key Areas of Focus in Taiwan

According to MOFA,<sup>117</sup> sectors where Taiwan's experience and strengths can be leveraged include agriculture, public health, education, ICT, environment, and support for SMEs, which are all priority sectors. In addition, the report states that carbon reduction-related projects are increasing as part of efforts to combat climate change.

Looking at Taiwan's cooperation and assistance performance by sector in 2022, as shown in the table below, the production sector (agriculture, forestry, fisheries, industry, mining, construction, and tourism) accounted for 29.20%, followed by general program assistance at 25.54% and social infrastructure and

<sup>115</sup> TaiwanICDF "Annual Report 2023" (May 2024), p.10-11, 96-101

<sup>116</sup> OECD "DAC list of ODA Recipients."

<sup>117</sup> MOFA hearing results

services at 22.06%.<sup>118</sup> Multi-sectoral development assistance, which constitutes 4.96% of the total, includes environmental protection, education, and training programs.

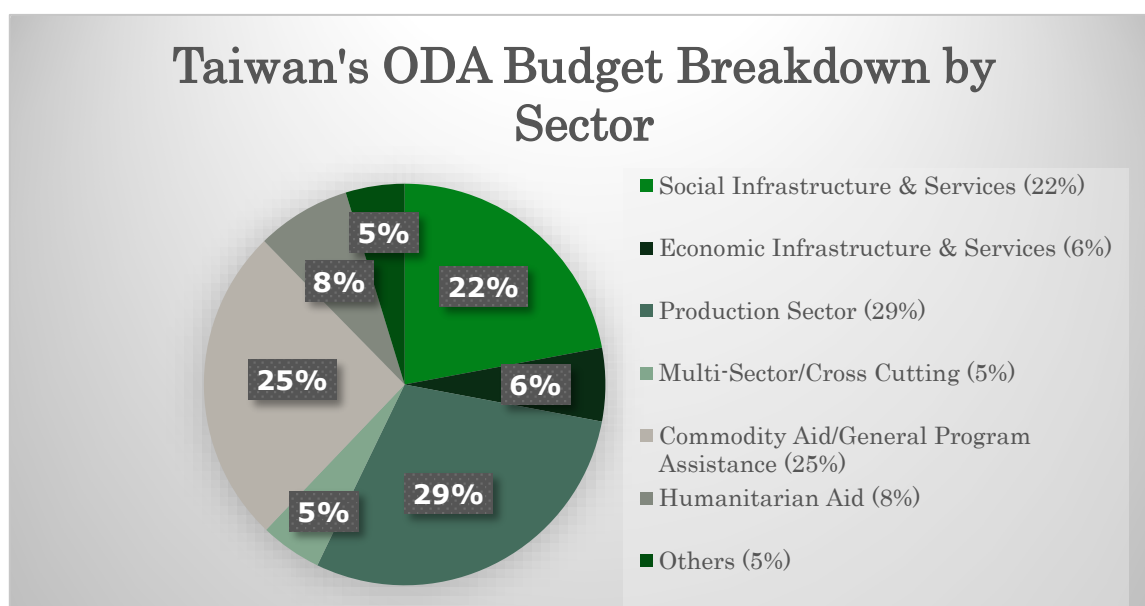
**Table2-15 : Taiwan ODA Amount by Sector (Actual in 2022 Results)**

Category	Amount (USD)	Percentage (%)
Total ODA	431,809,559.16	100%
GNI	780,209,000,000.00	-
ODA/GNI (%)	0.0553% (0.0553%)	-
<b>Social Infrastructure &amp; Services</b>	<b>95,252,501.19</b>	<b>22.06%</b>
Education	11,489,946.65	2.66%
Health	12,534,768.93	2.90%
Water Supply & Sanitation	650,000.00	0.15%
Government & Civil Society	11,860,556.01	2.75%
Government & Civil Society - General	1,509,203.46	0.35%
Conflict, Peace & Security	467,496.60	0.11%
Other Social Infrastructure & Services	23,527,088.92	5.45%
COVID-19 Prevention & Management	33,213,440.63	7.69%
<b>Economic Infrastructure and Services</b>	<b>25,493,271.82</b>	<b>5.90%</b>
Transport & Storage	45,457.37	0.01%
Information & Communication Technologies	562,077.72	0.13%
Energy Generation and Supply	131,828.40	0.03%
Energy Policies	56,053.26	0.01%
Renewable Energy Generation	4,398,774.00	1.02%
Energy Supply	70,524.23	0.02%
Banking & Financial Services	12,162,952.62	2.82%
Other Economic Infrastructure & Services	5,466,854.45	1.27%
Financial Intermediaries - Public Sector	2,598,749.77	0.60%
<b>Production Sector</b>	<b>126,075,755.98</b>	<b>29.20%</b>
Agriculture, Forestry, Fishing	44,940,278.65	10.41%
Industry, Mining, Construction	14,001,982.52	3.24%
Tourism	67,301,409.64	15.59%
<b>Multi-Sector/Cross-Cutting</b>	<b>21,419,660.99</b>	<b>4.96%</b>
General Environmental Protection	976,818.23	0.23%
Other Multi-sector/Aid	5,000,000.00	1.16%
Multi-sector Education/Training	15,442,842.76	3.58%

<sup>118</sup> Ministry of Foreign Affairs, Taiwan "International Cooperation & Development Affairs Annual Report 2022" (August 28, 2023) p.7

Category	Amount (USD)	Percentage (%)
Commodity Aid/General Program Assistance	110,262,702.50	25.54%
General Budget Support	108,545,743.00	25.14%
Development Food Assistance	56,088.26	0.01%
Other Commodity Aid	1,660,871.25	0.38%
Humanitarian Aid	32,829,681.91	7.60%
Crisis Management	23,998,475.97	5.56%
Rebuilding	7,928,687.22	1.84%
Disaster Prevention	902,518.72	0.21%
Others	20,475,984.76	4.74%
Administrative Fees of Aid Providers	16,338,022.61	3.78%
Unallocated/Unspecified	1,825,276.19	0.42%
Development Aid/Aid Awareness	2,312,685.97	0.54%
Total	431,809,559.16	100%.

(Source: Prepared by the study team based on MOFA's "International Cooperation & Development Affairs Annual Report 2022"<sup>119</sup>)



(Source: Prepared by the study team based on MOFA's International Cooperation & Development Affairs Annual Report 2022<sup>120</sup>)

**Figure2-14 : Taiwan ODA Budget Breakdown by Sector (2022)**

<sup>119</sup> Ministry of Foreign Affairs, Taiwan "International Cooperation & Development Affairs Annual Report 2022" (August 28, 2023), p.7-8

<sup>120</sup> Ministry of Foreign Affairs, Taiwan "International Cooperation & Development Affairs Annual Report 2022" (August 28, 2023), p.7-8, 9-29

## 2) Focus Areas of TaiwanICDF

TaiwanICDF website lists sectors ① through ⑥ below as major themes of the 2030 Strategic Plan,<sup>121</sup> and the Annual Report (2023)<sup>122</sup> also reports progress on similar themes. Fundamentally, in any sector, assistance is focused on technical cooperation, addressing cross-sectoral climate change issues, and collaboration and capacity building through diverse partnerships.

### ① Food Security (Agriculture) and Rural Development<sup>123</sup>

While TaiwanICDF traditionally provides food security and rural development assistance, it also provides agricultural development assistance in response to climate change by helping to improve resilient varieties and promote digitalization. In collaboration with multilateral aid development finance institutions, TaiwanICDF also supports capacity building in recipient countries by organizing technology-based agricultural workshops and dispatching of personnel.

### ② Public Health<sup>124</sup>

TaiwanICDF is committed to enhancing global well-being through public health initiatives and international humanitarian assistance. In line with the SDGs, particularly Goals 3 and 17, TaiwanICDF collaborates with Taiwan's medical institutions to implement diverse healthcare projects, focusing on health information management, public health emergency response, maternal and infant health care, and chronic disease prevention with partner countries. Additionally, TaiwanICDF endeavors in post-disaster recovery and rehabilitation, working with international NGOs and deploying technical experts to support reconstruction efforts. By integrating resources and expertise, TaiwanICDF maximizes its impact in promoting health and resilience worldwide.

### ③ Education and Capacity Building<sup>125</sup>

Climate change action plays a central role in the areas of education and capacity building. In building disaster resilience in recipient countries, TaiwanICDF builds the capacity of disaster response teams and provides short-term training opportunities for elementary school students in flood impact and warning systems. TaiwanICDF also provides short-, medium- and long-term training and long-term higher education programs to educate students in recipient countries on environmental monitoring, disaster management, and disaster mitigation.

<sup>121</sup> TaiwanICDF "Priority Areas".

<sup>122</sup> TaiwanICDF "Annual Report 2023" (May 2024) 12-51

<sup>123</sup> TaiwanICDF "Annual Report 2023" (May 2024) 12-13

<sup>124</sup> TaiwanICDF "Annual Report 2023" (May 2024) 18-19, TaiwanICDF hearing results

<sup>125</sup> TaiwanICDF "Annual Report 2023" (May 2024) 24-30

#### ④ Governance (using ICT<sup>126</sup>)<sup>127</sup>

TaiwanICDF is enhancing the competitiveness of partner countries through ICT cooperation and promoting the digital transformation of recipient countries. ODA projects include the development of an ID authentication system to support smart governance functions and the launch of a government data exchange platform to improve the productivity of recipient countries. In addition, TaiwanICDF offers programs on AI and information security in higher education to support capacity building in recipient countries.

#### ⑤ Environment (Climate Change and Marine Sustainability)<sup>128</sup>

TaiwanICDF conducts its activities with an emphasis on environmental issues, particularly climate change, and actively assists in climate change mitigation and response through various partnerships and capacity building. For example, TaiwanICDF supports projects that use data to predict climate change-related disasters, conduct disaster prevention training, and recycle plastic waste.

#### ⑥ Economic Development and Global Partnerships (SMEs)<sup>129</sup>

For SMEs vulnerable to climate change, TaiwanICDF provides capacity building support and green transformation support to operate their businesses while coping with climate change. TaiwanICDF provides capacity building support to female workers and managers who are vulnerable to climate change, including organizing vocational training workshops and trainings with other NGOs and foundations, as well as training on financial literacy.

The details of the projects implemented in FY2023 (including sector information) are shown in Table 2-10 and Table2-14.

<sup>126</sup> In relation to digital diplomacy, TaiwanICDF has identified the agricultural and public health sectors as priority areas for ICT utilization. For example, digital healthcare tools are one of Taiwan's strong points, and the TiwanICDF is currently implementing six projects related to smart healthcare, such as electronic medical records and chronic disease management applications in Oceania, Latin America, and other regions. (Results of TaiwanICDF Hearing)

<sup>127</sup> TaiwanICDF "Annual Report 2023" (May 2024) .29-30

<sup>128</sup> TaiwanICDF "Annual Report 2023" (May 2024) 36-37

<sup>129</sup> TaiwanICDF "Annual Report 2023" (May 2024) 44-45

## Chapter 3 Collaboration with International Organizations and Other Aid Agencies

### 3.1 General Overview

Taiwan is increasing its presence in the international community through collaboration with international organizations and other bilateral aid agencies, as it is difficult to establish new diplomatic relations politically. Currently, Taiwan is a member of 45 intergovernmental and multilateral international organizations, including the World Trade Organization (WTO), Asia Pacific Economic Cooperation (APEC), World Organization for Animal Health (WOAH), and Central American Bank for Economic Integration (CABEI), as well as their subsidiary organizations. Taiwan also holds observer and other status in 29 international organizations and their subsidiary bodies, including EBRD and the committees of OECD and the Central American Bank for Economic Integration System (SICA).<sup>130</sup>

**Table3-1 : List of Selected International Organizations and Aid Agencies of which Taiwan is Official Member**

International Organizations and Aid Agencies	Year Established	Year of Accession	Capital Subscription
World Organization for Animal Health (WOAH)	1924	1954	-
International Cotton Advisory Committee (ICAC)	1939	1963	-
Central American Bank for Economic Integration (CABEI)	1960	1992	USD 776.3 million
Asian Productivity Organization (APO)	1961	Founding Member	-
African-Asian Rural Development Organization (AARDO)	1962	1968	-
Asia Development Bank (ADB)	1966	Founding Member	USD 1.55 billion
The Food and Fertilizer Technology Center for the Asian and Pacific Region (FFTC)	1970	Founding Member	-
International Council for Information Technology in Government Administration (ICA)	1968	2010	-
World Vegetable Center (WorldVeg)	1971	Founding Member	-

<sup>130</sup> FOREIGN AFFAIRS - [Taiwan.gov.tw](http://Taiwan.gov.tw) - Government Portal of Taiwan

International Organizations and Aid Agencies	Year Established	Year of Accession	Capital Subscription
Extension Committee of the Commission for the Conservation of Southern Bluefin Tuna (CCSBT)	1994	2002	-
Asia-Pacific Economic Cooperation (APEC)	1989	1991	USD 12.4 million
World Trade Organization (WTO)	1995	2002	-
The Egmond Group (EG)	1995	1998	-
Asia/Pacific Group on Money Laundering	1997	Founding Member	-
Association of Asian Election Authorities (AAEA)	1998	Founding Member	-
International Competition Network (ICN)	2001	2002	-
Western and Central Pacific Fisheries Commission (WCPFC)	2004	2004	-
The Association of World Election Bodies (A-WEB)	2013	Founding Member	-
Global Coalition to Defeat ISIS	2014	2014	-
Global Financial Innovation Network, (GFIN)	2019	2019	-
Asian Access to Information Alliance (AAIA)	2022	Founding Member	-

\*This table does not include institutions in which Taiwan participates as an observer.

(Source: Prepared by the study team based on MOFA "White Paper on International Cooperation and Development Policies" (November 2023),<sup>131</sup> Government Portal of Taiwan "Foreign Affairs",<sup>132</sup> Taiwan and International Organizations - Between Security, Cooperation and Identity ( August 2024),<sup>133</sup> Congressional Research Service "Taiwan's Position in the World",<sup>134</sup> TaiwanICDF hearing results)

TaiwanICDF also promotes cooperation with international organizations. The cooperation projects between TaiwanICDF and international organizations in FY2023 are shown below.

**Table3-2 : Collaborative Projects with International Organizations in 2023 (TaiwanICDF)**

International Organization	Project	Sector	Support Scheme
African-Asian Rural Development Organization (AARDO)	International Human Resources Development Workshop Program	International Human Resource Development (Training)	Technical Cooperation

<sup>131</sup> Ministry of Foreign Affairs, Taiwan "White Paper on International Cooperation and Development Policies" (November 2023)

<sup>132</sup> FOREIGN AFFAIRS - Taiwan.gov.tw - Government Portal of the Republic of China (Taiwan)

<sup>133</sup> Taiwan and International Organizations - Between Security, Cooperation and Identity (August 2024)

<sup>134</sup> Congressional Research Service "Taiwan's Position in the World".

International Organization	Project	Sector	Support Scheme
International Regional Organization for Plant and Animal Health (Organismo Internacional Regional de Sanidad Agropecuaria, OIRSA)	The Regional Project for Prevention and Control of Fusarium of Cuban Tropical Race 4 of Banana in Central America	Agriculture	Technical Cooperation
International Rice Research Institute, IRRI	Expanding High-quality Rice Seed Production in South Sulawesi	Agriculture	Technical Cooperation
European Bank for Reconstruction and Development, EBRD	Financial Intermediary and Private Enterprises Investment Special Fund (FIPEISF)	Agriculture, SME	Investment and Lending
	Green Energy Special Fund (GESF) High Impact Partnership on Climate Action (HIPCA).	Environment (Climate Change)	Lending
Central American Bank for Economic Integration, CABEI	Emergency Support and Preparedness Program for COVID-19 and Economic Reactivation - Credit to Finance Public Sector Operations	Social Infrastructure & Services (Public Health) General Budget Support	Lending
	Assisting the Economic Empowerment of Women in Latin America and the Caribbean in the Post-Pandemic of COVID-19 - Women's Economic Empowerment Guarantee Project (Central America)	Economic Infrastructure & Services (Financial Services for MSMEs)	Credit Guarantee
	International Human Resources Development Workshop Program	International Human Resource Development (Training)	Technical Cooperation
CARICOM Development Fund, CDF	Assisting the Economic Empowerment of Women in Latin America and the Caribbean in the Post-Pandemic of COVID-19 -CRAF Women SMEs Program (the Caribbean)	Economic Infrastructure & Services (Financial Services for SMEs)	Credit Guarantee
Inter American Development Bank, IDB	Specialized Financial Intermediary Development Fund	Economic Infrastructure & Services (Financial Services for MSMEs) / Environment	Investment and Lending
Pan American Development Foundation, PADF	International Human Resources Development Workshop Program	International Human Resource Development (Training)	Technical Cooperation (Workshop)
	Assisting the Economic Empowerment of Women in Latin America and the Caribbean in the Post-Pandemic of COVID-19 - Women's Economic Empowerment Guarantee Project (Haiti)	Economic Infrastructure & Services (Financial Services for MSMEs)	Credit Guarantee

International Organization	Project	Sector	Support Scheme
United States Agency for International Development, USAID	International Human Resources Development Workshop Program	Cross-sectoral (education, ICT, public health and medicine, environment)	Other

(Source: TaiwanICDF "Annual Report 2023"<sup>135</sup>)

This chapter will cover in detail EBRD, ADB, and CABI, which are considered to have a particularly close relationship with Taiwan.

## 3.2 International Organization

### 3.2.1 EBRD

Taiwan has been cooperating with EBRD as an observer since 1991 and has so far provided a total of EUR 263 million for technical cooperation projects. Taiwan has become an important source of foreign direct investment in the countries where EBRD operates, with Taiwan and EBRD co-investment amounting to EUR1.45 billion (EBRD: EUR1.17 billion; Taiwan: EUR276.9 million) as of February 2023. Kazakhstan was the largest co-investment destination, followed by regional projects, Romania, and Turkey. By sector, investments have been made in the financial institutions, industrial, commercial and agribusiness, and sustainable infrastructure sectors.

According to TaiwanICDF's Annual Report (2023), assistance through TaiwanICDF is recorded as a financial asset amounting to about USD 164 million. For example, Taiwan has provided funds for EBRD's Financial Intermediary Investment Special Fund (FIISF) and the High Impact Partnership on Climate Action (HIPCA) to support small businesses, agribusiness, sustainable agribusiness supply chains, and climate change initiatives in countries such as Ukraine, Lebanon and Moldova.<sup>136</sup>

Taiwan is also active in supporting the Taiwanese private sector to participate in EBRD projects. According to the Taiwan Office for EBRD Business Development,<sup>137</sup> there are two ways for Taiwanese private companies to participate in EBRD business operation. One is through the Taiwan Business-EBRD Technical Cooperation (TWTC), and the other is through TaiwanICDF. The funding is provided by MOFA to support technical cooperation projects in the areas of sustainable resource management, knowledge

<sup>135</sup> TaiwanICDF "Annual Report 2023" (May 2024), p.103

<sup>136</sup> MOFA "Annual report" (2022)

<sup>137</sup> The Taiwan Office for EBRD Business Development was established by MOFA and EBRD in 2006 (in Taipei) to promote the private sector's access to EBRD business opportunities in Taiwan.

economy, low carbon technology and SME development (SME advice and women's business programs). In addition, Taiwan also provides funding to the private sector through multi-donor funds, including the Sustainable Infrastructure Fund (SIF), the SEMED multi-donor account, the Eastern Europe Energy Efficiency and Environmental Partnership (E5P) Fund, and the SME Impact Fund.<sup>138</sup> Advantages of private sector participation in business operation through EBRD include the ability to participate in EBRD's extensive network with other countries as well as projects with less political risk, backed by EBRD's stable and solid financial position. Disadvantages include time-consuming procedures and difficulties in finding local partners.<sup>139</sup>

### 3.2.2 ADB

Taiwan was a founding member of ADB in 1966 under the name Republic of China (Taiwan). Since the People's Republic of China's accession in 1986, ADB changed Taiwan's designation to "Taipei, China" for its participation, holding a 1.087% stake in ADB and investing USD 1.55 billion as of December 31, 2023. Furthermore, Taiwan has invested USD 133.4 million in ADB's Special Fund (ADF) since establishment. The table below shows the list of projects Taiwan has invested through ADB.<sup>140</sup>

**Table3-3 : Co-investment Projects with ADB (2019–2023)**

Country	Project	ADB Contribution (million USD)	Co-Financing Amount (million USD)	Type of Co-financing.
China	Maxwealth Financial Leasing Micro, Small and Medium-sized Enterprises Finance for COVID-19 Response Project	136.40	22.72	<b>Non-sovereign co-financing</b>
Vietnam	AC Energy Wind Power Project	25.00	9.00	<b>Non-sovereign co-financing</b>
	Vietnam International Bank Supporting Small and Medium-Sized Enterprises and Improving Living Conditions Project	300.00	15.00	<b>Non-sovereign co-financing</b>
	Vietnam Prosperity Bank Expanding Access to Finance for Women-Owned Small and Medium-sized Enterprises	1,000.00	20.00	<b>Non-sovereign co-financing</b>
<b>Regional</b>	Investment in Northstar Equity partners V Limited	39.50	10.00	<b>Non-sovereign co-financing</b>

(Source: Asian Development Bank and Taipei, China: Fact Sheet<sup>141</sup>)

<sup>138</sup> EBRD "[Taipei: EBRD donor profile](#)"

<sup>139</sup> Taiwan Office for EBRD Business Development hearing results

<sup>140</sup> [Asian Development Bank and Taipei, China: Fact Sheet](#)

<sup>141</sup> [Asian Development Bank and Taipei, China: Fact Sheet](#)

In addition, in 2022, TaiwanICDF invested USD 1 million in an ADB-led multi-partner trust fund called the Taiwanese Resource Mobilization Trust Fund. The fund is designed to help ADB developing member countries achieve the UN's 2030 Sustainable Development Goals (SDGs), particularly SDG 17.1 (enhance Taiwanese resource mobilization, including through international assistance to developing countries to improve their taxation and collection capacity<sup>142</sup>).<sup>143</sup>

### 3.2.3 CABEI

CABEI (The Central American Bank for Economic Integration) was established in 1960 to promote integration and development in Central America, and to assist the public and private sectors of Central America in obtaining external resources to promote regional development. Taiwan was one of CABEI's first extraterritorial allies (non-regional allies) and its largest shareholder, officially joining as the Republic of China (Taiwan) in 1992. Since then, it has actively supported the Central American region through technical assistance and loans, in key areas such as agriculture, food security, education, poverty reduction, infrastructure development, health care, SMEs and reconstruction. The cumulative contribution to date is USD 776.3 million (capital subscription), primarily financed through TaiwanICDF.

In addition to its financial contributions, Taiwan has played an important role in addressing crisis situations in the region. For example, TaiwanICDF signed two cooperation agreements with CABEI in 2020, with a total amount of USD 130 million, to help Central American economies damaged by the COVID-19 pandemic to recover. In 2021, a CABEI representative office station was established in Taiwan. In the same year, Taiwan also signed an agreement with CABEI to establish a US\$5 million Taiwan-CABEI Partnership Trust Fund (TCPT).<sup>144</sup>

CABEI also recognizes the efforts of TaiwanICDF in promoting equity and gender equality. With TaiwanICDF resources, partial credit guarantees have been issued to enhance access to credit for businesswomen in Guatemala. Additionally, the signing of a co-financing facility with TaiwanICDF, aimed at providing financing to women entrepreneurs in Guatemala and Belize through the CABEI Financial Intermediation Network under competitive financial conditions, is expected to be finalized in the first quarter of 2025<sup>145</sup>.

<sup>142</sup> [Goal 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development | Goals and Targets | What are the SDGs | Global Compact Network Japan](#)

<sup>143</sup> [Taiwanese Resource Mobilization Trust Fund - Partnership Report 2022](#)

<sup>144</sup> [Republic of China \(Taiwan\) - Central American Bank for Economic Integration](#)

<sup>145</sup> [CABEI promotes entrepreneurship and financial inclusion of women in the region](#)

### 3.3 Other Bilateral Aid Agencies

According to the interviews with MOFA, Taiwan currently has an indirect relationship with the Kreditanstalt für Wiederaufbau (KfW) through a third-party organization, but has no relationship with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Agence Française de Développement (AFD), the Australian Agency for International Development (AusAID), or other aid agencies in other countries.<sup>146</sup>

On the other hand, Taiwan has cooperative relationships with the United States Agency for International Development (USAID) and the United States International Development Finance Corporation (USDFC), this section therefore mainly focuses on USAID and USDFC.

#### 3.3.1 USAID

In November 2022, The Taipei Economic and Cultural Representative Office in the United States (TECRO) and the American Institute in Taiwan (AIT) signed a Memorandum of Understanding (MOU) to strengthen cooperation and coordination on international development and humanitarian assistance. The MOU is part of the U.S. Biden-Harris Administration's efforts to enable Taiwan's meaningful participation in international affairs and to enhance Taiwan's status as a global democratic leader. Under the MOU, USAID and TaiwanICDF will promote cooperation in areas of mutual interest in international development assistance, humanitarian assistance, participation in international conferences and promotion of best practices, research, capacity building, training, and knowledge transfer in the international development and humanitarian fields. In doing so, USAID and TaiwanICDF will also use methods such as co-funding international development and humanitarian projects, cooperation in international advocacy initiatives, and engagement of political and civil society organizations.<sup>147</sup> Specific projects include co-hosting workshops on regional cooperation in preparing and responding to national cybersecurity strategies, and organizing an international human resource development workshop program.<sup>148</sup> USAID and TaiwanICDF also meet regularly under this MOU.<sup>149</sup>

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<sup>146</sup> MOFA hearing results

<sup>147</sup> [USAID-Umbrella-MOU-AIT-TECRO.pdf](#)

<sup>148</sup> TaiwanICDF "Annual Report" P35

<sup>149</sup> According to TaiwanICDF, there were many working level discussions between USAID and TaiwanICDF prior to the signing of the above MOU (November 2022).

In March 2024, a delegation of USDFC representatives visited Taiwan to discuss cooperative projects with TaiwanICDF and to promote cooperation with Taiwan's private sector based on the above MOU.<sup>150</sup> Particular attention is focused on expanding investment opportunities with the private sector in the Indo-Pacific and the Americas region, including infrastructure, ICT, public health, women's economic empowerment, agriculture, climate finance, power, and small business support.

Two more agreements have been signed in parallel with the above MOUs that refer to general cooperation:<sup>151</sup>

- AIT-TECRO Pacific American Fund-U.S. Taiwan Partnership (PAF-UTP) MOU: Aims to strengthen climate change and disaster resilience in the Pacific. The Pacific American Fund (PAF) initiative is a regional grant program that provides up to USD 35 million to civil society organizations and private companies across the Pacific to promote local development projects that improve the resilience and livelihoods of Pacific Island communities. TaiwanICDF, through TECRO and AIT, is providing up to USD 600,000 to USAID to support this partnership.
- AIT-TECRO Paraguay Arrangement to Support Joint USAID and TaiwanICDF Activities on SME Development in Paraguay: USAID Paraguay and TaiwanICDF support the Ministry of Industry and Commerce (MIC) in establishing a SME Development Centre in Paraguay.

TaiwanICDF states that USAID's strong international reputation helps to enhance TaiwanICDF's presence.<sup>152</sup> USAID also states that there are advantages to having an MOU with Taiwan, such as smooth communication and efficient project implementation.<sup>153</sup>

Other collaborative efforts between TaiwanICDF and USAID include:

- In March 2023, USAID and TaiwanICDF jointly conducted a training on the development of a national cybersecurity strategy for the Pacific Island region for seven countries, including Fiji, Nauru, Palau, and Papua New Guinea.

In 2020, another Science and Technology Agreement was signed for scientific cooperation and joint research between the United States and Taiwan on research initiatives relating to meteorology, nuclear

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<sup>150</sup> [U.S. DFC Delegation Visits Taiwan to Strengthen Taiwan-U.S. International Cooperation - News - Taiwan International Broadcasting Corp.](#)

<sup>151</sup> USAID hearing results

<sup>152</sup> TaiwanICDF "Annual Report2023" (May 2024) p.35

<sup>153</sup> USAID hearing results

science, environmental protection, chest cancer research, atmospheric research, and public health and preventive medicine.<sup>154</sup>

### 3.3.2 USDFC

The U.S. International Development Finance Corporation (USDFC) was established in December 2019 as a U.S. government-affiliated financial institution by the Overseas Private Investment Corporation (OPIC), which consolidated some functions of USAID. USDFC is responsible for mobilizing private capital to developing countries and other countries to achieve U.S. development goals and to support economic development, as well as to promote U.S. Diplomatic Countries' foreign policy. The scope of OPIC and Taiwan's ODA partnership is mainly limited to Taiwan's Diplomatic Allies, so projects under the current framework are concentrated in Latin America and the Pacific Islands.<sup>155</sup>

In February 2024, the United States and Taiwan agreed to enhance cooperation to promote private investment through an MOU signed by TECRO and AIT.<sup>156</sup> USDFC's counterpart in Taiwan is TaiwanICDF. USDFC and TaiwanICDF, under this MOU, will work with AIT and TECRO as their designated representatives, to expand the partnership between USDFC and TaiwanICDF and to strengthen cooperation in common priority areas, particularly in the Indo-Pacific and Western Hemisphere.

As an example of international development cooperation between TaiwanICDF and USDFC, in March 2019, USDFC and TaiwanICDF agreed their first cooperation project in collaboration with Paraguayan bank Banco Regional to enable lending to female-run or owned small and medium-sized enterprises.<sup>157</sup>

In addition, based on the aforementioned project in Paraguay, USDFC and TaiwanICDF explored further cooperation in Haiti and St. Lucia, Taiwan's Diplomatic Allies. OPIC also sent field teams to other countries that recognized Taiwan's sovereignty, including Nicaragua, Tuvalu, Honduras, and Guatemala, suggesting the possibility of cooperation with these countries.<sup>158</sup>

### 3.3.3 GCTF

It should be noted that, although not an aid organization, in 2015 Taiwan and the United States signed a MOU on the establishment of the Global Cooperation Training Framework (GCTF), a platform to leverage

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<sup>154</sup> [U.S. Relations With Taiwan - United States Department of State](#)

<sup>155</sup> [US International Development Finance Corporation: A New Avenue of US-Taiwan Cooperation | Global Taiwan Institute](#)

<sup>156</sup> [DFC-Taiwan Collaboration on Advancing Private Sector Investment Opportunities | DFC](#)

<sup>157</sup> [US International Development Finance Corporation: A New Avenue of US-Taiwan Cooperation | Global Taiwan Institute](#)

<sup>158</sup> [US International Development Finance Corporation: A New Avenue of US-Taiwan Cooperation | Global Taiwan Institute](#)

Taiwan's strengths and expertise.<sup>159</sup> The GCTF is an initiative to deepen exchanges on common regional issues such as public health and environmental issues. AIT and other organizations sponsor workshops and invite officials and experts in these fields from countries in Southeast Asia and the Pacific.<sup>160</sup> The GCTF supports capacity building through this initiative, and to strengthen Taiwan's multilateral cooperation in the region. Over the past ten years, the GCTF has held 86 international workshops on topics such as public health, public enforcement cooperation, women's empowerment, energy efficiency, e-commerce, cybersecurity, humanitarian assistance, disaster relief, and media literacy, attended by government officials and experts from 133 countries. GCTF core partners members include Taiwan, the United States, Australia, Canada, and Japan (with the Taiwan-Japan Foundation serving as a liaison). Japan became a full partner in 2019.

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<sup>159</sup> [Global Cooperation and Training Framework \(gctf.tw\)](http://gctf.tw)

<sup>160</sup> [Global Cooperation and Training Framework \(GCTF\)](http://gctf.tw)

## Chapter 4 Similarities and Differences in Taiwan's and Japan's Aid Policies and Practices

### 4.1 Comparison of Taiwan's and Japan's Aid Policies and Implementation

The results of a comparison and review of the following literature on aid policies and implementation in Taiwan and Japan are presented below and in Table4-1Table4-1:

- Taiwan
  - International Cooperation and Development Act (2010)<sup>161</sup>
  - White Paper on International Cooperation and Development Policies (November 2023)<sup>162</sup>
    - TaiwanICDF Website
    - TaiwanICDF 2030 Strategic Plan<sup>163</sup>
    - TaiwanICDF Annual Report (2023)<sup>164</sup>
- Japan
  - Development Cooperation Charter (June 2023)<sup>165</sup>
  - White Paper on Development Cooperation (March 2024)<sup>166</sup>
  - JICA Annual Report 2023 (August 2023)<sup>167</sup>

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<sup>161</sup> [Laws and Regulations Database of Taiwan "International Cooperation and Development Act" \(15 June 2010\)](#)

<sup>162</sup> [Ministry of Foreign Affairs, Taiwan "White Paper on International Cooperation and Development Policies" \(November 2023\)](#)

<sup>163</sup> [TaiwanICDF "Priority Areas"](#).

<sup>164</sup> [TaiwanICDF "Annual Report 2023" \(May 2024\)](#)

<sup>165</sup> [Development Cooperation Charter \(June 2023\)](#)

<sup>166</sup> [Ministry of Foreign Affairs, Japan "White Paper on Development Cooperations 2023" \(March 2024\)](#)

<sup>167</sup> [JICA "Japan International Cooperation Agency Annual Report 2023" \(December 2023\)](#)

**Table4-1 : Comparison of Taiwan's and Japan's Aid Policies**

Topic	Taiwan	Japan	Similarities and Differences
Purpose of Assistance	<p>The goals of international cooperation and development issues as stated in Article 5 of the International Cooperation and Development Act (ICDA) are as follows:</p> <ul style="list-style-type: none"> <li>• To promote Diplomatic Relations.</li> <li>• To strengthen friendly relations with countries that do not have diplomatic ties with Taiwan.</li> <li>• Facilitate cooperation with international organizations and international NGOs.</li> <li>• To improve the welfare of the citizens of Taiwan's diplomatic allies and friendly developing countries by increasing incomes, alleviating poverty, and raising living standards.</li> <li>• Ensure human security and uphold universal values such as peace, democracy, human rights, humanitarian care, and sustainable development.</li> <li>• Fulfill international obligations and responsibilities and make positive contributions to the international community.</li> </ul> <p>In addition, the White Paper on International Cooperation and Development Policies (2023) identifies the following four objectives for Taiwan's international cooperation and development:</p> <ul style="list-style-type: none"> <li>• Maintain good relations with partner countries by building win-win relationships.</li> <li>• Expand and deepen Taiwan's participation in the international community.</li> <li>• Become a reliable partner for global sustainable development.</li> <li>• Contribute professional expertise pragmatically.</li> </ul>	<p>The objectives of development cooperation in the Development Cooperation Charter (p.1-4) are as follows.</p> <ul style="list-style-type: none"> <li>• To address the development challenges of developing countries and the common global challenges of humanity based on equal partnership with developing countries, and to contribute more actively to the formation of a peaceful, stable, and prosperous international society under a free and open international order based on the rule of law.</li> <li>• Contribute to the realization of Japan's national interests, such as creating a desirable international environment for Japan and the world, maintaining and strengthening foreign relations based on trust, ensuring peace and security for Japan and its people, and achieving further prosperity through economic growth.</li> </ul>	<p>Because Taiwan and Japan have different aid policies, objectives, and policy granularities, these items were analyzed together. The similarities and differences are as follows.</p> <p><b>Similarities</b></p> <ul style="list-style-type: none"> <li>• <b>Foreign Aid as a Diplomatic Tool:</b> Taiwan and Japan share the recognition of foreign aid as a tool for diplomacy, with Taiwan including "promoting diplomatic relations" and "broadening and deepening Taiwan's international participation" in the objectives of development cooperation, and Japan including "maintaining and strengthening foreign relations based on trust" in the objectives of development cooperation.</li> <li>• <b>Contribution to development issues:</b> Both aim to contribute to the development issues of developing countries.</li> <li>• <b>Peace and sustainable development of the world as a premise:</b> Both put peace and sustainable development of the world as the premise of international cooperation operation.</li> <li>• <b>Realization of their interests:</b> Taiwan clearly requires that international cooperation and development projects align with its own interests, as stated in Article 6 of the ICDA. Similarly, Japan, in its 2023 revision of the Development Cooperation Charter, has declared its intention to promote ODA contributing to the realization of national interests. Thus, both Taiwan and Japan share the commonality of pursuing their own interests through development cooperation.</li> <li>• <b>Emphasis on partnerships:</b> Japan advocates "co-creation of social values through dialogue and collaboration with developing countries." Taiwan also places emphasis on "establishing partnerships based on development strategies with partner countries."</li> </ul>

Topic	Taiwan	Japan	Similarities and Differences
Policies in Assistance	<p>The principles of international cooperation and development issues set forth in Article 6 of the ICDA are as follows:</p> <ul style="list-style-type: none"> <li>• To draw on [...Taiwan]'s development experience and comparative advantages to assist partner countries in their overall development strategies and establish partnerships accordingly.</li> <li>• To promote the economic and social development of partner countries in line with international development trends and key issues.</li> <li>• To assist partner countries in increasing government effectiveness, improving the quality of human resources, boosting employment and enhancing the competitiveness of the private sector.</li> <li>• To help partner countries in formulating development strategies, ensuring the welfare of their people and promoting sustainable development.</li> <li>• To participate in aid and development projects run by inter-governmental organizations and international non-governmental organizations, and establish cooperative relationships accordingly.</li> <li>• International cooperation and development projects shall be in [...Taiwan]'s national interests.</li> </ul>	<p>The basic policy for development cooperation in the Development Cooperation Charter (p.4-6) is as follows:</p> <ul style="list-style-type: none"> <li>• Contribution to Peace and Prosperity.</li> <li>• Human security in the new era.</li> <li>• Co-creation of social values through dialogue and collaboration with developing countries.</li> <li>• Leading the dissemination and implementation of international rules and guidelines based on inclusiveness, transparency, and fairness.</li> </ul> <p>The priority policies for development cooperation in the Development Cooperation Charter (p.6-11) are as follows:</p> <ul style="list-style-type: none"> <li>• “Quality Growth” in the new era and poverty eradication through such growth.</li> <li>• Realization of a peaceful, secure, and stable societies, and maintenance and strengthening of a free and open international order based on the rule of law.</li> <li>• Leading international efforts to addressing increasingly complex and serious global issues.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Human Security:</b> One of the goals of Taiwan's international cooperation and development affairs, as stated in Article 5 of the ICDA, is to ensure human security. Similarly, Japan, in its Development Cooperation Charter, lists "Human Security in a New Era" as a basic policy of its development cooperation. Both Taiwan's goals and Japan's basic policies share the commonality of incorporating the concept of human security.</li> </ul> <p><b><u>Differences</u></b></p> <ul style="list-style-type: none"> <li>• <b>Support for countries with no diplomatic relations:</b> Japan does not provide its ODA to countries with no diplomatic relations, while Taiwan provides assistance to such countries, as one of its objectives in international cooperation and development affair is to "strengthen friendly relations with countries with no diplomatic relations."</li> </ul>
Approach to Implementation	<p>The White Paper on International Cooperation and Development Policies (2023) (Chapter 6) identifies the following six aspects of Taiwan's international cooperation and development strategy.</p> <ul style="list-style-type: none"> <li>• Consolidating bilateral relations with diplomatic allies.</li> <li>• Deepening relations with like-minded countries.</li> <li>• Formulating appropriate regional cooperation policies.</li> </ul>	<p>In the General Guidelines for Development Cooperation (p.11-17), the following three approaches are taken to maximize effectiveness in realizing the objectives of development cooperation and promoting priority policies:</p> <ul style="list-style-type: none"> <li>• <b>Solidarity to realize co-creation:</b> Strengthen solidarity with various partners, including private companies, public financial institutions, other donors, international organizations, civil society, local governments, universities and research institutions, Japan-friendly, pro-Japanese personnel, and people of Japanese descent.</li> </ul>	<p><b><u>Similarities</u></b></p> <ul style="list-style-type: none"> <li>• <b>Strengthening private sector participation:</b> The use of private funds in relation to development, such as impacts investing and ESG investing, is an international trend, and both Taiwan and Japan are promoting the use of the private sector.</li> <li>• <b>Similarity between the “Taiwan Model” and Japan’s “Offer-type cooperation”:</b> “Offer-type cooperation” involves working through dialogue and collaboration with the partner country to formulate development cooperation goals, as well as development scenarios and cooperation options to</li> </ul>

Topic	Taiwan	Japan	Similarities and Differences
	<ul style="list-style-type: none"> <li>Expanding multilateral relations with international organizations.</li> <li>Strengthening private sector participation.</li> <li>Strengthening international cooperation and Taiwan's Advantageous Industrial Strategies.</li> </ul> <p>In the "White Paper on International Cooperation and Development Policies (2023)" (Chapter 2), it is also stated that international development cooperation will be addressed through the "Taiwan Model", which takes the actual needs of partner countries as its starting point and leverage industries and technologies in which Taiwan has strengths.</p> <p>In terms of flexibility and speed, MOFA and TaiwanICDF can make decisions quickly in certain situations, but there are some issues that may affect the speed of decision-making, such as the need to comply with the regulations set forth in the ICDA and its related regulations.</p>	<ul style="list-style-type: none"> <li><b>Further enhancement of strategic approach:</b> Strengthen the strategic approach by launching a new "offer-type cooperation", that proactively proposes cooperation options that make the most of Japan's strengths.</li> <li><b>Fine-tuned system design that meets the objectives:</b> Constant institutional reform will be carried out with flexibility, efficiency, and speed as keywords.</li> </ul>	<p>achieve these goals. This enables to leverage Japan's strength and to attract partner countries. This approach is similar to the "Taiwan Model".</p> <ul style="list-style-type: none"> <li><b>Cooperation with International Organizations:</b> Both Taiwan and Japan are engaged in development cooperation with international organizations.</li> </ul> <p><b>Differences</b></p> <ul style="list-style-type: none"> <li><b>Degree of cooperation through international organizations:</b> As Table4-2 shows, there is a substantial difference in the degree of contribution to development cooperation through international organizations, with Japan being a larger contributor (about 18 times larger than Taiwan's in FY2023).</li> <li><b>The Need for Institutional Reform in Japan:</b> Japan has a long history of engaging in development cooperation for over half a century, and the system for development cooperation is already well established. On the other hand, it is recognized that institutional reform is necessary to enable rapid decision-making and cooperation in order to respond to the rapidly changing international landscape. While Taiwan states that restrictions imposed by relevant laws and regulations may affect the speed of decision-making, there is a difference in that it does not mention the need for institutional reform.</li> </ul>
Type of Assistance (Scheme)	<p>According to Article 8 of the ICDA, the following nine methods (schemes) for international cooperation and development work are listed:</p> <ol style="list-style-type: none"> <li>1. Technical assistance and capacity building.</li> <li>2. Investments.</li> <li>3. Loans.</li> <li>4. Guarantees.</li> <li>5. Financial donations.</li> <li>6. Gifts in kind.</li> <li>7. Dispatch of personnel.</li> <li>8. Development strategy consultations.</li> <li>9. Other feasible methods.</li> </ol> <p>According to MOFA and TaiwanICDF, for countries with which Taiwan has no</p>	<p>According to the White Paper on Development Cooperation (p. vi) and JICA Annual Report 2023 (p.45), Japan's ODA includes the following types</p> <ul style="list-style-type: none"> <li>Bilateral Aid (including assistance through international organizations) <ul style="list-style-type: none"> <li>Grants <ul style="list-style-type: none"> <li>Grant Aid</li> <li>Technical Cooperation (Accepting training participants in Japan, dispatching experts, dispatching study teams, gifts in kind (providing equipment), dispatching Japan Overseas Cooperation Volunteers (JOCVs) etc.)</li> </ul> </li> <li>Government Loans etc. (Loan Aid) <ul style="list-style-type: none"> <li>Loans (to governments, etc.)</li> <li>Private-Sector Investment Finance</li> </ul> </li> </ul> </li> </ul>	<p><b>Similarity</b></p> <ul style="list-style-type: none"> <li>Institutionally, Taiwan and Japan share most of the same schemes in international cooperation and development work as follows. <ul style="list-style-type: none"> <li>Bilateral Aid <ul style="list-style-type: none"> <li>Grant <ul style="list-style-type: none"> <li>Grant Aid</li> <li>Technical Cooperation (Accepting training participants, dispatching experts, dispatching study teams, gifts in kind (providing equipment)</li> </ul> </li> <li>Government Loans etc. (Loan Aid) <ul style="list-style-type: none"> <li>Loans (to governments, etc.)</li> <li>Private-Sector Investment Finance</li> </ul> </li> <li>Other <ul style="list-style-type: none"> <li>Emergency Disaster Relief</li> </ul> </li> </ul> </li> </ul> </li> </ul>

Topic	Taiwan	Japan	Similarities and Differences
	<p>diplomatic relations, MOFA provides technical cooperation such as dispatching technical experts or humanitarian assistance (loans are provided by TaiwanICDF through International Organizations or co-financing).</p> <p>According to the OECD DAC statistics, most of Taiwan's ODA (grant equivalent), both bilateral aid and multilateral aid, is in the form of grants (grant aid, technical cooperation and capital contribution), while government loans (loan aid) are very small.</p>	<ul style="list-style-type: none"> <li>○ Other <ul style="list-style-type: none"> <li>- Emergency Disaster Relief</li> <li>- Citizen Participation (Volunteer)</li> </ul> </li> <li>● Multilateral Aid (contributions and subscriptions to international organizations, etc.)</li> </ul> <p>According to OECD DAC statistics, Japan's ODA (grant equivalent) generally consists of bilateral loans etc. (loan aid), followed by bilateral grants (grant aid, technical cooperation).</p>	<ul style="list-style-type: none"> <li>▪ Citizen Participation (Volunteer)</li> <li>○ Multilateral Aid (contributions and investments to international organizations, etc.)</li> </ul> <p><b><u>Differences</u></b></p> <ul style="list-style-type: none"> <li>● In terms of value, Japan provides its largest amount in government loans etc. (loan aid), while Taiwan provides its largest amount in grants (grant aid, technical cooperation, and capital contribution).</li> <li>● Taiwan differs from Japan in that it includes “guarantees” and “donations” as methods of international cooperation and development aid. In reality, however, there are almost no cases of guarantees being implemented.</li> </ul>
Amount of Aid	<p><b><u>Taiwan as a whole</u></b> (see Table4-2)</p> <ul style="list-style-type: none"> <li>● Based on values from the OECD database for 2019-2023, total ODA (grant equivalent) is in the range of USD 300-400 million; comparing 2019 and 2023 results, it is about 1.5 times higher.</li> <li>● The majority of both bilateral aid and multilateral aid is in the form of Grants.</li> <li>● The ODA ratio to GNI has remained at 0.04-0.06%. MOFA would like to bring the GNI ratio closer to the international target, but since ODA is provided on a request basis, it is difficult to raise the ratio.</li> </ul> <p><b><u>TaiwanICDF</u></b></p> <ul style="list-style-type: none"> <li>● According to the Income and Expenditures table in the TaiwanICDF Annual Report (2023), total operating expenses for 2023 were NTD 1,545 million (7.03 billion JPY).</li> <li>● Approximately 80% of the annual budget is commissioned by MOFA, and the remaining 20% is funded by TaiwanICDF itself (e.g., loan repayments). In addition, there is no positive legal endorsement for TaiwanICDF to obtain funds from the private sector through bond issues.</li> </ul>	<p><b><u>Japan as a whole</u></b> (see Table4-2)</p> <ul style="list-style-type: none"> <li>● Based on OECD database values for 2019-2023, total ODA (Grant equivalent) has increased each year from 15,588 million USD in 2019 to 19,600 million USD in 2023 (about 1.3 times from 2019).</li> <li>● The largest percentage of ODA falls into bilateral aid loans in 2019-2023</li> <li>● The ratio of bilateral aid to multilateral aid in 2019-2023 is generally 4:1, with a heavy emphasis on bilateral aid.</li> <li>● GNI ratio is hovering in the 0.3-0.4% range.</li> </ul> <p><b><u>JICA</u></b></p> <ul style="list-style-type: none"> <li>● According to the JICA Annual Report 2023 (p.45), the total project size for FY2022 was 2745 billion JPY.</li> <li>● According to JICA's Annual Report 2023 (p.63 and p.79), JICA's main income comes from operational grants from the government for the General Account and the Fiscal Investment and Loan Program for the Finance and Investment Account, but it also receives income from a variety of other sources, including issuing bonds as social bonds and raising funds from investors and individuals.</li> </ul>	<p><b><u>Similarities</u></b></p> <ul style="list-style-type: none"> <li>● Taiwan and Japan share the same level of growth in total ODA, although Taiwan's growth rate is slightly higher when comparing 2019 and 2023.</li> <li>● Regarding the international goal of GNI to ODA ratio, both Taiwan and Japan have not achieved the goal of 0.7%, (only a few countries internationally have achieved this).</li> </ul> <p><b><u>Differences</u></b></p> <ul style="list-style-type: none"> <li>● In Taiwan, most of the aid is provided through grants, while in Japan, a large percentage of the aid is provided through loans.</li> <li>● As shown on Table4-2, the ratio of Taiwan's bilateral aid to multilateral aid was approximately 1:1 until 2022. However, Japan's bilateral aid amount from 2019 to 2023 was consistently about four times higher than that of its multilateral aid, with bilateral aid being consistently higher. (It should be noted that in 2023, Taiwan's aid amount was overwhelmingly bilateral. This differs from previous trends.)</li> <li>● Regarding the scale of assistance, Taiwan's total ODA in 2023 only amounts to 2.4% of Japan's total ODA. In addition, TaiwanICDF's project expenditures in 2023 only amounts to 0.3% of total scale of JICA's projects, indicating a discrepancy in the scale of assistance.</li> </ul>

Topic	Taiwan	Japan	Similarities and Differences
	<p>However, TaiwanICDF is developing a scheme to obtain funds from the private sector.</p> <ul style="list-style-type: none"> <li>TaiwanICDF's ODA budget allocation is divided into the following categories, in order of largest budget allocations: <ul style="list-style-type: none"> <li>Technical Cooperation Projects.</li> <li>Education and Vocational Training Projects.</li> <li>Cross-Cutting Project.</li> <li>Others.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The breakdown of JICA's aid by type is as follows. JPY Loans are the most common type of aid in terms of value. <ul style="list-style-type: none"> <li>Grant Aid 119.2 billion JPY</li> <li>Technical Cooperation 175.2 billion JPY</li> <li>Loan Aid 2450.6 billion JPY <ul style="list-style-type: none"> <li>JPY Loan: 2,323.9 billion JPY</li> <li>Private-Sector Investment Finance: 126.7 billion JPY</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Taiwan's implementing agency, TaiwanICDF has restrictions on funding sources, and has no positive legal endorsement to obtain funds from the private sector through bond issue. However, JICA has a variety of revenue sources, including fundraising through bond issues such as social bonds. It should be noted that TaiwanICDF is developing a scheme to obtain funds from the private sector.</li> </ul>
Implementing Agency	<ul style="list-style-type: none"> <li>Established TaiwanICDF as an implementing agency for international cooperation and development.</li> <li>Approximately 80% of Taiwan's ODA budget is allocated for ODA projects directly conducted by MOFA, and about 10% of the budget for TaiwanICDF. For budgetary purposes, most of Taiwan's ODA work is carried out by MOFA itself, not by TaiwanICDF.</li> <li>In terms of technical assistance, more than 90% of the projects are implemented by TaiwanICDF.</li> </ul>	<ul style="list-style-type: none"> <li>JICA was established as the implementing agency for international cooperation and development, and Japan's bilateral ODA operations (grant aid, loan aid, and technical cooperation) are implemented almost centrally by JICA.<sup>168</sup></li> <li>On the other hand, contributions and capital contributions to international organizations are made by the Ministry of Foreign Affairs and other ministries.<sup>169</sup></li> </ul>	<p><b>Similarities</b></p> <ul style="list-style-type: none"> <li>Both Taiwan and Japan have established implementing agencies for international cooperation and development works (Taiwan: TaiwanICDF; and Japan: JICA)</li> </ul> <p><b>Differences</b></p> <ul style="list-style-type: none"> <li>The level of involvement of the implementing agency (on a budgetary basis) in international cooperation and development work is high in Japan (JICA) and low in Taiwan (TaiwanICDF). In Taiwan, in terms of budget allocation basis, most of the ODA operations are carried out by the Ministry of Foreign Affairs itself, not TaiwanICDF.</li> </ul>
Target Countries	<ul style="list-style-type: none"> <li>Article 7 of the ICDA provides that diplomatic allies or friendly countries (including non-diplomatic countries) are eligible for assistance.</li> <li>According to MOFA, all countries eligible for assistance are those on the DAC list, and cooperation is also available for other countries at the writing of this paper.</li> </ul>	<ul style="list-style-type: none"> <li>The DAC list on ODA-eligible countries/regions makes up the list of supported countries.</li> <li>In addition, based on Article 3 of the JICA Act<sup>170</sup> (Objective of the Agency), countries that are no longer on the DAC list regarding ODA-eligible countries/regions are re-organized as falling under “developing areas” and continue to be supported. (Ministry of Foreign Affairs of Japan, White Paper on Development Cooperation, p.12)</li> </ul>	<p><b>Similarities</b></p> <ul style="list-style-type: none"> <li>The recipient countries of both Taiwan ODA and Japan ODA are the DAC list countries, but their assistances are also provided to some other countries (“developing areas”).</li> </ul> <p><b>Differences</b></p> <ul style="list-style-type: none"> <li>Taiwan’s aid recipients are primarily diplomatic allies. Additionally, Taiwan provides support to</li> </ul>

<sup>168</sup> Ministry of Foreign Affairs of Japan, "Official Development Assistance (ODA): Aid Implementation Structure. Some Grant Aid is implemented by the Ministry of Foreign Affairs (MOFA) itself. A few ODA projects are implemented by other ministries.

<sup>169</sup> (ODA) Report on Contributions, Capital Contributions, etc. to International Organizations, prepared in 2005 (FY2022) | Ministry of Foreign Affairs of Japan

<sup>170</sup> Act of the Incorporated Administrative Agency-Japan International Cooperation Agency

Topic	Taiwan	Japan	Similarities and Differences
			countries with which it does not have diplomatic relations, which is a point of difference from Japan.
Priority Sectors	<p>The topics listed as major themes in TaiwanICDF's 2030 Strategic Plan are listed below, but the work is conducted in a flexible manner:</p> <ul style="list-style-type: none"> <li>• Food security (agriculture) and regional development.</li> <li>• Public health.</li> <li>• Education and Capacity Building.</li> <li>• Governance (ICT).</li> <li>• Environment (climate change and marine sustainability).</li> <li>• Economic Development and Global Partnerships (SMEs).</li> </ul>	<p>The priority policies for development cooperation in the Development Cooperation Charter (p.6-11) indicate the following areas for strengthening efforts:</p> <ul style="list-style-type: none"> <li>• Strengthening socioeconomic autonomy and resilience, including food and energy security.</li> <li>• Digital.</li> <li>• Quality infrastructure (such as strength in urban development, safe and secure transportation systems, power and energy infrastructure and water supply).</li> <li>• Climate Change and Environment.</li> <li>• Health.</li> <li>• Disaster Risk Reduction.</li> <li>• Education.</li> </ul>	<p><b><u>Similarities</u></b></p> <ul style="list-style-type: none"> <li>• The six major themes of TaiwanICDF are also included in Japan's Development Cooperation Charter as areas for strengthening efforts.</li> </ul> <p><b><u>Differences</u></b></p> <ul style="list-style-type: none"> <li>• Japan's focus areas include high-quality infrastructure, in which it has strengths, but this area is not listed as a key focus sector for Taiwan.</li> </ul>

(Source: Prepared by the study team based on sources and interview results found at p.72)

**Table4-2: Japan and Taiwan's ODA Actual Changes**

Type		Country/Year	Dollar basis (US\$ 1 million) / Grant Equivalent / Current prices									
			Japan					Taiwan				
			2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
ODA	Bilateral ODA	Grants aid	5,278	5,470	5,682	5,617	6,500	257	187	157	194	453
		Government Loans (Grant equivalent)	6,265	7,154	7,485	8,968	9,098	0	9	11	1	7
		<b>Total bilateral ODA (Grant equivalent basis)</b>	11,794	13,181	13,718	14,878	15,982	257	199	168	195	460
	Multilateral ODA	Grants to multilateral institutions	3,123	2,504	3,474	2,622	3,619	50	168	153	189	9
		Government Loans to multilateral institutions (Grant equivalent)	671	575	444	-	-	5	40	-	-	-
		<b>Total of contributions and subscriptions to multilateral institutions (Grant equivalent basis)</b>	3,794	3,079	3,918	2,622	3,709	55	207	153	189	9
<b>Total ODA (Grant equivalent)</b>		15,588	16,260	17,636	17,500	19,600	312	406	321	384	468	
<b>% of GNI (Grant equivalent basis)</b>		0.29	0.31	0.34	0.39	0.44	0.05	0.06	0.04	0.05	0.06	

Note 1: Totals may not add up due to rounding.

Note 2: The data provided by the OECD on the amount of Taiwan's ODA provided may differ from the amount disclosed by Taiwan's Ministry of Foreign Affairs itself. This is because the data provided by MOFA to the OECD was preliminary data before it was finalized.

Note 3: "Grant aid" here is not the same as grant aid implemented as Japan's aid scheme.

(Source: Prepared by the study team based on OECD database<sup>171</sup>)

<sup>171</sup> [OECD Data Explorer - DAC1: Flows by provider \(ODA+OOF+Private\)](#)

## 4.2 Comparison with DAC Model

The OECD's DAC has been working to integrate aid directions and procedures among countries through activities such as compilation and publication of ODA results, policy recommendations in the field of development cooperation, and peer reviews.<sup>172</sup> The OECD's DAC model provides a set of aid norms (DAC model). Some emerging donor countries have distanced themselves from the DAC model, while others, such as Korea, have joined the traditional donor community.<sup>173</sup> In this section, Taiwan's aid policy and implementation was analyzed by comparing with the DAC model. The analysis is based on “Objectives and Approaches in Taiwan's Foreign Aid” (Hisahiro Kondo)<sup>174</sup> and contains information from the interviews conducted for this study. The results generally followed the same trend as the analysis conducted in the above literature.

**Table4-3: Comparison with DAC Assistance Models**

DAC Model		Taiwan's Foreign Aid	
		2000s to early 2010s	Present
Aid Model / Method	Expansion of aid scale	Scale of aid stagnates	ODA results for 2019 and beyond will be in the range of 300-400 million USD.
	Untying	(Not listed in source)	In principle, Taiwan follows the DAC's “untied” principle, but may encourage allies to purchase Taiwanese products in certain areas where Taiwan has a competitive advantage (e.g., ICT and public health).
	Reduction of loans	Maintenance of loans	The amount of loans from 2019 onward are highly variable, although some years there are no loans from year to year. Compared to Japan, the ratio of grants is higher, so it can be said that Taiwan has been able to reduce loans.
	Emphasis on the social sector	Emphasis on economic sectors	The social sector (education, health, public health, etc.) will account for about 22% of the total support in 2022, but the industrial sector, including agriculture, which is Taiwan's strength, will account for the highest percentage, so the focus will continue to be on the economic sector.
	Untying Aid to Least Developed Country <sup>175</sup> and Aid in the Form of Gifts or Loans on	(Not listed in source)	Taiwan follows the policy of Untying in principle, and although aid by grant is the mainstream, the breakdown of cooperation projects by country in TaiwanICDF at Table2-

<sup>172</sup> Ministry of Foreign Affairs, "(ODA) OECD Development Assistance Committee" (September 2023).

<sup>173</sup> Hisahiro Kondo et al. "Diversity of 'emerging donors' and deadlines" (2012).

<sup>174</sup> Hisahiro Kondo, "Objectives and Approaches in Taiwan's Foreign Aid" (2012).

<sup>175</sup> Untied aid refers to aid in which procurement of goods and services is determined through international competitive bidding. Tied aid refers to aid where procurement of the goods or services involved is limited to the donor country. In Japanese, it is sometimes translated as “Himotsuiki (string-tied)” aid. In 2001, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) adopted a recommendation to untie aid to the Least Developed Countries (LDCs) (the recommendation applies to loan aid and grant aid, except for technical cooperation and food aid) and applied to DAC member countries.

DAC Model		Taiwan's Foreign Aid	
		2000s to early 2010s	Present
	Favorable Terms Aid Expansion		14 shows that the amount of aid to Least Developed Countries is not large.
	Ownership by aid-receiving countries	Ownership of aid recipient countries	Support via the "Taiwan Model" takes the actual needs of partner countries as its starting point.
	Strengthening Governance, Participatory Democratic Decision Making, Environmental Considerations	Environmental Considerations	The latest White Paper on International Cooperation and Development Policies (2023) states that Taiwan's Sustainable Development Goals for International Cooperation and Development Policies are "to uphold universal values such as sustainable development."
	Streamlining aid procedures in donor countries	Compliance with streamlining aid procedures	The latest White Paper on International Cooperation and Development Policies (2023) shows efforts to streamline procedures for supporting NGOs.
Aid Strategy / Policy	Commitment to international aid initiatives, including poverty reduction, aid effectiveness, and harmonization	Compliance with international aid initiatives, including poverty reduction, aid effectiveness, and harmonization	<ul style="list-style-type: none"> <li>• <b>Poverty Reduction:</b> The latest White Paper on International Cooperation and Development Policies (2023) states Taiwan's goal for international cooperation and development is "to increase incomes, reduce poverty, improve living standards, and enhance the welfare of the people of Diplomatic Allies, Friendly Countries, and developing countries".</li> <li>• <b>Aid Effectiveness and Harmonization:</b> Since Article 5 of the Regulations on Planning, Review, Implementation, Supervision, and Evaluation of International Cooperation and Development stipulates that the effectiveness of projects shall be evaluated to determine whether their objectives have been achieved, Taiwan's international cooperation and development is considered to take into account the effectiveness of its aid.</li> <li>• TaiwanICDF's evaluation also draws on four criteria published by the OECD: Relevance, Effectiveness, Efficiency, and Sustainability.</li> <li>• The "White Paper on International Cooperation and Development Policies (2023)" states a policy of active collaboration with international organizations, so it is assumed that international trends are being recognized.</li> </ul>
	-	Traditional experience in providing aid in the agricultural sector, and subsequently working on many economic development projects <sup>176</sup>	Emphasis on economic development based on comparative advantage and the "Taiwan experience"

<sup>176</sup> The original source described the period from the 2000s to the early 2010s as emphasis on economic development based on comparative advantage and the "Taiwan experience". However, this expression has been modified from the original source following feedback from TaiwanICDF.

DAC Model		Taiwan's Foreign Aid	
		2000s to early 2010s	Present
	-	Maintain and develop diplomatic relations and gain international support	The latest White Paper on International Cooperation and Development Policies (2023) states that Taiwan's goal for international cooperation and development is to "strengthen relations with Diplomatic Allies (Diplomatic Allies) and to enhance friendly relations with countries with which Taiwan has no formal diplomatic relations."
Implementation Structure	Integration of aid agencies	Aid agencies decentralized but somewhat integrated <sup>177</sup>	According to the results of the hearing from MOFA, the main agency in charge of international cooperation and development in Taiwan is TaiwanICDF.
	Clarify aid objectives, strategies, and policies by establishing a single ODA Basic Law	Enactment of International Cooperation Law	Continuing to provide assistance in accordance with the International Cooperation and Development Act
	Disclosure of aid-related information	Disclosure of aid-related information	Both MOFA and TaiwanICDF publish annual reports, although the extent to which they can be made public is limited.
	Monitoring and evaluation of assistance performance	Monitoring and evaluation of assistance performance is an issue for the future.	Even though Taiwan is not an official member of the OECD, TaiwanICDF still follows the OECD Evaluation Criteria framework. Specifically, it uses four key criteria—Relevance, Effectiveness, Efficiency, and Sustainability—to evaluate their projects.
	Active dialogue with and support from civil society	Promote understanding of civil society through "All-people Diplomacy" and awareness-raising	According to TaiwanICDF Annual Report (p. 9), in order to promote awareness, support, and participation in foreign aid activities, TaiwanICDF has been working to build a direct network with the general public in Taiwan through seminars and workshops to gain public support for its foreign aid activities.

Note: Shading refers to content consistent with the "DAC Aid Model".

(Source: Prepared by the study team based on Kondo's "Objectives and Approaches in Taiwan's Foreign Aid"<sup>178</sup> p.39; Source listed on p.72 ; OECD Data Explorer<sup>179</sup>; and MOFA and TaiwanICDF hearing results)

<sup>177</sup> According to Hisahiro Kondo, "Objectives and Approaches in Taiwan's Foreign Aid" (2012)Taiwan, p.37, until 1996, had a decentralized aid system under the jurisdiction of MOFA and the Ministry of Economic Affairs and the International Economic Cooperation and Development Fund (IECDF), the predecessor organization of TaiwanICDF. Although TaiwanICDF was established in 1996, Taiwan's aid policy was still shaped and implemented by a number of organizations as of 2012.

<sup>178</sup> Hisahiro Kondo, "Objectives and Approaches in Taiwan's Foreign Aid" (2012)

<sup>179</sup> [OECD Data Explorer - DAC1: Flows by provider \(ODA+OOF+Private\)](#)

## Chapter 5 Characteristics of Taiwan's Aid and Future Prospects

### 5.1 Characteristics and Challenges

The characteristics and challenges of international cooperation and development by Taiwan, as outlined in Chapters 2 through 4, are summarized in the table below. The details of each characteristic are described in 5.1.1 onwards. Among the characteristics, the following points are considered to be strengths of Taiwan's international cooperation and development.

- **Aid Policy/Strategy:** Based on the "Taiwan Model", Taiwan specializes in an aid model that takes the needs of partner countries as its starting point and leverages industries and technologies in which Taiwan has strengths. This includes digital transformation assistance (e.g. assistance in building software and providing devices in the healthcare and education sectors) and tropical agriculture (e.g. rice cultivation technology), based on Taiwan's experience and knowledge.
- **Target Countries:** Taiwan provides aid to non-Diplomatic Countries as well, and is flexible in responding to situations that require urgent assistance, especially humanitarian assistance.
- **Priority Sectors:** As indicated in the "Aid Policies and Strategies" section above, Taiwan has extensive experience and knowledge in supporting sectors such as digital, education, healthcare, and agriculture.
- **Collaboration with International Organizations:** Taiwan has maintained a good relationship with international organizations such as EBRD, CABI and ADB for a long time through its financial support.
- **Others:** Regarding information dissemination on international cooperation and development works, TaiwanICDF, in particular, has been actively promoting its activities through various media, and has been making efforts to attract the interest of younger generations.

**Table5-1 : Key Features and Challenges of Taiwan's International Cooperation and Development**

Topic	Key Features	Challenges
Aid Policies and Strategies	<ul style="list-style-type: none"> <li>• The protection of universal values such as democracy is important for the purpose of international cooperation and development.</li> <li>• Aid strategies based on international trends (such as SDGs).</li> <li>• Assistance based on the "Taiwan Model".</li> <li>• ODA Expansion Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Difficulty in expanding international cooperation and development and ODA due to international political reasons.</li> </ul>
Budget	<ul style="list-style-type: none"> <li>• ODA budget generally increasing.</li> </ul>	<ul style="list-style-type: none"> <li>• Ratio to GNI remains 0.04-0.06% (international target is 0.7%).</li> </ul>

	<ul style="list-style-type: none"> <li>Total ODA (grant equivalent) for the last 5 years (2019-2023) is in the range of 300 - 400 million USD.</li> <li>In general, about 90% of Taiwan's total ODA budget goes to MOFA and 10% to TaiwanICDF.</li> </ul>	<ul style="list-style-type: none"> <li>The size of TaiwanICDF budget is very small (constraints on funding sources) compared to other major aid agencies in other countries (e.g. JICA).</li> </ul>
Implementation Structure	<ul style="list-style-type: none"> <li>In terms of budget, most of Taiwan's ODA work is carried out by MOFA itself rather than by TaiwanICDF (the main implementing agency for international cooperation and development in Taiwan).</li> </ul>	
Scheme	<ul style="list-style-type: none"> <li>Based on the actual data, most of the ODAs fall under the category of Grant Aid (grant, technical cooperation, and capital contribution).</li> <li>Technical cooperation and humanitarian assistance are provided to non-Diplomatic Countries (loans are provided through international organizations and co-financing).</li> </ul>	<ul style="list-style-type: none"> <li>Based on the actual data, loans (loan aid) account for a very small percentage of ODA performance.</li> </ul>
Target Countries	<ul style="list-style-type: none"> <li>Priority is given to Diplomatic Countries, but assistance is also provided to Friendly Countries.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in Diplomatic Countries.</li> <li>Many Diplomatic Countries are at the stage where they need assistance with basic infrastructure, making it difficult to provide the high-tech or high-value-added assistance that Taiwan excels at.</li> <li>In some cases, recipient countries are hesitant to accept assistance.</li> </ul>
Priority Sectors	<ul style="list-style-type: none"> <li>Priority sectors: Agriculture, public health, education, ICT, environment, support for small and medium enterprises (SMEs).</li> <li>Based on the actual data (2022), the production sector (agriculture, forestry, fisheries, manufacturing, mining, and tourism) and the social infrastructure sector (education, public health, etc.) account for a large share.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the actual data (2022), the proportion of economic infrastructure sectors, including ICT, transportation, and power generation sector (including renewable energy), is relatively low.</li> </ul>
Collaboration with International Organizations	<ul style="list-style-type: none"> <li>Aim to deepen relationships with like-minded countries and international organizations.</li> <li>Continued long-term financial support to international organizations such as EBRD, ADB, and CABEL.</li> </ul>	<ul style="list-style-type: none"> <li>Some other donor countries with which non-Diplomatic Countries are hesitant to cooperate bilaterally with Taiwan in view of the international political situation.</li> <li>In international organizations such as EBRD, Taiwan participates as a special observer rather than a member state.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Information dissemination regarding international cooperation development and ODA has been undertaken proficiently.</li> </ul>	<ul style="list-style-type: none"> <li>Difficult to increase transparency of official information and data related to international cooperation and development and ODA.</li> </ul>

(Source: Prepared by the study team)

### 5.1.1 Aid Policies and Strategies

The main characteristics of Taiwan's aid policies and strategies for international cooperation and development include an emphasis on the protection of universal values such as democracy, aid strategies based on international trends (such as SDGs), and aid based on the "Taiwan Model." The "Taiwan Model" is a strong point in that it is an aid model that takes the needs of partner countries as its starting point and utilizes Taiwan's strengths in industry and technology. Such assistance includes digital transformation

assistance (e.g. assistance in building software and providing devices in the medical and educational fields) and tropical agriculture (e.g. rice cultivation technology) based on Taiwan's experience.

In addition, as stated in the report of the Minister of Foreign Affairs to the Foreign and National Defense Committee of the Legislative Yuan in October 2024, several flagship projects are being promoted, mainly in the digital field, with the aim of deepening relations with Diplomatic Countries and like-minded countries. Through these areas, MOFA aims to expand international cooperation development and ODA<sup>180</sup>.

On the other hand, several interviewees mentioned that ODA budgets and performance have not increased due to the following reasons, which are mainly caused by the international political situation surrounding Taiwan:

- Bilateral Aid is largely targeted at Diplomatic Countries, but in many cases such countries are small, and the aid tends to be small-scale.
- The number of Diplomatic Countries is decreasing, and the relationships with those countries can be fragile. (e.g. possibility of deterioration of relations during and after the assistance, policy changes of the recipient country, etc.).
- Assistance to non-Diplomatic Countries is primarily focused on technical and humanitarian assistance. (Loans are provided through international organizations or through co-financing.)
- Political reasons may discourage recipient countries from receiving aid from Taiwan.

In order to overcome the above situation and also to expand the scope and target countries of assistance, Taiwan is currently seeking to strengthen cooperation with international organizations and other national aid agencies.<sup>181</sup>

### 5.1.2 Budget

As mentioned above, while the ODA budget and actual results are not showing signs of growth, Taiwan's actual ODA amount has generally shown an increasing trend, with the actual amount in 2023 compared to 2019 being about 1.5 times higher, and the growth rate is similar to that of Japan. Other features include the fact that the total amount of ODA (grant equivalent) for the most recent five years (2019-2023) has remained in the range of 300-400 million USD. Another significant feature is that, according to MOFA,

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<sup>180</sup> MOFA hearing results, "Report by Lin Chia-lung, Minister of Foreign Affairs of the Republic of Taiwan, at the Foreign and National Defence Committee of the Legislative Yuan on October 21, 2024".

<sup>181</sup> MOFA hearing results

generally about 90% of overall ODA budget is allocated to MOFA, of which 10% is allocated through MOFA to TaiwanICDF.

One of the challenges is that the size of TaiwanICDF budget is much smaller than that of other aid agencies (e.g. JICA). As discussed in Section 2.2.1 Financial Scale of Assistance, one of the reasons for this is that TaiwanICDF has limited means of raising funds (e.g. TaiwanICDF has no positive legal endorsement to obtain funds from the private sector through bond issues.). Another challenge is that the ratio of Taiwan's ODA to GNI has hovered around 0.04-0.06% for the last five years, and the international target of 0.7% of GNI for ODA to developing countries has not been achieved. It should be noted that, however, very few countries internationally have achieved this goal, including Japan. According to MOFA,<sup>182</sup> the Taiwanese authority is aiming to increase its ODA budget and is hoping to raise the ratio of ODA to GNI. So far, there has not been much active discussion on the ratio of ODA to GNI in Taiwan.

### 5.1.3 Implementation Structure

As Article 11 of the ICDA states, “*When handling international cooperation and development affairs, the competent authority or other government agencies/institutions may first commission TaiwanICDF.*” By law, the main implementing agency for international cooperation and development in Taiwan is TaiwanICDF. On the other hand, looking at the amount of Taiwan's ODA budget allocated, it appears that most (about 80%) of Taiwan's ODA operations are directly implemented by MOFA itself. This is a in contrast to Japan, where loan aid, technical cooperation, and grant aid are implemented by JICA.

### 5.1.4 Scheme

The scheme is characterized by the fact that most of Taiwan's ODA in the OECD database falls under the category of grants (grant aid, technical aid, and capital contribution). In addition, for countries with which Taiwan has no diplomatic relations, the scheme largely provides technical cooperation or humanitarian assistance such as dispatching experts (loans are provided through international organizations or through co-financing). The fact that loans (loan aid) account for a very small percentage of the ODA amount indicates that support for large-scale infrastructure projects, which can be in general large in terms of aid amount, is relatively small, and this is a challenge for achieving the goal of increasing ODA.

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<sup>182</sup> MOFA hearing results

### 5.1.5 Target Countries

One of the characteristics of Taiwan's international cooperation and development is that although priority is given to Diplomatic Countries, assistance is also provided to Friendly Countries. Taiwan provides assistance to countries other than Diplomatic Countries, and its flexibility in responding to situations that require immediate assistance, such as humanitarian aid, is one of its strengths.

As noted in “5.1.1 Aid Policies and Strategies,” there are several challenges on this topic. For example, the number of Diplomatic Countries is decreasing, and as of December 2024, the number of Diplomatic Countries is only 12; many of the Diplomatic Countries are still in need of assistance for basic infrastructure, making it difficult to provide the high-tech or high-value-added assistance in which Taiwan excels; and, in light of the international political situation, there are cases in which aid is refused by the recipient countries.

### 5.1.6 Priority Sectors

According to MOFA,<sup>183</sup> sectors where Taiwan's experience and strengths can be leveraged include agriculture, public health, education, ICT, environment, and support for small and medium enterprises (SMEs), which are priority sectors. MOFA also notes that carbon reduction-related projects are gradually increasing as efforts to combat climate change of the recipient countries are increasing. In addition to these, the Chung-Hua Institution for Economic Research<sup>184</sup> also cites Taiwan's knowledge and experience in supporting supply chain establishment as a strength. Regarding actual data (e.g., 2022), the production sector (agriculture, forestry, fisheries, manufacturing and mining, tourism) and the social infrastructure sector (such as education, public health) account for a large share<sup>185</sup>.

The relatively low percentage of the actual value of the economic infrastructure sector including ICT and others, such as transportation, renewable energy generation and other power generation, can be said as a challenge (the economic infrastructure sector occupies approximately 5.9%, out of which ICT accounts for 0.13% of total Taiwanese ODA in 2022)<sup>186</sup>, as ICT is counted for as a priority sector. This shows that there is currently a discrepancy between the priority sectors (targets) and actual results (reality). One of

<sup>183</sup> MOFA hearing results

<sup>184</sup> Chung-Hua Institution for Economic Research hearing results

<sup>185</sup> See the details in “2.2.5 Focus Areas (Priority Sectors) 1) Key Areas of Focus in Taiwan”.

<sup>186</sup> See the details in “2.2.5 Focus Areas (Priority Sectors) 1) Key Areas of Focus in Taiwan”.

the reasons might be, as mentioned above, that many of the Diplomatic Countries are still in need of assistance for basic infrastructure, making it difficult to provide the high-tech or high-value-added assistance in which Taiwan excels. However, given that the current Lai administration has taken a proactive stance, particularly in the areas of sustainability and environmental policy, and that MOFA has intention to promote projects in the digital field, this is likely to become a sector that will grow in the future.

### 5.1.7 Collaboration with International Organizations

As indicated in "5.1.1 Aid Policy and Strategy," Taiwan is seeking to deepen its relationships with like-minded countries and international organizations in terms of expanding international cooperation and development. Taiwan has continued to provide financial support to international organizations such as EBRD, ADB, and CABEI for a long time and has maintained good relations with such organizations. On the other hand, some of the other donor countries that do not have official relationships with Taiwan may be hesitant to have bilateral cooperative relations with Taiwan in view of the international political situation. In addition, Taiwan is not a member of international organizations such as EBRD, but rather a special observer, which makes it difficult to provide assistance under the name of "Taiwan" when providing assistance through such organizations.

### 5.1.8 Other

Other characteristics of Taiwan include its efforts to disseminate information on international cooperation and development and ODA, and the effective ways in which it does so. At present, the ratio of ODA to GNI is low and public interest on ODA within Taiwan is not necessarily high.<sup>187</sup> According to MOFA,<sup>188</sup> it is trying to raise interest by publishing White Papers and annual reports and disseminating information through social media. Understanding of international cooperation and development within Taiwan is essential for self-perception of "Taiwan can help, and Taiwan is helping." In addition, TaiwanICDF<sup>189</sup> continues to promote public relations activities to increase interest in ODA, such as publishing publications (annual reports,

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<sup>187</sup> MOFA hearing results

<sup>188</sup> MOFA hearing results

<sup>189</sup> TaiwanICDF hearing results

Development Focus Quarterly,<sup>190</sup> organizing and participating in ODA-related events, and disseminating information through its website and social media. These communications are conducted not only in Mandarin Chinese, but also in English and Spanish. TaiwanICDF is also keen on activities to increase young people's interest in international cooperation, such as sending staff to schools to give lectures and organizing visits by young people to TaiwanICDF in cooperation with the schools. Unique PR efforts include the development of a board game "Mission Taiwan, Go!", based on actual international cooperation development projects, and the production and dissemination of videos (e.g. a reality show on YouTube<sup>191</sup>), which are reportedly playing a role in awareness-raising activities.

One challenge is that there are many aspects of Taiwan's international cooperation and development and ODA-related information where data is not disclosed. This is a point that Chien and Wu<sup>192</sup> note, stating that *“reforms to Taiwan’s aid programmes remained opaque (...), partly because foreign aid projects are still regarded as national secrets in the name of national interest.”* As Chien and Wu point out, this is because Article 12 of the ICDA states, *“In order to encourage the people of Taiwan to participate in international cooperation and development affairs, the competent authority or other government agency/institution shall make public through its website, or other suitable channels, details of the latest international cooperation and development projects, except for classified information.”* [underline added by study team]. The same shall be also shown in Article 15 of the same Act, stipulating that *“Each year, a report on Taiwan’s promotion of international cooperation and development affairs shall be drawn up by the competent authority and submitted to the Executive Yuan, which shall forward it to the Legislative Yuan for reference. Where projects involve classified information, related discussions, reports and documents shall not be made public.”* [underline added by study team]. The report points out that there is a legal "backdoor" to allow non-public information. However, it should be noted that, as the report and interviewed organizations point out, gradual efforts are being made to improve the situation, and that there are political reasons surrounding Taiwan behind these challenges. In order to improve these issues, MOFA is currently providing trainings on ODA to various ministries and agencies.

<sup>190</sup> TaiwanICDF "Development Focus Quarterly": An information-sharing magazine contributed by TaiwanICDF staff, project workers, and experts, and a forum for academic opinions on ODA. It also serves as a forum for the dissemination of opinions on ODA from the academic field. (TaiwanICDF Hearing Results)

<sup>191</sup> YouTube "An Intern's Global Journey with the TaiwanICDF": Produced by a team of TaiwanICDF staff in cooperation with National Chengchi University. (TaiwanICDF Hearing Results)

<sup>192</sup> Chien Shih-Shen, Wu Yi-Chen "Trilateral humanitarian aid: Continuities and changes in Taiwan's aid policy before and during the first administration of Tsai Ing-wen" in "Taiwan During the First Administration of Tsai Ing-wen" (2021) p361-

## 5.2 Future Perspectives

Based on the data and interview results provided by the Taiwanese side through this survey, Taiwan's future prospects for international cooperation and development can be summarized as follows.

- The goals, objectives, and strategies of Taiwan's international cooperation and development are as specified in the "White Paper on International Cooperation and Development Policies (2023)".
- International Cooperation and Development is positioned as an important foreign policy, and Taiwan aims to expand this.
- In order to expand this, Taiwan does not limit its assistance to Diplomatic Countries only, and places importance on partnerships with like-minded countries and international organizations.

As seen in "2.1.3 Development Cooperation as Foreign Policy," the above trend of emphasizing partnerships is in line with Taiwan's emphasis on Trilateral Cooperation, a line that has continued since the Ma administration in the late 2000s. As MOFA has emphasized, such partnerships are expected to create synergies, such as increasing the development impact of international cooperation and development assistance, while taking advantage of Taiwan's strengths and resources. In such partnerships, the target countries to provide assistance can be not only Diplomatic Countries that Taiwan considers important but also Friendly Countries. Sectors may be focused on SDGs-related topics, including climate change and environmental protection sectors – that have been emphasized by the current administration – as well as public health and agriculture, where Taiwan has traditionally had strength, and ICT, where Taiwan has recently been making significant progress.

MOFA<sup>193</sup> responded as follows regarding the prospects for future participation in the donor community: *"MOFA will continue to expand Taiwan's international cooperation through both bilateral partnerships and multilateral engagement, using its comparative advantages, such as ICT, public health to make contribution and demonstrate that Taiwan is a responsible stakeholder. Taiwan also aims to deepen cooperation in advanced sectors and emerging issues. The private sector is encouraged to participate in Public-Private Partnerships (PPP). Collaboration with like-minded countries and multilateral organizations will further strengthen Taiwan's global contributions."*

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<sup>193</sup> MOFA hearing results

