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**The Implementation and Challenge: Taiwan's Official  
Development Assistance to the Asia-Pacific Region**

**實踐與挑戰：台灣在亞太地區政府開發援助**

Min-Chen Lee(李旻臻)

Advisor: Dr. Pai-Po Lee

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## Abstract

This research aims at providing objective analysis and comparison of Official Development Assistance (ODA) models of the Republic of China (Taiwan) in the Asia-Pacific region. The thesis tries to build a theoretical framework on Taiwan's ODA by examining empirical evidence and case studies to shed light on the perspective and possible improvement of Taiwan's ODA. Through deliberating and summing up targets of Taiwan's ODA policy, the author analyzes related international cooperation and regional security. This paper defines ODA in the very beginning, followed by framing the research target into two groups— Southeast Asia counties and Pacific countries. Then the author builds a framework based on two distinctive ODA's characteristics. First, technical assistance and capacity-building assistance, which are related to the Taiwan International Cooperation and Development Fund (TaiwanICDF). Second, investment, loans, and interest subsidy assistance, which are related to the Office of Trade Negotiations (OTN) under the Executive Yuan (the Cabinet). By interviewing ten stakeholders — two TaiwanICDF officials, three scholars in international relation and ODA, two trade representatives of the Office of Trade Negotiations, one official from Ministry of Foreign Affairs, one representative from overseas investment and development cooperation, and one official from the National Security Bureau — the author indicates the challenges of Taiwan's ODA policy and improvement of execution capability while concludes with Taiwan's government carried out its ODA projects through two framework: financing facility by OTN and technical assistance by TaiwanICDF. The government has two roles in the ODA program, to review and approve the proposed infrastructure plan and subsidize the interest on the loans disbursed. In addition, it is suggested that the government should establish a suitable policy-based financial institution and initiate a state government level of ODA, which takes social infrastructure like sanitary and medical services into concern.

Keywords: Official Development Assistance (ODA), International Aid, the New Southbound Policy, Regional Security

## Abstract in Mandarin (中文摘要)

本文旨在解析並闡明中華民國（台灣）於亞洲及太平洋地區之政府開發援助之方式與成果比較，並從實證經驗與案例中歸納出台灣政府開發援助的基本理論體系，進而解構台灣政府開發援助之獨特性，藉由政府開發援助現狀之分析、援外政策之檢討以及執行層面的改善，進一步探討台灣的國際合作及區域安全。研究方法為先定義何謂政府開發援助，其次界定研究對象與範圍（東南亞地區與太平洋地區的國家），再依照台灣政府開發援助之不同性質分為兩大主軸。分別為：一、以「國際合作發展基金會」為主的技術協助及能力建構援助，二、以「行政院經貿談判辦公室」為主的投資、貸款、利息補貼援助。其藉由深入訪談兩位國際合作發展基金會的技術官員、三位國際關係與國際援助的學者、兩位行政院經貿談判辦公室的談判代表、一位中華民國外交部官員、一位海外投資開發公司代表以及一位中華民國國家安全局官員，以實證經驗與案例分析台灣政府開發援助的政策與執行，以及分析檢討援外政策的執行模式與探究其特殊性，分點說出結果以及研究發現：政府同時以這兩大援外主軸分別專責發展「能力建構」、「技術援助」、「呼應聯合國千禧年發展目標及建置 ODA 統計資料庫」與「政府利息補貼」、「建立政府主導的海外公共工程延攬機制」以此互補互助，並再以是否為邦交國分類進而判定相關主責單位。最後探討台灣於亞太地區的國際參與及區域安全，與其政府開發援助之關聯及影響，並給予建議：政府應建置「為執行政策目標所設立的金融機構」、設置民間部門投資融資中心以爭取第三國合作案件、以及將現行的執行計劃放寬條件，除水利、供電、道路等硬體的實質基礎建設，亦可考慮醫療衛生等社會性基礎設施。

關鍵詞：政府開發援助、國際援助、新南向政策、區域安全

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## Abbreviations

ADB: Asian Development Bank  
AFPC: American Foreign Policy Council  
AFR: Association of Foreign Relations  
ASEAN: Association of Southeast Asian Countries  
CDB: Caribbean Development Bank  
DAC: Development Assistance Committee  
FAO: Food and Agriculture Organization  
FDI: Foreign Direct Investment  
FTA: Free Trade Agreement  
GDP: Gross Domestic Product  
GNI: Gross National Income  
HA/DR: Humanitarian Assistance and Disaster Relief  
IDA: International Development Association  
IGOs: Intergovernmental Organizations  
IMF: International Monetary Fund  
ICDF: International Cooperation and Development Fund  
IBRD: International Bank for Reconstruction and Development  
JBIC: Japan Bank for International Cooperation  
JICA: Japan International Cooperation Agency  
MDGs: Millennium Development Goals  
MOF: Ministry of Finance  
MOFA: Ministry of Foreign Affairs  
NGOs: Non-Governmental Organizations  
NPOs: Non-Profit Organizations  
NSP: New Southbound Policy  
OCHA: United Nations Office for the Coordination of Humanitarian Affairs  
ODA: Official Development Assistance  
OECD: Organization for Economic Cooperation and Development  
OTN: Office of Trade Negotiation, Executive Yuan  
PPP: Public-private Partnership

PRC: People's Republic of China

RCEP: Regional Comprehensive Economic Partnership

ROC: Republic of China

SDGs: Sustainable Development Goals

UNSG: Secretary-General of the United Nations

USAID: US Agency for International Development



## Chapter 1 Introduction

### 1.1 Research Background

Taiwan is committed to piloting the official development assistance (ODA) financing model with the Pacific countries, ASEAN member states, and other Asian countries. According to the Taiwan International Cooperation and Development Fund (TaiwanICDF), the 2018 Taiwan ODA budget is \$ 268 million. The TaiwanICDF is supervised by the Ministry of Foreign Affairs (MOFA) and is the main arm of Taiwan's economic diplomacy. The Executive Taiwanese Yuan is cooperating with the new southern countries on their infrastructure and major development projects with a newly created \$ 3.5 billion fund. It must be managed as part of the Taiwanese ODA version. TaiwanICDF has been instrumental in facilitating social and economic development by providing humanitarian and disaster relief through training in technical and human resources. Therefore, ODA was an alternative to Taiwan's international engagement in its diplomatic dilemma, as well as its secure and democratic status quo to maintain a stable and secure Asia.

Taiwan's foreign aid programs are generally aimed at reducing poverty, providing medical aid, and increasing crops. Although the Sustainable Development Goals (SDGs) emphasize inclusiveness and global partnerships with the obligation to leave no one behind, Taiwan has not been allowed to participate in meetings related to the United Nations. However, this island nation continues to assume its responsibility towards international society and supports various projects that help partners achieve their development goals.

ODA has been one of the mechanisms of Taiwanese foreign policy since the 1950s. Like all foreign policy, Taiwan's development policy abroad is influenced by international events and the corresponding national climate (Lin, 2017). The characteristics of ODA finance contracts include more than a simple exchange of money, as there are often intangible influences that gradually penetrate the developing country over the life of the aid (OECD). The spirit of Taiwan's economic development assistance programs has often taken the form of technical cooperation. According to the Taiwanese executive, Yuan and Taiwan should not view ODA as diplomatic aid, but as a tool that helps Taiwan's commercial banks finance foreign governments that

guarantee they will contract the Taiwanese industrial sector. This mechanism allows Taiwan to play a vital role in international and regional development, and the combined efforts of government and the private sector guarantee Taiwan's increased involvement in overseas engineering and construction projects (Fang, 2019).

In addition to the four prestigious countries, Taiwan is the focus of attention set out in the United States' national security strategy "to maintain a close connection with Taiwan by ensuring legitimate defense needs and preventing coercive measures." Taiwan is proud of its responsibility as a global citizen whose humanitarian and civil protection capacity could have a significant impact on the region (Thim, 2015). Taiwan has already been actively involved in Humanitarian Aid (HA) under the Taiwanese IFCD and International Disaster Relief (DR) under the Global Cooperation and Training Framework (GCTF). Besides, the Asia and Pacific Humanitarian Aid Platform (APHAP) was mentioned in the Progressive Democratic Party's defense document in 2014, and the U.S. State Department announced the start of 2014 in 2016.

After APHAP was founded, it would be an excellent opportunity to work with the ASEAN Japan Integration Fund (JAIF) in HA / DR in Southeast Asia. Historically, Japan was the world's largest ODA partner in 1989, surpassing the United States, which previously held the top spot. Japan remained a leader among the DAC countries and maintained its leadership position for ten years from 1991 to 2000. Taiwan has attempted to work with the Japanese model for ODA as one of the DCA districts, whether quantitative or qualitative, particularly on projects in Southeast Asia. Like the Taiwanese ICDF in Taiwan, JICA provides bilateral aid in the form of technical cooperation, loans, and grants from the Japanese ODA.

To qualify as an ODA, a loan must first pass the general ODA tests. An official body must submit it to a qualified multilateral body or a country on the list of DAC-ODA recipients. The main goal must be achieved by excluding military aid and loans for export promotion (CFGD, 2018). In the case of Taiwan, there are legal and international reasons to help. The legal reasons, often cited by Taiwanese officials, are found in the country's constitution and the Yuan Executive's foreign policy guidelines. Article 141 of the Constitution of the Republic of China (ROC) provides that the country advocates "the promotion of international cooperation"; The

foreign policy guidelines emphasize the importance of "fulfilling Taiwan's international obligations well, sharing international obligations, expanding international cooperation and influencing international society." In terms of international participation, the ODA has served as an alternative gateway to express the island state's opinions and economic opportunities. Therefore, this study suggests the current implementation and challenge of Taiwanese ODA for the Asia Pacific region (Anon, 1997).

Taiwan has several ODA partners, 14 of which are located in the Asia-Pacific region. In this chapter, they are divided into two groups: the Pacific countries and the Southeast countries (Table 1.1). First, TaiwanICDF reaches districts in the Pacific region, including Papua New Guinea, Solomon Islands, Palau, Marshall Islands, Tuvalu, Fiji, Nauru, and Kiribati. while in the Southeast Asia region, including Myanmar, the Philippines, Myanmar, Indonesia, Thailand, and Nepal. On the other hand, the Trade Negotiations Bureau, headed by Yuan, works with countries that adhere to the new policy towards the south, such as the Philippines.

Table 1.1 TaiwanICDF ODA to 13 countries to Asia-Pacific Region from 2009-2019

Pacific Countries	
Papua New Guinea	Myanmar
Solomon Islands	Philippines
Palau	Nepal
Marshall Islands	Thailand
Tuvalu	Indonesia
Fiji	
Kiribati	
Nauru	

(Source: MOFA, ROC and TaiwanICDF)

To map the relationship between Taiwan's ODA and its impact on the Asia-Pacific countries, this document illuminates the niche of the island state by performing qualitative studies on the development of ODA with Taiwan from the start with ten actors. In other words, the research would go through Taiwan's ODA for the Asia-Pacific countries, their impact on the region, and the challenges they face.

## **1.2 Research Purposes**

Why study Taiwan's ODA to the Asia-Pacific Region? The question is the focus of this study - Taiwan's official development in the Asia-Pacific countries and its implementation and challenges - and is vital for both Taiwan and those involved. Recent surveys of Taiwan's overseas aid programs have shown that "improving international status has been the primary determinant of Taiwan's foreign aid policy" (Rand, 2019). Taiwan believes that ODA is an alternative to official status, diplomatic relations, and economic incentives. More specifically, these studies should find out how Taiwan should improve its ODA and what challenges it faced.

Data from the TaiwanICDF show that these communities that received aid from Taiwan are in Papua New Guinea, the Solomon Islands, Palau, the Marshall Islands, Tuvalu, Fiji, Nauru, Kiribati, Myanmar, the Philippines, Myanmar, Indonesia, Thailand, and Nepal saw their agricultural yields increase; Food consumption and food security are growing; Income rise; Resistance to flooding, earthquakes and extreme weather events is improving. Such an approach has had an impact on the diplomatic tendency of neighboring countries. On the other hand, the Taiwanese ODA directs researchers' interest to their possible impact on donor policy - not only on foreign aid policy but also on regional cooperation and exchange, such as the New Southbound Policy - and the recipient country's strategic decision.

Taiwan has implemented extensive aid programs in the Asia-Pacific region, and previous studies have concluded that these programs are "essential" to Taiwan's desire to maintain diplomatic partners in the region (Chen, 2007). Aid has reached a remarkable level in recent years. In 2010, Taiwan's development assistance was \$ 438 million. 2012: \$ 332 million; 2013: \$ 299 million;

This means that development aid policy would, to some extent, affect their diplomatic relations as well as regional stability.

In the context of development aid, at least one essential philanthropy must be practiced. Therefore, it can be uncomfortable for employees who see poverty reduction as a primary objective to be aware of the overall political responsibility of the organization.

In other words, the researcher attempts to satisfy the following objectives:

1. To identify the implementation of Taiwan's ODA in the Asia-Pacific region.
2. To examine Taiwan's ODA purposes and features in the Asia-Pacific region.
3. To compare Taiwan's ODA in different systems.
4. To identify Taiwan's ODA and its diplomatic value.
5. To provide recommendations for Taiwan's ODA.

### **1.3 Research Questions**

What are the challenges and possible alternatives that Taiwan has faced when implementing ODA in the Southeast Asia countries and the Pacific countries? In order to elaborate on this research question, more related issues should be brought on the table. To be more specific, from the related policies and regulations to the government-led programs, from the TaiwanICDF's technical assistance and capacity-building assistance to the Trade Negotiations Office's investment, loans, and interest subsidy assistance, from diplomatic alleys in the Pacific region to non-official alleys in Southeast Asia, is it possible to optimize Taiwan's ODA and ensure that it gets the maximum diplomatic and economic value out of its generosity?

Based on the aforementioned research objectives, this study aims to answer the following questions.

1. What are Taiwan's ODA purposes and features in the Asia-Pacific region?



2. What are the common and differences between Taiwan ICDF and OTN's ODA in the Asia-Pacific region?
3. How does Taiwan optimize its ODA and ensure that it gets the maximum diplomatic and economic value?
4. What aspects should Taiwan focus on or improve its ODA?

#### **1.4 Significance of the Study**

This research explores these questions and finds that Taiwan's ODA to the governments of the Pacific countries and Southeast Asia through both Taiwan ICDF and OTN, and improving desired outcomes. Meanwhile, the research purpose is shedding light on the difficulties and dilemmas that the government of Taiwan has faced and possible solutions and alternatives. It is to say, it presents not only information about the types of contributions Taiwan has made to these partner nations as well as how the aid is delivered but drawn from insights from interviews with Taiwan's ODA stakeholders about how Taiwan might be able to increase its possibilities on deepening its cooperation and its ODA programs to potentially post impact on regional security and the dilemma it has faced.

### 1.5 Delimitation of Research

The study is delimited to the analysis of Taiwan's ODA performance. It should be noted that the central focus of this research is the two different ODA system which embodied by Taiwan International Cooperation and Development Fund (TaiwanICDF) and Office of Trade Negotiation (OTN) individually. Table1.2 showcases the time period of both system.

Table 1.2: Time Periods for TaiwanICDF and OTN as Aid Providers

System	TaiwanICDF	Office of Trade Negotiation
Time Period	On going project from 2009 to 2019	On going project from 2016 to 2019

(Source: MOFA, ROC, TaiwanICDF and OTN)

In addition, data and information from the Office of Trade Negotiation are considered confidential while TaiwanICDF's ODA projects are transparent. Therefore, the current situation of ODA projects which under Office of Trade Negotiation are mainly acquired by interviewing and supplemented by open data.

## Chapter 2 Literature Review

Official development aid (ODA) is state aid to promote economic development and the well-being of developing countries. Loans and credits for military purposes are excluded. Aid can be provided bilaterally, from donor to recipient, or through a multilateral development agency such as the United Nations or the World Bank. The aid includes grants, low-interest loans (the grant element making up at least 25% of the total amount), and the provision of technical assistance. The OECD maintains a list of developing countries and regions. Only aid to these countries counts as ODA. The list is updated regularly and currently includes over 150 countries or territories with a per capita income of less than USD 12,276 in 2010. A long-standing goal of the United Nations is that developed countries make up 0.7% of their gross national income expenditure. This indicator is measured as a percentage of gross national income and constant prices in USD million, with 2015 as the base year.

The total ODA provided by members of the Development Assistance Committee (DAC) of the OECD was USD 134.8 billion in 2018, 7% more than the USD 125.6 billion provided in 2017. The net ODA of the DAC countries was 0.3% of gross national income (GNI) and rose slightly from 0.29% in 2012. Five countries were among the DAC members, including Norway and Sweden. The UN target became one in Luxembourg, Denmark, and the United Kingdom ODA / GNI ratio of 0.7% reached.

The DAC has measured the flow of resources to developing countries since 1961. Particular attention was paid to the official and concessional part of this river, which is referred to as official development aid (ODA). The DAC first defined the ODA in 1969 and tightened it in 1972. ODA is the critical measure for virtually all development aid goals and assessments (OECD, 2019).

Official development assistance flows are defined as flows to the countries and territories included in the list of DAC-ODA recipients, as well as multilateral development institutions provided by official agencies, including state and local governments, or through their executive

agencies; and any transaction whose primary goal is to promote economic development and well-being in developing countries; and is concessional (Riddell, 2008).

According to the OECD, the DAC defines ODA as "flows to the countries and territories on the list of DAC ODA Recipients and to multilateral institutions which: through official bodies, including state and local, or through their executive agencies be provided; and any transaction whose main objective is to promote economic development and well-being in developing countries; It is up-to-date and grants a subsidy of at least 25% (calculated at a discount rate of 10%).

The United States is the largest donor, followed by the United Kingdom, Germany, Japan, and France, which provide \$ 31.5 billion. This corresponds to an increase of 1.3% compared to 2012 and 0.19% of GNI. The total ODA of the 28 members of the European Union was USD 71.2 billion, with an ODA / GNI ratio of 0.41%. The ODA offered by France, Portugal, Greece, the Netherlands, and Belgium has decreased by more than 5%. Spain, Italy, Poland, Denmark, Finland, Germany, Sweden, and the United Kingdom increased their ODA, and the United Kingdom increased its ODA by 27% for the first time to reach the United Nations target of 0.7%.

In Asia, donor ODA in two donor countries has increased significantly over these decades: Japan increased by 36% to \$ 11.7 billion, while ODA from South Korea increased 4% to \$ 1.7 billion. Although these two main donors constitute a large part of ODA in Asia, there is one country that seeks ODA as an effective tactic for an unofficial diplomatic partnership - Taiwan. In its diplomatic rivalry with China, ODA was seen as one of the alternatives for the island country (Atkinson, 2010). Therefore, this research article would analyze how Taiwan's ODA affects regional geopolitics in Asia-Pacific countries.

The case of Taiwan was a case study on political economy, industrial policy, and, in particular, development aid. It is difficult for two predictions from the theory of dependence and inequality (Whyte, 1982). In the case of Taiwan, however, none of these mechanisms work as intended. It is not only one of the emerging economies of East Asia (NIC), but also a model for other countries that succeeds in combining industrialization and growth with equality (Bridegroom,

1994 ). Scientists have concluded that the focus on labor-intensive businesses, massive industrial infrastructure, USAID communications, and the Land Reform Act could be the reasons.

Taiwan has received aid and foreign investment from countries like the United States and international organizations since the early 1950s, about \$ 100 million a year, or 9% of GDP. or 0.11% of gross national income (MOFA, 2018). From 1951 to 1966, the United States provided Taiwan with \$ 1.48 billion in the project and non-project grants, providing 70% of economic aid and 26% of agricultural products and 4% of development credits. During this time, aid has successfully helped Taiwan in terms of transportation infrastructure, financial development, and medical care.

After Taiwan made rapid economic progress in the 1960s and had to leave the United Nations in 1971, Taiwan expanded its economic or official development aid to developing countries (Chang, 1965). The start of international development aid goes back to the Marshall Plan and the creation of the corresponding international organizations. Aid was used as a diplomatic instrument during the Cold War. It was only in the second half of the 20th century that the concept of humanitarianism gradually developed, and cross-border issues such as economic, judicial, and democratic reforms, as well as drug prevention and environmental protection were dealt with important issues for international development cooperation. (MOFA, 2019).

The establishment of the International Fund for Economic Cooperation (IECDF) in 1988 and the International Fund for Cooperation and Development (TaiwanICDF) in 1996 not only aims to provide development loans and technical assistance but also to strengthen international cooperation and cooperation, Strengthen foreign policy.

Almost half of Taiwan's foreign aid goes to improving social infrastructure in friendly countries, with economic infrastructure being the second most important goal. In 2018, Taiwan's foreign aid projects included areas such as education, healthcare, transportation, information and communication, energy, agriculture, forestry, fishing, sustainable development, and disaster relief. Taiwan has also further strengthened its role as a humanitarian aid provider by helping countries affected by natural disasters, which has led to an increase in the amount provided.

Taiwan's ODA has not changed significantly in recent years. The ODA / GNI ratio fluctuated between 0.051% and 0.101% (Figure 2.0). In addition to the ODA data for Taiwan for ten consecutive years, the changes in those three years are shown in Tables 1.1, 2.2, and 2.3. This document highlights Taiwan's ODA data from 2016 to 2018 for further details and to define the new southbound policy introduced in 2016 as a possible variant.

Table 2.1 Taiwan's ODA Statistics (2010-2018)

Taiwan's ODA Statistics (2010-2018)		
Taiwan's ODA Statistics	Total Amount (US\$)	ODA/GNI Ratio
Taiwan's ODA Statistics in 2010	380,915,755.04	0.101%
Taiwan's ODA Statistics in 2011	381,241,947.60	0.093%
Taiwan's ODA Statistics in 2012	304,326,827.50	0.062%
Taiwan's ODA Statistics in 2013	271,771,571.63	0.054%
Taiwan's ODA Statistics in 2014	280,835,638.13	0.051%
Taiwan's ODA Statistics in 2015	277,914,424.36	0.052%
Taiwan's ODA Statistics in 2016	327,991,354.45	0.060%
Taiwan's ODA Statistics in 2017	321,250,819.65	0.0560%
Taiwan's ODA Statistics in 2018	301,657,101.22	0.0512%

(Source: MOFA, ROC)

In 2010, funding for Taiwan's international cooperation and development missions that met the OECD's needs for ODA amounted to approximately \$ 380 million (NT \$ 12.08329 billion), or 0.101%. of gross national income (GNI). Although this number still does not correspond to the 0.70% set by the United Nations (UN), it is close to the members of the OECD, South Korea (0.12%), and Italy (0.15 %) as well as non-OECD countries. Members Hungary (0.10%) and Poland (0.09%).

Taiwan's ODA in 2017, \$ 321 million, represents 0.0 0.056 of GNI. The total amount of Taiwanese ODA in 2017 is \$ 321,250,819.65. It is divided into five annexed categories: social infrastructure and services, economic infrastructure, economic infrastructure, sustainable development, and others. Under these five categories, the subcategories could fit into any area.

Taiwan's foreign aid projects included areas such as education, health care, transport, information and communication, energy, agriculture, forestry, fishing, sustainable development, and disaster relief. Taiwan has also continued to expand its role as a provider of humanitarian services by relieving countries prone to natural disasters, which has increased available funds (Pryke, 2018).

## 2.1 TaiwanICDF's Role in Pacific Countries

TaiwanICDF is an essential place for the support and contacts of diplomatic partners from developing countries in Taiwan. TaiwanICDF focuses on "Promoting Socio-Economic Development, Improving Human Resources and Promoting Economic Relations" and provides "humanitarian aid and assistance in the event of a natural disaster or an international refugee crisis" through "four main operations: investment loans, technical cooperation, humanitarian aid, and international education and education." Taiwan's reputation for generosity is also based on an extremely active group of corporate donors, civil society non-governmental organizations, and individuals who are increasing the impact of their government loans through their own donations and support.

Table 2.2 Taiwan's ODA to 14 countries to Asia-Pacific Region in 2019

Pacific Countries	Southeast Asian countries
Papua New Guinea	Myanmar
Solomon Islands	Philippines
Palau	Nepal
Marshall Islands	Indonesia

Pacific Countries	Southeast Asian countries
Tuvalu	Thailand
Fiji	
Nauru	
Kiribati	

(Source: TaiwanICDF)

TaiwanICDF is the dedicated international development organization representing the government of Taiwan. The projects are distinguished by their participation: bilateral projects and regional projects. In these eight Pacific countries, 77 projects have been carried out in the fields of humanitarian aid, disaster relief, technical cooperation, capacity building, urban and rural development, housing missions.

In this chapter, research focuses on bilateral projects with the Pacific countries and Southeast Asia, as well as on multilateral cooperation in the Asia-Pacific region. Table 2.3 lists eight Pacific countries cooperated by TaiwanICDF: Papua New Guinea, Solomon Islands, Palau, Marshall Islands, Tuvalu, Fiji, Nauru, and Kiribati (HA / DR), technical cooperation, Taiwanese youth service abroad and capacity building.

TaiwanICDF divides its projects into five different thematic areas: environment, agriculture, information and communication technologies, public health and medicine, and education. Each departmental project should meet the development needs of partner countries following the United Nations Sustainable Development Goals (SDGs).

Table 2.3 Bilateral Projects in Pacific Countries

Pacific Countries	Cooperated Projects	Cooperated Projects	Cooperated Projects
<b>Papua New Guinea</b>	2016 Healthcare Personnel Training Program	Farmers Training Cooperation Project	Medical Project in the Pacific Island Countries



Pacific Countries	Cooperated Projects	Cooperated Projects	Cooperated Projects
<b>Solomon Islands</b>	Agriculture Integrated Development Project	Healthcare Personnel Training Program	Mobile Medical Mission(Budgets from MOFA)
	Beekeeping Project	Food Crop Improvement Project	Integrated Hog-raising Project
	Overseas Professional Mandarin Teaching Project	Taiwan Youth Overseas Service	Vegetable and Fruit Improvement Project
	Healthcare Personnel Training Program (Program 2015, 2016, 2017, 2018)	Agriculture Integrated Development Project	Census and Classification of Plant Resources in the Solomon Islands
	Healthcare Personnel Training Program	Hog-raising Project	Horticulture Project
	Medical Project in the Pacific Island Countries	Mobile Medical Mission	Solomon Islands: Addressing Health and Hygiene needs of those affected by the Solomon Islands Flooding in Weathercoast, Guadalcanal
<b>Palau</b>	Horticulture Extension Project	Overseas Professional Mandarin Teaching Project	Taiwan Youth Overseas Service
	Healthcare Personnel Training Program (2016, 2017, 2018)	Horticulture Project	Horticulture and Nutrition Enhancement Project
	Medical Project in the Pacific Island Countries	Mobile Medical Mission	
<b>Marshall Islands</b>	Taiwan Youth Overseas Service	Horticulture Project	Home Energy Efficiency and Renewable Energy Project in the Marshall Islands
	Livestock Project	TaiwanICDF Overseas Volunteers Program	Healthcare Personnel Training Program (2015, 2016)
	Mobile Medical Mission	Vocational Training Project	Medical Project in the Pacific Island Countries
<b>Tuvalu</b>	Horticulture Expansion Project	Taiwan Youth Overseas Service	Healthcare Personnel Training Program (2015,2016,2017, 2018)

Pacific Countries	Cooperated Projects	Cooperated Projects	Cooperated Projects
	Aquaculture Project	Healthcare Personnel Training Program	Medical Project in the Pacific Island Countries
	Horticultural Crop Development Project	Mobile Medical Mission	Post Tropical Cyclone Pam— Restoration of Water Security throughout Tuvalu
<b>Fiji</b>	Aquaculture Project	Taiwan Youth Overseas Service	Vegetable Production, Marketing Extension and Capacity Building Project
	Healthcare Personnel Training Program	Medical Project in the Pacific Island Countries	Healthcare Personnel Training Program (2015,2016)
	Mobile Medical Mission	Poultry Development Project	Tropical Vegetable and Fruit Cultivation and Extension Project
<b>Nauru</b>	Egg Production Project	Taiwan Youth Overseas Service	Vegetable Production and Nutrition Enhancement Project
	Horticulture Project	Healthcare Personnel Training Program	Healthcare Personnel Training Program (2015, 2016, 2017)
	Livestock Project	Medical Project in the Pacific Island Countries	
<b>Kiribati</b>	Milkfish Aquaculture Project	Nutrition Enhancement Project	Healthcare Personnel Training Program (2015, 2016, 2017, 2018)
	Taiwan Youth Overseas Service	Pig rearing Project	Medical Project in the Pacific Island Countries
	Healthcare Personnel Training Program	Aquaculture Project	Mobile Medical Mission
	Healthcare Personnel Training Program	Horticulture Project	Repair and Upgrade of Bonriki International Airport
	Livestock Project		

(Source: TaiwanICDF)

There are five different roles that TaiwanICDF played in regional projects: medical mission, humanitarian assistance, and disaster relief (HA/DR), technical cooperation, Taiwan youth

oversea service, and capacity building. The following paragraph would go through the details and purpose of these programs.

#### A. Medical Mission

Of the eight United Nations (UN) Millennium Development Goals (MDGs) in 2000, three relate to health, hygiene, and medicine. This shows that improving the health environment and promoting healthy personal development are pressing issues in developing countries. With Taiwan's healthcare sector among the best in the world, the focus has been on supporting and developing medicine and healthcare in partner countries in the Asia-Pacific region. The United Nations announced the launch of the Sustainable Development Goals (SDGs) in 2016 and defined all health topics in Goal 3: Ensuring healthy living and promoting well-being for all age groups.

The Taiwanese ICDF plays the role of "facilitator" rather than "donor" in these programs and uses this comparative advantage to provide official development aid (ICDF, 2018). In particular, much of the medical support is organized in collaboration with the International Healthcare Strategic Alliance - the IHCSA. The IHSCA is a coalition of the Taiwanese ICDF and 37 Taiwanese hospitals and medical facilities, including the Chang Gung Memorial Hospital.

The mobile medical mission not only offers immediate medical help but also works efficiently and inexpensively. The Mobile Medical Mission's efforts have a profound impact on areas far from urban centers and win the prize of local citizens. This is a positive picture of Taiwan's participation in global medical care and shows Taiwan's determination to join the global society, especially with the cooperating countries - Marshall Islands, Tuvalu, Fiji, Kiribati, Papua New Guinea, Solomon Islands, and Palau.

Mobile medical operations are an integral part of this strategy. Since 2006, the Taiwanese ICDF, in collaboration with the IHCSA, has organized more than 80 mobile medical missions in which temporary clinics have been deployed in partner countries around the world in urban and rural communities. The Taiwanese doctors and medical staff who work on these missions not only treat patients, but also work with local health professionals to provide clinical training,

demonstrations, and technical exchanges. This approach enables the sustainable strengthening of human medical resources at the local level. In 2011, TaiwanICDF will organize 16 mobile medical missions in partner countries to provide medical services (12 MMFA-MOFA budgets and four from TaiwanICDF).

Table 2.4 Regional Project in Asia-Pacific on Medical Mission

Project Name	Mobile Medical Mission
Implementation Date	2011/01/01 - 2011/12/31
Executing Agency	The TaiwanICDF and the 37 allied hospitals from the International Healthcare Cooperation Strategic Alliance (IHCSA)
Implementation Arrangement:	<ul style="list-style-type: none"> <li>• Outreach Clinic Service: This service combines the knowledge and expertise of doctors, nurses and pharmacists. It also serves the local populations through our mobile clinics.</li> <li>• Health Education Campaign: The Mobile Medical Missions implement special projects directed at contagious diseases utilizing the pillars of education, prevention and therapy to halt the spread of these diseases.</li> </ul>
Cooperating Country	Marshall Islands, Tuvalu, Fiji, Kiribati, Papua New Guinea, Solomon Islands, Palau

(Source: TaiwanICDF)

TaiwanICDF and IHCSA work hand in hand at the Taiwanese mobile medical mission in the Republic of Kiribati. The mobile medical mission to Taiwan launched by the Mackay Memorial Hospital (MMH) under the direction of Dr. Shih, director of MMH, left Tarawa on October 10, 2016, after a week of medical care and screening for rheumatic heart disease and setting implementation of a clinical project for I-Kiribati. This is the 20th visit to Kiribati and the 19th visit to the Mission-led Tungaru Central Hospital, which consists of two pediatricians, a cardiologist, a gastroenterologist, a nurse, and an administrative coordinator. The mobile mission provided not only medical services but also provided medical care to the Tungaru Central Hospital.

In other words, 309 patients were treated during their stay in Tarawa, 11 consultations with hospitalized patients, 12 panendoscopic examinations, and 18 patients were identified as reference candidates (Team, 2019). The implementation of the rheumatic heart disease screening

project ushered in the new era of the Taiwanese medical mission. Because prevention is better than cure and the treatment of diseases is expensive, passive, and deferred, therapeutic activities will not be the only objective of the medical team. In other words, the mission of mobile media will focus more on preventive medicine and early detection in the future.

#### B. Humanitarian Assistance and Disaster Relief(HA/DR)

This project aims to transfer medical treatment techniques as part of a clinical exchange by the trends in international aid and the implementation of project-oriented aid modalities. The Humanitarian Aid Department performs several crucial tasks: helping partner countries improve public health and medical care, managing our volunteer program abroad, and providing humanitarian and technical assistance abroad.

The international process of humanitarian aid consists of two phases: emergency aid and recovery and rehabilitation after disasters. During the emergency phase, the majority of government-run national non-governmental organizations can quickly mobilize supplies, food, or non-food items. In contrast, TaiwanICDF's humanitarian aid focuses primarily on the post-disaster recovery and rehabilitation phase, as the organization has no emergency materials or equipment. Besides, TaiwanICDF not only builds partnerships with international NGOs who have years of experience in project countries to carry out humanitarian projects but also sends professional technical experts or project-based volunteers to strengthen collaboration on project implementation. The joint implementation through the integration of resources has a stronger and more positive impact.

The main task of the project is to expand medical staff capacity by first helping Pacific Island partner countries collect information about specific medical cases and diseases, and then working with medical teams to help Taiwanese doctors and local doctors treat these exceptional cases and complex illnesses and improve the skills of local doctors.

Table 2.5 Regional Project in Pacific Island Countries on HA/DR

Project Name	HA/DR: Medical Project in the Pacific Island Countries
Implementation Date	2012/01/01 - 2014/02/28

Project Name	HA/DR: Medical Project in the Pacific Island Countries
Executing Agency	The TaiwanICDF, Shuang Ho Hospital, Machay Memorial Hospital, Chung Shan Medical University Hosopital, Kaohsiung Medical University Chung-Ho Memorial Hospital, Changhua Christian Hospital, Shin Kong Wu Ho-Su Memorial Hospital, Taichung Veterans General Hospital.
Implementation Arrangement:	In accordance with Pacific partner countries' clinical technology needs, the TaiwanICDF will dispatch medical teams organized in cooperation with the International Healthcare Cooperation Strategic Alliance (IHCSA), each providing 2-3 weeks of medical treatment services and technology transfer.
Cooperating Country	Marshall Islands, Tuvalu, Fiji, Nauru, Kiribati, Papua New Guinea, Solomon Islands, Palau

(Source: TaiwanICDF)

### C. Technical Cooperation

This project is an auxiliary production plan project. In order to support the Caboni hatchery for several species (after this referred to as CMH) within the framework of the Ministry of Fisheries in the rehabilitation of infrastructure, human capacity building and the free production of white shrimp larvae (PL ) for the farmers of the country, In addition to the objective of this aquaculture development project, the breeding of certain economic species should be considered. These species include dairy fish and groupers.

Table 2.6 Regional Project in Asia-Pacific on Technical Cooperation

Project Name	Aquaculture Project
Implementation Date	2018/7/1- 2021/12/31
Executing Agency	1. Taiwan Technical Mission in the Republic of Fiji 2. Ministry of Fisheries (Republic of Fiji)
Implementation Arrangement:	To the end of June 2019, the following activities have been completed: 1. Produced 0.515 million larvae of freshwater prawn ( <i>Macrobrachium rosenbergii</i> ), 0.55 million larvae of seawater shrimp ( <i>Litopenaeus vannamei</i> ), and 0.399 million male tilapia in research stations under the Ministry of Fisheries.  2. Held 3 capacity building workshop for 160 people.

<b>Project Name</b>	<b>Aquaculture Project</b>
<b>Cooperating Country</b>	Asia-Pacific, Fiji

(Source: TaiwanICDF)

#### D. Taiwan Youth Oversea Service

In order to broaden the international perspective of Taiwanese youth and use domestic resources to promote international development, the State Department began to investigate whether exceptional young people could alternatively participate in technical and medical missions and overseas projects based on social and economic development. In Taiwan, our workshops are designed to strengthen human resources in partner countries. They cover a range of current development issues, such as trade and industry, agriculture, small and medium-sized enterprises (SMEs), healthcare, and environmental protection. Participants include government officials, senior officials, or NGOs from our developing partner countries. It is the heart of the Taiwan Youth Overseas Service.

In these Pacific partner countries, seven of the eight cooperating countries participated in the Taiwan Youth Overseas Service. This MOFA-funded program offers conscripts a change in military service that benefits the country's diplomatic allies. Although most conscripts are in the military, they can also request an alternative service that allows them to spend this time with government agencies, the police, fire departments, social assistance groups, or similar organizations. In this case, he would serve abroad. In 2018, 86 conscripts were selected from 862 candidates for the program, while a total of 1,092 conscripts have served abroad.

Table 2.7 Regional Project in Asia-Pacific on Taiwan Youth Overseas Service

<b>Project Name</b>	<b>Taiwan Youth Overseas Service</b>
<b>Implementation Date</b>	2019/01/01-2019/12/31
<b>Executing Agency</b>	1. Taiwan Technical Mission in the Republic of Fiji 2. Ministry of Fisheries (Republic of Fiji)

Project Name	Taiwan Youth Overseas Service
Project Objectives	<ul style="list-style-type: none"> <li>- Expand the international perspective of Taiwanese teenagers. Enhance civilian-based diplomacy.</li> <li>- Give back to the international community and expand international cooperation.</li> <li>- Improve the skills and know-how of young Taiwanese men for cultivating a talented pool of human resources for Taiwan's development work.</li> </ul>
Cooperating Country	Eswatini, Marshall Islands, Tuvalu, Fiji, Nauru, Kiribati, Solomon Islands, Palau, St. Lucia, St. Vincent and the Grenadines, St. Kitts and Nevis, Haiti, Honduras, Nicaragua, Guatemala, Belize, Ecuador, Paraguay

#### E. Capacity Building

The rainy season in Fiji is a period of low fruit and vegetable production. This affects farmers' incomes and livelihoods. This project will increase farmers' incomes and sources of protein. In combination with a vegetable farm, the project will recycle agricultural resources, raise chickens and vegetables, collect chicken manure for composting, reduce the use of chemical fertilizers and produce crops to protect the environment and recycle waste. Although the project is nearing completion, the staff of the cooperating unit in Fiji will be trained, and the project will be transferred to the cooperating unit in Fiji. The project is transmitted to the cooperating unit.

### 2.2 TaiwanICDF's Role in Southeast Asian Countries

To promote Taiwan's success in foreign aid, TaiwanICDF uses the Internet and other digital channels and publications to share our work with the development community. In 2017, Taiwanese development aid gradually focused on promoting various SDGs in coordination with our partner countries. Taiwan has dealt with the global community through international platforms such as the World Development Forum organized by the Organization for Economic Cooperation and Development and the United Nations Conference on HLPF and Climate Change. These and other concrete measures have improved national and international recognition and support for Taiwanese development work.



In recent years, the TaiwanICDF has changed its international behavior in terms of official development aid. These were in line with Taiwan's political movements, which attempted to democratize and establish Taiwan as part of an international consensus on universal values and commitment to the underdeveloped world (Alexander, 2015). However, TaiwanICDF's political role remains a high priority. Organizations like the TaiwanICDF have therefore become one of the international political breakthroughs in political terms in recent years.

By providing help, TaiwanICDF seeks to improve economic development and social protection outcomes in several categories. These categories cover the needs of most countries in the Southeast Asian countries and reflect investments in sectors where Taiwan is a priority, including agriculture, micro-finance for small and medium-sized enterprises (SMEs). Information technology, health care, and disaster preparedness and assistance.

Table 2.9 Bilateral Projects in Southeast Asian Countries

Southeast Countries	Cooperated Projects	Cooperated Projects	Cooperated Projects
<b>Philippines</b>	Integrated Action for Children's Nutrition Project	Assisting the Recovery of Typhoon Haiyan-affected Health Centers	
<b>Myanmar</b>	2015 Healthcare Personnel Training Program	2016 Healthcare Personnel Training Program	Solar PV Mini-Grid System for Lighting in Myanmar Rural Areas
<b>Indonesia</b>	Central Sulawesi Earthquake WASH Support Program	High Quality Rice Seed Development Project in South Sulawesi	Strengthening Incubator Agribusiness with Human Resources Development in Bandung
	Sigi-Biromaru Livelihood Support Program	TaiwanICDF Overseas Volunteers Program	Agribusiness Project
	One Village, One Product Agribusiness Project		
<b>Thailand</b>	Gloriosa, Sweet Potato Virus-Free Seedling and Grape Root Stock Production Project	TaiwanICDF Overseas Volunteers Program	Integrated Pest Management in Vegetable Production and Fruit Flies Control Project in Royal Project Foundation

Southeast Countries	Cooperated Projects	Cooperated Projects	Cooperated Projects
	Mushroom and Astringent Persimmon Production Project	Royal Project Foundation Technical Assistance Horticultural Development Project	Pathology Prevention and Control of Citrus and Passion Fruit Project in Royal Project Foundation
<b>Nepal</b>	Assisting the Recovery of Nepal Earthquake Affected Health Posts Project	Gorkha Food Security and Livelihoods Support Program	Gorkha Food Security and Livelihoods Enhancement Program
<b>Myanmar</b>	2015 Healthcare Personnel Training Program	2016 Healthcare Personnel Training Program	Solar PV Mini-Grid System for Lighting in Myanmar Rural Areas

(Source: TaiwanICDF)

There are five different roles that TaiwanICDF played in regional projects: humanitarian assistance and disaster relief (HA/DR), social infrastructure and services, reconstruction relief and rehabilitation, and technical cooperation. The following paragraph would go through the details and purpose of these programs.

#### A. Humanitarian Assistance (in Philippines)

To support the re-establishment of Typhoon Haiyan health centers (Leyte province, Philippines), TaiwanICDF dispatched a volunteer to help implement the project. Typhoon Haiyan (locally called Yolanda) struck the Philippines on November 8, 2013, devastating several regions of the country. Leyte province, east of the Visayas, is one of the most affected areas. Health care in these affected areas was interrupted due to severely damaged facilities and the impact of the event on human resources, resulting in the temporary closure of some health facilities. These conditions have hampered public access to high-quality health services and made them more vulnerable. TaiwanICDF Partners with World Vision Taiwan to Help Local Governments in Leyte Province Restore Rural Health Care Units and Barangay Health Centers Destroyed by Typhoon Haiyan, Improving Public Access to Health Care Services health.

World Vision Taiwan provided technical and administrative controls and helped to review the proposal and prepare reports. World Vision Typhoon Haiyan Emergency Aid implemented the proposed activities, worked with local government agencies, the Ministry of Health, international organizations, and NGOs, and monitored and reported on the progress of the project.

TaiwanICDF is helping local governments in Leyte Province restore 18 health centers and Barangay districts damaged by Typhoon Haiyan, thereby improving access to health care for people.

#### B. Social Infrastructure and Services (in Myanmar)

The main social infrastructure project in Myanmar is the solar PV mini system for lighting in rural areas of Myanmar. This technical aid project aims to improve the electrification of rural areas in the target villages by installing mini photovoltaic grids and lighting devices and to strengthen the administrative capacity of rural communities in installed systems. The project components include (i) pilot installation of photovoltaic solar and lighting systems at two locations (one in the Magway region, the other in the Sagaing region) for electrical power supply in 5 villages; (ii) Community capacity building and commitment to managing photovoltaic systems, including the introduction of a usage model; and (iii) the development of a financially viable operating model and suitable financing mechanisms for the expansion of rural PV mini-grid systems after reviewing the system performance and the business model (user fees). ,

The project aims to improve capacity and engagement in target villages to manage rural energy access projects using photovoltaic systems implemented by the Ministry of Agriculture, Livestock, and Agriculture Irrigation (DRD) in Myanmar. The TaiwanICDF is responsible for managing the funds, buying, shipping, and installing photovoltaic systems and lighting fixtures. While DRD is responsible for (i) recruiting and hiring consultants to provide advisory services on capacity building, review and development of operating models; ii) local collection and transportation of goods that are shipped from the port to their destinations; and (iii) coordinating the villagers involved in installing and managing the system.

#### C. Technical Cooperation (in Thailand)

Technical cooperation in Thailand is the integrated pest control project in vegetable production and fruit fly control within the Royal Project Foundation. The third phase project (2017-2019) relates to integrated plant protection management (IPM) in the production of vegetables and the fight against fruit flies. TaiwanICDF will actively work with the Royal Project Foundation of Thailand to work with IPM to develop biological control agents to control serious diseases and insect pests of vegetable and fruit flies. Organization of study trips by the Royal Project to Taiwan to research related technologies, and provide training to improve the skills of Royal Project technicians in relevant techniques during the third phase of the collaboration.

To demonstrate how this bilateral project would benefit local people and the long-term relationship between TaiwanICDF and Thailand, the following paragraph lists three different categories that list active crop protection agents for which the IPM fly control program fruit is listed. It has been introduced, and IPM will improve the skills of technicians and farmers in the framework of the Royal Project for crop protection techniques.

#### D. Reconstruction Relief and Rehabilitation (Nepal)

One of the cases of reconstruction aid and rehabilitation is the Gorkha program to support food security and livelihood in Nepal. Nepal was hit by a 7.8 magnitude earthquake on April 25, 2015, which caused immense destruction of property, injuries, and deaths. Numerous aftershocks followed, including a second 7.3 magnitude earthquake on May 12, 2015, which caused further destruction in areas already destroyed. To improve the conditions after the disaster, TaiwanICDF has partnered with Care Nepal to ensure food security and livelihood for the households most affected by the Gorkha District earthquake. This goal has been achieved through the implementation of mutually reinforcing measures that help at least 850 affected households (HH) to restore their livelihood and set up adjustment mechanisms to ensure their food security until the end of the project.

At the end of the project, at least 850 disastrous livelihoods for people with disabilities will be restored, and mechanisms will be put in place to ensure their food security. TaiwanICDF has deployed a short-term expert to help implement the project. CARE Nepal took over the technical and administrative oversight, supported the review of the project proposal and the preparation of

reports, and carried out the proposed activities in cooperation with local government agencies and local NGOs.

#### E. Technical Cooperation (Indonesia)

One of the cases of technical cooperation is the project to develop high-quality rice seeds in the south of Sulawesi in Indonesia. Implementation begins on July 7, 2018, and ends on December 31, 2020. Rice is the most important food crop in Indonesia. However, domestic production was insufficient to meet the country's growing needs, and Indonesia still has to import rice from other countries. In southern Sulawesi, one of the most critical rice-growing regions in the country, the use of non-certified seeds further limits the province's ability to increase its rice production. To improve this situation, Hasanuddin University proposed this project intending to increase local rice production in South Sulawesi through cooperation in technology and research. The project has two main objectives: to improve the technology for producing qualified rice seeds and to increase the capacities of cooperative rice production units.

At the end of June 2019, the following activities were completed: 150 hectares of defined and selected seed fields, greenhouse and storage planned, two training courses organized for seed producers, and 150 hectares of newly developed seed fields. At the end of the projects in the Asia-Pacific region, TaiwanICDF's activities focus on four key areas: loans and investments, technical cooperation, humanitarian aid, and international education and training. Each of these areas of activity is represented by a department within our organization.

#### A. Technical Cooperation

Per the partner countries' national development strategies and goals, TaiwanICDF conducts a full and accurate analysis of the challenges and bottlenecks that these partners face during the development process during the identification, preparation, and overall process of project negotiation. TaiwanICDF has also placed capacity building and skills transfer at the heart of our technical cooperation projects, using a range of methods such as professional advice, technical training, updating, and operational guidance. This enables the partners to overcome technical deficits, increase added value, and gradually improve people's quality of life.

## B. Humanitarian Assistance

As part of humanitarian aid, the TaiwanICDF strives to provide recovery assistance after natural disasters in our partner or friendly countries to meet the humanitarian needs of communities affected by disasters. TaiwanICDF is also active in the field of public health and medicine. It integrates local medical resources and Taiwan's experience in implementing foreign aid projects - such as preventing epidemics and implementing medical and public health systems - to help partner countries strengthen public health and medicine.

## C. Lending and Investment

Loan and investment activities include loan and investment activities, in some cases also technical support for capacity building or technical support for project preparation. The projects most often relate to infrastructure and public works, social investment, and the development of the agricultural and private sectors. These initiatives help to increase income in all of Taiwan's partner countries and improve living standards. By providing professional services and helping partner countries to make the best use of their resources, these efforts have contributed significantly to strengthening the relationship between TaiwanICDF and its foreign partners. TaiwanICDF also works closely with several international development organizations to pool resources and align expertise to ensure that the work is as efficient as possible and helps as many people as possible.

## D. International Education and Training

TaiwanICDF's international education and training workshop aims to promote human resources in a variety of disciplines and age groups. As part of this process, we are monitoring our collaboration with the Taiwan International Cooperation Alliance (TICA), a coalition of 16 local universities through which we offer a range of programs leading to bachelor's and master's degrees. Participating students receive scholarships to study in Taiwan, and all programs are taught in English. Campus activities organized in cooperation with TICA institutions allow Taiwanese students to work with international students and become more involved in international affairs.

According to the Taiwanese ICDF database, post-project evaluation is always an integral part of the process. Through an appropriate assessment, we can recognize the advantages and

disadvantages of the methods and information about the work on future projects. In Taiwan, ICDF projects are judged on their social, economic, and financial success. It assesses as clearly as possible what worked in the initial phase of project planning or not, and assesses whether the project plan uses resources as efficiently as possible. These measures ultimately benefit partner countries by improving future projects.

Each of the projects goes through an identification, preparation, and evaluation phase before physical work begins in earnest. During these phases, the Taiwanese ICDF works with stakeholders to agree on some specific development objectives for a project. The next phase of implementation and evaluation is also planned by setting realistic deadlines and indicating the contributions expected from the local stakeholders concerned.

### **2.3 Taiwan's Go South Policy**

President Tsai Ing-wen officially launched the New Southbound Policy, also President of the Democratic Progressive Party (DPP), in his opening speech on May 20, 2016, to formalize the party's proposal announced in September 2015 as part of the presidential campaign Strengthening relations with Southeast and South Asia. The New Southbound Policy is seen as a renewal of Taiwan's existing policy to encourage the economy to move to Taiwan, while the policy objectives and content contain new elements and different priorities.

In 1994, President Lee Tung-hui officially introduced a southern policy to encourage companies to move south through better policy and resource coordination. Politically, Lee's government has also used the investment flows to promote trade diplomacy, including asking presidents and senior officials to visit the country and negotiate bilateral agreements with countries in Southeast Asia. Promote investment and other forms of economic cooperation.

By outsourcing manufacturing activities in the region, Go South policy not only contributed to Taiwan's economic growth in the 1990s and early 2000s but also helped build production networks and chains. In the 1990s, more than 2,000 Taiwanese electronics companies invested in Penang, Malaysia, and helped build one of the largest electronic clusters of Southeast Asia at the



time. In Vietnam, Taiwan, the first foreign investor to enter the new free market, was instrumental in the development of light industry in the socialist country.

According to historical literature, Taiwan's first foreign investment project in Southeast Asia was introduced in the 1950s. At that time, Taiwanese companies in the neighboring region began to establish themselves through networks of "companies populated primarily by local Chinese in these countries. The gradual appreciation of the new Taiwan dollar since the mid-1980s due to the weakness of the US dollar and the rise in the trade surplus with the United States has triggered a new wave of investment in South Asia. East. Before 1994, when the government officially introduced the Go South policy, many small private companies were operating abroad in countries in Southeast Asia, particularly in Indonesia, Thailand, and Malaysia. As part of the Go South policy in the 1990s and 2000s, public and certain Kuomintang (KMT) companies, as well as public and private banks and large real estate developers, were invited to participate in activities related to investing in business start-ups in the Southeast Asian country.

In March 1994, the Taiwanese Ministry of Economic Affairs (MOEA) proposed a three-year plan to improve economic relations and trade in Southeast Asia, which was quickly approved by the Yuan executive. The retroactive work plans as of January 1, 1994, concerned seven countries in Southeast Asia, including the first six ASEAN member states and the socialist country Vietnam, which decided to open their doors to foreign direct investment only after the Vietnamese Communist Party did the Doi Moi or politics in 1986 had decided, she took over the open door and the renovation. 6. Prime Minister Lien Chan successfully visited Malaysia and Singapore in late 1993, followed by President Lee Tung-hui, who also visited the Philippines, Thailand, and Indonesia during the Chinese New Year in 1994 with pioneering visits by Presidents and Prime Ministers Diplomacy "was considered by some to be a diplomatic step in Taiwan's pursuit of international space and recognition.

The work plans were renewed after President Chen Shui-bian took office in 2000, and Chen's two terms as President continued. In addition, President Chen instructed the DPP government in August 2002 to present a new strategy for foreign relations. As part of this strategy, Southeast Asia was, for the first time, assimilated and balanced with the United States, Japan, and Europe



as one of the four pillars of the state's foreign policy. This period is generally considered to be the third wave of south-eastern Taiwan politics after President Lee's first two waves between 1994 and 1999. It was also the DPP's first political response to Southeast Asia<sup>8</sup>. India has also been included in the country's work plans for the first time,

Before 1994, when President Lee introduced the Go South policy, Southeast Asia was the primary destination for overseas investment for Taiwan's labor-intensive agricultural and industries. At the end of 1993, Taiwan's total investment in Southeast Asia was \$ 19,071 billion. Cumulative investments in Indonesia amounted to \$ 6.453 billion, which represents about a third of total investment, while investments in second and third places in Malaysia and Thailand reached \$ 5.817 billion and \$ 3.969 billion, respectively.

In 1994, trade and investment increased immediately because of government incentives and political instructions. As a result, total foreign direct investment in the seven target countries during the three-year period of the first work plan to strengthen economic ties and trade in Southeast Asia amounted to \$ 13.714 billion. In addition to Malaysia, Indonesia, and Thailand, investment activity has been extended to the Philippines, Singapore, and Vietnam. The first investment project in Cambodia was also reported in 1994. At the end of 1999, the total investment accumulated in the region amounted to \$ 43.217 billion, double the volume of pre-policy South. Indonesia ranks first among Southeast Asian countries with a total investment of \$ 16.938 billion, followed by Thailand (\$ 9.914 billion), Malaysia (\$ 8.652 billion) and Vietnam (\$ 4.91 billion).

ADI statistics for the three work plans for the 1994-1996 period included \$ 13.714 billion for the work plans for the 1997-1999 period, \$ 10.430 billion for the work plans for the 1997-1999 period. Moreover, the work plans for the 2000-2002 period estimated at only \$ 3.493 billion. The data show the decreasing interest of the economy in Southeast Asia since the 2000s. This period, therefore, marks an obvious turning point in the movement of Taiwanese investment flows from the South to the west. China has replaced Southeast Asia and has since become the most popular destination for Taiwanese companies looking to expand overseas. It was not until 2009, after the global financial crisis, that Southeast Asia attracted more investment than China.

Signatory	Name of the Agreement	Date of Enforcement
<b>Singapore</b>	Agreement between the Industrial Development and Investment Center in Taipei and the Economic Development Board in Singapore on the Promotion and Protection of Investments	1990.4.9
<b>Indonesia</b>	Agreement between the Taipei Economic and Trade Office and the Indonesian Chamber of Commerce to Taipei for the Promotion and Protection of Investments	1990.12.19
<b>Philippines</b>	Agreement between the Taipei Economic and Cultural Office and the Manila Economic and Cultural Office for the Promotion and Protection of Investments	1992.2.28
<b>Malaysia</b>	Agreement between the Taipei Economic and Cultural Office in Malaysia and the Malaysian Friendship and Trade Center, Taipei for the Pro- motion and Protection of Investments	1993.2.18
<b>Vietnam</b>	Agreement between the Taipei Economic and Cultural Office in Hanoi and the Vietnam Economic and Cultural Office in Taipei on the Promotion and Protection of Investments	1993.4.21
<b>Thailand</b>	Agreement between the Taipei Economic and Trade Office in Thailand and the Thailand Trade and Economic Office in Taipei for the Promotion and Protection of Investments	1996.4.30
<b>India</b>	Agreement between the Taipei Economic and Cultural Center in New Delhi and the India Taipei Association in Taipei on the Promotion and Protection of Investments	2005.3.18

Table 2.10 Bilateral Investment Agreement with Southeast Asian Countries

(Source: Department of Investment Services, MOEA, R.O.C.(Taiwan), “List of BIAs with Other Countries,”)

## Chapter III Methodology

### 3.1 Research Framework

Foreign aid can be provided in several ways: grants, equipment, techniques, foreign direct investment, etc. All of this allows developing countries to prepare for new developments and improvements. Unlike most humanitarian organizations today, the value of ODA is broader. A picture of a hungry little boy can touch viewers' hearts and awaken people's emotions so that NPO's contributions can be easily and quickly identified. However, individual cases have only limited influence, and the misery of the boy is only part of the iceberg. Instead of saving individuals or families individually, official development aid believes that it is preferable to build or improve the health system with resources and resources.



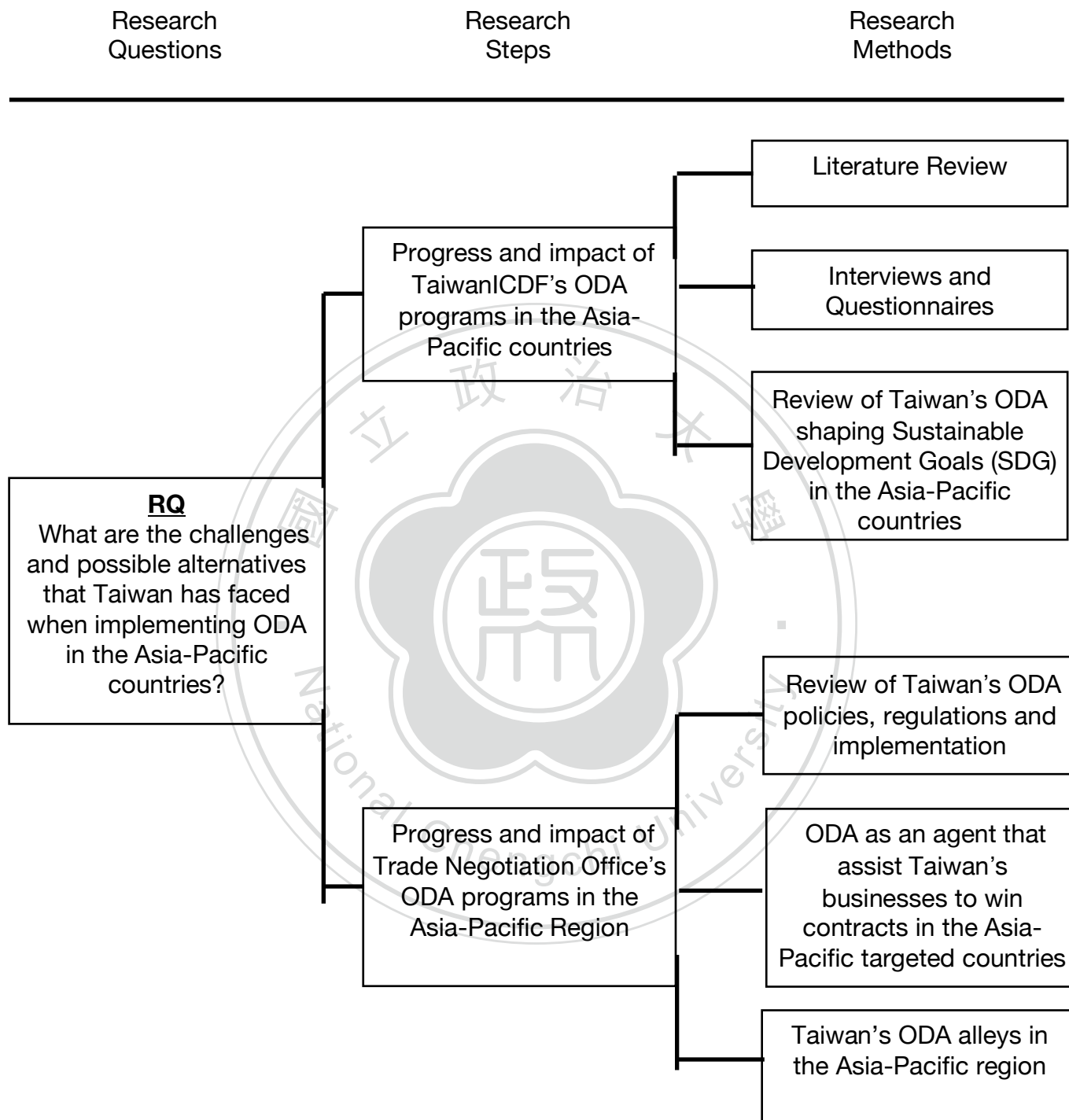


Figure 3.1 Research Framework

In the case of Taiwan, foreign aid has partially contributed to their incredible successes. Many older people in Taiwan remember when they received the China-US cooperation aid package. In times of globalization, there is a sense of shared security that no one can close the door and remain intact in chaos. The main reason that industrialized countries help is to support developing countries in their social and economic development through moral commitment, but this is not necessarily the ultimate goal. However, the majority of donor countries provide aid for specific purposes, since ODA-based funds are public funds and should necessarily benefit a nation. The three TaiwanICDF officers were all on the same side when asked about TaiwanICDF's response. They reacted in the same way: stabilizing diplomatic relations was the top priority, which never changes. Taiwan strengthens foreign relations with foreign aid. Changes to the list of partner countries of the TaiwanICDF assistance programs in Taiwan are subject to the approval of the head office. TaiwanICDF should reflect strategic considerations of MOFA. MOFA assigns a list of beneficiary countries to the TaiwanICDF, and sometimes the TaiwanICDF is notified when MOFA plans to improve bilateral relations with a particular country further.

### **3.2 Research Procedure**

First, the researcher identifies the research topic — Taiwan's ODA to the Asia-Pacific region—and the theoretical framework which listed above. In order to map out the implementation and challenges that Taiwan's ODA has faced in the Asia-Pacific countries, this research conducts a series of interviews. The sample population must fit either scholar in international relations or ODA-related practitioners. Ten stakeholders are interviewed, including two TaiwanICDF officials, three scholars in international relations and ODA, two trade representatives of the Office of Trade Negotiations, one official from the Ministry of Foreign Affairs, one representative from overseas investment, and development cooperation, and one official from the National Security Bureau. Basically, the research participants can be categorized into two groups. Some are school professors in the academic field, and the others are practitioners who are actually directly engaged in foreign assistance. The research procedure is illustrated in figure 3.2.

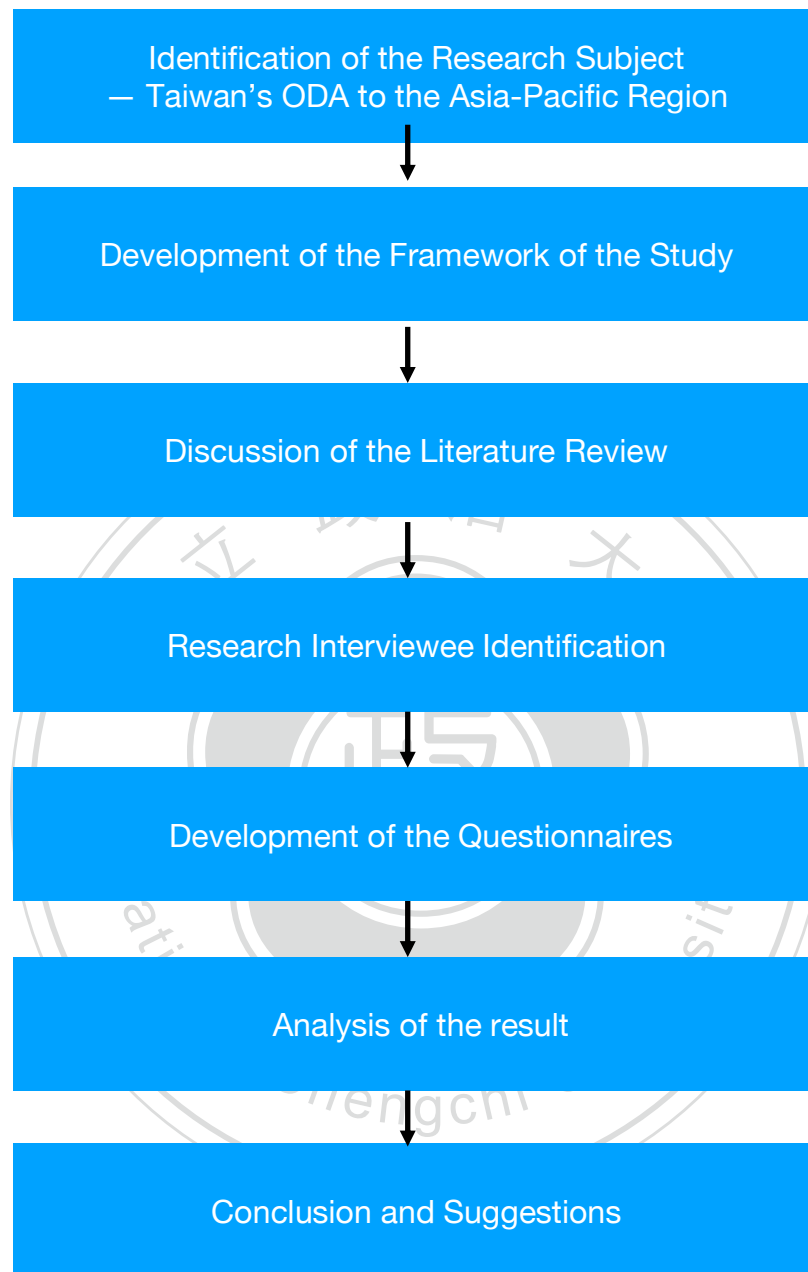


Figure 3.2 Research Procedure

### 3.3 Research Method and Questionnaire

This paper frames the research target into two groups— Southeast Asia counties and Pacific countries. Then it builds a framework based on two distinctive ODA's characteristics. First, technical assistance and capacity-building assistance, which are related to the Taiwan International Cooperation and Development Fund (TaiwanICDF). Second, investment, loans, and interest subsidy assistance, which are related to the Office of Trade Negotiations (OTN) under the Executive Yuan (the Cabinet).

#### Criteria for Selection of Participants

The interviewees were chosen based on the following criteria:

##### Practitioners:

1. They have been in the service of foreign aid for more than ten years.
2. They are currently working in Taiwan ICDF or the Office of Trade Negotiations
3. They are directly involved in the formulation or implementation of aid projects.

##### Scholars:

1. They have been in academia for more than ten years.
2. They have expertise in foreign affairs.
3. Their research areas involve Asia-Pacific.

Table 3.1 Research Questionnaire

Questionnaire	
<b>Question 01</b>	How would you perceive Taiwan's official development assistance (ODA) policy in the Asia-Pacific region and its 301.7 millions annually ODA budget in 2018? *Reference 1.1
<b>Question 02</b>	What are the difficulties and alternatives that Taiwan has faced when implementing ODA in the Southeast Asia countries?
<b>Question 03</b>	What are the difficulties and alternatives that Taiwan has faced when implementing ODA in the Pacific countries?

Questionnaire	
<b>Question 04</b>	How would Taiwan's ODA shape Sustainable Development Goals (SDG) in the Southeast Asia countries, including those related to Education and Training, Globalization, Health, Industry and Services, International Trade and Balance of Payments, Labour, Productivity, Price and Purchasing Power Parities, Public Sector Taxation and Market Regulation?
<b>Question 05</b>	How would Taiwan's ODA shape SDG in the Pacific countries, including those related to Agriculture and Fisheries, Education Projections, and Training, Environment, Health, Industry and Services, International Trade and Balance of Payments, Productivity, and Transport?
<b>Question 06</b>	How would you perceive public-private partnership or private investment in infrastructure in the Southeast Asia countries, which cooperated with government-led ODA?
<b>Question 07</b>	How would you perceive public-private partnership or private investment in infrastructure in the Pacific countries, which cooperated with government-led ODA?
<b>Question 08</b>	Is it possible to optimize Taiwan's ODA to the Pacific countries and the Southeast Asia countries and ensure that it gets the maximum diplomatic and economic value out of its generosity?

### 3.4 Analytical Analysis

As two different frameworks have set Taiwan's ODA apart, the questionnaire has also covered two terrains. First, in general, how would you perceive Taiwan's ODA policy and its annual amount in the Asia-Pacific region? Second, how would Taiwan's ODA shape SDG in the Southeast Asia countries and the Pacific countries, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice? Third, what is the relation between public-private partnership or private investment in infrastructure in the Asia-Pacific region? Last but not least, is it possible to optimize Taiwan's ODA to the Pacific countries and the Southeast Asia countries and ensure that it gets the maximum diplomatic and economic value out of its generosity?

Increasing ODA is a prerequisite for Taiwan's participation in international cooperation. The UN target for ODA is 0.7% of GNI. Taiwan's ODA in 2018 currently only accounts for 0.051% of



GNI, so there is still room for improvement. Besides, the effectiveness of ODA should be consistent with the Busan Agreement, which requires localized, results-based, accountable, transparent, and inclusive partnerships. Monitoring the effectiveness of ODA development (for example, through the establishment of the Japan International Cooperation Agency (JICA)) should be one of the critical strategies for the future.

On the one hand, Taiwan has carried out several projects in the Asia-Pacific region to achieve the sustainable development goals: aquaculture project in Fiji, the medical project in the countries of the Pacific Island, a mobile medical mission in the Republic of Kiribati, a poultry development project in Fiji and soon. On the other hand, stakeholder surveys would solve the difficulties encountered by public-private partnerships or private infrastructure investments in the Asia-Pacific countries that have worked with the government-led ODA.

Conducting surveys and collecting relevant data are intended to identify the difficulties and challenges in implementing ODA and to show possible solutions. After interviews were carried out, word-for-word transcripts were made as soon as possible to keep the memory sharp. This essential data was collected and organized for further analysis. The answers of all respondents were questioned, and critical concepts identified. In this way, the researcher was able to give a convincing answer to the research questions and represent a springboard for the final part.

## Chapter 4 Results and Discussion

### 4.1 Taiwan's ODA in the Asia-Pacific region and SDGs

According to the Ministry of Foreign Affairs of the Republic of China (Taiwan), the Taiwanese government has decided to continue campaigns linked to the United Nations to meet the expectations of 23 million people in Taiwan regarding their participation in the United Nations system. The theme in 2018 is: "Taiwan, an important global partner in the implementation of the Sustainable Development Goals (SDGs)." This fits with the theme of the 73rd session of the United Nations general debate: "Making the United Nations relevant to all people: global leadership and shared responsibility for peaceful, just and sustainable societies." Taiwan urges the international community to recognize its determination to contribute to regional and global affairs (MOFA, 2019).

To help the international community better understand Taiwan's appeals, Secretary of State Joseph Wu will deliver an opinion, and the ministry will produce a series of short videos to implement the SDGs on Taiwan's achievements in clean energy, general health insurance, and circular economy. The government will host a series of sustainable development events at the United Nations General Assembly in New York to demonstrate that Taiwan places great importance on achieving the SDGs. These events can help deepen the United Nations' understanding of Taiwan's efforts.

Taiwan also provides development assistance to other countries. Through TaiwanICDF, Taiwan has launched various programs in the Pacific, Asia, Africa, Latin America, and the Caribbean. These programs are designed to help countries in these regions achieve clean energy, food security, food security, sustainable agriculture, better education, health, and well-being for all — age, as well as disaster preparedness and adaptation. TaiwanICDF also works with the European Bank for Reconstruction and Development to help countries in Central Asia and Central and Eastern Europe to develop market economies and a green economy (MOFA, 2018).

According to on of the TaiwanICDF Official,

*“On one hand, to meet the United Nation’s Sustainable Development Goals, TaiwanICDF customizes eco-friendly projects such as poultry farming and circular economy for families.*

*TaiwanICDF promotes the importance of recycling, such as poultry waste recycling and management. On the other hand, TaiwanICDF has customized a series of education project that fit the local. TaiwanICDF customizes training projects, such as scholarship, workshop, and technical education for tourism. Tourism, the main source of their income, should have improved by these programs. At the same time, the importance of a balanced diet and chronic disease prevention are also one of the main checkpoints listed in the TaiwanICDF.”*

According to the Aid Data report (Latourell, 2017), aid alone does not give us a picture of the total funds available for sustainable development but serves as the starting point and basis for the support. The report assesses the contribution of an activity to the SDGs and MDGs (from 2000 to 2013) and concludes that the global objectives have a limited scope as a targeted representation: donor funding has reached the minimum threshold, but donors do not have theirs ODA is not closely aligned with the MDGs.

When the 2030 Agenda was adopted in September 2015, UN Secretary-General Ban Ki-Moon repeated the efforts of many and called the ambitious list of 17 SDGs "a trumpet call" to mobilize them. However, support from the international community is in The SDGs has not become a mature benchmark for ODA critics, and there should be the detailed correspondence between the MDGs and the SDGs to assess the SDGs associated with the ODA partnership. In Table 4.1 below, SDGs are assigned MDG objectives.

Table 4.1 Mapping of goals between the MDGs and SDGs

Mapping of goals between the MDGs and SDGs	
<b>MDG 1: Eradicate extreme poverty and hunger</b>	SDG1, SDG2, SDG8
<b>MDG 2: Achieve universal primary education</b>	SDG 4
<b>MDG 3: Promote gender equity and empower women</b>	SDG 5
<b>MDG 4: Reduce child mortality rates</b>	SDG 3

Mapping of goals between the MDGs and SDGs	
<b>MDG 5: Improve maternal health</b>	SDG3, SDG5
<b>MDG 6: Combat HIV/AIDS, malaria and other diseases</b>	SDG 3
<b>MDG 7: Ensure environmental sustainability</b>	SDG6, SDG7, SDG11, SDG12, SDG13, SDG14, SDG15
<b>MDG 8: Develop a global partnership for development</b>	SDG 17
<b>New Goals: SDGs that do not map to an MDG</b>	SDG9, SDG10, SDG16

AidData said the top spending priorities in the U.S. and Japan are primarily strategy-based. However, the United States continued to increase its ODA commitments to the MDGs until 2013, while Japanese enthusiasm declined. Industry and infrastructure (SDG9) and sustainable cities (SDG11) have attracted the greatest ODA among the targets for tackling pressure in rapidly growing societies.

Back in Asia, using the experience of the UN SDGs and taking into account local conditions, Taiwan Govt. has developed localized SDGs (18 objectives, 143 objectives, and 342 indicators) to promote sustainable development in Taiwan and communicate with the world through this universal language. SDG 3 highlights the goal of ensuring and promoting a healthy lifestyle and well-being for all. However, Taiwan's ODA is not taken into account in the assessment. For this reason, in this document, these questions were included in the survey - questions 04 and 05.

One of the interviewees, a TaiwanICDF official, said:

*“When TaiwanICDF designs or implements an ODA project, we would customize it to fit the recipients’ need. TaiwanICDF shapes the base of our program on these Pacific countries needs rather than fit the requirement of SDG. However, when you touch upon what they need, you would easily find out that SDG covers all the issues.”*

According to the official, agricultural development and capacity building are two of the main pillars of TaiwanICDF's ODA projects, including human development, short-term training programs, and scholarships. The training programs are varied; each year our embassies in these countries offer a fixed quota to locals. At the same time, we (TaiwanICDF) have invited stakeholders and decision-makers to Taiwan to understand how Taiwan can develop related sectors or regions. Policy development. There are two approaches to public health: health worker training and technical support. Every year, we offer every Pacific Allied country the opportunity to send health workers to improve their professional skills.

Another example is presented by one of the interviewee:

*“In terms of SDGs, Taiwan has developed a series of programs and related associations to work on it. By going through the Sustainable Development Goals one by one, we would realize that Taiwan is more than willing to play a part in these missions adopted by all United Nations Member States in 2015. To be more specific, what I am most impressed with is Taiwan’s HA/DR capacity. As one of the co-organizers in HA/DR with the National Fire Agency and National Science & Technology Center for Disaster Reduction, we collaborate with countries from ASEAN and share the experience with our counterparts in Asia. However, it has not escaped Taiwan that seaborne humanitarian assistance and disaster relief (HADR) capabilities not only have domestic utility – particularly in a country prone to typhoons – but are a potential mechanism to remind others of Taiwan's existence.”*

This assessment coincided with Jaushieh Joseph Wu's comment on the diplomat: "According to the agenda recommendation, Taiwan released its first voluntary national report last year, in which the government's approach to implementing implementation of the United Nations Sustainable Development Goals (SDGs) Results we have achieved include reducing poverty and zero hunger, reducing the proportion of low-income households to less than 2%, reducing maternal mortality to just 11.6 per 100,000 people; and reducing infant mortality to just 2.4 per 1,000. All of this is well above the United Nations SDG standards. "(Wu, 2018)

The 2018 SDG implementation report responds to questions and concerns from participants in seven public forums in Taiwan organized by the National Council for Sustainable Development in 2017 and 2018. Sustainable energy transition; fresh air; Sustainable materials management and circular economy; Environmental protection and green networks; and international partnerships for the SDGs. It describes Taiwan's vision on these subjects, examines their current situation, and describes the measures to be taken (Lebada, 2018).

Around the world, the rich are getting more productive, and the poor are getting poorer. In 2000, the United Nations, therefore, proposed the Millennium Development Goals (MDGs), which made the eradication of extreme poverty one of its priority objectives and defined guidelines for community efforts. International. At the same time, the ODA MDGs received a new mandate and a new challenge. Taiwan has experienced many challenges in the past and has received long-term support from the international community, which has enabled it to make great strides in development. Taiwan now can give something back to the international community and takes responsibility for becoming a donor country. Taiwan cannot and must not fail to bridge the development gap within the international community.

In addition to the area of public health, efforts are being made to promote global improvement through cross-domain collaborations where data processing and data processing can fill gaps between areas of data, information integration, data visualization, etc. Problem-solving problems Aging society, the decline of cities, etc. Therefore, the successful promotion and implementation of intelligent and sustainable health is the current and reliable database.

For example Taiwan Govt. uses the Geographic Information System (GIS) to map and compare the location of health centers and the transport route, and to discuss the approach to improving the structure of medical and health centers and the transport system in the city, and to the environment and experience for them Improve Create people to deal effectively and quickly. In detail, the structure of medical facilities and health centers is not complete (e.g., small hospitals and too many patients, fewer clinics to meet the needs of patients with common and chronic diseases). In the meantime, the transportation system is limited by coverage, and it cannot be guaranteed that all patients will have access to the appropriate health centers and that the elderly

will not be able to meet their needs. However, the combination of different data sets on medical facilities and health centers as well as on the transport system could help researchers and decision-makers to interpret whether the city's medical facilities and social centers are sufficient to support all aging people as a transport system for aging populations. , is convenient for access to medical and social centers. After the investigation and analysis, government agencies can make new decisions to improve the situation and improve conditions for public health.

On this basis, Taiwan's experience in developing the Smart Health Network system to promote public health to create a bright and sustainable future is valuable and valid for all ages, primarily when this technology is exported. In ODA recipient countries. As mentioned earlier, the focus is on the SDGs and United Nations Main Objective 17, whose basic concept is a global partnership that promotes and shapes a healthy and sustainable future. This is comparable to the global slogan "Leave no one behind" that creates unity for a more sustainable future by partnering with countries in the Asia-Pacific region.

One of the essential points in terms of aid effectiveness is "harmonizing aid." Donors' inability to organize and coordinate their efforts and resources leads to fragmentation of aid and high transaction costs. Aid harmonization is crucial as it not only lowers transaction costs but also improves the efficiency of aid delivery channels for donors and recipients. The partner governments also recognize how the quality of the management of their policies, budget planning, and operational procedures can be improved. You will then have more chances of economic growth (Balogun, 2005). Various donor demands and measures have long led to unproductive results. The partner countries are also concerned that donor practices do not always anticipate them. In this context, the OECD announced the Rome Declaration on Harmonization in 2003. The main goal was to draw attention to the alignment of aid and the effectiveness of development.

The global kingpin of aid effectiveness has a lot to do with the Paris Declaration on Aid Effectiveness (OECD, 2015), which has opened a new page in aid history. It guided improving aid effectiveness through a series of implementation measures based on five core values: ownership, alignment, harmonization, results, and mutual accountability. Figure 4.2 shows the



bilateral relationship between donors and recipients according to the five principles set out in the Paris Declaration. Developing countries should be able to take responsibility for their development policies and strategies.

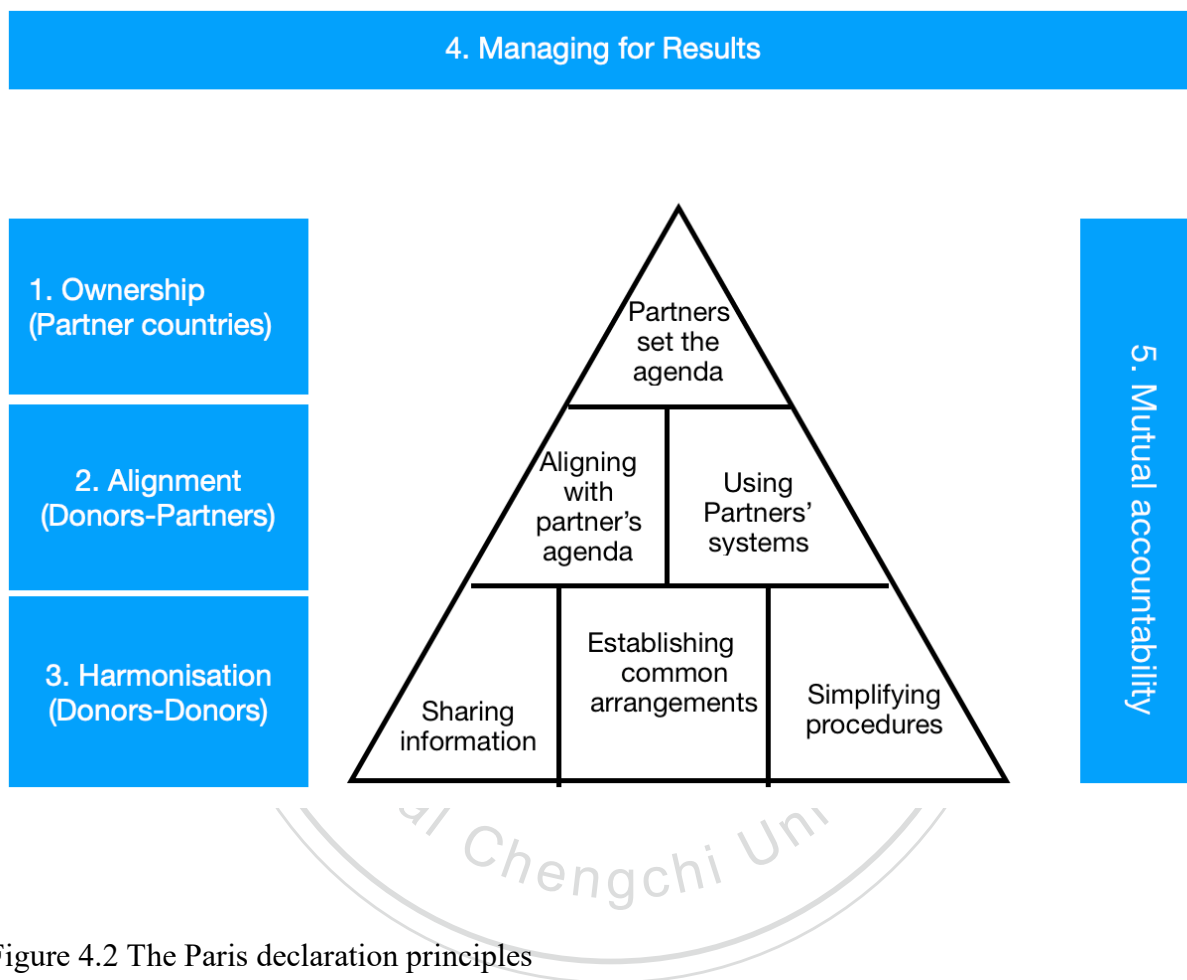


Figure 4.2 The Paris declaration principles

#### 4.2 Taiwan's ODA in the Asia-Pacific region and the New Southbound Policy

Another dimension highlighted for Taiwan's ODA was personal exchanges, mainly because it is relatively easy with little political sensitivity and can be successful with adequate funding. In other words, the public-private partnership (PPP) and the private sector have served the Taiwanese as one of the alternatives in terms of ODA and official diplomacy. PPP or private



investment has been the primary approach to working with government and foreign companies in the area of ODA. In 2018, the Taiwanese government-subsidized \$ 49.7 million in interest payments to support plans by local private banks to grant \$ 3.5 billion in loans to allied countries and to support new policies towards those countries south for development projects. John Deng - Head of the Cabinet Trade Negotiations Office (OTN) - Taiwan's goal of the ODA program is to help Taiwanese companies win contracts to build public infrastructure in certain countries. Terms differ from the reasonable definition of APD. As part of the OTN program, affected countries such as the Philippines will propose a public infrastructure project for review to OTN, to which Taiwanese commercial banks will grant low-interest loans once the government of the country is approved to fund the project, while the OTN grant will be given to speakers will form. It is the responsibility of the Taiwanese government to review and approve the proposed ODA infrastructure plan and to subsidize interest on loans paid out. This ODA model has been adopted by the Japan International Cooperation Agency for decades, hoping that this model, which has worked with the new policy towards the south, will help remove barriers to entry for companies. Taiwanese in these emerging markets.

Therefore, the hunting sections analyze the cooperation between OTN and Taiwanese investment companies in the implementation of ODA projects under the influence of the New Southbound Policy.

#### **A. Taiwan's ODA and the Office of Trade Negotiations (OTN)**

The Office of Trade Negotiations (OTN), headed by Yuan (the Cabinet), is the government agency responsible for international trade negotiations in the Republic of China (Taiwan). OTN was founded on September 20, 2016, and is chaired by the Minister responsible for coordinating trade policies without division.

It is about directing the country's trade negotiations and influencing the country's position in these negotiations. In July 2017, President Tsai launched the restructuring of the ODA program in Taiwan. The Executive Yuan has drawn up some guidelines for this purpose, as shown in the list.

1. In July, 2017, President Tsai vowed to establish Taiwan model of ODA. Hence, the Executive Yuan initiated the cross segment collaboration to assist Taiwanese companies by establishing the Office of Trade Negotiations (OTN).
2. The Office of Trade Negotiations (OTN) worked with construction agencies and financial agencies to draft on Promoting Oversea Public Construction through ODA Model.
3. From 8/18 to 8/24, OTN invited Ministry of Foreign Affairs, Ministry of Economic Affairs, Public Construction Commission of the Executive Yuan, Central Bank of R.O.C., Financial Supervisory Commission of the Executive Yuan, Taiwan Bank of R.O.C., and Overseas Investment & Development Corp. to work on the initiative.
4. On 8/31/2017, President Tsai concluded by the Strategic and Economic Dimensions Talks to initiate the cross segment project.
5. On 9/13/2017, the Office of Trade Negotiations (OTN) briefed the Deputy of Premier of the Republic of China on Promoting Oversea Public Construction through ODA Model.
6. On 10/05/2017, the Executive Yuan approved the Promoting Oversea Public Construction through ODA Model.

The statements above are how the model was formed, it is followed by 3.5 billion oversea economic opportunities, said by the Representative of OTN. The recipient countries would fall into two categories— countries with formal diplomatic relation<sup>1</sup> or countries that are in the New Southbound Policy<sup>2</sup>. As for the feasible construction project, matched projects that reviewed by the administration would be on the top of the list.

An Executive Yuan press release pointed out that we should not think of ODA as diplomatic aid, but instead as an agent that helps Taiwan's commercial banks finance foreign governments, who guarantee to contract Taiwan's industrial sector.

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<sup>1</sup> 15 states recognize the ROC and have diplomatic relations with it: Eswatini, Holy See, Belize, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Marshall Islands, Nauru, Palau, and Tuvalu.

<sup>2</sup> The 18 countries New Southbound Policy intend to cooperate with are: Thailand, Indonesia, Philippines, Malaysia, Singapore, Brunei, Vietnam, Myanmar, Cambodia, Laos, India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan, Australia and New Zealand.

According to the interviewee from Office of Trade Negotiations, Executive Yuan,

*“The main core of Taiwan ODA is interest subsidy, it is different from other countries’ ODA.*

*Normally ODA contains three different assistances—investing, financing, and technical assistance. There are three dilemmas that Taiwan has faced in ODA—low annually budget, foreign debt ceiling of the recipient country, and alternative of PPP and BOT. Therefore the main purpose of Taiwan’s ODA is assisting our construction industry.”*

The International Cooperation and Development Law was adopted on May 18, 2010, and adopted on June 15, 2010. The law aims to help Taiwan improve its foreign relations and assume its international responsibility, as well as the objectives, principles, scope, methods, and partners of international cooperation and development. The scope of international cooperation and development issues is as follows:

1. Participate in bilateral or multilateral cooperation and development projects to improve necessary social, economical and productive infrastructure and promote sustainable development in diplomatic allies or friendly countries of the Republic of China, with reference to the categories of ODA of the Organization for Economic Cooperation and Development;
2. Humanitarian aid to countries and people victims of natural disasters or wars;
3. Other questions of international cooperation and development.

The rules regarding means, procedures, participants, and other requirements relevant to the handling of cases in the previous paragraph are prescribed by the competent authority and submitted to the Yuan Executive for approval.

In detail, the competent authority or other government agencies/institutions responsible for international cooperation and development issues plan, assess, monitor, and evaluate the implementation of all related issues. For public construction projects that cost more than \$ 5

million and meet one or more of the following conditions, objective and impartial opinion of a third party on the feasibility of the project must be provided:

1. Fully funded by the Taiwanese government;
2. Processed by the competent authority;

Supply is at the request of the government of the recipient country in Taiwan.

After consulting with the relevant government agencies/institutions and the Taiwanese IFCD, the competent authority shall establish rules for planning, evaluation, monitoring, and evaluation of the implementation of the international cooperation and development issues referred to in the previous paragraph and submitted them to the executive for approval in yuan. Each year, the competent authority publishes a report on promoting international cooperation and development in Taiwan and submits it to the Executive Yuan, which it submits to the Legislative Yuan for reference. For projects containing classified information, discussions, reports, and corresponding documents may not be published.

On the other hand, Taiwanese foreign construction companies - potential partners - work not only with the government but also with ODA recipient countries. One of the Taiwanese entrepreneurs in overseas projects is Taiwan Overseas Investment & Development Corp. (TaiwanOIDC). TaiwanOIDC is one of the leading investment companies responding to the government's request to help the government strengthen bilateral relations between Taiwan and countries with diplomatic relations with Taiwan and to meet their international obligations.

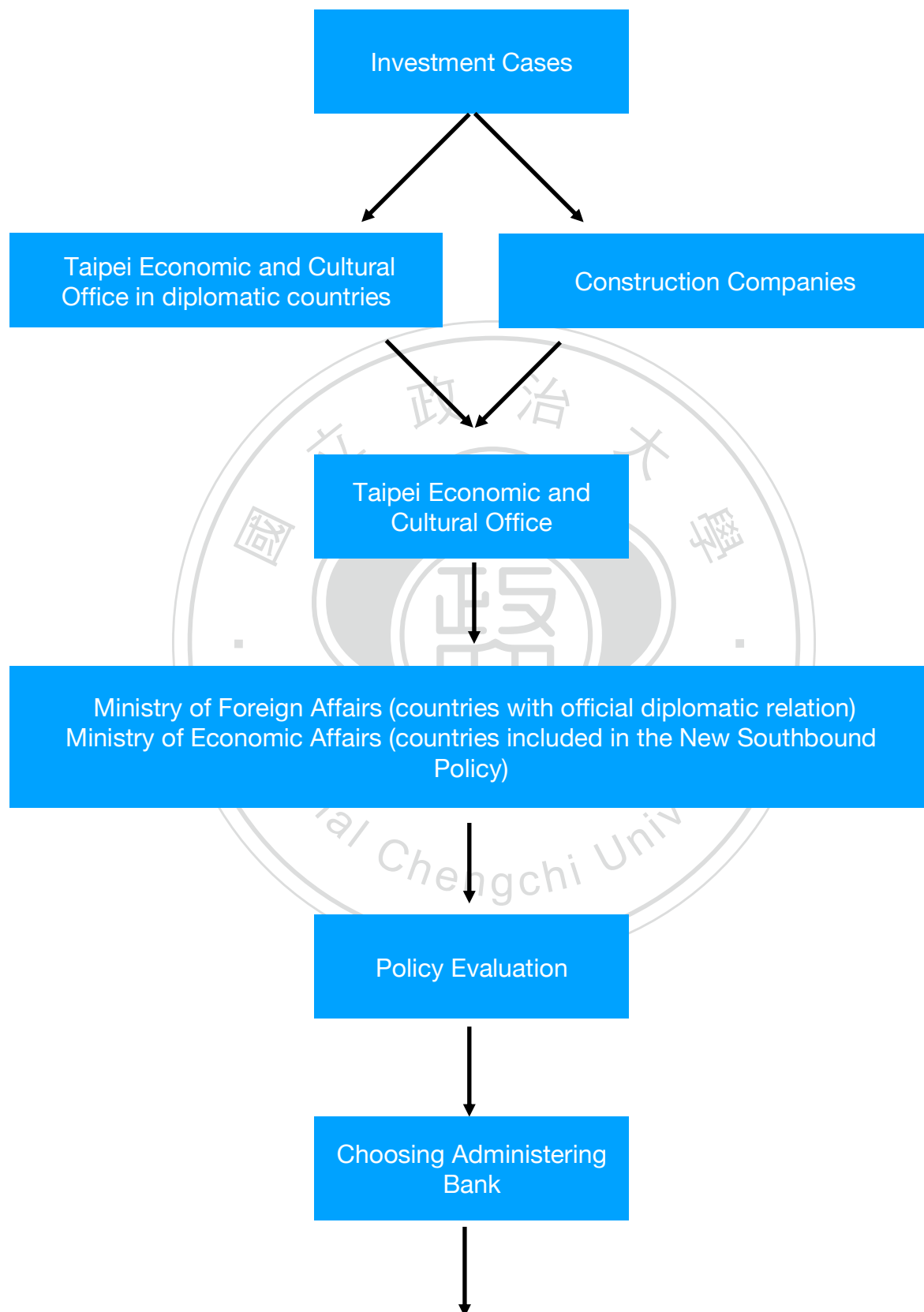
TaiwanOIDC has invested in various sections and has actively participated in the regions of Central America, Africa, and Asia-Pacific. TaiwanOIDC's portfolio includes the construction sector, the OECC subsidiary, which has carried out numerous public infrastructure projects abroad, first in Panama, Haiti, and then in Nicaragua, Guatemala, Kiribati, and The Gambia.

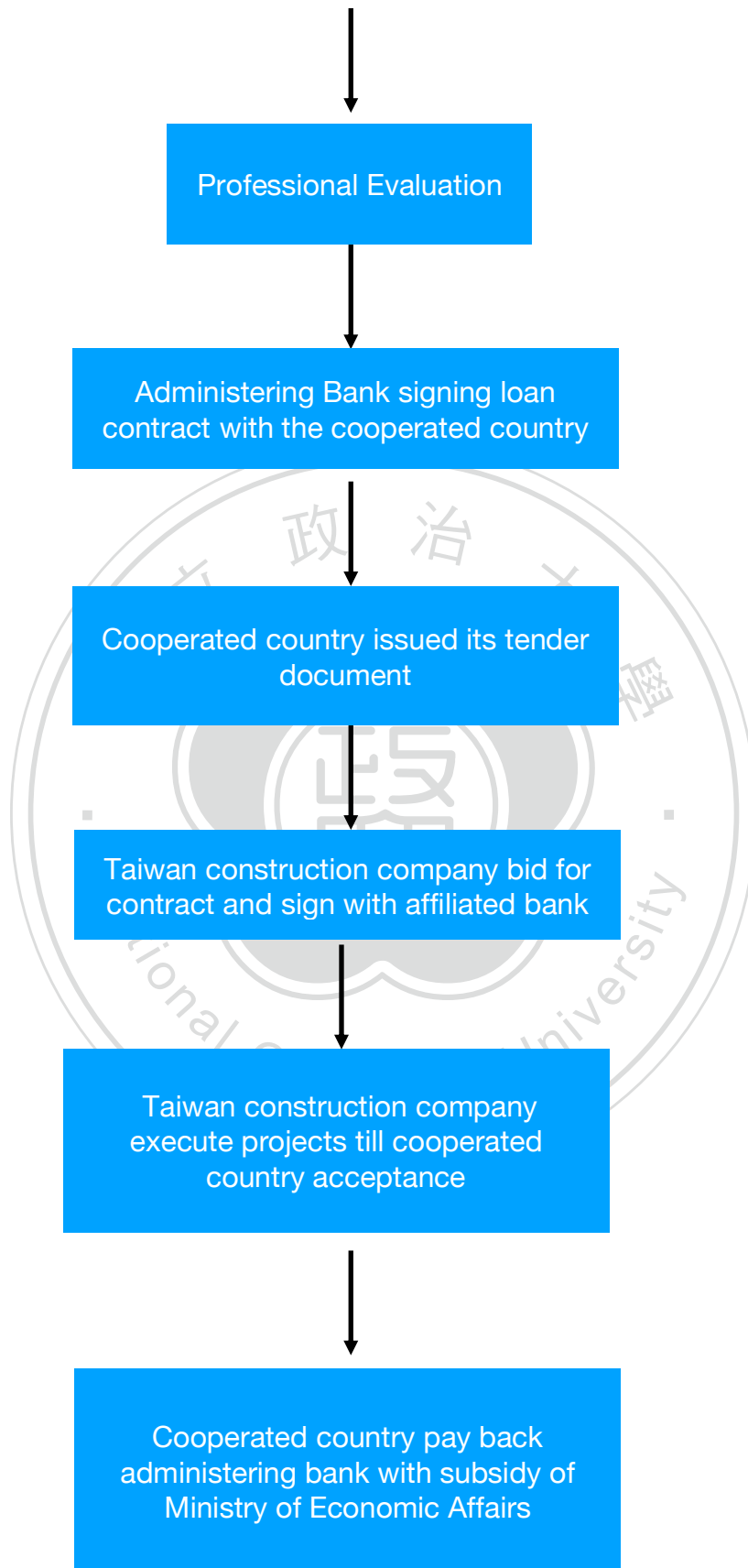
According to the TaiwanOIDC official, one of the interviewees, said:

*“TaiwanICDF and TaiwanOIDC work hand in hand in the realm of ODA. TaiwanICDF owns one seat on the board of directors and carries out the duty to govern and monitor major issues or investment plans of TaiwanOIDC. Hope to strengthen Taiwan’s investment in Central America, Eastern Europe and South Asia to improve the development of export industries and the sustained growth of the economy. When it comes to ODA, oversea investment would always be one of the main contributors in leveraging its value in diplomatic relation. Therefore, TaiwanOIDC work closely with the Export-Import Bank and the government as well.”*

The TaiwanOIDC official has shed light on the role of the Export-Import Bank of the Republic of China (Eximbank) in ODA, which is subsidizing the private company and accepting deposits and loans primarily to corporations and large businesses. The Eximbank was established in 1979 to facilitate export and import trade of Taiwan through offering Export Credit Insurance, Relending Facility, and other various kinds of financing facilities. It is a government-owned bank with a fully paid-in capital of billion and assets of NT\$123.76 billion (as of 06/30/2019), which is the equivalent of US\$985 million and US\$3.98 billion, respectively.

Therefore a clear pathway has been drawn. The following Flow Chart 1 is drafted according to the OTN and TaiwanOIDC interviewees along with the data from *An Introductory Guide to Taiwan’s New Southbound Policy*. The mechanism shows how Taiwan’s ODA helps Taiwan construction and related industries by allocating budget and subsidy. The potential target is about 3.5 billion business opportunities for construction after reviewing by Taiwan’s Economic and Cultural Representative Office. By interviewing the stakeholders and collecting the related document, Figure 4.3 demonstrates the mechanism of ODA, especially in the framework of the OTN.





There are three pillars of Taiwan's ODA scheme:

Pillar 1: Government to Government (G2G); MOU between two Representative Offices

Pillar 2: Repayment and Guarantee; Loan Contract between Borrower & Bank

Pillar 3: Tied Loan for Taiwanese Engineering Companies; Construction Contract between Owner & Company

To conclude, the objectives of TaiwanOTN's ODA are assisting diplomatic allies and New Southbound partner countries with their public construction and helping Taiwanese engineering companies explore overseas business opportunities on the basis of fair competition. It is estimated that ODA scheme initially aims at overseas public construction opportunities worth US\$3.5 billion.

## **B. Taiwan's New Southbound Policy and regional cooperation**

The new policy towards the south has a tremendous impact. The President's Office, the National Security Council, the Yuan Executive, and Cabinet Agencies must adopt policies related to their areas of responsibility. It is crucial to promote related projects and programs, including flagship programs in various areas, and do relevant work with clear plans, procedures, and priorities. In order to launch and fully implement the new policy towards the south, the support of elected officials and the participation of local authorities are required. For this reason, the central government must establish a coordination and liaison mechanism with the legislative yuan and local governments to consolidate the collective forces in support of the new south policy, so that they produce positive results for the country.

In these four main tasks of the new policy towards the south, the fourth task represents new strategic alliances. Reallocation of foreign aid resources, the establishment of a comprehensive foreign aid mechanism, and widening of the participation of Taiwanese companies in local development projects in other countries. Strengthening of official and unofficial cooperation platforms between Taiwan and Japan, the creation of an economic and commercial cooperation platform between Taiwan and Singapore and cooperation with third countries for the opening of



ASEAN markets, from South Asia, New Zealand and Australia. Indeed, the new policy for the south is one of the channels of cooperation with the countries of the Asia-Pacific region. This mechanism allows Taiwan to play a crucial role in international and regional development and, through the joint efforts of government and the private sector, ensures Taiwan's increased participation in engineering and construction abroad. This will not only improve general relations with countries that are either close friends or diplomatic allies but will also stimulate the development of the Taiwanese mechanical engineering industry on the world stage.

#### **4.3 Taiwan's ODA alleys in the Asia-Pacific region: JICA**

The Japan International Cooperation Agency (JICA), which is responsible for the administration of the Japanese ODA, is one of the largest bilateral aid organizations in the world. JICA supports socio-economic development in developing countries through a flexible combination of different types of support methods such as technical cooperation, financial and investment cooperation, and grants. It operates in around 150 countries and regions around the world. According to JICA, various organizations and groups, including governments and international organizations, non-governmental organizations (NGOs) and private companies, and developing countries, provide financial support for socio-economic development. The ODA, as defined by the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC), must meet the following three conditions:

- This should be done by governments or government agencies
- The main objective is to promote economic development and prosperity in developing countries
- Reduced the conditions with a share of subsidy of at least 25%

ODA is roughly divided into bilateral aid, which directly supports developing countries, and multilateral aid, provided by international organizations. JICA provides bilateral aid in the form of technical cooperation, loans, and grants from Japanese ODA.

According to the JICA website, the exclusion aid that the Japanese Ministry of Foreign Affairs will continue to provide direction for the need for a diplomatic policy is not taken into account. ODA is roughly divided into bilateral aid, which directly supports developing countries, and multilateral aid, provided by international organizations. JICA provides bilateral assistance in the form of technical cooperation, loans, and grants from Japanese ODA (ODA and JICA tables).

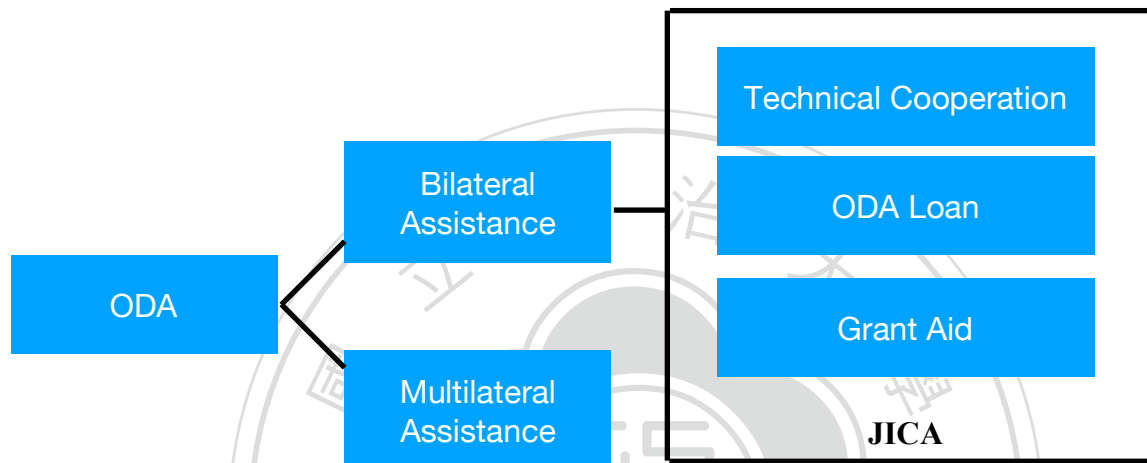


Figure 4.4 ODA and JICA  
(Source: JICA)

According to the interviewee from Office of Trade Negotiations, Executive Yuan,

*“One of our missions here (Office of Trade Negotiations) is seeking potential cooperation with JICA. Therefore we have to identify Japan’s incentive to work with us. JICA spots the opportunities in Taiwanese companies, as long as Japanese enterprises are involved in Taiwan-oriented ODA through JICA’s Private Sector Investment Finance. However, there are still some difficulties that Taiwan would have when cooperating with Japan, such as Japanese products usually cost more than others.”*

The interviewee continued:

*“Japan is not the only case, we also work with the United States. Office of Trade Negotiations works with The Overseas Private Investment Corporation (OPIC). OPIC is a self-sustaining U.S. Government agency that helps American businesses invest in emerging markets. Established in 1971, OPIC provides businesses with the tools to manage the risks associated with foreign direct investment, fosters economic development in emerging market countries, and advances U.S. foreign policy and national security priorities. OPIC is a finance company, which means the regulation would be pretty much the same as JICA’s regulation. That is the OPIC would mainly subsidize the interest difference. The key to cooperation with the USA or Japan would be the possibility of using their infrastructure.”*

The Government of Taiwan has noted how Japan and South Korea provide foreign aid and has decided to use Taiwan's advanced private sector skills to secure public projects and opportunities abroad commercially effectively. The Yuan executive has already ratified the ODA Overseas Industrial Plan Implementation Project and will launch a \$ 3.5 billion (\$ 107.8 million) NT \$ billion fund ) with investments in public projects abroad and business opportunities as a goal.

According to the interviewee in Office of Trade Negotiations, Executive Yuan,

*“Take Japan of Korea ODA, for example, their ODA is set up to promote their export. So does Taiwan. Here comes the ultimate question: Why Taiwanese industry needs ODA to promote their export? What’s wrong with the industry?”*

*One of the main reasons is the Performance Record. The Taiwanese company has to go through the Pre-Qualification. Equipment Purchase Construction is one of the barriers. There is only one company that is qualified to apply for the EPC—CTCI Corporation(CTCI Annual Revenue 2018 Base value: USD 2.1 billion)”*

CTCI is an engineering, procurement, and design (EPC) service provider that the world can rely on. CTCI was founded in 1979 and has become the market leader in the Taiwanese hydrocarbon processing industry and an active player in the international energy, environment, transportation, and industrial markets. A good reputation for reliability combined with an uncompromising

quality approach and a high need for learning further encouraged our rise to the most reliable engineering service provider in the world. CTCI delivers technically complex projects to markets around the world and is the engineering partner of choice for leading global companies in Asia, the Middle East, and America (CTCI, 2018).

The Japan International Cooperation Agency (JICA) is one of the largest and most well-known development and foreign aid organizations in the world. He was also a kind of mentor for the TaiwanICDF and used the US Peace Corps and JICA of Japan as examples of good practice.

Mr. Chen Tan Sun, former Minister of Foreign Affairs and Taiwanese President of the TaiwanICDF, had a book translated from Japanese to Chinese in 2004. The book is entitled "Global Trends in International Cooperation," the original published Japanese version by JICA. This book was initially written as a reference for JICA employees. It provides insight and an in-depth analysis of how the changing international environment is affecting aid development. "I think international aid to the international community, which includes Japan and Taiwan, is a fundamental issue. International cooperation and development workers should not only have a deep understanding of their work but also believe that the general public should be interested in learning more about this issue," said Chen in 2004. On the other hand, Dr. Toru Taguchi: JICA, Director General of the Institute for International Cooperation, welcomed the fact that this book had been translated into Chinese and published by the Taiwanese ICDF.

Translating global trends in international cooperation is not the only case that strengthens the relationship and trust between JICA and ICDF. On February 7, 2018, a severe earthquake struck eastern Taiwan. In response, the Japanese government deployed a team of eight JICA Japan Disaster Relief (JDR) experts. To support Taiwan's efforts to find and rescue the missing, the Japanese team of experts took technical assistance measures overnight and taught Taiwanese rescue teams how to use vital sign detection equipment that they had brought with them from Japan.

In another case of bilateral engagement, TaiwanICDF 2018 worked with JICA as part of the Small and Medium Enterprises (SME) development project in Guatemala. The objective of this

project is to support the Guatemalan government in improving its capacity for advice and advice Instructions for SMEs. In recent years, the TaiwanICDF has significantly changed its international behavior in terms of official development assistance. These were in line with Taiwan's political movements, which attempted to democratize and establish Taiwan as part of an international consensus on universal values and commitment to the underdeveloped world. Nevertheless, the political function of the TaiwanICDF is still crucial. It has acquired political importance as one of the international political breakthroughs in recent years.

Officials of TaiwanICDF frequently pay a visit to JICA and Japan Bank for International Cooperation to discuss bilateral cooperation in ODA. Taiwan, as one of the emerging donor countries in Asia, would be benefited a lot from JICA's experienced and well-organized ODA structure, such as technical cooperation, HA/DA, private sector investment finance, and as such. Therefore, not only referencing from JICA but also developing sustainable ODA bilateral cooperation should be one of the building blocks in Taiwan's regional security.

#### **4.4 Taiwan's ODA and Regional Security in the Asia-Pacific Region**

Japanese President Shinzo Abe gave a speech to the Indian Parliament in August 2007 entitled "The confluence of the two seas," a statement he derived from the title of a book by Mughal Prince Dara Shikoh leads to a series of counterweights between two hegemonies. A radical change has taken place in the Indo-Pacific region: China's firm position on diplomacy, the brutal turnaround of the United States, admitting that its strategy to contain China has failed, and the trade war. The Asia Pacific region has always been critical to the security concerns of the United States and vice versa. "Free" and "Open" are elements of the Trump administration's vision for the Indo-Pacific - a region that stretches from the American west coast to the west coast of India. The Trump administration defended the use of the term "Indo-Pacific" instead of "Asia-Pacific" in 2017, saying the broader label has strategic implications for overcoming the boom in China's integration of the United States into a whole region. Various leaders have introduced a new terminology, such as "Act East" and "Confluence of Two Seas." President Trump described how the Indo-Pacific region emerged as a beautiful constellation of nations, each with a bright star, satellites for nobody - and each with one people, one culture, one mode - of life and home. "

Partly due to the importance of Taiwan's geostrategic position in the Indo-Pacific region, the NSS document sheds light on China's relations with Taiwan, which have hardly been mentioned in previous national security strategies. Taiwan was officially invited to participate in the Quad Plus Dialogue in Tokyo in 2017 (Arudou, 2015). A week later, Japanese officials and Pentagon officials in Asia attended the Taiwan Opportunities in Indo-Pacific Security Strategies seminar organized by the Taiwan Think Tank on March 11. Taiwan was a responsible global citizen whose humanitarian and civil protection capabilities could have a significant impact on the region. The island state's diplomatic future looks promising.

There have been significant changes in the Indo-Pacific region in the past decade, particularly in terms of cooperation and competition between states, and geopolitical relations with the regional order. China's rise to power, China's ambitious Belt and Road initiative, the Trump administration's national security strategy, Abe's diamonds for democratic security in the Pacific and Taiwan's new policy towards the south, and various other geopolitical changes in regional security relations have all contributed to these changes contributed to the security structure of the region. As one of the biggest security problems in the region, Taiwan's development, whether in a close relationship or a security alliance with Tokyo and Washington, is drawing everyone's attention. Besides, not only is Taiwan's security interest in regional stability remarkable but also how Taiwan should participate as a stakeholder.

The Indo-Pacific strategy did not officially include Taiwan in the "quad dialogue" of the United States, Japan, Australia, and India. From a geostrategic perspective, however, Taiwan's strategic diamond is located in the strategic location of the center in the Indo-Pacific. For example, Taiwan will play an increasingly important role in the Indo-Pacific strategy in the foreseeable future, as Randall Schriver, Deputy Secretary of Defense for Security in Asia and the Pacific, stressed the President's vision for a free and open Indo-Pacific "suggests that it is a crucial role for Taiwan should give. "

This section not only analyzes the free and open strategy for the Indo-Pacific but also shows how Taiwan participates in the regional strategic alliance by taking a pragmatic approach to jointly

develop concrete and achievable cooperation programs with these partners to promote a long-term vision for international development and the fight against Chinese factors for regional security through ODA.

Japan launched the strategy for a free and open Indo-Pacific and placed more significant importance than before on relations with other American allies in the region, notably South Korea, Australia, and the Philippines. In this context, Japan regards Taiwan as an essential partner, even if its relations with Taiwan are limited to the informal level. On the other hand, Japan has started to improve its relations with China more seriously and to maintain dialogue for crisis management.

For China, the advent of the Trump administration is both an opportunity and a challenge. The withdrawal of the United States from regional cooperation means that there will be no adverse power that will prevent China from establishing regional order with neighboring countries. Increased Sino-Japanese competition could lead China to consider Japan as a severe regional competitor. Right now, however, it is too stressful for China to manage the regional order alone. Therefore, China is likely to see Japan as a cooperative partner that can share the burden and welcome Japan's participation in the BIS.

What was highlighted in the big picture was Taiwan's ability to support this evolving American strategy through its engagement in Southeast Asia. FAIRS arrived in 2017 as a partial reversal of happiness for Taiwan, as China attempts to buy Taiwan's diplomatic partners around the world, and increased aid flows to Pacific countries to promote more considerable influence. Therefore, this research paper would frame Taiwan in FOIP as an ODA contribution to coordination with Southeast Asia, the United States, Japan, Australia, and India.

The United States and Taiwan have attempted to expand the three cornerstones of FOIP, which U.S. officials have described as security, connectivity, and governance (Parameswaran, 2019). This is done through several mechanisms in US-Taiwan relations, including the Global Cooperation and Training Framework (GCTF), which was signed in 2015. Important pillars are



included in each pillar, such as connectivity - Taiwan is working with U.S. institutions such as the Overseas Private Investment Corporation (OPIC) to assist in monitoring infrastructure projects in Southeast Asia, a problem linked to China's belt and road. The initiative (BRI) is even more present. While Taiwan has organized international conferences on women's economic empowerment and religious freedom to defend the structural pillar of governance, law enforcement, and military strengthening are also part of the security domain (Figure 4.1).

Table 4.5 Structure of U.S.- Taiwan Free and Open Indo-Pacific Strategy—consist of four pillars which are Connectivity, Security, Governance, and the New Southbound Policy.

Four Pillars of U.S.-Taiwan Free and Open Indo-Pacific Strategy				
<b>Connectivity</b>	OPIC in SEA	GCTF	TaiwanICDF	
<b>Security</b>	Law Enforcement	Military Reinforcement	Cyber Security	
<b>Governance</b>	Women's Economic Empowerment	Religious Freedom	Digital Governance	Indo-Pacific Democratic Governance consultations
<b>The New Southbound Policy</b>	Agriculture Cooperation	Youth Exchanges	Public Health	Trade and Investment

The cooperation mentioned above and the ongoing projects should show whether it is possible not only to strengthen cooperation with these Indian and peaceful actors further but also to extend it. Therefore, the proposed structure of the free and open quadri-Taiwanese Indo-Pacific strategy should be based on ODA and should include not only the United States but also Japan, Australia, and India.

China's growing influence in the region is hampering the success of the Indo-Pacific strategy, especially given China's relationships with Quad members. China has become the primary trading partner of the United States, Japan, Australia, and India. Australia is the only country to



have a continuous trade surplus against China in the Quad. In other words, the Indo-Pacific strategy cannot exclude the influence of China in the region. Quad's relations with China will, therefore, determine the future development of the Indo-Pacific strategy.

Although Taiwan continues to contribute to the Indo-Pacific, there are no other obstacles. On the one hand, Taipei continues to challenge to contribute in a context where its membership in the institutions is limited and in which it is exposed to the persistent constraints of Beijing. Besides, the Indo-Pacific strategy has no framework for the integration of APEC, PTPGP, and the Comprehensive Regional Economic Partnership (RCEP). Similarly, the Indo-Pacific strategy has no standard framework for political and security communication like ASEAN.

The Indo-Pacific strategy needs an agenda to connect and integrate with existing international projects such as the Asia-Africa Growth Corridor (AAGC) between Japan and India, also known as the Freedom Corridor. The AAGC should increase the influence of the two countries of Africa and the Indian Ocean to compete with the Chinese BIS. The Indo-Pacific strategy should consider integrating the AGCM as one of its economic pillars in the near future. Besides, the Indo-Pacific strategy should rethink its approach towards non-quad countries, as China has become the most important or the most critical trading partner for almost all the countries of the region. For this reason, the Indo-Pacific strategy should take a more practical approach to involve other nations and avoid choosing camps and connecting not only quads but also ASEAN countries.

ASEAN member states are pursuing different strategies regarding China's aggressive expansion into the South China Sea. Indonesia, Malaysia, the Philippines, and Thailand would not see themselves threatened by China's expansion, while Vietnam takes territorial disputes and intense competition from the powers into account. These differences have put ASEAN in an awkward position. In particular, the strategy for the Indo-Pacific and the initiatives related to belts and roads are geopolitically interwoven and sometimes contradictory. Retno Lestari Priansari Marsudi, an Indonesian diplomat and foreign minister in the work cabinet, proposed a joint ASEAN agreement on the Indo-Pacific strategy the structure of ASEAN's centrality shortly before the 51st ASEAN Foreign Ministers' Meeting (AMM) and similar meetings. "I told my

ASEAN colleagues that it would be a mistake for people to talk about the Asia Pacific and Indian Oceans - where ASEAN is right in the middle of the two - and ASEAN is silent," she said, However, following a joint statement by the ASEAN Foreign Ministers in Singapore, the ministers looked forward to furthering discussions on the Indo - Pacific approach and reaffirmed the need to strengthen a regional architecture that focuses on the Mediterranean. ASEAN is open, transparent, inclusive, and governed by Regulate. It could be interpreted that ASEAN still has doubts about the Indo-Pacific strategy and the BIS and does not want to adopt the principle of equal treatment in diplomacy.

Taiwan Regional Assistance and the Association of Southeast Asian Nations (ASEAN)  
The Association of Southeast Asian Nations (ASEAN) celebrated its 51st anniversary on August 5, 2018. ASEAN has set itself the goal of accelerating economic growth, social progress and development in the region's culture and, through joint efforts in the spirit of equality and partnership, to strengthen the foundations of a prosperous and peaceful community of Southeast Asian nations. ASEAN has achieved its goals to some extent, despite the various aspects of the national security of its member countries, but must face up to the ambitious belt and road initiatives led by China. ASEAN's five pillars - Indonesia, Malaysia, the Philippines, Thailand, and Vietnam - have no interest in playing a role in US-Chinese competition. ASEAN's position of "not taking sides" has also weakened its impact on regional security. Therefore, such "policy-insensitive" issues as cybersecurity, environmental security, counter-terrorism, and official development aid would be the primary goal of regional cooperation (NBR, 2011).

ASEAN members' positions on national and regional security varied from country to country, particularly the complex tensions and balances between Indonesia, Malaysia, the Philippines, Thailand, and Vietnam. While Indonesia and Thailand were the primary states in the Indochina region, the Philippines and Vietnam have disputes with China, and Malaysia's relations with China have been shaped and changed after Mahathir Bin, and Mohamad became prime minister in 2018. As a result, the national security strategies of these five pillars have a direct impact on ASEAN's strategy.

According to the scholar in International Relation,

*“When Taiwan’s allies are concerning about its official relation with Taiwan, Taiwan’s ODA might make a slight difference, even under China’s pressure. However, it is not a simple concern on ODA but a much more deeply concern about technical support and expertise. For countries that take founding or infrastructure into main concern, Taiwan might not be their first choice, since Taiwan owes its advantages on expertise. At the same time, the ODA factor would only affect the Pacific countries, which has a relatively small population and partly rely on Taiwan’s aid. The same factor won’t be taken into concern when the recipient countries are Southeast Asia countries. Compared to the Pacific countries, ASEAN countries can bargain for larger cooperation with China.”*

In a concerted effort to expand Taiwan’s presence across the Indo-Pacific, President Tsai Ing-wen has introduced the New Southbound Policy (NSP) to strengthen Taiwan’s relationships with the ten countries of ASEAN and six states in South Asia (CSIS,2018) and ODA would be an alternative for this island nation.

According to the scholar in International Relation,

*“There are three reasons why it is easier to carry out ODA in the Pacific region rather than Southeast Asia. First, Taiwan has an official relationship with these Pacific countries for a long time. For these island nations, it won’t be that easy to cut the official ties with Taiwan. Second, distance, the long-distance makes it harder for China to play an influence on them. Third, its relationship with the United States. These island nations keep good relation with the United States. These Pacific allies keep good relation with both North and South America, and that’s why they can tune down the so-called China factors in its international relationships. There is another issue hindering private-public-partnership— corruption. The scandal of embezzlement public funds related to Independent State of Papua New Guinea has cast a shadow on private-public-partnership. Transparency should be taken into concern when Taiwan investing in a private company.”*

Regarding disputes in the South China Sea, the Philippines deliberately cut off the debate and avoided mentioning anything about the 2016 arbitration in the South China Sea when the Philippines presided over the conduct of 2017 (SDNT) (Thayer, 2018). However, the same was true for the Military Air Meetings Guidelines (GAME); eight ASEAN member states, China and

the United States, have entered into an engagement agreement ASEAN bilateral in FOIP and BRI.

Compared to their different positions on the national security strategy, all ASEAN member states suffer from a lack of good governance, such as humanitarian aid and disaster relief (HA / DR), security maritime, trafficking in human beings, and the fight against terrorism. The ASEAN defense ministers agreed to exchange information to address future threats from terrorism, radicalism, violent extremism, and other non-traditional threats in the region.

Common platforms such as “Our Eyes,” the AHA Center, the ASEAN invitation program in Japan for HA / DR or ODA could, therefore, synchronize the ASEAN security community.

#### **4.5 Discussion**

One of the goals of Taiwan's ODA is to develop ODA as an agent that assist Taiwan's businesses to win contracts in the Asia-Pacific targeted countries. To achieve this goal, the government has categorized target countries into two groups: the Ministry of Foreign Affairs is in charge of the countries with official diplomatic relations while the Ministry of Economic Affairs is in charge of the countries included in the New Southbound Policy. After conducting a series of interviews and data collection, challenges and difficulties have emerged. The following section focuses on the challenges the Taiwan government has encountered then develops into possible alternatives.

Taiwan has encountered difficulties when the government or private companies developing potential ODA cases. The challenges could be elaborated into parts: international constraints and domestic dilemmas.

First, international constraints. Taiwan's New Southbound Policy has targeted ten ASEAN countries, six South Asian countries, and the two Pacific countries. However, the Taiwan government has only set up its representative office in eleven countries, which is eleven out of eighteen. In other words, it would be hard to collaborate with the countries without representative office, for example Cambodia, Laos, Pakistan, Nepal, Bangladesh, and Sri Lanka.

In addition, countries like Singapore, New Zealand, and Australia are developed countries. The room for Taiwan's ODA would be limited. At the same time, Malaysia, Thailand, Brunei, and India have announced that it only cooperates with ODA that is from the United States, EU, and Japan. To conclude, Taiwan's ODA cases are limited to Indonesia, the Philippines, Vietnam, Myanmar, and some Malaysian State Governments.

Not to mention the diplomatic pressure from China, the Belts and Roads Initiative (BRI) has closely cooperated with Thailand, Indonesia, the Philippines, Myanmar, and Malaysia. These countries signed memorandums of understanding with China to build public infrastructure, one of the examples in Malaysia; it has been involved in the BRI highway construction project since 2018. The "China factor" should be taken into concern when Taiwan is developing ODA cases.

However, another concern is putting Taiwan's ODA in the corner: these governments—Vietnam, for instance— are limited to its foreign debt ceiling, which is regulated by the International Monetary Fund (IMF). Therefore, when it comes to possible cooperation, PPP or BOT are preferred over ODA.

Second, domestic dilemma. There are two domestic dilemmas that Taiwan's ODA has long encountered. Not only Taiwanese construction companies but the related industry have been looking forward to build up a JICA-like or JBIC-like official organization. JICA, as known as Japan International Cooperation Agency, is founded in 2003 and is the leading coordinated official organization under the Ministry of Foreign Affairs of Japan, while JBIC, as known as Japan Bank for International Cooperation, is a policy-based financial institution under the Ministry of Finance. Japan has been an ODA model for countries in Asia for decades. On one hand, ODA has accounted for 60% of budget from Ministry of Foreign Affairs of Japan, which is 16.8 billion USD, and over 70% of it is devoted to countries in the Asia-Pacific region. On the other hand, JBIC conducts lending, investment and guarantee operations while complementing the private sector financial institutions. JICA and JBIC are the backbones of Japan's ODA.

Since Taiwan has not devoted enough financial resources to build up a policy-based financial institution, Taiwan's businesses often suffer from the shortage of funds or unable to provide

buyer's credit when trying to win contracts in the Asia-Pacific targeted countries. In short, the first domestic dilemma is lacking a suitable policy-based financial institution to assist Taiwan's businesses in winning ODA cases.

Second, Taiwan's ODA mostly cooperates with the foreign local state government, not directly with the central government. However, according to the International Cooperation and Development Act, the Taiwanese government prefers to cooperate directly with the central government. This contradiction makes it harder for Taiwan to grant the cases. Therefore, some proper adjustments should be made.



## Chapter 5 Conclusions and Recommendations

### 5.1 Conclusions

In 2018, Taiwan's budget for ODA totaled US\$301 million, while its ODA scheme initially aims at overseas public construction opportunities worth US\$3.5 billion. Taiwan's ODA to the Asia-Pacific region could be divided into two different sectors— Ministry of Foreign Affairs and Ministry of Economic Affairs, the former is in charge of the countries with official diplomatic relations. At the same time, the later is the countries included in the New Southbound Policy. On the executive level, TaiwanICDF and the Office of Trade Negotiations carry out its missions by implementing capacity building and subsidizing Taiwanese business separately.

Table 5.1 shows Taiwan's ODA scheme, which could be divided into two parallel yet collaborated system. To be clear, these two systems are not exclusive to each other yet complementary in executive and law enforcement levels.

Table 5.1 Taiwan's Official Development Assistance Scheme

Taiwan's Official Development Assistance Scheme		
<b>Main Executive unit</b>	TaiwanICDF	Office of Trade Negotiations
<b>Objectives</b>	<ol style="list-style-type: none"><li>1. To boost socio-economic development, enhance human resources and promote human capacity in a range of developing partner countries.</li><li>2. To offer humanitarian assistance and provide aid in the event of natural disasters or international refugee crises.</li></ol>	<ol style="list-style-type: none"><li>1. To assist diplomatic allies and New Southbound partner countries with their public construction.</li><li>2. To help Taiwanese engineering companies explore overseas business opportunities on the basis of fair competition.</li></ol>
<b>Opportunities</b>	Taiwan's budget for ODA totaled US\$301 million	ODA scheme initially aims at overseas public construction opportunities worth US\$3.5 billion.
<b>Source of Funds</b>	Annual budget from Ministry of Foreign Affairs.	The financial source of our ODA scheme comes from loans or syndicated loans provided by the financial institutions. The funds do not come from the government budget or foreign reserves.



Taiwan's Official Development Assistance Scheme		
<b>Scope of Application</b>	Eligible countries: Diplomatic allies	Eligible countries: Diplomatic allies and New Southbound partner countries with good creditability (mainly)
<b>Eligible projects</b>	lending and investment, technical cooperation, humanitarian assistance, and international education and training.	Overseas public construction and infrastructure cases which successfully go through both policy and professional evaluations.
<b>Pillars of Taiwan's ODA</b>	<ol style="list-style-type: none"> <li>1. Cooperation with international organizations and NGOs</li> <li>2. Collaborated consulting service</li> <li>3. Training and capacity building projects</li> </ol>	<ol style="list-style-type: none"> <li>1. MOU between two Representative Offices</li> <li>2. Loan Contract between Borrower &amp; Bank</li> <li>3. Construction Contract between Owner &amp; Company</li> </ol>

Taiwan's aid programs are a necessary but not sufficient tool for retaining diplomatic recognition. Therefore, Taiwan needs to emphasize that it offers assistance as a partnership with recipient countries, and it has cooperation opportunities with Taiwanese companies. Internally, the MOFA is the top actor in the country's foreign aid with Taiwan ICDF assisting. However, the organization serves only to handle no more than one-sixth of Taiwanese ODA, while OTN has not established a robust framework. If Taiwan can put its funds and resources to good use, its ODA may even bring a range of positive outcomes, including diplomatic and economic benefits.

## 5.2 Recommendations

Limitations would be sorted out after the scheme is clarified. Aside from the apparent fact that ODA projects are usually underfunded, there are some external adversities. ASEAN countries have been ODA recipients from Japan, the EU, or the U.S.A. for decades, while China, South Korea, and India have also actively taken part in this ODA partnership with ASEAN countries. Taiwan has to find its ODA niche to stand a higher chance of broadening its alleys. On the one hand, concerning the limited budget and resource, Taiwan would excel in partnering ASEAN countries if it focuses on its advantages such as experience in capacity building, public health, and HA/DR, etc.



On the other hand, among the ASEAN countries, Taiwan should focus on Cambodia, Laos, and Myanmar. These three countries have developed manufacturing industries such as shoes and garments and have already partnered with Taiwanese companies. As such, a second conclusion is that Taiwan must collaborate with like-minded partners on different topics, for instance, US-Taiwan GCTF and JICA-TaiwanICDF projects.

The third conclusion is that Taiwan's aid and assistance to Asia-Pacific make essential contributions to regional development, disaster resilience, and recovery, as well as to Taiwan's ability to help Taiwanese engineering companies explore overseas business opportunities based on fair competition. However, Taiwan's aid programs are a necessary but not sufficient tool for retaining diplomatic recognition. Therefore, Taiwan needs to emphasize that it offers assistance as a partnership with recipient countries, and it has cooperation opportunities with Taiwanese companies.

A fourth and final conclusion from this thesis points to the importance of establishing a cross-ministerial mechanism or committee to comprehensively work on diplomatic, political, and economic ODA projects. To be more specific, Taiwan's ODA to the Asia-Pacific should serve as a platform to provide political and economic incentives. As one interviewee, the author spoke with, argued, "The Office of Trade Negotiations still has much improvement to work on while it is under limited funds and resources. Taiwan would earn more strategic and economic value by learning from Japan and U.S.A. mechanism, not by its scale but how it works." another argued that Taiwan needs a policy-based financial institution for its ODA development, which both TaiwanICDF and Office of Trade Negotiations would be benefited from.

Taiwan's ODA to Asia-Pacific region is promising yet has to improve on the mechanism, policy, and implementation-wise. Still, its ODA scheme would serve as an international cooperation platform with the New Southbound Policy countries and repositioning Taiwan diplomatically in the world with its allies.

Taiwan's ODA should construct on government-to-government negotiation yet along with coordinating with local and foreign banks to sign the loan contract and repayment guarantee. As

for the construction, a foreign tendering agency should agree with Taiwan's bidders on fair bidding, and Taiwan's government should adjust a more flexible ODA manner when reviewing the cases. What Taiwan can learn from JICA is the mechanism of Private Sector Investment Finance (PSIF). Under the Development Cooperation Charter, Japan is also committed to addressing the challenges facing the international community, especially development and humanitarian issues. JICA supports developing countries under this principle. Finance and Investment Cooperation is a type of ODA that lends or invests relatively large amounts of development funds under concessional terms to developing countries and regions to support their efforts for their growth and development.

To assist Taiwan's businesses to win contracts in the Asia-Pacific targeted countries, the Taiwan government should not only focus on physical infrastructure—water conservancy and electric power engineering — but also social infrastructures such as education, technology, and medical service as well. Another lesson Taiwan should learn from Japan is taking the initiative. According to the interviewee from ONT, there will be potential ODA cases if the Taiwan representative in the Asia-Pacific countries would take the lead. Taiwan is well-known for providing technical assistance in sewage treatment, composting of waste, water supply, medical development, and so on. To widen Taiwan's ODA cooperation, the government of Taiwan should also take the local state government into consideration list. Either establish a state government level of ODA or endorsed by the central government.

Taiwan's current ODA model has little involvement with NGOs due to its G-to-G nature. However, NGOs are recognized as one of the fundamental driving forces for NSP Policy, especially concerning its core principle of people-to-people connection. Apart from ODA, NSP Policy needs NGOs to participate in order to demonstrate Taiwan's soft power and contribute to regional development.

### **5.3 Limitation**

There are some potential factors limiting the scope of the research. Foreign aid is related to a country's intention in serving its national interests, so it can be a sensitive subject due to concerns of confidentiality. Especially in the case of the Office of Trade Negotiation, because of

political and diplomatic disputes, its ODA statistics is hard to be found and collected. For one thing, the Executive Yuan is reserved for releasing details about its foreign assistance. In addition, data and information from the Office of Trade Negotiation are considered confidential while TaiwanICDF's ODA projects are transparent. Therefore, the current situation of ODA projects which under Office of Trade Negotiation are mainly acquired by interviewing and supplemented by open data.

#### **5.4 Further Research Suggestions**

Like previously mentioned, the present study still has room for advancement, and the followings are the researcher's suggestions for future research. First, the methodology of this research project can be extended into a quantitative study on Taiwan's ODA by dropping a survey on the stakeholders. Second, since the New Southbound Policy has been implemented for three years (2016-2019), a detailed review of its ODA efficiency and its policy should be clarified as the periods. Finally, the scope of this study can be expanded to include analysis and assessment of foreign policy due to its high relevance to ODA.

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Appendix I: Taiwan ODA Amount in 2016- 2018

Taiwan ODA Amount in 2016		
Taiwan ODA in 2016	USD	Percentage
<b>Taiwan Total ODA in 2016</b>	<b>327,991,354.45</b>	<b>100%</b>
<b>Social Infrastructure and Services</b>	<b>181,457,039.03</b>	<b>55.32%</b>
Education	12,787,480.00	3.90%
Scholarship	26,434,792.00	8.06%
Technical Education	7,173,408.00	2.19%
Health Care	18,994,659.00	5.79%
Water Supply and Sanitation	1,862,018.00	0.57%
Government and Civil Society	44,118,653.00	13.45%
Other Social Infrastructure Services	70,086,030.00	21.37%
<b>Economic Infrastructure</b>	<b>26,512,034.90</b>	<b>8.08%</b>
Transportation and Warehousing	827,429.00	0.25%
Information and Communication	4,996,575.00	1.52%
Energy	7,738,943.00	2.36%
Other Economic Infrastructure Services	12,949,088.00	3.95%
<b>Production Department</b>	<b>43,818,445.98</b>	<b>13.36%</b>
Agriculture Fishery, Forestry and Animal Husbandry	38,088,539.00	11.61%
Industry, Mining and Construction	1,178,360.00	0.36%
Trade Policy and Regulations	2,919,535.00	0.89%

Taiwan ODA Amount in 2016		
Taiwan ODA in 2016	USD	Percentage
Tourism	1,632,012.00	0.50%
<b>Sustainable Development</b>	<b>1,888,062.60</b>	<b>0.58%</b>
Environment Protection	1,768,063.00	0.54%
Cross-sector Cooperation	120,000.00	0.04%
<b>Others</b>	74,315,771.95	22.66%
Aid Donation	26,751,069.00	8.16%
In-Kind Donation	19,346,800.00	5.90%
Debt Associate	4,000,000.00	1.22%
Humanitarian Aid	4,814,918.00	1.47%
Disaster Relief	569,149.00	0.17%
Administrative Expenditure of Aid Receiver	12,502,593.00	3.81%
Assisting NGOs	6,331,243.00	1.93%
<b>GNI(USD)</b>	<b>548,365,000,000.00</b>	<b>/</b>
<b>ODA/GNI</b>	<b>/</b>	<b>0.060%</b>

(Source: TaiwanICDF)

Taiwan ODA Amount in 2017		
Taiwan ODA in 2017	USD	Percentage
<b>Taiwan Total ODA in 2017</b>	<b>321,250,819.65</b>	<b>100%</b>
<b>Social Infrastructure and Services</b>	<b>156,970,390.77</b>	<b>48.86%</b>
Education	15,175,550.62	4.72%
Scholarship	28,088,065.56	8.74%
Technical Education	3,241,325.27	1.01%
Health Care	24,102,528.86	7.50%
Water Supply and Sanitation	786,180.76	0.24%
Government and Civil Society	27,033,402.96	8.42%
Other Social Infrastructure Services	58,543,336.73	18.22%
<b>Economic Infrastructure</b>	<b>72,037,212.30</b>	<b>22.42%</b>
Transportation and Warehousing	26,263,486.9	8.18%
Information and Communication	3,872,076.37	1.21%
Energy	1,162,117.25	0.36%
Other Economic Infrastructure Services	40,739,531.75	12.68%
<b>Production Department</b>	<b>35,956,824.6</b>	<b>11.19%</b>
Agriculture Fishery, Forestry and Animal Husbandry	32,510,454.69	10.12%
Industry, Mining and Construction	2,543,766.82	0.79%
Trade Policy and Regulations	430,430.63	0.13%
Tourism	472,172.50	0.15%
<b>Sustainable Development</b>	<b>2,056,051.05</b>	<b>0.64%</b>

Taiwan ODA Amount in 2017		
Taiwan ODA in 2017	USD	Percentage
Environment Protection	1,622,047.77	0.50%
Cross-sector Cooperation	434,003.28	0.14%
<b>Others</b>	54,230,340.89	16.88%
Aid Donation	4,040,385.27	1.26%
In-Kind Donation	6,295,997.27	1.96%
Debt Associate	1,944,236.86	0.61%
Humanitarian Aid	28,931,409.15	9.01%
Disaster Relief	895,061.34	0.28
Administrative Expenditure of Aid Receiver	11,503,601.33	3.58%
Assisting NGOs	619,649.69	0.19%
<b>GNI(USD)</b>	<b>573,216,000,000.0</b>	<b>/</b>
<b>ODA/GNI</b>	<b>/</b>	<b>0.0560%</b>

(Source: TaiwanICDF)

Taiwan ODA Amount in 2018		
Taiwan ODA in 2018	USD	Percentage
<b>Taiwan Total ODA in 2017</b>	<b>321,250,819.65</b>	<b>100%</b>
<b>Social Infrastructure and Services</b>	<b>148,388,995.37</b>	<b>49.19%</b>
Education	11,225,262.11	3.72%
Scholarship	28,352,187.06	9.40%
Technical Education	5,919,749.33	1.96%
Health Care	16,480,485.28	5.46%
Water Supply and Sanitation	1,795,544.57	0.60%
Government and Civil Society	25,686,769.05	8.52%
Other Social Infrastructure Services	58,928,997.97	19.54%
<b>Economic Infrastructure</b>	<b>49,539,256.34</b>	<b>16.42%</b>
Transportation and Warehousing	26,811,185.89	8.89%
Information and Communication	15,979,029.50	5.30%
Energy	5,062,249.84	1.68%
Other Economic Infrastructure Services	1,686,791.11	0.56%
<b>Production Department</b>	<b>38,393,214.97</b>	<b>12.73%</b>
Agriculture Fishery, Forestry and Animal Husbandry	37,054,900.85	12.28%
Industry, Mining and Construction	475,847.14	0.16%
Trade Policy and Regulations	745,00.54	0.25%
Tourism	117,466.45	0.04%
<b>Sustainable Development</b>	<b>6,521,395.50</b>	<b>2.16%</b>

Taiwan ODA Amount in 2018		
Taiwan ODA in 2018	USD	Percentage
Environment Protection	314,559.61	0.50%
Cross-sector Cooperation	6,206,835.89	0.14%
<b>Others</b>	58,814,239.03	19.50%
Aid Donation	11,191,299.02	3.71%
In-Kind Donation	1,180,533.41	0.39%
Debt Associate	3,776,812.65	1.25%
Humanitarian Aid	21,693,604.86	7.19%
Disaster Relief	1,720,000.00	0.57%
Administrative Expenditure of Aid Receiver	11,366,163.28	3.77%
Assisting NGOs	7,885,825.82	2.61%
<b>GNI(USD)</b>	<b>589.474.000,000.00</b>	<b>/</b>
<b>ODA/GNI</b>	<b>/</b>	<b>0.0560%</b>

(Source: TaiwanICDF)



## Appendix II: Interview Transcript

### 1. TaiwanICDF Official A

As for TaiwanICDF implementation, agriculture development and capacity building would be two of the main pillars in ODA, including human development, short term training programs, and scholarship. The training programs are diversified, every year our embassies in these countries offer fixed quota to the locals, At the same time, we invited stakeholders and policymakers to Taiwan to understand how Taiwan develop the related sectors or policy development. There are two approaches in public health: healthcare personnel training and technical support. Every year we offer chances to each allied Pacific countries to send their healthcare personnel upgrading their professional skills. At the same time, the Ministry of Foreign Affairs (MOFA) outsources their projects to the Ministry of Health and Welfare to dispatch the professional to coordinate the mobile mission every year. In terms of agriculture, technical cooperation has expanded the sector cooperation to environmental issues and capacity building, to Pacific countries.

As for the Southeast Asia countries, TaiwanICDF implements ODA in Indonesia and Thailand. In recent years, because of natural disaster, TaiwanICDF utilized its own found and allocated its financial resources in Southeast Asia. For example, there was an earthquake and tsunami in Indonesia's Central Sulawesi. We cooperated with two international NGO in Central Sulawesi to implement humanitarian assistance projects. In terms of Southeast Asia, especially from the TaiwanICDF perspective, we intervene our resources to countries which are in need. We also allocated limited resource on overseas volunteer, that is two registered legal organization and educational institution in Chiang Mai. We send three two five volunteers to these schools located in northern Thailand. As for humanitarian assistance (HA) projects, TaiwanICDF is implementing an HA project in the Philippines. This project is food assistance (nutrition).

Except for HA, annual education training would offer short term training programs and scholarship programs for developing countries. Of course, part of the Southeast Asia countries is included as the targeted countries. TaiwanICDF was set up as an entity which facilitates economic development for our allies. Most of the funding of TaiwanICDF is from MOFA. Therefore, TaiwanICDF would follow MOFA's instruction.

When TaiwanICDF designs or implements an ODA project, we would customize it to fit the recipients' need. TaiwanICDF shapes the base of our program on these Pacific countries needs rather than fit the requirement of SDG. However, when you touch upon what they need, you would easily find out that SDG covers all the issues.

“One medical center for one country” has been the main direction in the public health issue. As for these specific details, I would suggest you visit the New Southbound Policy Office for further details. If you make a comparison between the Pacific countries and Southeast Asia, you would realize countries in the Pacific region are deeply depend on us, especially agricultural production. Southeast Asia countries are relying on us to upgrade their agriculture and planting skills.

On the other hand, the Pacific countries have limited resources and staffs in public health. In these countries, it won't be as easy as those from the Southeast countries. The labor shortage is a very serious problem in Pacific countries. TaiwanICDF trained public health care personnel in Pacific countries, after training, they would be recruited by New Zealand and Australia. As you can see, these countries have given a positive response to our hard work.

China has committed huge budget on One Belt One Road Initiative and signed MOU with many countries in Southeast Asia. These level of the budget has already surpassed TaiwanICDF's. In other words, when approaching the private investment or private sector collaboration, they would collaborate with caution. However, if you go to the rural area, these kinds of political factors would be waned down, it won't be as sensitive as those in metropolitan cities. So if you ask me, if there is a possibility for public-private partnership, I would say yes. However, the private sector is interesting in developing a rural area. Politic factor won't be that important if the project is conducted in the rural area.

There is an engineering and construction services company called CTCI (中鼎集團) has conducted some infrastructure such as MRT in Southeast Asian countries. To tell the truth, infrastructure would take up a huge budget, it is hard to implement these project rather than our expertise.

Our professional skill is stronger than China, I believe we still have chance to fighting balance with China. TaiwanICDF has an HA project in Nepal, its a health care project. When we implementing it, there isn't any problem or pressure from China. During the first year, we are able to pull out our national flags and TaiwanICDF logo on the billboard. However, in the second year, due to the political issue, our cooperated international NGO was warned that we aren't allowed to put up the Taiwan National flag. Politic is always influencing ODA, it has been a tough issue for us. If there is a positive development in the relation between Taiwan and China, some of the things might be different. As a TaiwanICDF staff, there will always be a chance to breakthrough. Take the Philippines and Indonesia for example, our approached are HA, instead

of politic. In this stance, it won't cause any trouble. What they need is substantial assistance, money, and infrastructure development.

When the allied Pacific countries mention their national development, they use "TaiwanICDF" as one of the measuring units. I won't say that without our help they can't grow any vegetable. However, not only these islanders but Australians and New Zealanders appreciate our technical support. Technical missions play an important role in our international relationships. We do maximize our ODA value not only to the Pacific islands but Australia and New Zealand. Vegetable and poultry are two of our main pillars in technical support to the Pacific countries. On the other hand, Southeast Asia countries or ASEAN countries are united, in terms of politic issues. Since China is one of their allies, Taiwan has little room to maneuver. TaiwanICDF would focus on our allies, based on the concern of limited resource.

Diplomats from New Zealand and Australia have good relation with us, however, when it comes to politics, they are dealing with these issues with great cautious. Taiwan has been invited to the Pacific Island Forum (PIF). The Pacific Islands Forum (PIF) is an inter-governmental organization that aims to enhance cooperation between countries and territories of the Pacific Ocean. Taiwan participates as a development partner in PIF, in this way, island nations would get a draft of what we are capable of.

Staffs in the TaiwanICDF are practical idealist, utilize limited resources to earn Taiwan's recognition.

### **TaiwanICDF Official B**

Please briefly talk about the TaiwanICDF ODA project in the Pacific countries and the difficulties TaiwanICDF has encountered. What we emphasis in the Pacific countries ODA program are agriculture, environment, information and communications technology, education, and public health. There are several issues remained to be solved in the Pacific countries, such as infertile soil, unbalanced eating habits, obesity, noninfectious chronic disease, low school attendance rate, and little chance to acquire on-the-job training. Therefore, TaiwanICDF has applied our advantages and expertise in nutrition, gardening, and agriculture. There are two objects that TaiwanICDF have emphasized on: disaster recovery and promoting public health. One of the cases would be TaiwanICDF not only promotes good nutrition that it would reduce the risk of some diseases, including heart disease, diabetes, stroke, some cancers, and osteoporosis but also agriculture planning support.

On one hand, to meet the United Nation's Sustainable Development Goals, TaiwanICDF customizes eco-friendly projects such as poultry farming and circular economy for families. TaiwanICDF promotes the importance of recycling, such as poultry waste recycling and management. On the other hand, TaiwanICDF has customized a series of education project that fit the local. TaiwanICDF customizes training projects, such as scholarship, workshop, and technical education for tourism. Tourism, the main source of their income, should have improved by these programs. At the same time, the importance of a balanced diet and chronic disease prevention are also one of the main checkpoints listed in the TaiwanICDF.

Taiwan, as one of the island nations, is well-known for its expertise in dealing with limited resources, sustainability, natural disaster management, recycling, and extreme weather. As for the public-private partnership, TaiwanICDF collaborates with a private hospital, Ministry of Health and Welfare, and Environmental Protection Administration. TaiwanICDF manages to send specialists, who are long-term employed, to the countries and talk to the local stakeholders.

One of the difficulties we have faced is figuring out the recipient countries' need. Communicating with the stakeholders and clarifying the priority have always been one of our goals, when it comes to implementing ODA. There are several stages to go through when implementing ODA program: preparation, evaluation, negotiation, stake holders meeting, expectations meetings, contract bidding, executing period, first-three month monitoring, closing report, result evaluation, post evaluation (in 2-5years), impact evaluation (in 6-10 years).

### **Trade Representative (G) in Office of Trade Negotiations, Executive Yuan**

The main core of Taiwan ODA is interest subsidy, it is different from other countries' ODA. Normally ODA contains three different assistances—investing, financing, and technical assistance. There are three dilemmas that Taiwan has faced in ODA—low annually budget, foreign debt ceiling of the recipient country, and alternative of PPP and BOT. At first, the main purpose of Taiwan's ODA is assisting our construction industry, however, it is not following up. Take Japan, for example, Japan has set up criteria for ODA/GNI ratio at 0.22%. However, Japan has encountered a specific issue—when the recipient countries are paying the loan back, the goal set up by Japan government can't be met. This has caused Japan's failure in International Obligation Delivery and consequently giving more pressure on the Japanese government to initiate more ODA projects.

Ministry of Economic Affairs of Taiwan has allocated one billion budget in interest subsidy while the Ministry of Foreign Affairs has 500 million. One case usually takes one billion and it lasts for 30 years. One of the well-known cases in Haiti.

One of our missions here (Office of Trade Negotiations) is seeking potential cooperation with JICA. Therefore we have to identify Japan's incentive to work with us. JICA spots the opportunities in Taiwanese companies, as long as Japanese enterprises are involved in Taiwan-oriented ODA through JICA's Private Sector Investment Finance. However, there are still some difficulties that Taiwan would have when cooperating with Japan, such as Japanese products usually cost more than others.

Japan is not the only case, we also work with the United States. Office of Trade Negotiations works with The Overseas Private Investment Corporation (OPIC). OPIC is a self-sustaining U.S. Government agency that helps American businesses invest in emerging markets. Established in 1971, OPIC provides businesses with the tools to manage the risks associated with foreign direct investment, fosters economic development in emerging market countries, and advances U.S. foreign policy and national security priorities. OPIC is a finance company, which means the regulation would be pretty much the same as JICA's regulation. That is the OPIC would mainly subsidize the interest difference. The key to cooperation with the USA or Japan would be the possibility of using their infrastructure.

In this sense, these private commercial bank receives a subsidy from ROC Central Bank. However, the commission charge isn't covered in the project. The commission charge would be 0.8% to 1.0%.

Take Japan of Korea ODA, for example, their ODA is set up to promote their export. So does Taiwan. Here comes the ultimate question: Why Taiwanese industry needs ODA to promote their export? What's wrong with the industry?

One of the main reasons is the Performance Record. The Taiwanese company has to go through the Pre-Qualification. Equipment Purchase Construction is one of the barriers. There is only one company that is qualified to apply for the EPC—CTCI Corporation (CTCI Annual Revenue 2018 Base value: USD 2.1 billion)

CTCI is an Engineering, Procurement, and Construction (EPC) services provider the world can rely on. Founded in 1979, CTCI emerged as the leader in Taiwan's hydrocarbon processing industry and an active player in the international power, environmental, transportation and industrial markets. A strong reputation for reliability—coupled with an uncompromising approach to quality and an eagerness to learn—further drove our ascent to become the world's most reliable engineering service provider. Expertly delivering technically complicated projects in markets all over the world, CTCI has become the engineering partner of choice for global leaders across Asia, the Middle East, and the Americas.

That makes other contractors bid as a subcontractor, which is not recognized on the performance record. Therefore, most Taiwanese companies could only go through as a subcontractor and are not able to bid for the construction. Take some international organization, for example, Asian Infrastructure Investment Bank and International Monetary Fund, one of their missions is consultation service to map out what the locals need. To be honest, the scale of the Taiwan construction project is around 1.6 to 2 billion USD. It scaled from 1 billion, before the 5+2 industrial innovation plan. The ultimate question that the government should ponder upon is “Does Taiwan need the Construction industry? If it does, how?” The first thing should be done is “scale up the construction”. This is done by two main mechanisms: Special Act for Forward-Looking Infrastructure and exporting from ODA. However, there is a dilemma: Taiwanese companies are not willing to go aboard, given that there are enough domestics opportunities. There is some main reason of the recipient countries are not that willing to receive ODA: external debt limit.

From my standpoint of view, Taiwan has never set up its mind on ‘contouring BRI’, our niches lay in technology, economy, medical assistance, technician education, agriculture, and environment.

### **Stakeholder in National Security Council**

(1) What is the relation between Taiwan and FOIP?

FOIP is a strategy initiated by the United States, Taiwan also plays a part. Taiwan MOFA’s Indo-Pacific Affairs Section is officially launched in May, 2018. “This section will open the door to more opportunities for collaboration across a broad spectrum of areas,” Minister Wu said. “It will also foster greater understanding among Indo-Pacific nations pursuing the shared goal of safeguarding regional peace, stability and prosperity.”

USA has established The United States International Development Finance Corporation (USIDFC or DFC), it will be will be an executive agency of the United States federal government responsible for providing foreign aid through the financing of private development projects. Its creation was mandated by the Better Utilization of Investments Leading to Development (BUILD) Act of 2018, which was signed into law by President Donald Trump on October 5, 2018. The DFC consolidates the Development Credit Authority (DCA) of the United States Agency for International Development (USAID) with the Overseas Private Investment Corporation (OPIC), providing \$60 billion in loans, loan guarantees, and insurance to U.S. companies that invest or operate in developing nations. The DFC is slated to be operational by the end of 2019, pending the submission of a transition plan to Congress by the Trump Administration. The official objective of the DFC is to stimulate economic growth in less developed countries by promoting market-based, private-sector development, namely by



providing capital to private investors to support commercial projects. The BUILD Act directs the agency to focus its efforts particularly on lower-income and lower middle income countries. Representatives from USA have visited Taiwan to seek for cooperation on BUILD and Pacific Islands Good Governance Initiative. However, Taiwan's role hasn't be specified.

(2) What is the relation between GCTF and FOIP?

GCTF was launched in 2014, that is under Obama's administration. FOIP is initiated under Trump's government. This new Global Cooperation and Training Framework will build upon these successes and explore new ways to harness U.S. and Taiwan expertise and teamwork for the benefit of the regional and global communities. In other words, the United States set GCTF as an alternative to get Taiwan involved in the regional community. GCTF is a project hold by Taiwan and the United States while FOIP is an initiative own by the USA. Therefore, it is more like GCTF is seeking its own niche in FOIP.

(3) Through the New Southbound Policy and ODA toward ASEAN or South East Asia countries, would the United States values Taiwan as one of the strategy partners?

South East Asia countries hold FOIP with highly caution. According to ASEAN Outlook on the Indo-Pacific, it is aimed at offering an outlook to guide cooperation in the region. Countries in ASEAN hold different perspective toward FOIP.

Vietnam: excited; Cambodia: refused to participate, for its close relation with China; the Philippines is on the fence. Its nongovernment is willing to cooperate with USA while President Duterte is leaning to Xi; Indonesia, as the biggest country in South East Asia, is eager to play a much more significant role. Australia is trying to put Indonesia in the FOIP while USA doesn't. Laos, Thailand, and Myanmar hold FOIP with highly concern.

In short, ASEAN is worried about its role would be replaced by FOIP and FOIP would ruin the collation for different stances. Thats the reason why ASEAN commented FOIP as an ambiguous strategy in 2018. Singapore Prime Minister Lee Hsien Loong said the Asean-US partnership has to be seen in the background of the US-China relationship, stressing that the Asean nations wanted to work with both countries. We are open to proposals by external partners to strengthen the existing Asean-centric regional architecture.

As for the New Southbound Policy, the United States is optimistic on its potential cooperation. However, how to cooperate is still the elephant in the room. On one hand, Taiwan's 'people-centered 'New Southbound Policy emphasize on technology, culture, and agriculture cooperation. On the other hand, FOIP focus on infrastructure. To be clear, Taiwan do offer infrastructure funding, however it is different from US International Development Finance. There is another obstacle, US hasn't put the relocated industry chain caused by China-US trade war into FOIP. The main reason is Laissez-faire, in which transactions between private parties

are free from any form of government intervention such as regulation, privileges, imperialism, tariffs and subsidies. It is these private companies move their production line to ASEAN countries, not convinced by the US government. On the other hand, Taiwan government has been working on paving the road for our private companies.

(4) What is the relation between BRI and the New Southbound Policy?

There is little chance for the New Southbound Policy to counter BRI. The infrastructure projects in the New Southbound Policy are connect to Smart City rather than high budget infrastructure. On the other hand, FOIP is initiated from countering BRI.

(5) Would Taiwan's ODA be an alternative to Taiwan's official diplomatic allies?

There is little chance for the recipient countries to choose Taiwan over China for our ODA. Reasons are Taiwan's limited resource and Taiwan ODA focuses on private or local cooperation rather than central government. That is to say, our ODA becomes a stand along project. Yes, the civilian would be sincerely appreciate to Taiwan's capacity building rather than China's mega projects.

There is risk to cooperate with Australia for Taiwan's ODA in Pacific region, Pacific countries and Australia hold differences in regional development.

(6) What is your advice for Taiwan ODA and regional stability?

Taiwan has done a great job in ODA, we should hesitate on implementing. Taiwan shouldn't treat its ODA as a tool to counter BRI. Regional cooperation would be the solution through financial intelligence and financial transparency to counter China's mega cases.

Taiwan's leaders are used to the so-called "stopover diplomacy". That is through visiting Taiwan's official diplomatic allies, President of Taiwan would stopover in the United States or other nonofficial allies.

The ultimate question would be how should we leverage our ODA programs to deepen Taiwan's relation with these recipient countries instead of one-time project. Japan would be a great example, Japan leverages its ODA to promote its export and customize an economic developing pathway to its recipient countries.

Taiwan has prided itself as its well-done capacity building, however there should be further training and turn into an ecosystem.