

Country Development Cooperation Policy
for the Republic of the Philippines

April, 2018

1. Purpose of Development Cooperation

The Philippines is a geopolitically important country that is located along vital sea lanes. The Philippines also shares strategic interests as well as fundamental values such as democracy, rule of law, and free market economy with Japan. Japan has been developing extremely close ties with the Philippines, and in 2017, both countries have further deepened the “Strategic Partnership” such as through three summit meetings.

The Japan-Philippine Economic Partnership Agreement came into effect in 2008 and, as of 2018, more than 1,400 Japanese companies are currently operating in the Philippines, making the Philippines an important place for Japan’s economic activities. In addition, as the people-to-people exchange between Japan and the Philippines has been rapidly expanding, it is expected that a mutually complementary relationship be further developed between Japan, which has an aging society, and the Philippines, which has a large young population.

With its abundant English-proficient young labor force, the Philippines has a potential for high economic growth. In order for the Philippines, whose GDP per capita recently exceeds 3,000 dollars, to continue its sustainable and inclusive growth, it is essential to develop infrastructure especially in the transportation sector, improve investment environment to promote foreign direct investment, strengthen industries including manufacturing, rectify income disparity, invest in human capital including social security and education, upgrade social systems including infrastructure vulnerable to disaster risks and public administration systems, and work on sustainable peace and development in Mindanao.

Proactively supporting the Philippines’ efforts to address these challenges and helping the Philippines’ achievement of Sustainable Development Goals (SDGs) making use of Japan’s strengths, and thereby supporting the Philippines’ inclusive and sustainable economic growth boosts the “Strategic Partnership.” Steady development of the Philippines, who shares

values with Japan, paves the way for the stability and peace of the Indo-Pacific region and the realization of a free and open Indo-Pacific.

2. Japan’s Basic ODA Policy: Cooperation for “Inclusive Growth, a High-Trust and Resilient Society, and a Globally Competitive Knowledge Economy”

Making full use of its strengths, Japan will extend economic cooperation, including the steady implementation of the “Japan-Philippines Joint Statement On Bilateral Cooperation for the Next Five Years” (October 2017), for the Philippines’ pursuit of “inclusive growth, a high-trust and resilient society, and a globally competitive knowledge economy” that the “Philippine Development Plan 2017-2022” states as its goals.

3. Priority Areas

(1) Strengthening a Foundation for Sustainable Economic Growth

To strengthen a foundation for sustainable economic growth, Japan will cooperate in developing quality infrastructure, including the development of transportation networks in the Greater National Capital Region and provincial cities, in strengthening maritime law enforcement capabilities such as through the enhancement of security/counter-terrorism and maritime safety measures, in supporting industrial development including through job creation and human resource development, and in improving energy situations, information and communications, and public administration capacity.

(2) Ensuring Human Security for Inclusive Growth

Japan will help overcome vulnerabilities to various risks impacting especially the poor and to stabilize and fortify basis for livelihood activities in such areas as natural disaster management, environment including water/sewerage system and waste management as well as infection control. To help realize a more inclusive and resilient society, Japan will cooperate in the improvement of both hard and soft social infrastructure to address natural disaster and environment issues, in the achievement of universal health coverage including infectious disease measures, in the agricultural and rural

development in such ways as adding high values to the products, and in the resolution of such social issues as illegal drug issues.

(3) Peace and Development in Mindanao

To help build peace and stability in Mindanao, Japan will strengthen its efforts under the banner of J-BIRD (Japan-Bangsamoro Initiatives for Reconstruction and Development) in conflict-affected areas, and will provide support for governance, the improvement of public services, community development, and economic development. Japan will cooperate in developing a society resilient against violent extremism, terrorism, and conflicts, including the rehabilitation and reconstruction of Marawi City and its surrounding areas.

4. Notes

(1) Security situations in Mindanao remain fluid, and Mindanao includes areas with Security Level 3; therefore, the sites of economic cooperation are to be considered with paying due attention to safety.

(2) In order to elevate effectiveness of development cooperation, coordination among each project is to be strengthened through sufficient consultations with the Philippine government.

(3) To amplify the effect of economic cooperation, effectively combining loan, grant, and technical cooperation is to be considered.

(End)

Annex: Rolling Plan