

Third Party Evaluation Report 2019  
Ministry of Foreign Affairs of Japan

# **Evaluation of Japan's ODA to Republic of the Philippines**

March 2020

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NTC INTERNATIONAL Co., Ltd.

## Preface

This report, under the Evaluation of Japan's ODA to Republic of the Philippines, was undertaken by NTC INTERNATIONAL Co., Ltd., entrusted by the Ministry of Foreign Affairs of Japan (MOFA) in fiscal year 2019.

Since its commencement in 1954, Japan's Official Development Assistance (ODA) has contributed to the development of partner countries and to solving ever-changing global issues. Today, international community acknowledges the necessity to improve ODA's effectiveness and efficiency. MOFA has been conducting ODA evaluations every year, of which most are conducted at policy-level with two main objectives: to improve the management of ODA and to ensure its accountability. The evaluations are conducted by third parties to enhance transparency and objectivity.

This evaluation study was conducted with the objective of reviewing Japan's overall policies on assistance to the Philippines, including the Country Development Cooperation Policy for the Philippines (April 2018), drawing on lessons from this review to make recommendations for reference in policy planning and its effective and efficient implementation of future assistance to the Philippines by the Government of Japan, and ensuring accountability by making the evaluation results widely available to the general public.

The Evaluation Team in charge of this evaluation study consisted of a chief evaluator (Mr. Juichi Inada, Professor), and an advisor (Ms. Masako Ishii, Professor). Prof. Inada who served as a chief evaluator supervised the entire evaluation process, and Prof. Ishii, as an advisor, shared her expertise on the Philippines which was indispensable to the appropriate surveys and analyses to complete the report. In addition, in the course of this study, both in Japan and in the Philippines, we have received support from MOFA, Japan International Cooperation Agency (JICA), and the local ODA Task Force, as well as government agencies, other donors, and non-governmental organizations (NGOs) in the Philippines. We would like to take this opportunity to express our sincere gratitude to all those who supported this study.

Finally, the Evaluation Team wishes to note that opinions expressed in this report do not reflect the views or positions of the Government of Japan.

March 2020

NTC INTERNATIONAL Co., Ltd.

Note: This English version is translation of the Japanese Report of "Evaluation of Japan's ODA to Republic of the Philippines".

**Third Party Evaluation Report 2019, Ministry of Foreign Affairs of Japan  
Evaluation of Japan's ODA to Republic of the Philippines**

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## Map of Evaluation Target Country



(Source) Republic of Philippines National Mapping and Resource Information Authority ([www.namria.gov.ph](http://www.namria.gov.ph), last accessed: December 4, 2019)

## Chapter 1 Implementation Policy of the Evaluation

### Implementation Structure of the Evaluation

#### (1) Evaluation Team

Chief Evaluator: Juichi Inada, Professor of School of Economics at Senshu University

Advisor: Masako Ishii, Professor of College of Intercultural Communication at Rikkyo University

Consultant: NTC INTERNATIONAL Co., Ltd.

#### (2) Period of the Evaluation Targets: FY 2014 - FY 2018

#### (3) Period of the Evaluation Study: July 2019 - February 2020

#### (4) Field Survey Country: The Philippines

### Background, Objectives and Scope of the Evaluation

The Philippines is a geopolitically important country that shares the fundamental values and strategic interests with Japan, and the two countries are connected with close bilateral relations. Also, the Philippines is an important base of economic activity for Japan, and the sustainable development of the Philippines is important from the perspective of contributing to the stability and development of the East Asia region.

This is an evaluation of Japan's Official Development Assistance (ODA) policy for the Philippines for the last five years (FY2014-2018) with the main objectives of obtaining recommendations and lessons learned for the planning and implementation of future Japanese ODA policy for the Philippines and fulfilling accountability to the general public by announcing the evaluation results.

### 1-1 Background and Objectives of the Evaluation

The Ministry of Foreign Affairs of Japan (MOFA) conducts policy level, program level and project level evaluations of Japan's ODA with the objectives of improving the ODA management and enhancing accountability to the public. The Evaluation of Japan's ODA to the Philippines (hereinafter referred to as "this evaluation") corresponds to the country assistance evaluation at the policy level. The main purposes of the country assistance evaluations include evaluating the ODA implementation status of the partner country, providing feedback of evaluation results to Japan's ODA policies for the partner country, and promoting public understanding regarding Japan's ODA in the partner country.

The Philippines is a geopolitically important country that is located along vital sea lanes. The country 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.

Also, the sustainable development of the Philippines, which is the closest country to Japan among the South East Asian countries, contributes to the stability and development of the East Asia region, including Japan. Furthermore, Japan and the Philippines concluded an Economic Partnership Agreement in 2008, and, as of 2018, more than 1,500 Japanese companies are operating in the Philippines, which makes the Philippines an important base of economic activity for Japan.

With its abundant English-proficient young labor force, the Philippines has a potential for high economic growth. In order for the Philippines 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 and disparity between regions, 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.

In this evaluation, an evaluation is conducted regarding Japan's ODA policies for the Philippines over the last five years (FY2014-2018) with the objectives of obtaining recommendations and lessons learned for the planning and implementation of future Japan's ODA policy for the Philippines. Also, the evaluation results will be published in order to fulfil accountability to the general public and feedback will be provided to the Government of the Philippines and other donors.

## **1-2 Scope of the Evaluation**

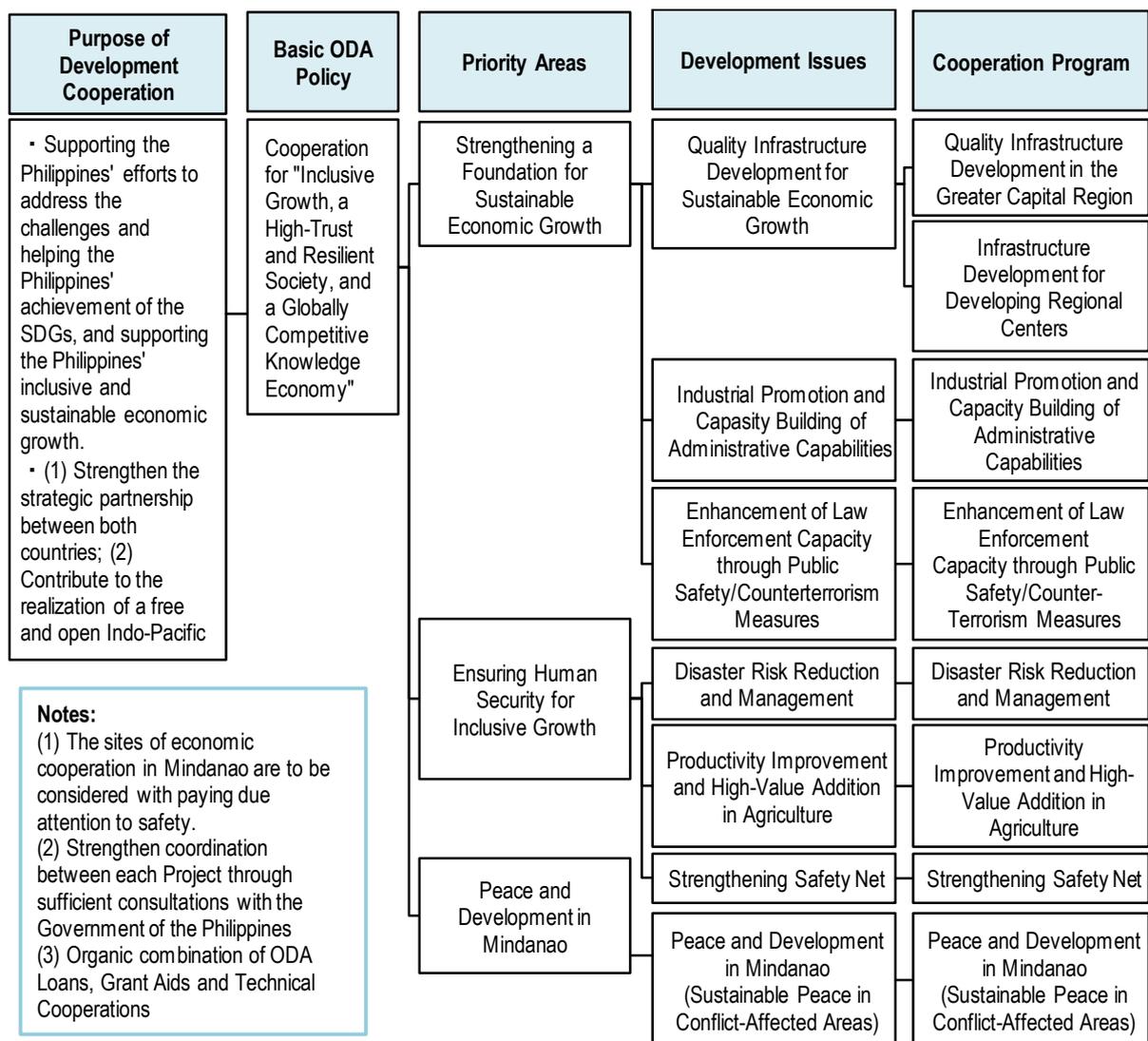
The scope of this evaluation covers policies regarding Japan's ODA to the Philippines over the last five years (FY2014 - 2018). The projects analyzed individually are those that began, were ongoing or were completed between FY 2014 and FY 2018.<sup>1</sup>

Figure 1 shows the objective framework based on Japanese Country Development Cooperation Policy for the Philippines. This policy is a new policy that was enacted in April 2018, but because (1) the Priority Areas include those of the former policy (enacted April 2012) despite differences in expression,<sup>2</sup> and (2) this evaluation has the main objectives of obtaining recommendations for the planning and implementation of future Japan's ODA policy for the Philippines, primary usage is made of the current 2018 edition of the ODA Policy for the Philippines.

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<sup>1</sup> Among the technical cooperation projects, the analysis in this evaluation does not cover Acceptance of Technical Training Participants and Japan International Cooperation Agency (JICA) volunteer projects for which information regarding the project summary, etc. is not published on the JICA Knowledge Site, etc.

<sup>2</sup> Priority Areas in the Country Development Cooperation Policy for the Philippines (2018): (1) Strengthening a Foundation for Sustainable Economic Growth, (2) Ensuring Human Security for Inclusive Growth, (3) Peace and Development in Mindanao; Priority Areas in Country Assistance Policy for the Philippines (2012): (1) Achieving Sustainable Economic Growth through Further Promotion of Investment, (2) Overcoming Vulnerability and Stabilizing bases, (3) Peace and Development in Mindanao.



(Source) Produced by the Evaluation Team based on the Country Development Cooperation Policy for the Philippines and the Rolling Plan for the Republic of the Philippines (as of April 2018) (MOFA, 2018)

Fig. 1 Objective Framework of Japan's ODA to the Philippines

### 1-3 Evaluation Methodology

#### 1-3-1 Methods of the Evaluation

Based on the 12<sup>th</sup> Edition of the ODA Evaluation Guidelines (MOFA, 2019), this evaluation was conducted from the development viewpoints using the criteria of (1) Relevance of Policies, (2) Effectiveness of Results and (3) Appropriateness of Processes, and was also conducted from the (4) diplomatic viewpoints based on Japan's national interest. Table 1 shows the main verification criteria/details for each evaluation criteria.

Table 1 Details of Evaluation Viewpoints/Criteria and Verification Criteria/Details

Evaluation Viewpoints/Criteria	Verification Criteria/Details
Evaluation from development viewpoints	(1) Relevance of Policies From the viewpoint of the relevance of the target direction of Japan's ODA to the Philippines, a verification is made as to whether Japan's ODA policy for the Philippines as shown in the objective framework is coordinated with and supplements (1) development needs in the Philippines, (2) Japanese high-level development policies (ODA Charter/Development Cooperation Charter/Medium-Term Policy on ODA, and Cooperation Policy for East Asia), and (3) international priority issues and the direction of cooperation from other donors (including emerging donors), and whether it demonstrates the comparative advantages of Japan.
	(2) Effectiveness of Results From the viewpoint of the extent to which a contribution was made to achieving the set objectives as a result of Japan's ODA to the Philippines, a verification is made (1) based on an understanding of Japan's ODA results (inputs) of (2) the degree of inputs, outputs and outcomes regarding the Development Issues specified in Japan's Country Development Cooperation Policy for the Philippines, and (3) the extent of the contribution to Priority Areas (impact).
	(3) Appropriateness of Processes Verification is made as to whether the relevance of policies and effectiveness of results has been ensured for Japan's ODA policy for the Philippines based on both policy making and implementation processes. For 【Policy-making Process】 Verification of (1) Basis of policy-making, (2) Consultation with stakeholders, (3) Coordination among stakeholders, (4) Status of reflection of the results of previous evaluation of Japan's ODA to the Philippines, and (5) Status of publication, and For 【Implementation Process】 Verification of (1) Local and Japanese domestic support implementation structures/operating status, (2) Status of continued understanding of support needs of the partner country, (3) Status of efforts in Priority Areas (selection methods/processes for schemes and projects, and coordination between projects, etc.), (4) Status of monitoring/evaluation/feedback, and (5) Publicity implementation status. Also, verification is made of (6) Status of cooperation/coordination with other donors, NGOs and relevant agencies in Japan, etc., and (7) Considerations for social/ethical issues such as gender etc..
(4) Evaluation from diplomatic viewpoints	From the viewpoint of the contribution to Japan's national interest that can be expected from Japan's ODA to the Philippines and how that contribution is made, a study/analysis is conducted regarding (1) the diplomatic importance of Japan's ODA to the Philippines, and (2) diplomatic impact from Japan's ODA to the Philippines.

(Source) Produced by Evaluation Team

With regard to the three evaluation criteria from the development viewpoints ((1) Relevance of Policies, (2) Effectiveness of Results and (3) Appropriateness of Processes), a four-grade rating system was used in line with the standards of the "Rating scale chart of MOFA ODA evaluation" of the ODA Evaluation Guidelines (12th Edition) (MOFA), namely, "A: Highly Satisfactory", "B: Satisfactory", "C: Partially Unsatisfactory", and "D: Unsatisfactory". Also, in terms of the many evaluation criteria that comprise each verification criteria and as a basis for the decision of the overall rating of each evaluation criteria, the Evaluation Team added a unique three-grade sub-rating system for the detailed verification criteria, namely, "a: High," "b: Fair", and "c: Low".

### 1-3-2 Period/Procedures of Implementing the Evaluation

The evaluation period was from July 2019 to February 2020. Figure 2 shows the flow of this evaluation study. At the first study meeting, the final version of the evaluation implementation plan was completed, and, on that basis, this evaluation study was implemented, the data/information collected from the studies was analyzed, and the reports/supplements (supplementary information to the reports) were completed.



(Source) Produced by Evaluation Team

Fig. 2 Evaluation Study Implementation Flow

### 1-4 Limitations of the Evaluation

The constraints on implementation of this evaluation are as follows.

- With regard to the verification of the effectiveness of results, there were no quantitative target values for the objectives and Priority Areas of Japan's ODA policy for the Philippines, so it was not possible to determine the achievement of the objectives based on a comparison between the target values and the actual values. Also, it was incredibly difficult to closely measure the contribution made by the efforts of Japan. Therefore, in this evaluation, by using the existing evaluation results from individual projects such as the Japan International Cooperation Agency (JICA) terminal/ex-post evaluation results, and information including quantitative data related to the performances and outcomes collected from Japan's ODA related parties, efforts were made for verifications that included quantitative information. Also, by using qualitative information gained from interviews including evaluations by the Government of the Philippines and officials from other donors, a comprehensive determination of effectiveness was made.
- A large number of individual projects were covered by this evaluation (246 projects),

and it was difficult to verify all of the projects in detail. Also, in the field survey, due to the limited schedule of only 15 days, it was difficult to conduct interviews with all project related parties and to visit remote sites. Furthermore, even though cooperation for Mindanao is a Priority Area of the Japanese Country Development Cooperation Policy for the Philippines, it was not possible to visit Mindanao due to travel restrictions based on security concerns. Therefore, as the main point of this evaluation was to extract recommendations and lessons learned for future Japan's ODA policy for the Philippines, interviewees and persons and/or organizations to visit were selected and studies were carried out with a focus on areas/projects that demonstrating the comparative advantages of Japan, and that were expected to produce synergy effects through collaboration with related actors and to demonstrate diplomatic impacts, etc., and with consideration for the balance of areas and schemes.<sup>3</sup> Regarding individual projects, in addition to efforts to gather information based on literature research and existing materials, alongside JICA Thematic Departments that managed individual projects, interviews were conducted with Japanese ministries and agencies, JICA Experts/Consultants, implementing agencies, Japanese/local Non-Government Organizations (NGO), construction companies etc. related to the implementation of Japan's ODA to the Philippines. Regarding Mindanao, in addition to interviews with Government of the Philippines agencies located in Manila, interviews with JICA experts located in Mindanao using TV conference systems, and questionnaires survey with implementing agencies located in Mindanao (written response) were done, but there were constraints with respect to the interviews conducted with Mindanao related parties composed of diverse stakeholders. Interviews with beneficiaries of individual projects and local experts, etc. were unavoidably limited due to the restricted schedule.

## 1-5 Implementation Structure of the Evaluation

Under the guidance of the Chief Evaluator and Advisor, five consultants from NTC INTERNATIONAL Co., Ltd. gathered, organized and analyzed information required for this evaluation. The composition of the Evaluation Team is shown in Table 2.

Table 2 Members Composing Evaluation Team

Responsibility	Name	Belonging to/Positions or Titles
Chief Evaluator	Juichi Inada	Professor of School of Economics at Senshu University
Advisor	Masako Ishii	Professor of the College of Intercultural Communication at Rikkyo University
Team Leader	Tsuneo Kuwahara	Acting Manager, Technical Control Unit, Engineering and Consulting Department, NTC International Co., Ltd.
Deputy Team Leader/ Evaluation	Kasumi Kashida	Consultant, Peacebuilding Division, Engineering and Consulting Department, NTC International Co., Ltd.

<sup>3</sup> In the field survey, at the individual project level, interviews were conducted with project-level officials for 15 projects (JICA Experts/Consultants, implementation agencies and beneficiaries, etc.).

and Analysis 1		
Evaluation and Analysis 2	Hisako Sumi	Senior Chief Consultant, Planning Division, Business Planning and Promotion Department, NTC International Co., Ltd.
Evaluation and Analysis 3	Mayumi Fujiyama	Consultant, Peacebuilding Division, Engineering and Consulting Department, NTC International Co., Ltd.
Evaluation and Analysis 4	Tomoka Dusabe	Consultant, Marketing and Promotion Division, Business Planning and Promotion Department, NTC International Co., Ltd.

(Source) Produced by Evaluation Team

At the Study Meetings (conducted three times), with the involvement of relevant offices from MOFA and JICA, deliberations were held regarding the evaluation framework, directionality and relevance etc. of this evaluation. In some of the field surveys and interview studies in Japan, in addition to the evaluation team mentioned above, Ms. Mihoko Matsui, Deputy Director of the ODA Evaluation Division, Minister's Secretariat, Ministry of Foreign Affairs of Japan, participated as an observer.

## Chapter 2 Overview of the Philippines and Trends in ODA to the Philippines

This Chapter explains the general overview of the Philippines from the three viewpoints; political system, economic status and development policy, and the trend of bilateral/multi national and Japan's assistance as the trends of Official Development Assistance (ODA) to the Government of the Philippines.

### 2-1 Political System

#### 2-1-1 Political Trends

The Aquino III administration (2010-2016) promoted liberalist economic policy and achieved high growth. The Duterte administration, which came to power in 2016, has promoted the expansion of infrastructure investment and tax reforms while also taking on a macro-economic policy.<sup>4</sup>

The Duterte administration set out the "10-Point Socioeconomic Agenda" as the economic policy in 2016. The main policies are (1) Continue and maintain current macroeconomic policies, (2) Improve business environment for stable job creation, (3) Increase budget for infrastructure and improve ratio of budget execution, and (4) Comprehensive tax reforms including tax rates.<sup>5</sup> (3) sets out the "Build Build Build" agenda for the particularly influential 75 projects<sup>6</sup> from among the public investment projects positioned in the "Public Investment Program (2017-2022)," for which the independent governmental remit covers everything from project formulation to progress management, and Japan is the foremost partner in this project.<sup>7</sup>

Regarding Mindanao, the Aquino III administration started out on the long path to

<sup>4</sup> Kageyama, Noboru (2019) "First Half Economic Policy of the Duterte Administration – Reforms for the people of the Philippines" "The Finance PR Journal March 2019" Ministry of Finance, p44~55

<sup>5</sup> Kageyama, Noboru (2019) "First Half Economic Policy of the Duterte Administration – Reforms for the people of the Philippines" "The Finance PR Journal, March 2019" Ministry of Finance, p44~55

<sup>6</sup> As of November 2019, an implementation budget totaling 8 trillion PHP is estimated (BCDA "NEDA approves revised list of infra flagship projects"; Last accessed November 29, 2019)

<sup>7</sup> Ministry of Foreign Affairs of Japan (MOFA), "Japan-Philippines Summit Meeting," May 31, 2019

the establishment of a new autonomous government in connection to the Autonomous Region in Muslim Mindanao (ARMM), which has been reviewed by the Duterte administration, and peace processes are moving forward with the Bangsamoro Organic Law being enacted in July 2018 and the Bangsamoro Transition Authority (BTA) being established in February 2019. From now on, normalization will be promoted through the retirement and disarmament of Moro Islamic Liberation Front (MILF) soldiers, and the Philippines Development Plan (PDP) (2017-2022) also states the promotion of peace and socio-economic development of the conflict-affected area. On the other hand, the issues are the non-participation in the BTA of the first representative of the Moro National Liberation Front (MNLF), the rise of groups that pledge allegiance to the Islamic State (IS), and normalization through the retirement and disarmament of soldiers.<sup>891011</sup>

### **2-1-2 Diplomacy**

The basic diplomatic policy of the Government of the Philippines is (1) the promotion of political/security cooperation through participation in bilateral and regional frameworks, (2) economic development by introduction of foreign capital and job creation through economic diplomacy, and (3) the protection of Filipino migrant workers.<sup>12</sup>

Since the normalization of diplomatic relations in 1956, a positive relationship with Japan has been maintained based on lively trade, investment and economic cooperation. There are very active mutual visits of important stakeholders between both countries. There are approximately 16,000 Japanese residents in the Philippines, and 300,000 people from the Philippines resident in Japan, which is the highest amount by birthplace after China and South Korea.<sup>13</sup>

Under the Aquino III administration, relations with China were not favorable, but, under the Duterte administration, there is cooperation in the areas of oil/gas development, etc., and the total investment in the Philippines from China in 2018 reached approximately 106.2 billion yen.<sup>1415</sup>

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<sup>8</sup> Ishii, Masako (2018) "The Duterte administration: Legal enactment for the establishment of a new autonomous government in Bangsamoro," Asia Peacebuilding Initiatives

<sup>9</sup> Japan External Trade Organization (JETRO) (2019) Business News "Establishment of Interim Bangsamoro Government – Major step towards peace"

<sup>10</sup> MOFA "Minister for Foreign Affairs: About the establishment of the temporary Bangsamoro autonomous government," February 22, 2019

<sup>11</sup> Embassy of Japan in the Philippines "Bangsamoro Forum held," December 14, 2018

<sup>12</sup> MOFA (2019) Basic Data for the Philippines

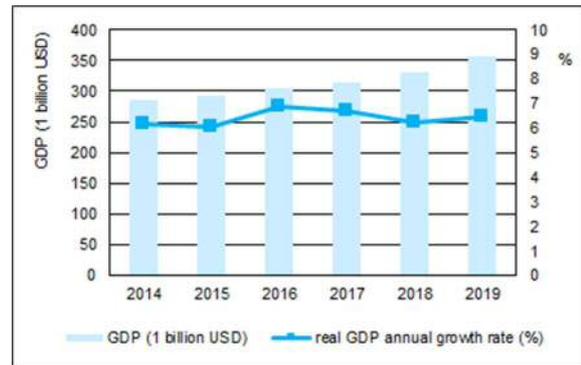
<sup>13</sup> MOFA (2019) Basic Data for the Philippines

<sup>14</sup> The Nikkei "Xi Jinping Plans to level off South East Asia with Initiatives in the Philippines" November 20, 2018

<sup>15</sup> Sankei Shimbun "Mid-term elections in the Philippines; Duterte camp gains total victory; Focus is on 'pro-Chinese orientation'" May 17, 2019

## 2-2 Economic Status

Following on from the Aquino III administration, under the Duterte administration, the Philippines economy has been developing based on strong consumer demand with support from bullish overseas money transfers while there has also been rapid urbanization and a growing middle-income layer, as well as an increase in the youth population. As shown in Fig. 3, the average economic growth rate between 2014 and 2019 was 6.4%, making it one of the countries with the fastest development in South East Asia, and the Philippines is at the stage of being about to become a upper middle income country with the Gross National Income (GNI) per person in 2018 reaching 3, 830 USD.<sup>161718</sup>



(Source) Produced by Evaluation Team based on Economic Outlook Databases (IMF, 2014-2019)

(Note) Values for 2018 and thereafter are estimates

Fig. 3 Gross Domestic Product (GDP)/Actual GDP Annual Growth Rate

On the other hand, regional disparity is increasing, and gross regional product is concentrated in the capital city area and nearby areas. The 2017 gross regional product per capita in the capital city area was 17 times greater than ARMM.<sup>19</sup>

Also, according to the International Monetary Fund (IMF), the Philippines general government net debt (as a percent of GDP) was at the moderate and sustainable amount of approximately 40% between 2014 and 2017, and the real GDP annual growth rate is gradually increasing so that it will reach 6.9% in 2023, and on the basis of that scenario, general government net debt (as a percent of GDP) is expected to drop to 36.5% by 2023, but it has also been pointed out that this estimation is susceptible to impacts on growth, such as changes to the real interest rate.<sup>20</sup>

## 2-3 Development Policy of the Philippines

The Government of the Philippines has established the AmBisyon Natin 2040 (Our Ambitions) as the 25-year long-term development vision between 2015 and 2040. In terms of a medium-term comprehensive economic development plan, following on from the PDP 2011-2016, and the PDP 2017-2022 has been established. The target periods for Japan's ODA policy for the Philippines and the Philippines's main development policies are shown in Fig. 4.

<sup>16</sup> World Bank Data, GNI per capita (Atlas method (current US\$)) (World Bank, 2018)

<sup>17</sup> In the categorization of the World Bank (WB) (as of Fiscal Year 2020), countries with a GNI per person as of 2018 (WB, Atlas method) of 3, 996-12, 375 USD were classified as upper middle income countries (Based on WB website: Country Classification (last accessed January 9, 2020))

<sup>18</sup> WB website (<https://www.worldbank.org/en/country/philippines/overview>, last accessed January 15, 2020)

<sup>19</sup> Suzuki, Yurika (2019) "Chapter 1: Economic Overview" *Philippine Economy, Politics and Industry in the 21st Century*, edited by C. Kashiwabara, Institute of Developing Economies, p24-26

<sup>20</sup> IMF (2018) 2018 ARTICLE IV CONSULTATION—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR PHILIPPINES

Country	Policies/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Japan	Country Assistance Policy											
	Country Development Cooperation Policy											
Philippines	AmBisyon Natin 2040											
	PDP	Development Plan (2011-2016)										
		Development Plan (2017-2022)										

(Source) Produced by Evaluation Team; (Note) As the end period for the Country Development Cooperation Policy for the Philippines has not been clearly indicated, it is displayed in light blue.

Fig. 4 Correspondence between the Target Periods of Japan's ODA Policy for the Philippines and the Philippines Development Policies

## 2-4 Trends in ODA to the Philippines

### 2-4-1 Trends in Bilateral Cooperation

As shown in Table 3, during the target period, Japan has always been ranked first in terms of the amount of ODA to the Philippines from bilateral donors.

Table 3 Transition in ODA Amounts from Bilateral Donors to the Philippines (top 6 countries)

(Gross disbursement; Units: USD (millions))

	Country/Year	2014	2015	2016	2017	Total (2014-2017)
1	Japan	456.3	584.8	291.8	352.3	1,685.1
2	USA	295.7	283.2	273.4	157.8	1,010.1
3	Australia	116.6	98.8	57.4	53.9	326.7
4	South Korea	66.0	48.6	66.5	40.9	222.0
5	France	130.8	4.5	64.2	5.1	204.6
6	Germany	44.5	40.2	41.1	41.7	167.6
DAC member countries Total		1,303.8	1,123.0	848.4	708.3	3,983.5
Bilateral donors Total		1,446.8	1,264.0	977.1	823.7	4,511.5

(Source) Produced by Evaluation Team based on Creditor Report System Outline Database (OECD, 2014-2017)

### 2-4-2 Trends in Multilateral Cooperation

As shown in Table 4, among multilateral donors, the European Union (EU) gave the largest total amount of support during the target period followed by the Global Fund (GF), OPEC Fund for International Development (OFID), Global Environment Facility (GEF), United Nations Population Fund (UNFPA), and the Asian Development Bank (ADB).<sup>21</sup>

<sup>21</sup> The amount of Other Official Flow (OOF) provided to the Philippines (gross disbursement, 2014-2017) was approximately 5,076 million USD, which is almost the same level as ODA in the same period. As for OOF for the Philippines, ADB contributed approx. 2,875 million USD between 2014 and 2017 (gross disbursement) (OECD, 2014-2017) and the World Bank Group's International Bank for Reconstruction and Development (IBRD) contributed a total of approx. 2,181 million USD during the same period (OECD, 2014-2017). OOF is not included in Table 4.

Table 4 Transition in ODA Amounts from Major Multi-national Donors to the Philippines (top 6 agencies)

(Gross disbursement; Units: USD (millions))

	Country/Year	2014	2015	2016	2017	Total (2014-2017)
1	EU	71.2	59.3	43.6	28.3	202.3
2	GF	25.0	37.1	38.8	53.1	154.0
3	OFID	10.0	10.2	8.9	0.3	29.4
4	GEF	6.7	5.7	7.1	7.3	26.9
5	UNFPA	5.2	3.9	3.8	2.4	15.3
6	ADB	3.1	3.9	2.7	2.4	12.2
Multilateral donors Total		134.4	139.8	123.5	112.6	510.3

(Source) Produced by Evaluation Team based on Creditor Reporting System Outline Database (OECD, 2014-2017)

## 2-5 Trends in Japan's ODA to the Philippines

### 2-5-1 Japan's ODA Policies for the Philippines

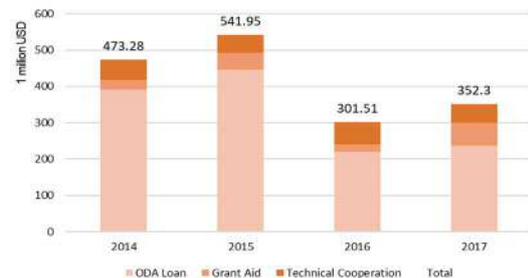
The Government of Japan established a Country Assistance Program for the Philippines in 2000 with the Priority Areas of (1) strengthening the economic structure for sustainable growth and the removal of impediments, (2) mitigation of disparities, (3) environmental conservation and disaster management, (4) human resources development and institution building. Later, the plan was revised in June 2008 with the Priority Areas of (1) sustained economic growth aimed at creating employment opportunities, (2) empowerment of the poor and Improvement of the living conditions of the poor, and (3) peace and stability in Mindanao. In April 2012, the Country Assistance Policy for the Philippines was formulated with the Priority Areas of (1) achieving sustainable economic growth through further promotion of investment, (2) overcoming vulnerability and stabilizing bases for human life and production activity, and (3) peace and development in Mindanao.

In October 2017, President Duterte and Prime Minister Abe announced the "Joint Statement on Bilateral Cooperation for the Next Five Years" which arranged the directionality of public-private cooperation. On this basis, the Country Development Cooperation Policy for the Philippines was formulated in April 2018. This is the basic policy for the implementation of cooperation toward the realization of "Cooperation for 'Inclusive Growth, a High-Trust and Resilient Society, and a Globally Competitive Knowledge Economy'", with the Priority Areas of (1) Strengthening a Foundation for Sustainable Economic Growth, (2) Ensuring Human Security for Inclusive Growth and (3) Peace and Development in Mindanao.

## 2-5-2 Achievement of Japan's ODA to the Philippines

Japan's ODA to the Philippines began with an ODA loan in FY1968.<sup>22</sup> To date, infrastructure development loan assistance had been implemented in fields such as transportation, the environment, and disaster risk reduction, grant aid cooperation had been implemented in fields such as electricity, the environment, disaster risk reduction, health and education, and technical cooperation had been implemented in fields such as transportation, the environment, administration, industrial promotion, public safety, maritime safety, disaster risk reduction, agriculture, and health. Regarding the Mindanao region, through three types of cooperation (ODA loan, grant aid and technical cooperation), support for economic development was implemented for governance and community development.

The actual amount of Japan's ODA to the Philippines (cumulative total and gross disbursement) between 2014 and 2017 was approximately 1.69 billion USD, making Japan the top donor country (OECD, 2014-2017). As for the actual amount of Japan's ODA to the Philippines by looking at each type of assistance, as shown in Fig. 5, ODA loan comprises approx. 70-80% of the total amount of assistance.<sup>23</sup>



(Source) Produced by Evaluation Team based on MOFA (2015-2018) development cooperation reference materials

(Note) Gross disbursement

Fig. 5 Actual Amount of Japan's ODA to the Philippines by Type of Assistance

The Philippines is an important ODA target country for Japan, and it was positioned 3<sup>rd</sup> in 2015 and 9<sup>th</sup> in 2016/2017.<sup>24</sup>

Regarding Japan's ODA projects for the Philippines that began, were ongoing or were completed between FY2014 and FY2018, which are the target of this evaluation,<sup>25</sup> Table 5 shows the achievements realized in Japan's Country Development Cooperation Policy for the Philippines by each Development Issue/type. Table 6 shows the achievements in the Priority Areas of that policy. There are 246 such projects, and, by Development issue, "Disaster risk reduction and management"

<sup>22</sup> MOFA "ODA Country Data book 2013"

<sup>23</sup> From 2018 and thereafter, huge ODA loan contracts have been provided (based on project ex-ante evaluations and the JICA website), including the Loan Agreement (L/A) signed in March 2018 for approx. 100 billion yen for the first term of the Metro Manila Subway Project (Phase 1 (of the total ODA loan of approx. 600 billion yen), approx. 170 billion yen in January 2019 for the first phase of the North-South Commuter Railway Extension Project (of the total ODA loan of approx. 400 billion yen), and approx. 38 billion yen as an ODA loan for the Pasig-Marikina River Channel Improvement Project (Phase IV). Loans will be provided according to the progress of Projects in the future, so it is necessary to observe the debt sustainability of the Government of the Philippines including the debt balance and GDP against debt ratio.

<sup>24</sup> From MOFA (2016-2018) "Development Cooperation Reference Materials." Calculated in order of gross disbursement of bilateral assistance

<sup>25</sup> Grant aid /ODA loan projects are those stated on the MOFA website, etc., for which the E/N signatory year or implementation year is between 2014-2018, or projects completed between 2014-2018 for which the E/N was signed in 2013 or before stated among the projects provided by MOFA and completed under ODA loan /grant aid for the Philippines (as of August 2019), and technical cooperation projects stated on the JICA website, etc. for which cooperation was provided between 2014-2018.

has the largest amount (55 project; 22%), followed by “Quality infrastructure development for sustainable economic growth” (50 projects; 20%), and “Peace and development in Mindanao (Sustainable peace in conflict-affected areas)” (49 projects; 20%). By Priority Area, “Ensuring human security for inclusive growth” has the largest amount (107 projects; 43%). By type of assistance, there are 26 ODA loan projects (of which, one is Private Sector Investment Finance), 102 grant aid projects, and 118 technical cooperation.

Regarding the actual amount of Japan’s ODA for the Philippines between FY2014 and FY2018, ODA loan was 731.863 billion yen, grant aid was 25.923 billion yen (ODA loan/grant aid: E/N basis; Private Sector Investment Finance: loan contract basis), and technical cooperation was 28.835 billion yen (technical cooperation is based on the actual expenses in the budget year, actual expenses for FY2014 to 2017).<sup>26</sup>

Table 5 Achievement of Japan’s ODA to the Philippines (by Development Issue/type)

Development Issues	Type of Assistance (unit: number of project)			Total
	ODA Loan	Grant Aid	Technical Cooperation	
Quality infrastructure development for sustainable economic growth	13	7	30	50
Industrial promotion and capacity building of administrative capabilities	0	9	17	26
Enhancement of law enforcement capacity through public safety/counterterrorism measures	2	4	6	12
Disaster risk reduction and management	7	23	25	55
Productivity improvement and high-value addition in agriculture	2	6	12	20
Strengthening safety net	0	12	20	32
Peace and development in Mindanao (sustainable peace in conflict-affected areas)	2	39	8	49
Others	0	2	0	2
Total	26	102	118	246

(Source) Classified and produced by Evaluation Team based on the MOFA/JICA website, etc.

Table 6 Achievement of Japan’s ODA for the Philippines (by Priority Area)

Priority areas	Strengthening a foundation for sustainable economic growth	Ensuring human security for inclusive growth	Peace and development in Mindanao
No. of projects	88	107	49

(Source) Classified and produced by Evaluation Team based on the MOFA/JICA website, etc.

<sup>26</sup> FY 2014-2017 ODA loan/grant aid /technical cooperation: MOFA (2019) ODA Country Data book 2018, FY 2018 ODA loan/grant aid: MOFA website (last accessed July 24, 2019), Private Sector Investment Finance Maynilad website: Press Releases “Maynilad, JICA ink PhP10.8B Loan Agreement” June 9, 2017 (<http://www.mayniladwater.com.ph/>, last accessed October 17, 2019). Of the FY 2018 ODA loans, when the grant limit is based on USD, for convenience, it is calculated using the 2017 DAC rate determined by OECD-DAC (1 USD=112.1831 yen) (MOFA 2019) based on ODA Country Data 2018, and Private Sector Investment Finance (loan contracts concluded in June 2017) were calculated using the MUFG Bank 2017 average TTP (1PHP=2.11 yen) for convenience as the financial amounts were written in the local currency (PHP).

#### **Evaluation Results Summary (Evaluation from Development Viewpoints)**

##### **(1) Relevance of Policies: A Highly Satisfactory**

The sub-ratings for the three verification criteria regarding the relevance of policies are all “a: High,” and the evaluation results were highly satisfactory, which means that the evaluation team concluded the relevance of the Japan’s Official Development Assistance (ODA) policy for the Philippines as “A: Highly Satisfactory.”

##### **• Verification Criteria 1: Consistency with the Development Needs of the Philippines**

Japan’s ODA policy for the Philippines is consistent with the priority areas in the AmBisyon Natin 2040, the Philippines Development Plan (PDP), and the sector development plans/Mindanao strategic development policies. Based on the above, the evaluation team has sub-rated the consistency with the development needs of the Philippines as “a: High.”

##### **• Verification Criteria 2: Consistency with Japan’s High-level Development Policies**

Japan’s ODA policy for the Philippines is consistent with the ODA Charter/Japan’s Medium-Term Policy on ODA and the Development Cooperation Charter, as well as Japan’s support policy for East Asia (vision statement on Japan-Association of South-East Asian Nations (ASEAN) Friendship and Cooperation, development cooperation whitepaper “Japan’s International Cooperation Policy ‘Priority Issues in the East Asia Region’” (FY 2018 edition)). Based on the above, the evaluation team has sub-rated the consistency with Japan’s high-level development policies as “a: High.”

##### **• Verification Criteria 3: Consistency with International Priority Issues/Coherence with Assistance from Other Donors/Japan’s Comparative Advantages**

Japan’s ODA policy for the Philippines is consistent with the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). Also, in line with the development needs of the Philippines, Japan is providing support in a wide-range of fields. Basically in the Philippines, each major donor is providing support in its own area of focus, but there is mutually complementary support among them, and, in some areas, Japan is demonstrating its comparative advantages over other donors. Based on the above, the evaluation team has sub-rated the consistency with international priority issues/coherence with assistance from other donors/Japan’s comparative advantages as “a: High.”

## **(2) Effectiveness of Results: A Highly Satisfactory**

The sub-ratings for the three verification criteria regarding the effectiveness of results are all “a: High,” and the evaluation results were highly satisfactory, which means that the evaluation team concluded the effectiveness of results from Japan’s ODA to the Philippines as “A: Highly Satisfactory.”

### **•Verification Criteria 1: Achievement and Contribution of Japan’s ODA (input)**

From the viewpoint of amount of assistance, Japan’s ODA to the Philippines has made a major contribution, so the evaluation team has sub-rated the achievement and contribution of Japan’s ODA as “a: High.”

### **•Verification Criteria 2: Achievement and Contribution of Japan’s ODA for Each Development Issue (output and outcomes)**

With regard to the Development Issues in Japan’s Country Development Cooperation Policy for the Philippines, the Government of Japan is providing sound support, and is making a contribution. As for the ratio of achievement of each Development Issue with regard to the initial purpose of each project, 83% to 100% were “Achieved (expected achievement),” 0% to 17% were “Average/some issues,” and each project made a significant contribution to the achievement of the objectives that were set at the outset. Based on the above, the evaluation team has sub-rated the achievement and contribution of Japan’s ODA for each Development Issue as “a: High.”

### **•Verification Criteria 3: Effectiveness of Assistance in Priority Areas (impact)**

A contribution has been made through the efforts with regard to the Development Issues to Strengthening a Foundation for Sustainable Economic Growth, Ensuring Human Security for Inclusive Growth, and Supporting Peace in Mindanao. As for the achievement of the Priority Areas in Japan’s Country Development Cooperation Policy for the Philippines with regard to the initial purposes of the projects, 90% to 100% were “Achieved (expected achievement)” and 0% to 10% were “Average/some issues,” and each project made a significant contribution to the the achievement of the objectives that were set at the outset. Based on the above, the evaluation team has sub-rated the effectiveness of assistance in Priority Areas as “a: High.”

## **(3) Appropriateness of Processes: B Satisfactory**

Two of the sub-ratings for the three verification criteria in connection to appropriateness of processes were “a: High,” and one was “b: Fair,” making a satisfactory evaluation result, which means that the evaluation team concluded the appropriateness of processes adopted in Japan’s ODA to the Philippines as “B: Satisfactory.”

**●Verification Criteria 1: Appropriateness of Processes in the Formulation of Japan’s Country Development Cooperation Policy for the Philippines**

Japan’s ODA policy for the Philippines was generally formulated through appropriate processes, so the evaluation team has sub-rated the appropriateness of processes as “a: High.”

**●Verification Criteria 2: Appropriateness of Processes in Implementation of Japan’s ODA to the Philippines**

With respect to the implementation process of the ODA to the Philippines, the evaluation team confirmed that the activities such as installation and management of basic implementation structure, identification of needs, and implementation of individual projects focusing on Priority Areas determined in Japan’s ODA Policy for the Philippines, monitoring /evaluation, and publicity are at present carried out without problems. On the other hand, some issues were found in the approaches for post disaster recovery and reconstruction support, and the publicity required some improvements to make it easier to understand. Based on the above, the evaluation team has sub-rated the appropriateness of processes in implementation of Japan’s ODA to the Philippines as “b: Fair.”

**●Verification Criteria 3: Coordination, Collaboration and Consideration in the Implementation of Japan’s ODA to the Philippines**

Coordination and collaboration with other development actors are in place and consideration are given to social characteristics and ethnic minorities, so the evaluation team has sub-rated the coordination, collaboration and consideration in the implementation of Japan’s ODA to the Philippines as “a: High.”

In this Chapter, with regard to Japan’s ODA policy for the Philippines, an evaluation is made using three criteria (“relevance of policies,” “effectiveness of results,” and “appropriateness of processes”) from Development Viewpoints.

**3-1-1 Relevance of Policies**

In this Section, with the purpose of confirming the relevance of policies of Japan’s ODA for the Philippines, an evaluation is made for three predetermined verification criteria, namely, (1) Consistency with the Development Needs of the Philippines, (2) Consistency with Japan’s High-level Development Policies, (3) Consistency with International Priority Issues/Coherence with Assistance from Other Donors/Japan’s Comparative Advantages. Due to the corresponding target periods in the documents for confirming consistency (the Philippines Development Policy, etc.), Japan’s ODA policy for the Philippines utilizes either the Country Assistance Policy for the Philippines formulated in April 2012 or the Country Development Cooperation Policy for the Philippines formulated in April 2018.

## **(1) Verification criteria 1 : Consistency with the Development Needs of the Philippines**

Along with the Philippines' medium- to long term development policies (a) AmBisyon Natin 2040, (b) PDP, and (c) the sector development plans/Mindanao strategic development policies were used to evaluate the consistency with Japan's ODA policy for the Philippines.

As a result of this evaluation, it has been verified that the Priority Areas of Japan's Country Development Cooperation Policy for the Philippines corresponds to the three objectives (excluding the fourth objective) of the AmBisyon Natin 2040, and there is a high level of consistency between them.

Also, all of the Priority Areas of Japan's ODA policy for the Philippines correspond to priority issues in the PDP (2011-2016) (2017-2022), and by looking at the outcomes (fields) from Japanese assistance to the Philippines, it can be seen that they are also widely linked to each priority issue in the development plans of the Philippine, and there is a high level of consistency between them.

Furthermore, the Development Issues in Japan's Country Development Cooperation Policy for the Philippines (2018) corresponds to extensive development plans for each sector in the Philippines and Mindanao strategic development policies, and the objectives and directionality are consistent. Besides, the outcomes (fields) from Japanese assistance to the Philippines are also in line with the policy for sector development plans.

## **(2) Verification criteria 2: Consistency with Japan's High-level Development Policies**

As of the end of February 2015, the Government of Japan's high-level policies for ODA were the ODA Charter (established by cabinet decision in August 2003) and Japan's Medium-Term Policy on ODA (established by cabinet decision in February 2005), and now the high-level ODA policy is the Development Cooperation Charter (established by cabinet decision in February 2015). Also, Japan's cooperation policy for East Asia is the development cooperation white paper "Japan's international cooperation policy 'Priority issues in the East Asia region'" (FY2018 edition), the vision/statement and implementation plan for ASEAN-Japan Friendship and Cooperation. An evaluation was made of the consistency between the ODA Charter, Japan's Medium-Term Policy on ODA and the Country Assistance Policy for the Philippines (formulated in April 2012), and consistency between the Development Cooperation Charter, Japan's international cooperation policy in the East Asia region and the Country Development Cooperation Policy for the Philippines (formulated in April 2018).

As a result of this evaluation, it has been verified that all of the Priority Areas of Japan's ODA policy for the Philippines correspond to the priority issues in Japan's

development high-level policies (ODA Charter, Japan's Medium-Term Policy on ODA, the Development Cooperation Charter, and Japan's international cooperation policy 'Priority issues in the East Asia region'). By looking at the outcomes (fields) from Japanese assistance to the Philippines, it can be seen that they are also widely linked to the fields of cooperation in each priority issue of the Philippine, and there is a high level of consistency between them.

Also, Priority Areas and outcomes (fields) of Japan's ODA policy to the Philippines also widely correspond to the priority issues and cooperation fields in the vision/statement and implementation plan for ASEAN-Japan Friendship and Cooperation, and there is a high level of consistency between them.

### **(3) Verification criteria 3: Consistency with International Priority Issues/Coherence with Assistance from Other Donors/Japan's Comparative Advantages**

#### **(a) Consistency with international priority issues**

Evaluation was made of the consistency with the MDGs/SDGs, which are the international priority issues. As the implementation period of the MDGs was from 2001 to 2015, the evaluation was made of the consistency with Japan's Country Assistance Policy for the Philippines formulated in 2012, and as the implementation period of the SDGs is from 2015 to 2030, the evaluation was made of the consistency with the Country Development Cooperation Policy for the Philippines formulated in 2018.

As a result of this evaluation, it has been verified that each of the priority development issues in Japan's Country Assistance Policy for the Philippines (2012) corresponds to the development objectives of the MDGs, and each of the Development Issues in Japan's Country Development Cooperation Policy for the Philippines (2018) corresponds to at least one of the SDGs, which have produced assistance outcomes and consistency.

#### **(b) Coherence with assistance from other donors/Japan's comparative advantages**

In line with the development needs of the Philippines, while Japan has developed support in a wide range of fields, each of the major donors has been conducting mutually complementary support in their specialist fields. Specifically, support is being developed in the field of infrastructure development by Australia, South Korea, France, the European Union (EU), OPEC Fund for International Development (OFID), and the Asian Development Bank (ADB), in the field of disaster risk reduction by all bilateral donors, in the field of agriculture by the EU, OFID, and Global Environment Facility (GEF), in the field of health/education by many donors, and in support of Mindanao by the United States of America, Australia, Germany, the EU and the ADB. In the fields of human rights and law, which are not included in the Development Issues in Japan's Country Development Cooperation Policy for the Philippines, support is being provided

by the United States of America, Australia and the EU, and in the field of climate change and biodiversity, support is being provided by GEF.

The efforts in which Japan has a comparative advantage over other donors are as follows. First, there is the use of advanced Japanese technology (transportation, etc.) in Special Terms for Economic Partnership (STEP) ODA loans, etc., and, second, there is support for system/capacity strengthening (transportation, maritime safety, disaster risk reduction, and health, etc.) including those utilizing Japan's expertise/experience and know-how using Technical Cooperation Project schemes.<sup>27</sup> Third, there is the Master Plan based on the implementation of joint studies/planning with the Philippines (transportation, disaster risk reduction, etc.).<sup>28</sup> Fourth, over the long-term, there is support for Mindanao from the perspectives of support related to the peace process and community development including the dispatch of personnel to the International Monitoring Team (IMT). As shown by the first and second items, from the Philippine side, there is a strong demand for the support using Japanese knowledge and technology, and, along with technical cooperation, there is a high regard from officials in the Philippines for technical transfer through the implementation of STEP ODA loan projects.<sup>29</sup>

There are relatively many examples that demonstrate such comparative advantages and examples that complement the support of other donors, the details of which are shown below in (a) Transportation, (b) Disaster risk reduction, and (c) Mindanao support.

#### **a. Transportation**

The Duterte administration, with the objective of bolstering economic growth, announced the "Build Build Build" program for the realization of 8.4 trillion Philippines pesos (PHP) (approx. 18.5 trillion yen) of infrastructure investment by the end of the President's term of office in 2022 by increasing the amount of infrastructure investment in 2017 to 5.4% of gross domestic product (GDP). Specifically, the focus is on roads, bridges, and metropolitan transportation<sup>30</sup> and Japan also supports this program.

Among these programs, Japan is the major donor in the field of railroad transport.<sup>31</sup>

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<sup>27</sup> Based on interviews with JICA Southeast Asia and Pacific Department Southeast Asia Division 5 (November 11, 2019). The "Project for Cordillera-wide Strengthening of the Local Health System for Effective and Efficient Delivery of Maternal and Child Health Services," which is a technical cooperation project in the field of health, won the Good Practice Award (2014) from the Philippines National Economic and Development Authority.

<sup>28</sup> Highly appreciated by the Philippines National Economic and Development Authority/Ministry of Transport (JICA South-east Asia and Pacific Department South-east Asia Division 5 (September 11, 2019), based on interviews with the Philippines Ministry of Transport (October 24, 2019))

<sup>29</sup> Interviews with MOFA International Cooperation Bureau Country Assistance Planning Division I (September 12, 2019), Ministry of Finance (October 23, 2019), Department of Public Works and Highways (October 30 and November 4, 2019), Ministry of Transport (October 24, 2019)

<sup>30</sup> BCDA "Build Build Build" Last accessed December 3, 2019

<sup>31</sup> Interviews with the Philippines Ministry of Transport (October 24, 2019). In addition to implementing the North-South Commuter Railway Plan (Malolos – Tutuban) (total project cost of approx. 290 billion yen; of which, the ODA loan is approx. 240 billion yen), cooperation is being considered between the two countries, including the

The total 100km-long North-South Commuter Railway Extension Project in the Manila capital city area is positioned as the flagship project in the above-mentioned program and Japan is in charge of project planning, railroad system and track construction, carriage supply and more, while ADB is implementing co-financing for public works.<sup>32</sup>

Regarding the Manila Metro Rail Transit Line 3 Rehabilitation Project, in the 12 years since the start of operation in 2000, operations and maintenance work was implemented by Japanese companies for stable operation. On the other hand, from 2012 and thereafter, there were budgetary insufficiencies, etc., and local companies and companies from other countries carried out operations and maintenance work, but there were frequent troubles with operation as the



Photo 1 The Congested Manila Metro Rail Transit Line 3

tracks and carriages deteriorated, so that the Government of the Philippines made a request to the Government of Japan for rehabilitation/ operations and maintenance support from Japanese companies, and a STEP ODA loan project was implemented with participation of Japanese companies.<sup>33</sup>

In terms of other STEP ODA loan projects, excellent Japanese technologies are being used for the urgent construction of multi-level crossings in Manila, where traffic congestion is a major issue, and for construction of earthquake-resistant bridges, etc.<sup>34</sup>

As an example of a Technical Cooperation Project that supports system/capacity strengthening including the use of Japanese knowledge/experience, in the “Technical Assistance Project to Establish the Philippine Railway Institute,” a training system was created based on the training for new employees of Tokyo Metro Co., Ltd. (Tokyo Metro), incorporating safety awareness, code of conduct, punctuality and other factors in the training text. Also, with regarding to the training for trainers in Japan, Japanese railroad know-how is being utilized to provide practical trainings to Filipino trainers who will play important roles in human resource development in the railway sector, including train crew signaling in Tokyo Metro operation offices and training suited to

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North-South Commuter Railway Extension Project plan (total project cost of approx. 1.3 trillion yen (of which the ODA loan is approx. 400 billion yen) (detailed design study underway), and the Metro Manila Subway Project (total project cost of approx. 800 billion yen (of which the ODA loan is approx. 600 billion yen) (detailed design study underway)). (Based on interviews with the ODA loan Railroad Project /Technical Assistance Project to Establish the Philippine Railway Institute (October 26, 2019) and preparatory study reports for each project)

<sup>32</sup> Based on interviews with JICA Southeast Asia and Pacific Department Southeast Asia Division 5 (November 11, 2019)

<sup>33</sup> Interviews with MOFA (2019) regarding ODA for the Philippines (August 2019), the MOFA International Cooperation Bureau Country Assistance Planning Division I (September 12, 2019) and the ODA loan Railroad Project /Technical Assistance Project to Establish the Philippine Railway Institute as part of the Philippine government's move to beef up the country's human resources capacity on railway management (October 26, 2019) and ex-ante evaluation chart for each project

<sup>34</sup> Metro Manila Interchange Construction Project Phase 6, Metro Manila Priority Bridges Seismic Improvement Project

carriages/electricity.<sup>35</sup>

Also, after technical cooperation experts from Japan provided support for the Master Plan Formulation by officials from the Philippines and priority project selection through consensus building with various stakeholders, both governmental and private, a wide range of support are provided from project planning through to implementation including studies conducted toward financial support for implementation of the relevant projects. In the field of transportation, one Master Plan was formulated during the target period and another is under formulation.<sup>36</sup> As an example, in the “Master Plan Study on Urban Transport System Development in Metro Cebu Project,” support was given for the formation of an urban transportation Master Plan based on scientific evidence (traffic census, etc.). The formation of the Master Plans allowed to organize and identify necessary projects, and a preparatory survey is being implemented toward the provision of an ODA loan for coastal roads and bridges.<sup>37</sup>

#### **b. Disaster Risk Reduction**

The Philippines has many of the same natural disasters as Japan (typhoons, earthquakes, volcanoes, storm surges, tsunamis and flooding, etc.), and Japanese knowledge/experience is being utilized.

In the Disaster Risk Reduction and Management (DRRM) Capacity Enhancement Project, Japan has strengthened systems from disaster risk reduction through to disaster response by supporting the establishment of disaster response operation manuals, for example, as well as by providing trainings in Japan regarding Japan’s experiences of disaster risk reduction/disaster response to the Philippines Office of Civil Defense officials that are responsible for disaster administration. In contrast to other donors, JICA is conducting long-term person-to-person technical transfer and establishing processes for such technical transfer while building relationships of mutual trust through technical cooperation projects and long-term expert dispatch, etc.<sup>38</sup> Also, in the “Disaster Risk Reduction Capacity Strengthening Project Based on the Promotion of Public-Private Cooperation,” which is Grant Assistance for Japanese NGO Projects, a public-private cooperative organization was established for disaster risk reduction/disaster response in the Philippines in order to strengthen the capacity of relevant agencies in the Philippines including the use of Japanese experience, such as implementing trainings in Japan regarding multi-actor/business-cooperation in Japanese disaster response, and to enhance the functions of related organizations.

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<sup>35</sup> Interviews with the ODA Loan Railroad Project, Technical Assistance Project to Establish the Philippine Railway Institute (October 26, 2019) and the JICA website

<sup>36</sup> Completed: Master Plan Study on Urban Transport System Development in Metro Cebu Project; Underway: Project for Master Plan on High Standard Highway Network Development (Phase 2)

<sup>37</sup> Interviews with JICA’s Infrastructure and Peacebuilding Department Urban and Regional Development Group Team No. 1 (October 10, 2019)

<sup>38</sup> Interviews with the Philippines Citizens Defense Office (October 30, 2019)

Also, Japan has formulated the Pasig-Marikina River Basin Master Plan and is providing maintenance support starting from downstream by means of a STEP ODA Loan Project.<sup>39</sup>

The World Bank (WB) has been aware of the need to contribute to flooding countermeasures in Manila since the consecutive typhoons Ondoy and Pepeng that struck in 2009, and, since the 2015 Sendai Framework for Disaster Risk Reduction, JICA and the WB have continued to



Photo2 Site of Pasig-Marikina River Channel Improvement Project

share information and exchange opinions in the field of disaster risk reduction. After those typhoons in 2009, the Master Plan for Flood Management in Metro Manila and Surrounding Areas, which was produced by the Government of the Philippines with support from the WB, was based on support reviews implemented in the past by Japan.<sup>40</sup> In this Master Plan, there are proposals for the modernization of pumping stations and the construction of a dam in the upstream Marikina River basin, and the WB is implementing studies and designs for financial cooperation. In connection to this, the WB Group's International Reconstruction Development Bank (IBRD) and the Asia Infrastructure Investment Bank (AIIB) approved financial cooperation for flooding countermeasures in the Metropolitan Manila in September 2017,<sup>41</sup> and this cooperation utilizes the expertise from past support for overland flooding from Japan<sup>42</sup> and Japanese expertise from support in the field of disaster risk reduction. Also, the proposed construction of a dam in the upstream Marikina River basin has a complementary connection to the Pasig-Marikina River Basin facilities that Japan has been supporting.

### c. Cooperation for Mindanao

In 2002, Japan began the "Support Package for Peace and Stability in Mindanao." In 2006, Japan announced that it would make a "proactive contribution to the Mindanao peace process," and Japanese experts were dispatched to the socio-economic development department of the Mindanao International Monitoring Team (IMT),<sup>43</sup>

<sup>39</sup> Pasig-Marikina River Channel Improvement Project ODA Loan with the objective of reducing flood disasters in the Metropolitan Manila; Phase II approximately 8.5 billion yen implemented in ODA loan, Phase III approximately 11.8 billion yen implemented in ODA loan, while Phase IV approximately 37.9 billion yen is being under preparation (based on project ex-ante evaluation chart, etc.)

<sup>40</sup> Based on interviews with JICA Southeast Asia and Pacific Department Southeast Asia Division 5 (November 11, 2019)

<sup>41</sup> WB website Metro Manila Flood Management Project (last accessed January 23, 2020)

<sup>42</sup> Based on interviews with JICA Southeast Asia and Pacific Department Southeast Asia Division 5 (November 11, 2019)

<sup>43</sup> As the team established in 2004 for the peace negotiations between the Government of the Philippines and Moro Islamic Liberation Front (MILF), the main duty is to monitor the ceasefire between the Government of the Philippines and MILF. The main duties of the socio-economic development department are to monitor the social development status and identify the necessary support needs in the conflict-affected region, and to promote project formation and implementation, and to make monthly reports and proposals about

which is a support mechanism from relevant countries in the region, the Mindanao Taskforce was established, and cooperation for Mindanao came into full effect with the Japan Bangsamoro Initiatives for Reconstruction and Development (J-BIRD).

Prior to the peace agreement, Japan took part in regional frameworks outside of UN frameworks, and provided cooperation for the peace process (personnel dispatch to IMT and participation in International Contact Group (ICG), etc.) and for community development. Peace talks between the Government of the Philippines and Moro Islamic Liberation Front (MILF) that began in 1997 repeatedly fell into deadlock, but Japan maintained its commitment to the peace process, which gained trust from both parties and showed a comparative advantage over other donors.<sup>44</sup>

IMT personnel were dispatched to the Mindanao area and moved to the conflict-affected region while ensuring their safety in order to directly acquire political/public safety information. By communicating directly with the MILF anti-government forces, they were able to draw out the needs of the area required for peacebuilding, which were reflected in the establishment of a draft development plan. One Japanese person was dispatched to the IMT socio-economic development department in October 2006, and that number increased to two in November 2008. Other IMT personnel are generally military personnel.<sup>45</sup>

The Government of Japan participated in the ICG<sup>46</sup>, third-party organization that was established in 2009 and contributed to promote dialogs between MILF and the Government of the Philippines. ICG participated as an observer in the negotiations between MILF and the Government of the Philippines and played the role of giving advice. The Government of Japan ascertained the trends of the peace process through participation in the ICG.<sup>47</sup>

### **3-1-2 Effectiveness of Results**

In this Section, with the objective of confirming the effectiveness of results of Japan's ODA to the Philippines, an evaluation will be made for three predetermined verification criteria, namely, (1) Achievement and contribution of Japan's ODA (input), (2) Achievement and contribution of Japan's ODA for each Development Issue (output and outcomes) and (3) Effectiveness of assistance in Priority Areas (impact).

Regarding the Development Issues and Priority Areas, there are no quantitative

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reconstruction/development to the peace negotiation body (the Government of the Philippines (The Office of the Presidential Adviser on the Peace Process (OPAPP) etc.) and MILF) (Interviews with former expert dispatched to IMT (September 27, 2019)).

<sup>44</sup> Embassy of Japan Website in the Philippines, "Peace Process Champion Award," October 1, 2019. Based on interviews with MOFA Southeast and Southwest Asian Affairs Department, Second Southeast Asian Division (September 13, 2019), IMT dispatch personnel (September 27, 2019), Embassy of Japan in the Philippines (October 23, 2019), and OPAPP (October 25, 2019)

<sup>45</sup> Interviews with MOFA Southeast and Southwest Asian Affairs Department Second Southeast Asian Division (September 13, 2019), MOFA: "Mindanao Situation and Japan's Initiatives"

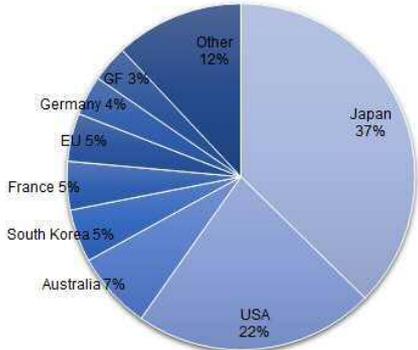
<sup>46</sup> Comprising Japan, the U.K., Turkey, Saudi Arabia and NGOs (Based on MOFA: "Mindanao Situation and Japan's Initiatives")

<sup>47</sup> Interviews with former expert dispatched to IMT (September 27, 2019)

objective values, making it difficult to quantitatively evaluate the impact of Japan’s ODA. Therefore, after confirming the contribution (outcomes) of Japan’s ODA with regard to the Development Issues, the coherence to the Priority Areas is confirmed and the status of achievement of the initial purpose of the projects is confirmed, which enabled to verify the extent of contribution of Japan’s ODA to the Philippines to achieving pre-set goals.

**(1) Verification criteria 1: Achievement and Contribution of Japan’s ODA (input)**

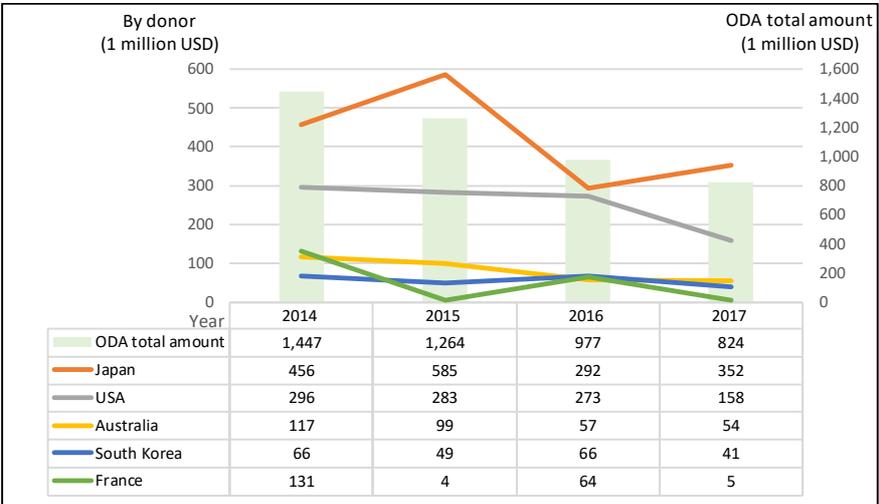
Figure 6 shows the ratio by donor of ODA to the Philippines from bilateral and multi-national donors between 2014 and 2017. Japan is positioned 1<sup>st</sup> with 37% (1, 685.1 million USD). That is approx. 1.5 times greater than the United States of America, which is positioned 2<sup>nd</sup>, and there is a large gap from the amount of other donors positioned below 2<sup>nd</sup>.



(Source) Produced by Evaluation Team based on Creditor Reporting System Online Database (OECD, 2014 - 2017)

(Note) Cumulative Total, Gross disbursement  
Fig. 6 Total Amount of ODA to the Philippines (2014 - 2017) ODA Ratio by donor

The total amount of ODA to the Philippines each year from 2014 to 2017 and the transition in the total amount from each of the top five donors in the same period (gross disbursement) are shown in Fig. 7. The total amount of ODA reduced from approx. 1, 400 million USD in 2014 to 800 million USD in 2017. Of this, the USA maintained almost the same level, going from approx. 200 million USD to 300 million USD, as did Australia (approx. 100 million), and South Korea (40 million USD to 70 million USD). In contrast, despite some fluctuation depending on the year, Japan disbursed support during the target period of between approx. 300 million to



(Source) Produced by Evaluation Team based on Creditor Reporting System Online Database (OECD, 2014-2017) (Note) Gross disbursement.  
Fig. 7 Evolution in Total Amount of ODA to the Philippines and Total Amount from top 5 Donors (2014-2017)

Table 7 Ratio of Japan’s ODA against the Total Amount of ODA to the Philippines

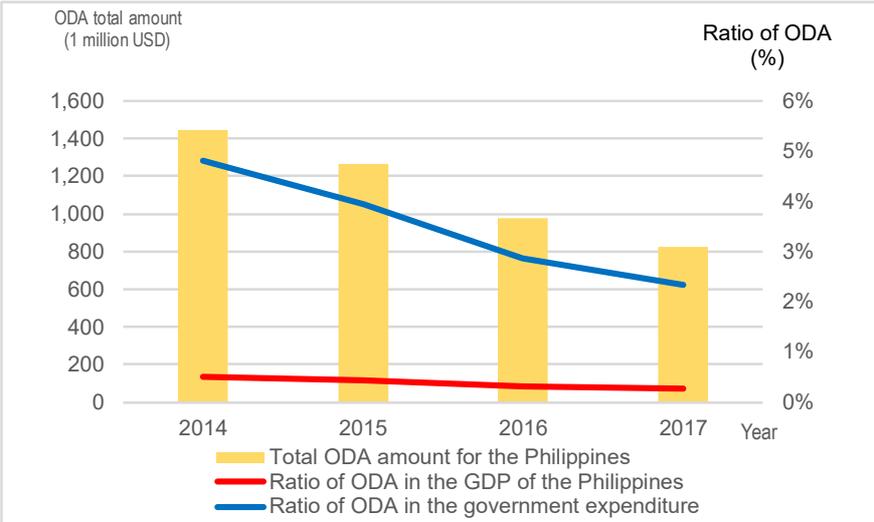
Year	2014	2015	2016	2017
Percentage (%)	32%	46%	30%	43%

(Source) Produced by Evaluation Team based on Creditor Reporting System Online Database (OECD, 2014-2017)  
(Note) Gross disbursement.

approx. 600 million USD, which, as shown in Table 7, comprises approximately 30-46% of the total ODA amount each year.

In this way, a major contribution is being made by Japan from the viewpoint of the amount of support.

However, the ratio of ODA in the GDP of the Philippines is 1% or less, and it is between 2-5% of the government expenditure, so the effect on the finances of the Philippines from the amount of ODA is limited compared to that for low income countries (Fig. 8).



(Source) Produced by Evaluation Team based on the Creditor Reporting System Outline Database (OECD, 2014-2017), World Development Indicators (World Bank, 2014-2017) (Note) Gross disbursement

Fig. 8 Evolution in Amount of ODA to the Philippines Against GDP in the Philippines and Government Expenditure (2014-2017)

**(2) Verification criteria 2: Achievement and Contribution of Japan’s ODA for Each Development Issue (output and outcomes)**

The Government of Japan, while utilizing diverse schemes, has been reliably implementing support and making a contribution to the Development Issues in Japan’s Country Development Cooperation Policy for the Philippines. Table 8 shows the main achievements and contributions from Japan’s ODA for the Philippines.

Table 8 Main Achievements and Contributions from Japan’s ODA for Each Development Issue in Japan’s Country Development Cooperation Policy for the Philippines (FY 2014-2018)

Development Issues	Field	Main achievements (activities, outputs)	Main contributions (outcomes)
Quality Infrastructure Development for Sustainable Economic Growth	Transportation	(ODA Loan) 1 airport, approximately 3,600km of roads, 8 distribution terminals, 4 bulk cargo terminals, 6 cold storage facilities, and provision of 14 RORO ships, <sup>48</sup> and 9 bulk carriers (Technical cooperation project) Production of manuals for highway bridge construction/operations and maintenance (O & M), provision of support for formulation and implementation of O & M training programs/ provision of support for implementation of O & M pilot projects covering	Improvement of capacity for aviation transport, traffic congestion mitigation, improvement of cargo transport /storage capacity, reduction of transport time

<sup>48</sup> Ships that transport trucks and containers loaded with cargo

Development Issues	Field	Main achievements (activities, outputs)	Main contributions (outcomes)
		all target regions and monitoring-evaluation /creation of database system applicable to road slope and bridge repair work (Technical cooperation project) Transportation database construction, management manual production/training implementation, transportation feasibility study/demand estimation/evaluation pilot study implementation	<ul style="list-style-type: none"> <li>Improvement of capacity for highway bridge operations and maintenance</li> <li>Improvement of transportation database management systems</li> </ul>
	Water and environment	(Grant Aid for Environment and Climate Change) Introduction of SCADA <sup>49</sup> system to potable water supply areas in the Metropolitan Cebu Water District (MCWD) and technical guidance for operation and management of the system (ODA Loan) Environmentally-friendly equipment introduction: 16 water supply /processing projects, 19 wastewater disposal projects, 11 chicken cultivation projects, 7 power generation/distribution projects (renewable energy, etc.), and others	<ul style="list-style-type: none"> <li>Strengthening appropriate water supply systems</li> <li>Increase water supply volume, reduction of non-revenue water ratio, improve capacity for wastewater disposal, improvement of environmentally-friendly power generation facilities (renewable energy power generation facilities, etc.)</li> </ul>
	Energy	(Grant Aid for Environment and Climate Change) Installation of 2 small hydroelectric power generation plants (820kW, 45kW), O & M guidance for the plants (using revenue from electric power selling), revision of rice-terrace preservation fund management guidelines	<ul style="list-style-type: none"> <li>Promotion of use of renewable energy</li> </ul>
	Infrastructure, etc.	(Technical Cooperation through JICA's Loan Account - Project in relation to ODA Loan) Provision of support to strengthen the capacity of Department of Health, Department of Public Works and Highways, Ministry of Transport and City of Illollo PPP for formulation and implementation of PPP projects (implementation of trainings, preparation of project formulation support tools and contract management manuals /organization of seminars about usage methods, etc.), Philippines PPP Handbook production (Technical cooperation for development planning) Formulation of Davao City land use planning/infrastructure development plans, trainings for infrastructure planning/implementation/management	<ul style="list-style-type: none"> <li>Promotion of formulation and implementation of PPP projects and/or urban infrastructure development projects</li> </ul>
Industrial Promotion and Capacity Building of Administrative Capabilities	Industrial promotion	(Technical cooperation project) Workflow planning and practice by DTI for the promotion of industrial clusters/approaches, implementation of trainings/workshops related to planning/implementation of industrial cluster strengthening activities and provision of support for organization formation, production of cluster management/operation manual (Technical Cooperation through JICA's Loan Account - Project in relation to ODA Loan) Industrial needs analysis by industry-academia-government cooperation coordinator from technical vocation schools, reflection in school improvement plans, and support for cooperation with industries/companies, as well as support for sharing those experiences (Technical cooperation for development planning) Support for automobile industry value chain analysis/ industry promotion plan formulation	<ul style="list-style-type: none"> <li>Promotion of industrial clusters/approaches</li> <li>Promotion of industry personnel training suited to industry needs through partnership with industry</li> </ul>
	Administration	(Grant aid) Study abroad/degree acquisition for 80 personnel from ministries and agencies in the Philippines (Masters degrees) (Project for acceptance of technical training participants (country-specific training)) Transfer pricing <sup>50</sup> training (Target: 50 people from domestic revenue service), (Technical Cooperation through JICA's Loan Account — ODA loan experts) (dispatch of technical cooperation experts) Support for tax systems/system creation for surveillance and control including smooth trade promotion	<ul style="list-style-type: none"> <li>Administrative official personnel training</li> <li>Promotion of facilitation of trade</li> </ul>

<sup>49</sup> Supervisory Control and Data Acquisition: a continuous monitoring system in the central surveillance room of flow meters, water pressure gauges and water gauges that are installed in the main water supply facilities

<sup>50</sup> A tax policy/structure for global companies established by the OECD Committee on Fiscal Affairs

Development Issues	Field	Main achievements (activities, outputs)	Main contributions (outcomes)
		and terrorism/smuggling countermeasures	
	Communications	(General Cultural Grant Assistance) Provision of 686 TV programs (documentaries/education such as Japanese cultural/disaster risk reduction efforts) (Dispatch of technical cooperation experts) Support for terrestrial digital broadcasting channel planning/transition planning/PR/awareness-raising plan formulation and establishment of system or structures	<ul style="list-style-type: none"> <li>· Broadcasting content enhancement</li> <li>· Promotion of transition to terrestrial digital broadcasting</li> </ul>
Enhancement of Law Enforcement Capacity through Public Safety/Counterterrorism Measures	Maritime safety	For the Philippines Coast Guard (PCG), (ODA Loan) 10 patrol vessels, (Grant aid) 13 high-speed boats, 1 portable x-ray detector (Grant Aid for Cooperation on Counter-Terrorism and Security Enhancement) Provision of satellite communication system between PCG head office, PCG main ships, and newly-organized district offices, etc. (Technical cooperation project) Training system enhancement and personnel training in connection to PCG maritime law enforcement, and ship operations, maintenance and management (Grant Aid for Cooperation on Counter-Terrorism and Security Enhancement) Provision of ship navigation monitoring system for the area around Cebu Port	<ul style="list-style-type: none"> <li>· Coastal defense capacity strengthening</li> <li>· Navigation monitoring system strengthening</li> </ul>
	Police	(Grant aid) 100 police cars, 440 strike-proof helmets (Project for acceptance of technical training participants (country-specific training)) Identification training (24 people), Police executive training (28 people)	<ul style="list-style-type: none"> <li>· Police patrol system improvement</li> </ul>
Disaster risk reduction and management	Disaster risk reduction	(ODA Loan) River improvement (approximately 30km), (Grant Aid for Disaster Prevention and Reconstruction) (Non-Project grant aid) 16 drain pump vehicles, earthquake/tsunami monitoring system, (Grant aid for grassroots projects) (NGO grant aid) 43 emergency vehicles (fire engines, ambulances, etc.), (NGO grant aid) 1 lifeboat, operational training (Technical cooperation project) Preparation of regional disaster risk reduction management (DRRM) plan, national disaster response plan, DRRM education training program, community disaster risk reduction training course/basic guide for trainers, etc. (ODA Loan) Promotion of implementation of policy actions related to DRRM capacity improvement	<ul style="list-style-type: none"> <li>· Disaster risk reduction</li> </ul>
	Emergency, recovery and reconstruction assistance	(Technical cooperation for development planning (Emergency development study)) Provision of support for production of typhoon damaged area hazard map, land use and disaster risk reduction plans (evacuation plan) (Grant aid) (Grant Aid for Disaster Prevention and Reconstruction) (Grant aid for grassroots projects) (Technical cooperation for development planning (Emergency development study)) Implementation of recovery and reconstruction projects for typhoon damaged areas: Reconstruction of 1 regional medical center ward, 1 state health office, 3 local health facilities, 2 daycare centers, 13 schools, 3 markets, 1 meat processing facility, 2 city halls, and 2 meteorological radars, provision of medical equipment/electricity restoration equipment/construction materials/fisheries development center equipment/National Maritime Polytechnic Training Center and Daniel Z. Romualdez Airport restoration materials, 20 emergency vehicles (fire engines, ambulances), support for cultivation and agricultural/fisheries product processing (ODA Loan) Drainage channel dredging and excavation, drain construction, river improvement, etc.	<ul style="list-style-type: none"> <li>· Recovery/reconstruction of areas affected by typhoons /volcanoes</li> </ul>
Productivity Improvement and High-Value Addition in Agriculture	Agriculture	(ODA Loan) Infrastructure development support for 136 agrarian reform communities: 120 irrigation facility projects (joint irrigation project/system, pump irrigation), 160 market access road projects, 12 bridge projects, 68 projects for post-harvest facilities/city agricultural information/marketing centers (grain dehydration/storage/milling, marketing/trade for agricultural products/agriculture investments, financial management, agriculture information center, training facilities), 70 drinking water supply projects, 6 state agricultural information/marketing center projects, support for organization and organizational enhancement for	<ul style="list-style-type: none"> <li>· Agricultural production/post-harvest management /marketing /distribution environment improvement</li> </ul>

Development Issues	Field	Main achievements (activities, outputs)	Main contributions (outcomes)
		beneficiaries of agrarian reforms (346 organizations), 323 agricultural/agribusiness development projects for 131 agrarian reform communities (crop production and animal husbandry, etc.) (ODA Loan) Total of 13 billion yen of financial support for organizations related to agriculture (agriculture/fisheries, food/agricultural product processing, farm machinery, agriculture related services and distribution) (JPP) Land formation/vegetable cultivation instruction, distribution improvement support	
Strengthening Safety Net	Health	(Technical cooperation project) Support for acquisition of expectant and nursing mother care package authorization (58 Health facilities) (provision of equipment, etc.), Basic emergency obstetric and newborn care (BEmONC) training for health and medical practitioners, (Target: approximately 200 people), Support for Department of Health Eastern Visayas regional office and state/municipal health office service management improvement (supportive/supervision checklist development, revision and distribution of mother and child handbook, etc.), community health team organization/management support (development of guidebook/training materials, implementation of trainer trainings (Target: 237 people) trainer orientations (Target: 3,369 people), referral guidelines production (Non-Project grant aid) Provision of 1 laboratory (Grant aid for grassroots projects) Construction of 1 district clinic, provision of medical equipment (Technical cooperation project) Drug dependence treatment program/training materials production	<ul style="list-style-type: none"> <li>Health system strengthening</li> </ul>
	Education	(Grant aid for grassroots projects) Construction of 1 substitute educational system study center, 1 indigenous people capacity development and training facility, and 3 elementary and junior high schools	<ul style="list-style-type: none"> <li>Provision of education environment</li> </ul>
	Welfare	(Grant aid for grassroots projects) Repairs to physiotherapy rooms in facilities for disabled persons, provision of rehabilitation equipment (JPP) Education on the streets, alternative education, reading and writing education and school commuting support for homeless children (218 people) and health education (313 people or more), support for the establishment and start of business of cooperative unions created by homeless children and young people, training for Barangay council for the protection of children (179 people or more), street theatre implementation, shelter introduction (210 people)	<ul style="list-style-type: none"> <li>Provision of appropriate rehabilitation environments for disabled persons</li> <li>Promotion of protection of homeless children</li> </ul>
Peace and development in Mindanao (Sustainable Peace in Conflict-Affected Areas)	—	<u>Administration</u> (Technical cooperation project) Support for strengthening the capacity of the Bangsamoro transition committee for enacting the Bangsamoro Basic Law (BBL) (Local administration and administration law training, support for awareness-raising and opinion-gathering from citizens) (Domestic training including awareness-raising and opinion-gathering from citizens: Participation from a total of 5,130 people) (Technical cooperation project) Support for formulation of Bangsamoro development plan (Technical cooperation project) Support for Autonomous Region in Muslim Mindanao (ARMM) member capacity strengthening and organization strengthening (improvement of personnel information systems, training about 5S and procurement system, etc.), support to local government for income capacity improvement (Technical cooperation for development planning) Improving the capacity of the Bangsamoro Development Agency (BDA) to implement community development projects through verification projects (agriculture, fisheries, and roads, etc.) and project management trainings (JPP) Implementation of local governance training for Bangsamoro native youth (66 people) <u>Roads:</u> (Grant aid) Agricultural road construction of 21km, (Technical cooperation for development planning) Road improvements/repairs of approximately 6km, (Technical	<ul style="list-style-type: none"> <li>Improvement of capacity for administration/management</li> <li>Road functions/operations and maintenance system improvement</li> <li>Disaster risk reduction</li> <li>Improvement of agricultural production/post-harvest management/distribution environment and agricultural production technology</li> <li>Provision of health and education environments</li> </ul>

Development Issues	Field	Main achievements (activities, outputs)	Main contributions (outcomes)
		cooperation project) Support to ARMM Department of Public Works and Highways for strengthening their capacity (road ledger preparation/management, technical support for road monitoring, etc.), (Grant aid) Support to Ministry of Agriculture regional offices/cities and towns to improve O & M capabilities for Barangay farm road (production of training materials, implementation of trainings, etc.) <u>Industrial promotion</u> : (Technical cooperation project) Support for clustering special products from each state <u>Disaster risk reduction</u> : (Grant aid for grassroots projects) 17 emergency vehicles (fire engines, ambulances, rescue cars) <u>Agriculture</u> : (Grant aid for grassroots projects) Provision of 1 storehouse with sun-drying facilities for agricultural produce, 2 tractors, 3 agricultural produce transport trucks, and other agriculture machinery (Technical cooperation project) Construction of 1 storehouse with dehydration facilities (Technical cooperation project) (Technical cooperation for development planning) Support for promotion of rice/vegetable crop cultivation techniques, technical support for vegetable sales and goat breeding, cultivation support <u>Health</u> : (Grant aid for grassroots projects) Construction of 1 outpatient clinic, Provision of medical equipment/machinery and 1 mobile diagnostic vehicle for outpatient clinics/midwifery facilities <u>Education</u> : (Grant aid for grassroots projects (NGO cooperation grant aid) (Technical cooperation project) Construction of 17 schools <u>Marawi City emergency/reconstruction assistance</u> : (Grant aid) Provision of 27 units of heavy machinery <u>Other</u> : (Technical cooperation project) Construction of 17 multipurpose halls	

(Source) Produced by Evaluation Team based on the MOFA/Embassy of Japan in the Philippines/JICA website (last accessed December 18, 2019), the project summary tables for the projects to be evaluated in this evaluation study, ex-ante evaluation charts, completion reports, terminal evaluation study results summaries, etc.,

(Note) Japan's ODA projects for the Philippines that began, were underway or were completed between FY2014 and 2018.

With respect to the initial purposes of the projects to be evaluated in this evaluation study, the evaluation team confirmed the status of their achievement. Although there were some projects for which the objectives/indicators would not be verified at the time of project completion<sup>51</sup>, among the projects that could be confirmed based on completion reports and terminal evaluation charts, etc., “O” was applied to the projects that were achieved/ expected to be achieved /mostly achieved or with high/generally high/quite high effectiveness/impact and “△” was applied to projects for which the effectiveness/impact was evaluated as “Fair” or “partially unsatisfactory”. Table 9 shows the ratio of achievement of the initial purposes of the Japan’s ODA projects by each Development Issue indicated in Japan’s Country Development Cooperation Policy for the Philippines. 83%-100% of the projects were evaluated as “O: Achieved (expected to be achieved)” and 0%-17% were “△: Fair/partially unsatisfactory”. This

<sup>51</sup> With regard to ODA loan/grant aid cooperation, in many cases, the items up to the production of outputs are expected at the time of project completion, and the direct outcomes that are the purpose of each project are expected to be manifested within 2-3 years of the end of the project. As for Technical Cooperation Projects, the project outputs and the direct outcomes (project purposes) are expected to be produced at the time of project completion, and the mid-term outcomes that are overall goals for each project are expected to be manifested within 2-3 years of the end of the project. (reference to external ex-post evaluations (FY JICA 2019 external ex-post evaluation)).

shows that the Japan’s ODA projects made a significant contribution to the achievement of the objectives set at the outset.

Table 9 Level of Achievement of Initial Purposes of Japan’s ODA by Each Development Issue in Japan’s Country Development Cooperation Policy for the Philippines

Development Issues	Quality Infrastructure Development for Sustainable Economic Growth	Industrial Promotion and Capacity Building of Administrative Capabilities	Enhancement of Law Enforcement Capacity through Public Safety/Counterterrorism Measures	Disaster risk reduction and management	Productivity Improvement and High-Value Addition in Agriculture	Strengthening Safety Net	Peace and development in Mindanao (Sustainable Peace in Conflict-Affected Areas)
Confirmation of achievement of initial purposes	18 projects	14 projects	4 projects	30 projects	13 projects	19 projects	30 projects
Achievement of initial purposes: ○ (No. of projects)	18 projects	13 projects	4 projects	25 projects	13 projects	18 projects	30 projects
Achievement of initial purposes: ○ (Ratio)	100%	93%	100%	83%	100%	95%	100%
Achievement of initial purposes: △ (No. of projects)	0 projects	1 project	0 projects	5 projects	0 projects	1 project	0 projects
Achievement of initial purposes: △ (Ratio)	0%	7%	0%	17%	0%	5%	0%

(Source) Produced by Evaluation Team based on the project summary table for the projects covered in this evaluation study, ex-ante evaluation chart of each project, completion reports, terminal evaluation study results summaries, etc.

(Note 1) The confirmed numbers do not include (a) projects for which there are no detailed data regarding achievement of provided assistance or the outputs from the assistance due to temporal limitations, (b) projects that are underway for which the achievement/contribution have not been confirmed, and (c) projects for which the achievement of initial purpose could not be confirmed based on the details in the completion report. 128 of the total of 246 projects covered by this evaluation study were confirmed (approx. 50%).

(Note 2) Regarding projects for which an ex-post evaluation was implemented, reference was made to its evaluation results for the evaluation of effectiveness/impact.

(Note 3) “○/△” does not show the good/bad of each project but rather it is a classification based on the descriptions of the effectiveness/impacts in the Project completion reports and terminal evaluation charts, etc. produced by JICA and implementing agencies.

**(3) Verification criteria 3: Effectiveness of Assistance in Priority Areas (impact)**

Through the following efforts, a contribution was made to Strengthening a Foundation for Sustainable Economic Growth, Ensuring Human Security for Inclusive Growth, and Development that Supports Peace in Mindanao.

❖ **Strengthening a Foundation for Sustainable Economic Growth:**

Through the support for the infrastructure development, industrial promotion and capacity building of administrative capabilities and public safety/counter-terrorism measures, as above, in addition to the improvement of transportation/water supply/waste disposal capabilities, the promotion of renewable energy, the

promotion of industrial clusters/approaches and industrial personnel training, as well as training for administrative officials as the foundations of sustainable economic growth, a contribution is being made to strengthening coastal defense capabilities and navigation monitoring systems.

✧ **Ensuring Human Security for Inclusive Growth:**

Through the support in connection with the fields of disaster risk reduction and management, agriculture, health, education and welfare, as above, in addition to the disaster risk reduction and the recovery/reconstruction of areas affected by typhoons/volcanoes contributing to ensuring human security for inclusive growth, improvements are being made to agricultural production/post-harvest management/marketing/the distribution environment and contributions are being made to strengthening the health care system and improving the education environment.

✧ **Peace and Development in Mindanao:**

Through the support for the conflict-affected region of Mindanao, as above, a contribution is being made to the improvement of administration and management capacities, the improvement of road functions/operations and maintenance systems, disaster risk reduction, the improvement of agricultural production/post-harvest management/the distribution environment and technology, and to the provision of health and education environments, which results in peace and development in Mindanao.

On the other hand, Table 10 shows the status of achievement of the initial purposes of Japan’s ODA projects to be evaluated in this evaluation study by each Priority Area indicated in Japan’s Country Development Cooperation Policy for the Philippines. 90%-100% of the projects were evaluated as “○: Achieved (expected to be achieved)” and 0%-10% were “△: Fair/partially unsatisfactory”. This shows that the Japan’s ODA projects made a significant contribution to the achievement of the objectives set at the outset.

Table 10 Level of Achievement of Initial Purposes of Japan’s ODA by Each Priority Area in Japan’s Country Development Cooperation Policy for the Philippines

Priority Areas	Strengthening a Foundation for Sustainable Economic Growth	Ensuring Human Security for Inclusive Growth	Peace and Development in Mindanao
Confirmation of achievement of initial purposes	36 projects	62 projects	30 projects
Achievement of initial purposes: ○ (No. of projects)	35 projects	56 projects	30 projects
Achievement of initial purposes: ○ (Ratio)	97%	90%	100%
Achievement of initial purposes: △ (No. of projects)	1 project	6 projects	0 projects
Achievement of initial purposes: △ (Ratio)	3%	10%	0%

(Source) Produced by Evaluation Team based on the project summary table for the projects covered in this

evaluation study, ex-ante evaluation chart of each project, completion reports, terminal evaluation study results summaries, etc.

(Note 1) The confirmed numbers do not include (a) projects for which there are no detailed data regarding achievement of provided assistance or the outputs from the assistance due to temporal limitations, (b) projects that are underway for which the achievement/contribution have not been confirmed, and (c) projects for which the achievement of initial purpose could not be confirmed based on the details in the completion report. 128 of the total of 246 projects covered by this evaluation study were confirmed (approx. 50%).

(Note 2) Regarding projects for which an ex-post evaluation was implemented, reference was made to its evaluation results for the evaluation of effectiveness/impact.

(Note 3) “○/△” does not show the good/bad of each project but rather it is a classification based on the descriptions of the effectiveness/impacts in the Project completion reports and terminal evaluation charts, etc. produced by JICA and implementing agencies.

### **3-1-3 Appropriateness of Processes**

In this Section, with the purpose of confirming the “appropriateness of the processes” of Japan’s ODA to the Philippines, an evaluation will be made for three predetermined verification criteria, namely, (1) appropriateness of the formulation process of Japan’s Country Development Cooperation Policy for the Philippines, (2) appropriateness of the implementation process of Japan’s ODA for the Philippines, and (3) coordination, collaboration and considerations in the implementation of Japan’s ODA for the Philippines. An evaluation will also be made as to whether or not appropriate processes were adopted to ensure relevance of policies and effectiveness of results after ascertaining the structure and procedures to reach formulation and implementation and verifying if the initiatives and approaches in the process were appropriate and if social characteristics and ethnic minorities were taken into consideration.

#### **(1) Verification criteria 1: Appropriateness of the Formulation Process of Japan’s Country Development Cooperation Policy for the Philippines**

Japan’s Country Development Cooperation Policy for the Philippines was formulated in April 2018, at a timing considered appropriate after the change of administration in the Philippines in June 2016, in view of the PDP 2017-2022 and the previous evaluation of Japan’s ODA to the Philippines after consultations with the relevant officials of the Government of the Philippines. Although there was no opportunity for an exchange of opinions with relevant actors such as NGOs in the Philippines, the Policy was formulated after taking the procedure of public comment in Japan and is made available on the websites of Ministry of Foreign Affairs of Japan (MOFA) and Embassy of Japan in the Philippines. As such, it is considered that the process was mostly appropriate.

#### **(2) Verification criteria 2: Appropriateness of the Implementation Process of Japan’s ODA for the Philippines**

With respect to the implementation process of ODA to the Philippines, the evaluation team confirmed that activities such as installation and management of basic implementation structure, identification of needs, and implementation of individual projects focusing on Priority Areas determined in Japan’s ODA Policy for the

Philippines, monitoring/evaluation, and publicity are at present carried out without issue. On the other hand, some issues were found in the approaches for post-disaster recovery and reconstruction support, and publicity required some improvements to make it easier to understand.

**(a) Installation and management of support implementation structures in the Philippines and in Japan**

A local ODA taskforce is established and structures for collecting and sharing information by and/or among Japan's ODA officials are in place. In addition, the meeting of the Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation (three times a year) and policy consultation (once a year) are held with the officials of the Government of the Philippines for high-level discussions.

**(b) Continual capturing of recipient needs**

Efforts are made by the Embassy of Japan in the Philippines and JICA Office to capture the needs. With regards to Mindanao, since 2006, personnel dispatched to IMT have been capturing the needs for reconstruction and development. The needs are shared with the Embassy of Japan in the Philippines and JICA Philippine office, which are members of the Mindanao Taskforce.

**(c) Implementation of initiatives and approaches relating to the Priority Areas in the Country Development Cooperation Policy for the Philippines**

In accordance with the Priority Areas for Japan's assistance to the Philippines, individual projects are formed and implemented.

With respect to ODA loans, during the period covered by this evaluation, many Japan-tied projects were implemented by applying STEP<sup>52</sup>. The STEP projects, which are mainly for infrastructure development and are tied to Japan, are mostly welcomed by the Philippine side, as they highly trust Japanese technology and the commitment of Japanese companies<sup>53</sup>.

The meeting of the Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation, which was installed after the Duterte administration took office, facilitated the project validation process. Moreover, the initiative of implementing the process from feasibility study (F/S) to detailed design (D/D) in an integrated manner accelerated the design process, contributing to speedy project formation and program formulation<sup>54</sup>. Such initiatives from Japan are

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<sup>52</sup> The percentage of untied ODA of Japan decreased from 84.2% in 2010 to 2.3% in 2016. The major reason for the decrease is the increase of Japan-tied STEP and ODA loan projects relative to untied ODA loans (Material provided by Philippine National Economic Development Authority).

<sup>53</sup> Interviews with Philippine Department of Finance (October 23, 2019), Philippine Department of Transportation (October 24, 2019) and Philippine Department of Public Works and Highways (October 30, 2019).

<sup>54</sup> With regards to ODA loan "Metro Rail Transit Line 3 Rehabilitation Project", the letter of inquiry for request was received from the Government of the Philippines in November 2017 for the first time, which was followed by pledging in June 2018, signing of E/N in November 2018, and start of construction in May 2019. Compared with

appreciated by the Government of the Philippines as initiatives for providing “fast and sure” assistance<sup>55</sup>.

A scheme of assistance named JICA’s Emergency Development Study, which enables flexible assistance to cope with the changing needs of beneficiaries, was used for the Project on Rehabilitation and Recovery from Typhoon Yolanda and contributed to prompt repair and recovery of healthcare and education facilities and reconstruction of the life of residents as a quick impact project. However, as life reconstruction including the improvement of



Photo 3 Aquaculture Assistance Project Site for Recovery from Typhoon Yolanda

livelihood takes time, especially in building mechanisms with consideration for the social and cultural situation, there are still some cases being followed up or with issues in sustainability, although about six years have passed since the occurrence of the disaster. Also, there was a case in which survey and plan formulation were implemented as a package to build a facility intended to be used as a shelter by grant aid (integrated implementation) in parallel with the provision of assistance based on the emergency development study, but as the construction plan was formulated before the affected local government developed the disaster evacuation plan, the facility was used as a shelter only to a limited extent<sup>56</sup>.

“Economic and Social Development Programme (ESDP)” is a relatively flexible assistance program in which details of procurement items can be adjusted depending on the needs of developing countries and local circumstances of the recipient within the range of predetermined aid content. During the period of this evaluation study, five projects were implemented under this scheme, such as provision of high-speed boats to the Philippine Coast Guard (PCG) and police vehicles to the Philippine National Police, which are utilized for patrol activities.

#### **(d) Periodic monitoring, evaluation and feedback for the status of policy implementation**

The implementation status of each project is monitored and evaluated to verify effectiveness.

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the normal time schedule of ODA loans, the pace was extraordinarily fast. (Interview with MOFA Country Assistance Planning Division I, International Cooperation Bureau (September 12, 2019).

<sup>55</sup> Statement of Philippine Minister of Finance, etc. (Philippine News Agency, High-level PH-Japan infra meeting set in Manila Wednesday (November 19, 2018)/ PH execs Japan-bound for 7th high-level infra meeting (February 20, 2019), interviews with JICA Philippine Office (October 23, 2019) and in relation to Railway ODA loan project/ Technical Assistance Project to Establish the Philippine Railway Institute (October 26, 2019)

<sup>56</sup> A school designed to make it easier to use as a shelter in the event of a disaster (torrential rain, typhoon, storm surge, etc.) with a stilt type structure to provide for storm surge and wide corridors was constructed (JICA (2019) Mundi November 2019 issue, information provided by JICA). It was used as a school and a shelter in case of torrential rain, but it was not used as a shelter for storm surge (interviews during the field survey of this Evaluation).

### **(e) Implementation of publicity**

Through press releases and social media, publicity activities for Japan's ODA are carried out and the information also appears in articles of local newspapers.

With regards to ESDP and Grant Assistance for Grassroots Human Security Projects, similar publicity activities are carried out. However, as it involves issues such as insufficient information disclosure concerning the details of assistance, it is appropriate to make some improvements to make it easier to understand, though it should be noted that it is not something specific to the ODA for the Philippines but may be common to the whole of Japan's ODA under such schemes<sup>57</sup>.

### **(3) Verification criteria 3: Coordination, Collaboration and Consideration in the Implementation of Japan's ODA to the Philippines**

As described below, coordination and collaboration with other development actors are in place and consideration is made for social and ethical characteristics.

#### **(a) Coordination and collaboration with other donors, international/local NGOs and relevant agencies in Japan**

The Embassy of Japan in the Philippines and JICA are sharing information with other donors, Japan Bank for International Cooperation (JBIC), Japan External Trade Organization (JETRO) and the Japanese Chamber of Commerce and Industry of the Philippines, Inc., and assistance is implemented in collaboration with other donors, other countries, NGOs (international, local, and Japanese), local governments in the Philippines and in Japan, Japanese universities and Japanese-affiliated companies.

With respect to collaboration with other donors and countries, as described earlier, Japan co-financed a railway project with ADB, and cooperated with the US Coast Guard for operation and maintenance of patrol vessels and boats by PCG<sup>58</sup>.

Through Grant Assistance for Grassroots Human Security Projects in collaboration with local governments in the Philippines and international and local NGOs, a total of 10 projects relating to the development of safety net (healthcare, education, and welfare) have been implemented and assistance is provided to the areas affected by

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<sup>57</sup> With respect to ESDP, as the details of specific procurement items are discussed and adjusted through a local coordination committee installed after the signing of exchange of notes (E/N), details of the items granted are not included in the press release for the signing of E/N on MOFA website, and there was also a case where the project name was not described in the article of handover ceremony on the website of the Embassy of Japan in the Philippines, making the publicity unclear. As for Grant Assistance for Grassroots Human Security Projects, the date of grant contract (G/C) completion, project name, name of recipient organization and amount of grant are listed on the MOFA website, but project details are not described. "Grant Aid Mieru-ka (Visualization) List" describes project details, but while all the projects requiring improvement are described in detail, for the projects that demonstrate their effectiveness, only representative examples are described, which means that not all the projects are described in detail. The website of the Embassy, which has articles about handover ceremonies, etc., does not have a list of basic project information and details of assistance, either.

<sup>58</sup> Technical cooperation concerning maintenance of patrol vessels provided by Japan is implemented by US Coast Guard and joint training in boat operation and maintenance participated by PCG and neighboring countries (Malaysia, Indonesia, and Vietnam) was conducted in cooperation with the US Coast Guard.

Typhoon Yolanda<sup>59</sup>. Also, with regards to support to Mindanao, a total of 25 projects have been implemented under Grant Assistance for Grassroots Human Security Projects, and a total of five grant aid projects have been implemented through international organizations.

Moreover, Japanese NGOs have implemented a total of 16 projects under the scheme of Grant Assistance for Japanese NGO Projects, and Japanese NGOs, Japanese universities and local governments have implemented a total of 42 grassroots technical cooperation projects.

In addition, in Private Sector Investment Finance projects co-financed with Japanese private financial institutions, experience and know-how of Japanese companies are utilized to facilitate the development of water infrastructure in the Philippines. Accordingly, these projects are considered to be effective initiatives.

As initiatives other than those under ODA, projects to support the peace process in Mindanao have been implemented, such as dispatch of personnel to IMT, which is a regional framework, and participation in ICG.

#### **(b) Consideration given to social characteristics and ethnic minorities**

In implementing individual projects, aside from surveys conducted in accordance with JICA Guidelines for Environmental and Social Consideration, the Government of the Philippines performs monitoring and reports its results to JICA. Projects for railways and road construction and rehabilitation of river channels often require resettlement of residents, and there are cases in which, due to the objection of some residents<sup>60</sup>, land expropriation is delayed<sup>61</sup> and relevant Ministries and Agencies in the Philippines are endeavoring to coordinate with local governments.

In the projects to support master plan formulation under the scheme of Technical Cooperation for Development Planning, support is provided to the formulation process in the core city of each region with attention given to regional balance.

Projects under the Grant Assistance for Grassroots Human Security Projects and Grant Assistance for Japanese NGO Projects provide support for the construction of capacity building and training facilities for indigenous people, construction of schools in indigenous areas and preparation of curricula and teaching materials suitable for the culture of indigenous people<sup>62</sup>.

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<sup>59</sup> Grant Assistance for Grassroots Human Security Projects (JFY2014-2018): 44 projects in total (MOFA website, last accessed on January 27, 2020), list of projects under Grant Assistance for Grassroots Human Security Projects for the Philippines (JFY2014-2018) provided by the Embassy of Japan in the Philippines.

<sup>60</sup> The Philippine Star article "More Metro residents plead: Spare our homes from subway" September 27, 2019 (<https://www.philstar.com/opinion/2019/09/27/1955345/more-metro-residents-plead-spare-our-homes-subway>, last accessed on January 23, 2020)

<sup>61</sup> Interview in relation to Railway ODA loan project, Technical Assistance Project to Establish the Philippine Railway Institute (October 26, 2019)

<sup>62</sup> Grant Assistance for Grassroots Human Security Projects: Program for Development of Capacity Building and Training Facility for Indigenous Peoples in Mindoro, Grant Assistance for Japanese NGO Projects: Project for Capacity Development for Resolution of Educational Issues in Bukidnon Indigenous Area in Mindanao

With respect to support to Mindanao, support has been provided in a way that will be beneficial to a wide variety of stakeholders, such as MILF, Moro National Liberation Front (MNLF), Christians and ethnic minorities. Also, there was a project that was safely completed with no conflict or incident in the area of implementation by making efforts to avoid a buildup of distrust within the community, explaining the project details to the community residents to build consensus and by setting clear standards and procedures for the selection of target areas and beneficiaries<sup>63</sup>. On the other hand, there are constraints in making considerations for regional balance<sup>64</sup>. For example, Japanese people are not allowed to visit some areas from the viewpoint of security, and training in such areas had to be conducted through remote operation or by bringing the Philippine participants to restricted areas that Japanese people could enter<sup>65</sup>. In fact, most of the target areas of the projects that were implemented and completed during the period of this evaluation study were located in Mindanao Island and projects in areas that are difficult for Japanese to enter, such as Sulu Islands, were relatively few<sup>66</sup>.

**3-2 Evaluation From Diplomatic Viewpoints**

**Overview of Evaluation Results (Evaluation from Diplomatic Viewpoints)**

(1) Diplomatic Importance

Japan’s ODA to the Philippines has been implemented in line with Japan’s diplomatic policy centering on “National Security Strategy” and “Free and Open Indo-Pacific Strategy”. With respect to bilateral relations, “Japan-Philippines Joint Declaration A Strengthened Strategic Partnership for Advancing the Shared Principles and Goals of Peace, Security, and Growth in the Region and Beyond” and “Action Plan for Strengthening of the Strategic Partnership” have been announced and the Meeting of Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation for high-level consultation is held three times a year. Accordingly, the relations between the two countries are very favorable and strong.

Also, they share basic values and strategic interests concerning the South China Sea and North Korea, and they are jointly taking steps to strengthen economic relations.

Moreover, the Government of Japan recognizes that peace and stability in Mindanao will contribute to peace and prosperity in the Asian region as a whole.

<sup>63</sup> Example of Project for Capacity Building for Community Development in Conflict-Affected Areas in Mindanao.  
<sup>64</sup> Contrivances to provide timely assistance while making safety consideration include: (1) Implementation of grant aid in collaboration with international organizations with high expertise and knowhow in providing support in conflict-affected areas with security concerns (2) Formation of ODA loan projects (untied) assuming that local contractors capable of managing security issues in such areas will receive the order (3) Implementation of Grant Assistance for Grassroots Human Security Projects in collaboration with local NGOs and local governments that are well informed about local circumstances including the security aspect.  
<sup>65</sup> Example of Comprehensive Capacity Development Project for the Bangsamoro, etc.  
<sup>66</sup> Reports of projects for Japan’s assistance for Mindanao and interviews with local experts (January 11, 2020)

From the viewpoints as described above, Japan's ODA to the Philippines is considered to be diplomatically important.

#### (2) Diplomatic Impact

Japan's ODA to the Philippines plays an active role in realizing human security along with maritime safety and peace in Mindanao, which will contribute to safety and stability in the East Asia region. Also, it is confirmed that Japan is highly regarded for implementing ODA to the Philippines, which produces a strong diplomatic impact that further improves bilateral relations.

In this section, Japan's ODA to the Philippines is evaluated with respect to two evaluation items from diplomatic viewpoints, namely, "diplomatic importance" and "diplomatic impact".

### **3-2-1 Diplomatic Importance**

In relation to this item, the diplomatic importance of Japan's ODA to the Philippines was evaluated from the following three viewpoints, namely, (1) Importance of Japan's ODA to the Philippines in view of Japan's diplomatic policy, (2) Importance in terms of bilateral diplomatic relations with the Philippines, and (3) Other importance of assistance to the Philippines.

#### **(1) Importance of Japan's ODA to the Philippines in View of Japan's Diplomatic Policy**

##### **(a) Importance of assistance to the Philippines in view of National Security Strategy**

The Government of Japan formulated the "National Security Strategy" in 2013. This Strategy is a document that stipulates the basic approach concerning the diplomatic and defense policies for national security and shows the specific content of Japan's Proactive Contribution to Peace both domestically and abroad. Also, this Basic Strategy for National Security can serve as a guideline for Japan's ODA policy.

Japan's ODA to the Philippines involves extensive initiatives relating to "IV Japan's Strategic Approaches to National Security" in the Strategy. In particular, with respect to "Approach 1. Strengthening and expanding Japan's capabilities and roles" and "Approach 4. Proactive contribution to international efforts for peace and stability of the international community", as the Philippines is located at a strategic point in the marine transportation route, assistance for strengthening marine security and rule of law has been provided. Moreover, with respect to "Approach 5. Strengthening cooperation based on universal values to resolve global issues", proactive efforts have been made to tackle wide-ranging development issues and human resource development to resolve development issues and global issues that could pose a hindrance to peace and development.

## **(b) Importance of assistance for the Philippines in view of Free and Open Indo-Pacific Strategy**

At the keynote speech of Tokyo International Conference on African Development held in Kenya in August 2016, Prime Minister ABE proposed “Free and Open Indo-Pacific Strategy (FOIPS). This Strategy states that a key for stability and prosperity of the international community is dynamism that is created by combining 1) “Two continents”: Asia that is rapidly growing and Africa that possesses huge potential of growth, 2) “Two oceans: Free and open Pacific Ocean and Indian Ocean, and that envisioning the above as an overarching comprehensive concept will broaden the horizon of Japanese foreign policy.

In Japan’s ODA to the Philippines, activities are carried out in accordance with “Japan’s International Cooperation Policy in East Asian Region” and “Vision Statement on ASEAN-Japan Friendship and Cooperation”, which are in line with “Cooperation with countries sharing the basic principles and concepts of Free and Open Indo-Pacific” in this Strategy. Moreover, in relation to “Pursuit of economic prosperity” and “Commitment for peace and stability”, efforts have been made to tackle a wide variety of development areas (transportation and traffic, energy, communication, maritime safety, police, disaster risk reduction, emergency/recovery/reconstruction assistance, peace and development in Mindanao) as well as human resource development.

## **(2) Importance in Terms of Bilateral Diplomatic Relations with the Philippines**

### **(a) Close bilateral relations**

Since the normalization of diplomatic relations in 1956, Japan and the Philippines have established friendly relationship. In September 2011, the bilateral relations were defined as a “strategic partnership” and, since the Abe administration took office, a summit meeting has frequently been held every year (once in 2016, three times in 2017 and once in 2018). In January 2016, His Majesty the Emperor and Her Majesty the Empress visited the Philippines.

In the summit meeting with President Aquino III in June 2015, “Japan-Philippines Joint Declaration A Strengthened Strategic Partnership for Advancing the Shared Principles and Goals of Peace, Security, and Growth in the Region and Beyond” and “Action Plan for Strengthening of the Strategic Partnership” were announced. The Declaration declares that the two countries cooperate for shared principles and goals in the Asia-Pacific region and beyond. The Action Plan sets forth an action plan pertaining to the following five areas: 1. Joint Contribution to Secure Regional Peace and Stability, 2. Towards Enduring Peace in Mindanao, 3. Collaboration for Economic Growth of the Region, 4. Close Coordination in the International Arena, and 5. Strengthening Dialogues and Exchanges. Implementation of assistance based on the Declaration and the Action Plan contributes to further strengthening bilateral relations.

Moreover, in January 2017, with the objective of steadily implementing cooperation in both the public and private sectors for nation building of the Philippines, the Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation was established. High-level meetings of the Committee attended by high-level government officials, such as Chief Cabinet Secretary Suga, Special Advisor to the Prime Minister Izumi and ministerial-level officials of the Philippines, are held three times a year, and policy consultations are held once a year attended by Director of Country Assistance Planning Division I, International Cooperation Bureau of MOFA, Executive Secretary of Philippine National Economic and Development Authority and Under Secretary of Finance.<sup>67</sup> The Committee described above is a forum for consultation and decision-making with regards to major projects assisted by Japan, and it has formed an established mechanism. The Government of the Philippines does not hold such high-level meetings with any other donors<sup>68</sup>.

As such, a very close relationship exists between the two countries.

### **(b) Sharing of basic values and strategic interests**

#### **a. South China Sea**

In the summit meeting with President Aquino III in June 2015, Prime Minister ABE stated that Japan shares serious concerns with the Philippines regarding current unilateral changes incurred on the South China Sea, such as large-scale reclamation and building of bases, and that joint efforts will be made for the realization of the “rule of law” in collaboration with other countries, while supporting the use of arbitral proceedings by the Philippines<sup>69</sup>.

#### **b. North Korea**

In the summit meeting with President Duterte in January 2017, Prime Minister ABE stated that Japan wishes to collaborate with the Philippines for strict implementation of UN Security Council resolutions including new ones concerning nuclear and missile development by North Korea and for early resolution of the abductions issue. In response to this, President Duterte stated that the Philippines wishes to further strengthen relations and supports Japan in every area<sup>70</sup>.

### **(3) Other Importance of the Assistance to the Philippines**

The importance of Japan’s ODA for the Philippines other than those described above from the viewpoint of bilateral diplomatic relations is described below.

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<sup>67</sup> Interview with MOFA Country Assistance Planning Division I, International Cooperation Bureau (September 12, 2019)

<sup>68</sup> Interviews with Philippine National Economic and Development Authority and MOFA (November 4, 2019)

<sup>69</sup> MOFA, “Japan-Philippines Summit Meeting” June 4, 2015

<sup>70</sup> MOFA, “Japan-Philippines Summit Meeting” January 12, 2017

### **(a) Strengthening of the economic relationship between Japan and the Philippines**

In December 2008, the Japan-Philippines Economic Partnership Agreement came into effect concerning cooperation in extensive areas including liberalization and facilitation of trade and investments, movement of people, improvement of business environment, human resource development<sup>7172</sup>.

Also as demonstrated by the Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation described above and the statement of President Duterte in the summit meeting in January 2017 that the Philippines expects the economic relationship to develop further and wishes to improve business environment, the two countries are jointly proceeding to further strengthen the economic relationship.

As of 2018, more than 1,500 Japanese companies are operating businesses in the Philippines and the country serves as an important base of economic activities for Japan. Currently, Japanese companies are mostly operating their businesses in the special economic zones, but boosted by the increase in STEP projects for infrastructure development under the Duterte administration, contractors of ODA infrastructure development and manufacturers of materials such as concrete and steel are showing greater interest<sup>73</sup>.

### **(b) Peace in Mindanao**

Based on the acknowledgement that peace and stability in Mindanao will contribute to the peace and prosperity of the Asian region as a whole, the Government of Japan has supported peacebuilding in Mindanao over many years, declaring a “Support Package for Peace and Stability in Mindanao” in 2002 before the conclusion of a peace agreement, setting forth “Japan Takes A More Active Role in the Mindanao Peace Process” in 2006 and disbursing a cumulative total of more than 50 billion yen for projects to support peace in Mindanao, collectively called J-BIRD<sup>74</sup>. Also, in view of the Framework Agreement and the Comprehensive Agreement on the Bangsamoro in 2012, the Government has supported capacity enhancement of the government of Autonomous Region in Muslim Mindanao (ARMM) and BDA aimed at the establishment of a Bangsamoro Autonomous Government. The concepts of support are declared as being 1) Contribution to peace process: support with consideration for “inclusiveness” and 2) Contribution of peace dividend: support to meet local needs<sup>75</sup>.

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<sup>71</sup> Economic Affairs Bureau, MOFA (2006) Signing of Japan-Philippines Economic Partnership Agreement

<sup>72</sup> JETRO, Japan-Philippine Economic Partnership Agreement

<sup>73</sup> Interview with JICA Southeast Asia Division 5, Southeast Asia and Pacific Department (September 11, 2019)

<sup>74</sup> MOFA (2017) “Japan - Philippines Joint Statement on Bilateral Cooperation for the Next Five Years”, document provided by MOFA “Mindanao Affairs and Japan’s Initiatives (September 2019)” October 30, 2017.

<sup>75</sup> MOFA (2017) “Japan - Philippines Joint Statement on Bilateral Cooperation for the Next Five Years: Appendix 1. Japan’s Support for Peace and Development in Mindanao, Contribution to Peace Process” October 30, 2017

Peace in Mindanao has been an agenda in every summit meeting. Japan has expressed its intension to maximize the support for peace and development in Mindanao, and the Philippine side has highly appreciated Japan’s contribution and has requested continued support<sup>76</sup>.

The Bangsamoro Transition Authority (BTA) was initiated in February 2019 and it was allowed to hold a certain extent of right of self-determination including financial autonomy. Studies are being carried out to see if BTA should be regarded as the main target of support in the future and if the content of support needs to be changed<sup>77</sup>.

### **3-2-2 Diplomatic Impact**

With regard to this item, the diplomatic impact of Japan’s ODA to the Philippines was evaluated from the following two viewpoints: (1) Impact on the positioning of Japan in the international community and the Asian region, (2) Impact on bilateral relations, Japan and people of Japan.

#### **(1) Impact on the Positioning of Japan in the International Community and the Asian Region**

##### **(a) Achievement of human security**

For the Philippines, which is one of the countries most prone to natural disasters, support has been provided in disaster risk reduction, emergency, recovery and reconstruction, based on the expertise and experience of Japan.

In accordance with the four specific priorities for actions in Sendai Framework for Disaster Risk Reduction 2015-2030 ((1) Understanding disaster risk, (2) Strengthening disaster risk governance to manage disaster risk, (3) Investing in disaster risk reduction for resilience, (4) Enhancing disaster preparedness for effective response), and to “Build Back Better” in recovery, rehabilitation and reconstruction, JICA has implemented cooperation in all stages of the disaster management cycle (disaster control and mitigation, prior preparation, emergency response, recovery and reconstruction).

In the project for recovery and reconstruction after the occurrence of Typhoon Yolanda in 2013, referring to the reconstruction plans developed by local governments affected by the Great East Japan Earthquake (Iwate Prefecture, Ishinomaki City), JICA presented the concept of “Build Back Better (better reconstruction)” to relevant personnel of the Government of the



Photo 4 Hospital Ward Built in the Project on Recovery from Typhoon Yolanda

<sup>76</sup> MOFA, “Japan-Philippines Summit Meeting”, October 2016, January and October 2017, November 2018.

<sup>77</sup> Interview with the Embassy of Japan in the Philippines (October 23, 2019)

Philippines<sup>78</sup>, and the concept became the basic policy of the recovery and reconstruction support plan of the Government of the Philippines. In response to the experience of the Philippines in Typhoon Yolanda, the “Build Back Better” concept ended up as priority 4 of the specific priorities for actions of Sendai Framework for Disaster Risk Reduction 2015-2030<sup>79</sup>.

## **(b) Regional safety and stability**

### **a. Maritime safety**

Japan Coast Guard has been implementing cooperation with PCG, mainly through technical cooperation projects of JICA. In particular, for the purpose of enhancing the maritime law enforcement capability of PCG, efforts have been made to foster trainers working in practical operations. Ten patrol vessels and 13 high-speed boats have been provided under Japanese ODA loan and grant aid, respectively, extending the patrol distance to more than twice the previous distance.



Photo 5 Patrol Vessel Granted under ODA Loan

Counter-piracy operations in Southeast Asia began in 1990s under the initiative of Japan, and cases of recognition and arrest of pirates have been decreasing in Southeast Asia as a whole. In the Sulu Sea and Celebes Sea off the coast of the Philippines, after 2016, though there were some cases of terrorist or guerilla groups engaging in piracy, the number of such cases has since been declining<sup>80</sup><sup>81</sup>. The provided patrol vessels were used for arresting pirates<sup>82</sup> and assisting the arrest of terrorists who had fled from Mindanao in the Battle of Marawi that broke out after May 2017<sup>83</sup>.

### **b. Peace in Mindanao**

Japan is the major donor in support for Mindanao and has proactively implemented projects for supporting the peace process as well as projects for development assistance through Grant Assistance for Grassroots Human Security Projects and intensive implementation of economic cooperation projects (J-BIRD). For development assistance, under the “Comprehensive Capacity Development Project for the

<sup>78</sup> MOFA (2015) Evaluation Report of Humanitarian Assistances in Case of Emergency, interview with JICA Disaster Risk Reduction Group, Global Environment Department (September 30, 2019)

<sup>79</sup> Interview with JICA Disaster Risk Reduction Group, Global Environment Department (September 30, 2019)

<sup>80</sup> Interview with Japan Coast Guard (October 2, 2019)

<sup>81</sup> Interview with Japan Coast Guard “Dispatch of Patrol Vessels for Counter-Piracy Operations” June 20, 2018

<sup>82</sup> MOFA “Free and Open Indo-Pacific: Japan’s Initiatives” November 2019

<sup>83</sup> Interview with Philippine Coast Guard (October 31, 2019), presentation material created by Philippine Coast Guard (BRP TUBBATAHA (MRRV-4401))

Bangsamoro”, seminars for drafting of Bangsamoro Basic Law (BBL) and relevant regulations (administrative law, etc.) have been organized. These assistance projects have helped not only the drafting of BBL but also the formulation of BBL2 and preparation of various bills by the Bangsamoro Transition Authority created in February 2019<sup>84</sup>. As support for the peace process, Japan has dispatched personnel to the IMT since 2006 and from 2009 onwards participated in the ICG, a third-party group for negotiation between the Government of the Philippines and MILF<sup>85</sup>. Also, in 2011, with mediation from Japan, President Aquino III and MILF Chairman Murad met for the first time in Narita, which triggered the resumption of peace negotiations. Interviews with relevant personnel demonstrated that these support projects have contributed to the advancement of the peace process<sup>86</sup>.

Also, in the “Comprehensive Capacity Development Project for the Bangsamoro”, through collaboration with the International Rice Research Institute in the Philippines and the town staff in charge of agriculture, technical cooperation in rice cultivation has been implemented for farmers including former soldiers, contributing to boosting the rehabilitation of former soldiers and development of peaceful communities<sup>87</sup>.

Moreover, through Grant Assistance for Japanese NGO Projects, Japanese NGOs have introduced peace education in school operation in the Bangsamoro Region and assisted the enhancement of the dispute mediation capability of village officers and MILF. As a result, violent fighting between the students of target schools has decreased, and conflicts between the residents have been brought to a peaceful resolution by the intervention of training participants. Also, regional-level peace promotion activities have been incorporated in the development plan of 24 target villages for village officer training<sup>88</sup>. Under the JICA Partnership Program (JPP), a Japanese university has conducted training in the area of administration, which mainly

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<sup>84</sup> According to the Bangsamoro Transition Committee, after BBL was rejected, the Bangsamoro Transition Committee reorganized under the Duterte administration was able to prepare BBL2 and submit it to parliament without taking much time thanks to the assistance in drafting BBL in the “Comprehensive Capacity Development Project for the Bangsamoro” (Summary Table of Ex-Post Evaluation Study Results of “Comprehensive Capacity Development Project for the Bangsamoro” (JICA)) Other than that, results of BBL drafting assistance helped the preparation of various bills by the Bangsamoro Transition Authority. (Interview with experts for Comprehensive Capacity Development Project for the Bangsamoro (October 10, 2019)

<sup>85</sup> MOFA, “On the Establishment of the Bangsamoro Transition Authority (Statement by Foreign Minister)” February 22, 2019

<sup>86</sup> Interview with Office of the Presidential Advisor on the Peace Process (October 25, 2019)

<sup>87</sup> In a social survey of the target area for technical cooperation, about 90% of the respondents said that the community has become peaceful as a result of the assistance and about 80% responded that they have become able to get along well with MILF members and non-supporters. Also, there were cases where farmers benefitted by the assistance, the town staff in charge of agriculture and agricultural engineers have promoted their understanding with one another through collaboration and the farmers have come to be supported by government officials (Ex-post evaluation chart of Comprehensive Capacity Development Project for the Bangsamoro, interview in relation to Comprehensive Capacity Development Project for the Bangsamoro (October 10, 2019).

<sup>88</sup> Completion Report of Project on Capacity Building Project on Peace Education and Conflict Resolution in Bangsamoro Communities of Mindanao (Phase 1, 2, 3), interview with International Children’s Action Network (ICAN) (October 9, 2019)

consists training young people of the Bangsamoro in Japan, and an alumni association organized by ex-participants of the training has implemented regional relief activities<sup>89</sup>.

In addition, Japan's disbursements to recovery and reconstruction of Marawi City, which suffered devastating damage due to the five-month battle between the national army and the Islamic State (IS) militant group, were the second largest among the donors, following the ADB<sup>90</sup>. However, there has been a delay in the recovery and reconstruction of the City, which forms a particularly unstable region in Mindanao. While it should be noted that Japan's assistance to the recovery and reconstruction of the City will contribute to the stability and development of Mindanao in the future, at this point, delays are observed because of a lack of overall reconstruction plans and stagnant land expropriation<sup>91</sup>.

## **(2) Impact on Bilateral Relations, Japan and People of Japan**

### **(a) Maritime safety**

PCG has stated words of gratitude to Japan Coast Guard, such as "Japan (Japan Coast Guard) is a true friend", and "Japan stays beside us when we are in trouble". While provision of patrol vessels and technical cooperation are also carried out by other countries, it is only Japan that dispatches experts on a long-term basis to work in the PCG building. Securement of sufficient budget within the framework of ODA and ability to dispatch long-term experts in a stable manner are the reason for the strong trust from the PCG<sup>92,93</sup>.

### **(b) Cooperation for Mindanao**

The Government of the Philippines highly appreciates Japan's cooperation for Mindanao as evidenced by the fact that, in February 2019, then-Foreign Minister Kono met with the President, Secretary of Foreign Affairs, Secretary of National Defense and Secretary of Finance during the visit to Davao. It is unusual that such meetings with high-level government officials are arranged during the visit of a foreign minister to a regional city<sup>94</sup>. Moreover, in September 2019, Japanese Ambassador Haneda to the Philippines received the Peace Process Champions Award for the steadfast commitment and support to the Philippine Comprehensive Peace Process of the

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<sup>89</sup> An alumni association named YMPP (Young Mindanao Professionals for Peace) was organized by 65 ex-training participants. YMPP implemented rescue activities for the victims of the Battle of Marawi in 2017 and held a meeting to report and share the practical activities after returning to the Philippines (Human Resources Development and Capacity Building Project for Hiroshima Peacebuilding and Capacity Development Project for Bangsamoro in Mindanao- Project Achievement Status Report, etc.)

<sup>90</sup> Japan is the biggest non-borrowing shareholder of ADB (2017), holding 15.6% of the shares (MOFA (2019) Collection of Reference Materials for Development Cooperation, 2018 Edition).

<sup>91</sup> Interviews with MOFA Country Assistance Planning Division I, International Cooperation Bureau (September 20, 2019) and Philippine Department of Finance (October 23, 2019).

<sup>92</sup> Interview with Japan Coast Guard (October 2, 2019).

<sup>93</sup> Interview with Philippine Coast Guard (October 31, 2019).

<sup>94</sup> Interview with MOFA Second Southeast Asia Division, Southeast and Southwest Asian Affairs Department (September 13, 2019)

Government of Japan. At the award ceremony, Secretary Galvez of the Office of the Presidential Adviser on the Peace Process (OPAPP) and Senator Zubiri expressed gratitude for the support by Japan until then in their speeches, and Senator Zubiri introduced Japan as a true friend<sup>95</sup>.

Also, MILF has expressed appreciation for many years of consistent cooperation of Japan and expectations for further cooperation<sup>96,97</sup>. When Parliamentary Secretary Suzuki met with Secretary Galvez of OPAPP and MILF Chairman Murad (current Provisional Prime Minister of BTA) on the occasion of the plebiscite on Bangsamoro Organic Law in January 2019, both the officials expressed gratitude and future expectations for Japan's cooperation as well as strong resolution for steady implementation of the peace process<sup>98</sup>.

BDA has also highly regarded and expressed gratitude for Japan's contribution to the peace process until the establishment of the transition authority, cooperation for comprehensive development and cooperation for strategic governance building for the transition authority<sup>99</sup>.

This means that Japan's contribution to Mindanao is appreciated by relevant officials of the Government of the Philippines as well as MILF and BTA.

### **(c) Infrastructure development**

The Government of the Philippines has installed well-established bilateral high-level meeting such as the meeting of Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation only with Japan. This demonstrates that the Government appreciates Japan's cooperation for infrastructure development<sup>100</sup>.

Japan has engaged in many projects for infrastructure development in the Philippines (highways, railways, etc.), which is appreciated by relevant officials of the Government of the Philippines and other donors. As Japanese



Photo 6 Bridge under Construction by Japanese Company in ODA Loan

<sup>95</sup> Embassy of Japan in the Philippines, "Japan received "Peace Process Champions Award" October 1, 2019

<sup>96</sup> Embassy of Japan in the Philippines, "Discussion with MILF Chairman Murad on Future Japanese Assistance to Bangsamoro" September 12, 2018

<sup>97</sup> MOFA, "Discussion between Foreign Minister Kono and the Moro Islamic Liberation Front (MILF) Chairman Murad"

<sup>98</sup> Japan sent a monitoring mission to the site for the plebiscite to monitor the implementation of elections. The mission was headed by Parliamentary Secretary for Foreign Affairs Suzuki Norikazu and consisted of 13 members from MOFA, Cabinet Office PKO Secretariat, and JICA (Embassy of Japan in the Philippines, "Japan dispatched a monitoring mission for the plebiscite concerning ratification of Bangsamoro Organic Law" January 28, 2019)

<sup>99</sup> Written response from BDA to the questionnaire in this evaluation study (October 2019)

<sup>100</sup> Interview with MOFA Country Assistance Planning Division I, International Cooperation Bureau (September 12, 2019)

brands are highly trusted, facilities built by the Japanese, including those in the project for railways in Metro Manila, are considered problem-free and, as such, they are highly appreciated. People in general perceive Japan's assistance to be cost-effective in the long run, although the initial cost may be high<sup>101</sup>.

With respect to ODA loan "Cavite Industrial Area Flood Risk Management Project", since it is under implementation, the specific impact is yet to be verified, but as a project to cooperate flood control in the Province of Cavite, where many Japanese companies operate businesses, it will contribute to stable economic activities of such companies<sup>102</sup>.

#### **(d) Human resource development, people-to-people exchanges**

Through the "Project for Human Resource Development Scholarship", 340 people studied in Japanese universities between FY 2003 and 2018. After studying in Japan, many of them work for central government departments and agencies such as the National Economic and Development Authority and Central Bank, which means that the Scholarship has practical benefits. Also, it is confirmed that some of them play a role in promoting the relationship between Japan and the Philippines at the department or agency to which they belong<sup>103</sup>.

As many of the high-level government officials in the Philippines have experience in participating in JICA training in Japan, it is considered that the training helps in developing pro-Japanese politicians. An alumni association of the training participants has been formed in the Philippines<sup>104</sup>.

#### **(e) Development cooperation in general**

In April 2019, Business Mirror, a Philippine business newspaper, awarded the Development Aid Partner Award for Science, Technology and Innovation to JICA<sup>105</sup>. This suggests that it is widely recognized that Japan extends aid for economic and social development of the Philippines.

Aside from the above, impacts from Private Partnership Projects, Cultural Grant Assistance and Japan Overseas Cooperation Volunteers were identified.

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<sup>101</sup> Interviews with MOFA Second Southeast Asia Division, Southeast and Southwest Asian Affairs Department (September 13, 2019), Philippine Department of Finance (October 23, 2019), Philippine Department of Transportation (October 24, 2019), WB (October 31, 2019)

<sup>102</sup> Interview with MOFA Country Assistance Planning Division I, International Cooperation Bureau (September 20, 2019)

<sup>103</sup> JICA (2018) "Basic Design Study Report for the Project for Human Resource Development Scholarship for the Philippines

<sup>104</sup> Interview with JICA Southeast Asia Division 5, Southeast Asia and Pacific Department (September 11, 2019)

<sup>105</sup> Business Mirror "JICA receives Devt Aid Partner Award from DOST at Mission: PHL" April 23, 2019

## Chapter 4 Recommendations and Lessons Learned

### Recommendations based on Evaluation Results/Findings

- (1) Focus on assistance utilizing Japanese technology and assistance in partnership with the private sector in infrastructure development
- (2) Enhancement of assistance for rural development aimed at inclusive growth
- (3) Enhancement of assistance in Mindanao enabling the realization of peace dividend
- (4) Greater consideration for social impacts induced by resettlement and community development
- (5) Clarification of future positioning of assistance in maritime safety
- (6) Promotion of information disclosure concerning Economic and Social Development Program (ESDP) and Grant Assistance for Grassroots Human Security Projects

### Lessons Learned from the Process and the Results/Findings of Evaluation

- (1) Speedy project formation and plan formulation by introduction of high-level meetings and integrated implementation of feasibility study (F/S) and detailed design (D/D)
- (2) Utilization of Japanese technology and knowledge accumulated in infrastructure development by Official Development Assistance (ODA) loans (Special Terms for Economic Partnership (STEP)) and Private Sector Investment Finance
- (3) Utilization of emergency development study to assist recovery and reconstruction and provision of step-by-step assistance
- (4) Constructive continuation of assistance in maritime safety
- (5) Continuation of assistance for peace process and development in conflict-affected areas

### 4-1 Recommendations

The recommendations based on the evaluation results/findings are as follows:

#### **(1) Recommendation 1: Focus on Assistance Utilizing Japanese Technology and Assistance in Partnership with the Private Sector in Infrastructure Development**

As the Philippines is expected to join the group of upper middle income countries, the Organization for Economic Co-operation and Development (OECD) (Export Credit Arrangement) has demanded the termination of the application of STEP (to form Japan-tied projects). Since the Philippine side has a strong request for assistance leveraging on Japanese technology, Japanese companies are likely to receive the orders even after the projects become untied in the areas where Japanese technology

is highly needed<sup>106</sup>.

Also, the options that should receive greater emphasis in the future are co-financing with other donors (especially Asian Development Bank (ADB) and World Bank (WB)) and projects in partnership with the private sector (Japanese banks, traders and companies), especially projects in the areas of water and environment that would serve the public good.

However, as a huge amount of ODA loans have been provided to the Philippines in recent years, especially in the areas of transportation infrastructure and disaster risk reduction, it is necessary to pay adequate attention to the medium- and long-term debt sustainability of the Government of the Philippines.

## **(2) Recommendation 2: Enhancement of Assistance for Rural Development Aimed at Inclusive Growth**

While decentralization is in place in the Philippines, regional disparity is widening<sup>107</sup> and rural areas are lagging behind in development. In response to such circumstances, the Government of the Philippines declared in the Philippine Development Plan (PDP) 2017-2022 that more inclusive growth is to be achieved to realize the elimination of disparities.

In light of these situations, it is necessary to further facilitate the formation and implementation of infrastructure projects in rural areas. Although there may be some difficulties in loan guarantee, etc. when the counterpart is a local government, it is necessary to continue studying the utilization of more effective aid frameworks to meet the needs of local governments, exploring the possibility of assisting the initiatives of local governments by way of the central government, using two-step loans, and more.

Also, greater importance should be placed on assistance in the areas of health, agriculture and education in rural areas for rectification of regional disparity and reduction of poverty, aiming to achieve more inclusive growth.

## **(3) Recommendation 3: Enhancement of Assistance in Mindanao Enabling the Realization of Peace Dividend**

Since the establishment of the Bangsamoro Transition Authority (BTA) in February 2019, Japan's assistance in Mindanao has been moving toward a direction centering on 1) Cooperation for BTA, 2) Assistance in the normalization process and 3) Development of social and economic infrastructure<sup>108</sup>. Efforts should be made to strengthen assistance enabling the realization of peace dividend based on the trust established thus far with the relevant parties on the Philippine side, while accurately grasping the current trends in the normalization process.

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<sup>106</sup> Interviews with JICA Philippines Office and Philippine's Ministries and Agencies

<sup>107</sup> Y. Suzuki (2019) "Chapter 1: Economic Overview" *Philippine Economy, Politics and Industry in the 21st Century*, edited by C. Kashiwabara, Institute of Developing Economies, p24-26.

<sup>108</sup> Interview with Embassy of Japan in the Philippines (October 23, 2019)

In implementing assistance, it is important to enhance the cooperation for BTA including the Moro Islamic Liberation Front (MILF), Moro National Liberation Front (MNLF), local governments, Christians and indigenous people while utilizing Philippine organizations and human resources with consideration for safety<sup>109</sup>.

With regard to the recovery and reconstruction of Marawi City, as the City is still in the process of recovery and reconstruction, it is essential to steadily implement the project in collaboration with the Government of the Philippines and other donors.

#### **(4) Recommendation 4: Greater Consideration for Social Impact Induced by Resettlement and Community Development**

As large-scale infrastructure development projects are being implemented through Japan's ODA for the Philippines, it is necessary to pay more attention than ever to measures against resettlement. Also, it shall be noted that it is important to consider social and cultural aspects when providing support for post disaster reconstruction, in particular for assistance for income-generating activities, and/or for community development in conflict-affected areas<sup>110</sup>.

With respect to projects with a social impact, such as population resettlement in infrastructure development, income-generating activities support within the framework of post disaster reconstruction, and community development in peacebuilding, more careful and elaborate ex-ante analyses of such impacts should be made through the use of experts in social consideration<sup>111</sup>.

#### **(5) Recommendation 5 : Clarification of Future Positioning of Assistance in Maritime Safety**

While gradually progressing from phase 1 to phase 5, Japan's technical cooperation to the Philippine Coast Guard (PCG) has been ongoing for a lengthy period of 17 years since its commencement, and it contributes to strengthening the maritime safety capacity of PCG. On the other hand, if Japan continues to provide such technical cooperation in the future, it is necessary to fully consider the significance of Japan's cooperation in this area and the details of the assistance in order to take further steps in light of the assistance needs of the Philippine side and current status of support provided by other donors.

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<sup>109</sup> In the school fact-finding survey in the Bangsamoro Autonomous Region in Muslim Mindanao by the BTA Department of Education, it was pointed out that there is a shortage of educational facilities in the indigenous area, so consideration may be given to assistance for education of non-Muslim indigenous people, for example.

<sup>110</sup> For example, population resettlement is often required for the implementation of projects for railway and road construction and river channel rehabilitation, and there are cases where land expropriation is delayed due to objections on the part of the residents. In the recovery from the disaster caused by Typhoon Yolanda, there was a case in which much time was required for making the mechanisms for life restoration (including income generating) based on the social and cultural situation, and certain issues are remaining in sustainability. With respect to assistance to Mindanao, there was a case in which the project was safely completed with no conflict or incident in the target area by making efforts toward consensus building, explaining the project details to the community and setting clear standards and procedures for the selection of target areas and beneficiaries.

<sup>111</sup> For example, experts in sociology and social studies, regional researchers, including local researchers and research institutes.

One option for taking the next step in the content of assistance in the future could be to strengthen the partnership with the US Coast Guard in human resource development, drills and training concerning the enforcement of maritime law and the further enhancement of operation and maintenance capabilities of patrol vessels provided in ODA loans.

**(6) Recommendation 6: Promotion of Information Disclosure Concerning ESDP and Grant Assistance for Grassroots Human Security Projects**

Sufficient information is not disclosed concerning the details of assistance in Grant Aid for ESDP. In the Philippines, there are many cases in which such assistance covers security-related areas<sup>112</sup>, and, concerning the items granted and their quantity and recipients, more detailed information should be made available on the website of Ministry of Foreign Affairs of Japan (MOFA) and other media.

Grant Assistance for Grassroots Human Security Projects has often been used in Mindanao and for recovery from disaster, but there is no disclosure of information about specific details of the assistance. It is considered to be preferable to add information about the details of the assistance to the lists on the MOFA website that state the date of conclusion of the grant contract (G/C), project name, recipient organization and amount of the grant, and to make it widely available on the websites of the Embassy of Japan in the Philippines, MOFA and the others.

Efforts should be made for further information disclosure not only for assistance for the Philippines but also for the whole of Japan’s assistance under such schemes.

Table 11 shows the recommendations described above, response and support organizations, response period and degree of importance.

Table 11 Recommendations from the Evaluation Results/Findings, Response and Support Organizations, Response Period and Degree of Importance

Recommendations	Response and Support Organizations*1				Response period*2	Importance <sup>3</sup>
	Headquarter level		On-site level			
	MOFA	JICA Headquarters	Embassy of Japan	JICA Office		
1. Focus on assistance utilizing Japanese technology and assistance in partnership with the private sector in infrastructure development	○	◎	○	◎	Medium term	○
2. Enhancement of assistance for rural development aimed at inclusive growth	○	◎	◎	◎	Medium term	○
3. Enhancement of	○	◎	◎	◎	Medium	◎

<sup>112</sup> Examples include grant of high-speed boats and portable X-ray detectors and training in operation and maintenance for PCG and grant of counter-terrorism equipment (police vehicle, etc.) in FY2016, and grant of equipment for reconstruction (bulldozer, dump truck, etc.) for Marawi City and grant of counter-terrorism equipment (coastal surveillance radars which are still being procured) for PCG in FY2017

assistance in Mindanao enabling the realization of peace dividend					term	
4. Greater consideration for social impact induced by resettlement and community development	○	◎	○	◎	Medium term	◎
5. Clarification of future positioning of assistance in maritime safety	○	◎	○	◎	Short term	○
6. Promotion of information disclosure concerning ESDP and Grant Assistance for Grassroots Human Security Projects	◎	—	◎	—	Medium term	○

(Source) Produced by Evaluation Team

\*1. Response and support organizations; ◎ Response organizations, ○... Support organizations

\*2. Response period; Short term...1-2 years, Medium term...3-5 years, Long term...5 years or longer

\*3. Degree of importance; ◎...High, ○...Fair

## 4-2 Lessons Learned

Points obtained from the processes and results/findings of this evaluation study that may be used as a reference for Japan's ODA policy planning and implementation in similar situations in the future and in other countries are summarized below as lessons learned.

### (1) Lesson Learned 1: Speedy Project Formation and Plan Formulation by Introduction of High-Level Meetings and Integrated Implementation of F/S and D/D

Since the Duterte administration took office, the project validation process was accelerated through the installation of the Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation by high-level officials of the two countries, and the integrated implementation of F/S and D/D helped to speed up the design process, which contributed to speeding up project formation and plan formulation. Such initiatives may serve as a reference for speeding up the formation of projects in other countries.

### (2) Lesson Learned 2: Utilization of Japanese Technology and Knowledge Accumulated in Infrastructure Development by ODA Loans (STEP) and Private Sector Investment Finance

The formation and implementation of large-scale infrastructure projects in response to the Build Build Build agenda after the establishment of the current administration is welcomed by the Government of the Philippines<sup>113</sup>. The Philippine side highly trusts Japanese technology and the commitment of Japanese companies<sup>114</sup>, and criticisms

<sup>113</sup> Interviews with Philippine Department of Finance, Philippine Department of Transportation and Philippine Department of Public Works and Highways.

<sup>114</sup> Example: A Korean company and Philippine company failed in the project for privatization of the operation and maintenance of Metro Rail Transit Line 3 (MRT 3). Then, Mitsubishi Heavy Industry and Sumitomo Corporation again took part to make improvements in the repair and maintenance of MRT3 using ODA loans.

for the STEP projects, which are tied to Japan, are very few. ODA loans using STEP are useful for infrastructure development that meets the needs of the recipient country if there is a strong request for utilizing Japanese technology.

Also, because of the low interest and long repayment period, ODA loans themselves are welcomed by the Government of the Philippines as a favorable funding source<sup>115</sup>, and as such, they are competitive as a means of fund procurement.

Moreover, in the co-finance project with Japanese private financial institution using Private Sector Investment Finance, the experience and knowledge of Japanese companies are utilized in promoting water infrastructure development in the Philippines. Private Sector Investment Finance contributing to increased utilization of experience and knowledge owned by Japanese companies could be an effective tool of assistance for public interest projects that are attractive for Japanese companies.

### **(3) Lesson Learned 3: Utilization of Emergency Development Study in Assistance for Recovery and Reconstruction and Provision of Step-By-Step Assistance**

The framework of an emergency development study, which enables flexible implementation of assistance in accordance with changing needs for recovery and reconstruction, was effective for quick impact projects in the recovery and reconstruction process<sup>116</sup>.

On the other hand, there was a case in which survey and plan formulation for the construction of a facility intended for use as a shelter were implemented as a package by means of grant aid (integrated implementation) in parallel with the provision of assistance based on the emergency development study, but as the construction plan was formulated before the development of the disaster evacuation plan by the affected local government, the facility was used as a shelter only to a limited extent. Assistance for urgent projects for the construction of facilities, etc. whose purpose of use is clearly defined should be separated from assistance in which there is no definite usage immediately after the occurrence of a disaster, and it is preferable that more prudent studies are conducted including those for the implementation of step by step assistance<sup>117</sup>.

### **(4) Lesson Learned 4 : Constructive Continuation of Assistance in Maritime Safety**

Japan's many years of assistance to the Philippines in the area of maritime safety is highly evaluated not only by PCG but also by experts. This is due to the sense of caution against China and the recognition of a lack of capacity in this field held by the

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<sup>115</sup> Interview with Philippine Department of Finance and Philippine Department of Transportation.

<sup>116</sup> Example of the Project on Rehabilitation and Recovery from Typhoon Yolanda

<sup>117</sup> Typhoon Yolanda: November 2013, study period: January 31 to April 30, 2014

Philippine side.

Phase 1 (2002-2007), Phase 2 (2008-2013), Phase 3 (2013-2016) and Phase 4 (2016-2019) of the technical cooperation project for PCG have been maintained while upgrading the content of assistance from one phase to the next, which has been beneficial for the establishment of long-lasting trust between the two countries and improvement of the effectiveness of assistance. This may serve as a reference for assistance in this area for other countries.

#### **(5) Lesson Learned 5: Continuation of Assistance for Peace Process and Development in Conflict-Affected Areas**

Japan initiated the “Support Package for Peace and Stability in Mindanao” in 2002, and started to implement full-scale assistance in Mindanao in 2006. By taking part in the regional framework, which is different from the UN framework, from before the establishment of the peace agreement, Japan has provided support for the peace process (dispatch of IMT personnel, participation in the International Contact Group (ICG), etc.) as well as support for development. Because of its long-term commitment to the peace process, with regard to assistance for Mindanao, Japan is trusted by both the Government of the Philippines and MILF and enjoys an advantage over other donors<sup>118</sup>.

One of the strong points of Japan’s assistance for Mindanao was that Japanese IMT personnel were dispatched to the conflict-affected areas in Mindanao and undertook the task of project formation and implementation under the Grant Assistance for Grassroots Human Security Projects etc. while collecting a wide variety of information.

It is considered that Japan has taken an effective approach toward conflict-affected areas by providing assistance in the aspects of the peace process and development, including the initiative of dispatching IMT personnel responsible for collecting information and project formation at the site.

On the other hand, it was difficult to give consideration to the regional balance because there was a limited field of activity for the Japanese involved in the project from the viewpoint of security and, as a result, it was necessary to implement the project through remote operation, etc, which is an issue requiring continued consideration.

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<sup>118</sup> In October 2019, the Government of Japan received the Peace Process Champions Award as the only foreign organization to receive the award.