JICA REPORT
2013
INCLUSIVE AND DYNAMIC DEVELOPMENT

PROGRESS
SAFETY
SUSTAINABILITY
CONNECTION
COMMUNITY
FOREWORD

“Inclusive and Dynamic Development”

Japan and the Philippines have gone through changes and challenges in the past year. The Philippines recorded its fastest growth, while good governance remains a challenge as foundation to sustain growth. In Japan, meanwhile, a new leadership has taken place and economic and trade challenges like the rest of major global economies are affecting steady growth.

These contexts are shaping Japan International Cooperation Agency’s (JICA) official development assistance into one that mutually benefits Japan and the Philippines. JICA is further committed to play a key role in inclusive development by invigorating its assistance from expanding markets, peace building, enhancing knowledge and expanding our friendship.

In the Philippines, JICA is intensifying its assistance in various areas, and we tried our best to capture them all under the themes featured in this edition of JICA Philippines’ Annual Report.

• Investment Promotion. We are encouraging foreign direct investments from Japan into the Philippines by supporting infrastructure building and improving the business climate to accelerate growth. Strong investments are prerequisites towards ensuring more jobs and better opportunities are created for the Filipinos.

• Mindanao’s Peace and Development. We are strengthening our assistance in Mindanao. We are channeling our efforts towards promoting good governance, capacity building, infrastructure development, and investments for sustainable peace and development.

• Disaster Mitigation, Preparedness, Relief, and Recovery. We will continue to support vulnerable sectors through disaster risk reduction and management efforts using Japan’s knowledge and technology.

• Other Development Issues. We are encouraging small and medium enterprises and investments in growth areas like agri-business. Also, we are supporting operation and maintenance of existing infrastructure to sustain economic growth.

As we tackle new development solutions, JICA also explores new ways of collaboration by inviting Japanese leading professionals to share Japan’s systems and experiences. We are also widening our friendship by reaching out to more people to address inequalities and gaps.

Notably, we thank our partners for the genuine support and friendship. This annual publication is testimony to this partnership.

To our partners and friends in the Philippines, together, let us explore new ideas and dedicate our energies in securing a better future for all.

Maraming salamat po.

Takahiro Sasaki
Chief Representative
JICA Philippines
AGRIBUSINESS DEVELOPMENT

SHIFTING THE SPOTLIGHT ON AGRIBUSINESS FOR INCLUSIVE GROWTH

At the heart of JICA’s development assistance in the Philippines through the years is promoting agribusiness to address food security and poverty. About 75% of the country’s poor live in the countryside, where majority makes a living through agriculture.

With the agency’s support to infrastructure, credit access, productivity, capacity building, and marketing, small farmers are steadily earning their way out of poverty.
**FIELD OF DREAMS**

Farmers like Antonio Tuvilla of San Juan Agrarian Reform Community in San Luis, Pampanga struggled for years with low rice yield. Farmers like him were caught up with lack of facility to meet better yield goals since not enough water is pumped to irrigate their farms. For some, the absence of better credit access delayed the purchase of farm inputs or forced them to fall prey to high interest rates of private lenders.

Thanks to JICA’s irrigation facility project with the Department of Agrarian Reform (DAR) in 2010, “Agrarian Reform Infrastructure Support Project III,” farmers can now sell more rice cavans than before. The 2,730 linear meter-irrigation facility has reached more farmlands in the area, boosting their harvest.

From 100 cavans of rice harvested nearly three years ago, a typical farmer like Tuvilla can now harvest 140 cavans.

Beyond the vast greens is also a thriving farmers’ cooperative maintaining a post-harvest facility (warehouse) from JICA. Edwin Manlapaz, chairman of the San Juan Pambilog Multi-Purpose Cooperative said, “The warehouse secures as much as 4,200 rice cavans. Farmers like him were caught up with high interest rates of private lenders. The absence of better credit access delayed the purchase of farm inputs or forced them to fall prey to high interest rates of private lenders.”

At the post-harvest facility, farmers also mill rice during dry spells when production is lower.

With the JICA-Landbank project “Agriculture Credit Support Project” (ACSP), farmers like Catacutan can access crop loans with interest rates as low as 8.5% yearly. The loans are helping them buy seeds and equipment to increase their farm’s productivity, with enough cash left to pay for their children’s school and other expenses.

“Thanks to JICA’s irrigation facility project, farmers can sell more rice cavans than before.”

**THE FUTURE OF FARMING**

JICA expert Hiroshi Kodama works with the agriculture department to help develop agribusiness.

“I submitted policy recommendations on the operation of new trading centers so farmers can supply the Manila markets. This is how Japan supplies their institutional buyers,” said Kodama.

Since July 2010, Kodama has visited production areas like Benguet, Nueva Ecija, and Quezon interacting with agriculture stakeholders. He also assists Japanese companies find local partners and markets.

A graduate of Japan’s Tohoku University and US’ Cornell University, Kodama develops agribusiness investment programs and conducts seminars on business planning for farmers.

He also helps in JICA’s project introducing soil analysis technology here in coordination with the project, ‘Safe Vegetable Production & Marketing Project with Soil/Resource Conservation’ or (SAVE – PMP).

“JICA wants to encourage farmers to use ecologically sustainable practices, including soil monitoring to accelerate development.”

**GOOD TO KNOW**

- JICA’s ACSP with LandBank generated investment programming conducted seminars on business planning.
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THE SILK ROAD BETWEEN HARDSHIP AND POSSIBILITY

To complement knowledge sharing and technology transfer, JICA is also teaming up with different government and non-government groups to train farmers in alternative sources of livelihood.

The island of Negros was at the pinnacle of sugar trade in the 20th century bringing prosperity to its people. However, when the sugar trade slowed down, the gap between the rich and the poor became more palpable.

“We saw the poverty in the mountain side and figured that siliculture or silkworm farming will expand the people’s chances of getting jobs and earning additional income,” said Shigemi Watanabe, director of international non-government group Organization for Industrial, Spiritual, and Cultural Advancement (OISCA) in Bago City, Philippines. “The project also benefits the environment, while teaching farmers and their families the value of hard work.”

Since 2011, OISCA and JICA teamed up to train Negros farmers in sericulture. This technical cooperation project has trained over 170 farmers in Bago City, Negros Occidental and nearby areas. Not so long ago, JICA has assisted Bago farmers through a loan project rehabilitating the city’s irrigation system to increase agricultural productivity.

In the outskirts of Barangay Tabunan, Bago City is the OISCA-Bago Center — where young women and housewives spin silk thread for weavers in nearby Aklan province that sell silk cloths to the world’s fashion capitals of Paris, New York, and Tokyo. A Japanese overseas volunteer also assists them in design and product development.

Over 100 kilometers off the OISCA Center is Kabankalan City where farmers, trained under the OISCA-JICA project, earn their keep through sericulture.

“Agribusiness as Growth Engine

A country naturally rich with agriculture potential, agriculture is a Philippine major industry employing one-third of the country’s population based on industry data. By laying the foundation to harness agribusiness, JICA is changing the agriculture landscape positively.

“I used to plant sugarcane but now world prices of sugar have gone down into half. I have better income harvesting cocoons,” said Hipolito Magbanua, 73 years old.

Like Magbanua, a square plot of mulberry trees thrive in the backyard of 46-year old farmer Emma Magceso. Mulberry leaves are fed into the silk-worms. For every box of cocoons harvested, farmers like them could earn as much as four thousand pesos.

As sunlight hovers above the mulberry trees somewhere in Negros, hope is clearly drawn along the silk paths between the hardship of poverty and a future teeming with possibility.

Meanwhile, in a distant town in Pola, Oriental Mindoro, local farmers welcome new possibilities for higher income through new markets with help from a Japanese volunteer.

THE FARMERS’ CONNECTION: A VOLUNTEER SOWS SEEDS OF INSPIRATION

An hour ferry ride from Batangas port and another hour commute takes one to a small farming community called Pola. In this rustick town, 28-year old volunteer Takashi Nagatsuji under JICA’s Japan Overseas Cooperation Volunteers (JOCV) Program works at the Department of Agrarian Reform (DAR) preparing marketing proposals and assisting three agrarian reform communities.

Amid an 11,000 hectares of farmlands, Pola’s poverty rate remains high and farmers needed operations and marketing support to increase income.

“We’re lucky to have a volunteer like Takashi. He helps our farmers, even beyond marketing,” said Marives De Castro, municipal agrarian reform officer in Pola.

Small farmers had no access to far-away markets and Nagatsuji developed a website (www.arcpola.co.nf) to connect Pola farmers to possible clients. He assists about 200 farmers from Aklan province that sell silk cloths to the world’s fashion capitals of Paris, New York, and Tokyo. A Japanese overseas volunteer also assists them in design and product development.

Takashi also brought coconut handicrafts samples from Cebu to help TARCA farmers see the potential of coconut by-products.

An international development major from Kwansei Gakuin University, Takashi also studied in Canada and has worked in the United Nations (UN). “I wouldn’t consider my work successful, but it was good to be helping Pola in my own way,” said Nagatsuji.

Through JICA’s JOCV Volunteer, farmers in Pola are getting help in marketing their products.”
Serious floods in Philippine history prompted a partnership towards an advanced network of flood forecasting system.

For years, the Philippine Atmospheric, Geophysical, and Astronomical Services Administration or PAGASA along with the National Power Corporation (Napocor), local government, the private sector, and the Japan International Cooperation Agency (JICA) institutionalized a flood forecasting system to protect people and property from flooding.

The wrath of Typhoon ‘Kading’ in 1978 due to water release from Angat Dam without warning system, costing the lives of many people, pressed the Philippine government to invest in safer dam operation systems. Under a technical cooperation project, the government turned to Japan’s expertise in prioritizing disaster management.

“We used to read manually the dam’s water level before issuing warnings. With the advanced equipment from JICA, we can forecast water levels and provide early warnings,” said Virgilio Garcia, field in charge of dams, reservoir, and flood forecasting division of Napocor.

Since the 1960s, Japan has helped reshape flood forecasting and warning administration in the Philippines. The Japanese government dispatched experts, trained PAGASA engineers through fellowships/workshops, conducted rainfall modeling and simulation and flood hazard mapping, and provided modern equipment.

San Roque Dam was funded by the Japan Bank for International Cooperation. JICA funded the flood forecasting and warning system only.

San Roque Dam, a 200-meter key flood control infrastructure, stores 850 million cubic meters of water volume to control and mitigate floods. Without the dam, more flood water could inundate the community. During heavy rains, the nearby Agno River overflows affecting 16 Pangainan towns, but residents like Felicidad Cu rate said they no longer panic during rains. “We are warned when to stay home or evacuate,” she said.

Along with supply of equipment, JICA also develops new capabilities among Filipino engineers and scientists in disaster management.

Fire trucks and ambulances sounded off their sirens. Some 200 families in a coastline town in Davao Oriental were whisked into higher grounds after a tsunami alert.

The scene was part of a tsunami drill for local government units (LGUs) led by Desiderio Palma Cabanlit, former trainee under JICA’s Group Training Course on Operating Management of Earthquake, Tsunami, and Volcano Eruption Observation System in Japan.
Do you know that Japan has been helping enhance the resilience and disaster preparedness of vulnerable sectors in the Philippines for more than a decade? Here’s looking back at Japan-Philippines’ cooperation in this area through the years.

1963
Japan provided Pagasa with its first weather surveillance radar and telecommunications facilities.

1968
First survey mission of Japanese experts led by Dr. Toshio Takenouchi of Japan’s Ministry of Construction for a pilot flood forecasting & warning system (FFWS) for the Pampanga River Basin.

1971
Diet of Japan approved US$260,000 for equipment & training for the Pampanga FFWS, the first big-scale development program in Pagasa.

1984
Japan gave 17 single sideband radio transceivers and 10 units of diesel engine generators to improve Pagasa’s communications system.

1989
Japan continued supporting upgrading of Pagasa facilities with a high-resolution radiometer.

1998
Amid continuous operation of the FFWS and changes in river basins, JICA dispatched a long-term expert on river management in Pagasa. Then Overseas Economic Cooperation Agency dispatched a mission for Special Assistance for Project Sustainability (SAPS) study of existing FFWS.

2001
Japan’s support to Philippine Astronomical Observatory through a computer-based telescope.

2004
Start of technical cooperation project with Japan called “Strengthening of Flood Forecasting and Warning Administration.”

2009
Improvement of Pampanga FFWS

2011
Improvement of Agno FFWS

2012
JICA TCP upgrading of FFWS

On-going until 2013
Japan’s support to improving the Philippine meteorological radar system.

In 2009, Cabanlit joined JICA’s 9-month training in Japan on disaster management where he learned theories and principles of geological phenomena like earthquakes and tsunami, and interacted with Japanese professors and trainees from other cultures. He also joined field visits around Japan learning practical applications of disaster management theories.

“My exposure to tsunami-quake drills in Japan helped me conduct similar drills in the Philippines,” said Cabanlit. “The topics on Global Positioning System (GPS) and remote sensing were new to me and became a challenge on my part.”

Cabanlit shares his knowledge with Pagasa after his training in Japan.

Cabanlit said he learned best practices in earthquake/tsunami monitoring from Japan Meteorological Association (JMA), one of Japan’s agencies in charge of disaster prevention.

In Davao where Cabanlit is officer in charge of Davao Seismic Monitoring Station of the Philippine Institute of Volcanology and Seismology (Phivolcs), he shared, “I learned numerical tsunami modeling (NMT), preparing disaster safety maps, and using SeisPC software to determine seismic gaps and earthquake characteristics.”

About a hundred Filipino engineers and professionals were trained on disaster management under JICA over the years.
For several years, JICA has been at the forefront contributing to peace and development in Mindanao through the launching of the Japan-Bangsamoro Initiatives for Reconstruction and Development (J-BiRD) which implemented technical cooperation projects in conflict-affected areas, institutional capacity building to promote good governance, and the dispatch of socio-economic advisers in the International Monitoring Team (IMT).

Mindanao’s poverty bears a stark contrast against its rich natural resources. Data from the National Statistical Coordination Board (NSCB) 2012 survey showed that six of the ten poorest provinces in the Philippines are in Mindanao. Years of conflict in some parts of Mindanao have held back the peace and development it deserves.

When the framework agreement for peace between the Philippine government and Moro Islamic Liberation Front (MILF) was signed in October 2012, the journey to peace, once elusive, has been paved.

Among those who worked intensively behind the scene for peace in Mindanao is a team of development experts from various countries in the International Monitoring Team (IMT). In 2010, the Japan International Cooperation Agency (JICA) sent Mr. Naoyuki Ochiai to IMT as senior advisor for the reconstruction and development of Mindanao.

“As chief coordinator for the socio-economic assistance of IMT, I work closely with Mindanao stakeholders in identifying the development needs of conflict-affected communities,” said Ochiai.

The Japanese government has joined the IMT since 2006 and has assisted Mindanao through JICA’s economic cooperation programs.

A regular day for Mr. Ochiai would mean holding meetings and workshops and monitoring projects in conflict areas. “The peace and development plan is a first step for the Bangsamoro people to live without fear, decide by themselves, and enjoy life,” said Ochiai, who also served as First Secretary of the Embassy of Japan (Philippines) as well as the IMT in Cotabato.

Ochiai, who finished study of politics in Meiji University and postgraduate in Hosei University, also talked about how infrastructure brings opportunity for people to work together and make it (better future) happen.

“I remember a chairman of a people’s organization in Mindanao who lost his right hand when ambushed by a group. Instead of taking revenge, he used the J-BiRD assistance like agriculture facilities (solar dryers and warehouse) to reconcile with his enemies and invited them to work with them to improve their community.”

Ochiai is now back at JICA Headquarters in Tokyo as senior advisor on peace building in its Department for Economic Infrastructure Development, working for the agency’s major efforts to expand assistance in Mindanao. His work, and his life, is proof of an old adage, it is possible to go to a place where there is no path and leave a trail.

Another clear path that is steadily being paved in Mindanao is training the farmers in conflict-affected areas on raising their income. Homegrown industries are also promoted to increase the region’s investments and job generation.
FOR MINDANAO FARMERS, A RARE SUCCESS STORY

Adam Maguid, a 37-year-old farmer in Datu Salibo showed off the ‘floating seedbed’ for growing vegetables and rice up to 5 meters from the waters in the marsh, sans fertilizers. He learned this innovation from the farmer’s school field, where extension specialists from Philippine Rice Research Institute (PHILRICE) in partnership with Department of Agriculture and Fisheries (DAF) in ARMM teach farmers new techniques to increase yield.

He no longer talks much about the occasional floods affecting crops in low-lying areas like theirs.

From 2005-2010, JICA implemented the Rice-Based Farming Systems Training and Support Program for the Autonomous Region in Muslim Mindanao (ARMM) to address insufficient knowledge affecting farmers’ yield. The project’s next phase continues until 2017 covering more remote areas and new farming technologies.

JICA also supports Mindanao’s economy into becoming more viable and self-reliant. Through JICA’s “Development Study on Local Industry Promotion in the Autonomous Region in Muslim Mindanao (ARMM)” held April 2010 – October 2011, JICA helps break new life into Mindanao’s potential economic drivers – its local industries.

With growing population, rising poverty incidence, and slow gross regional domestic product growth, industries like agriculture, fisheries, and livestock as well as specific trade products (rubber, coconuts, mangoes, abaca, coffee, marine products, and seaweed) are slowly evolving to become instruments of ‘inclusive growth’ in the region and the Philippines.

As follow-up to the study, JICA also hired experts to train different stakeholders in Mindanao in agribusiness, microfinance, and business development.

JICA’s project synergizes Japan’s support to the ARMM Human Capacity Development Project, Socio-Economic Reconstruction and Development of Conflict-Affected Areas and the ARMM Social Fund Project.

In a place where 60% are poor farmers and fisher folks, promoting local industries and developing the people’s business mindset are indeed sustainable strategies.

Another important element of JICA’s development initiatives in Mindanao is capacity building to promote good governance to its key institutions and organizations.

“Education is a more sustainable approach to help small farmers. Teaching them location-specific practices help increase their income.”

“Education is a more sustainable approach to help small farmers. We teach them location-specific farm practices to increase their income,” said Dr. Rodolfo Escabarte of PHILRICE in Midsayap, North Cotabato.

“We hope to see more farmers from Mindanao’s interior areas bringing their products to the market, and doing business from farming,” he added.

HOPES RISING IN THE LAND OF PROMISE

In Cotabato City where the Bangsamoro Development Agency (BDA) is located, staff brims with youthful verve and energy. BDA Executive Director Mohammad S. Yacob said, “We are actively working with JICA to implement development programs in Bangsamoro. The BDA as an entity plays a very crucial role in promoting education, health services, and livelihood for the people of Mindanao.”

Through JICA’s Capacity Building for Community Development in Conflict-Affected Areas (CD-CAAM), BDA managers and staff are being trained on leadership, strategic public management, governance and development to enhance their capacity in spearheading formulation, implementation, monitoring, and evaluation of large-scale reconstruction and development programs in Bangsamoro areas. It is expected that BDA will play a crucial role in leading development efforts under the new Bangsamoro government once the final peace agreement is signed.

Since 2002, Japan through JICA supports Mindanao through socio-economic development programs, which also includes developing basic services delivery, and formulating development plans.

At the BDA office, a sign welcomes visitors saying ‘Building people who will build the nation,’ no doubt the CD-CAAM drives the hope to this vision.

THE WAY FORWARD

Through the years, JICA’s multi-faced assistance contributed in charting the course of peace and development for the marginal poor in the Mindanao region. The development assistance continues to this day sharing in the nation’s aspiration for a better life for Mindanao folks.
Bridging the gap in infrastructure development to boost the domestic economy, JICA has assisted the Philippines in the construction, operations, and maintenance of roads and bridges.

As the Philippine economy expands, connecting people and business through better roads and highways is a strategic and sustainable step. In the Joint Foreign Chambers of the Philippines’ “Arangkada Philippines” report, infrastructure was among those cited as among the essential elements to fast-track Philippine economic growth.

Improving infrastructure that can withstand all weather and ensure efficient mobility of people and goods has always been part of JICA’s overall development assistance to the Philippines.

Building Hope to Rural Economy

The town of Sarrat, Ilocos Norte’s vegetable basket, is separated into two by Padsan River. Residents and farmers used makeshift transport called balsa along the waterway to reach the other side.

Today, farmers pass through the bridge selling sugarcane, tomato, rice, and other vegetables to key markets. “Aside from being a strategic point connecting residents and farmers to other towns, the bridge is also an alternate route easing traffic in Ilocos Norte,” said Sarrat Mayor Edito Balintona.

A symbol of economic development, the bridge has attracted investment for an eco-tourism park in the area. The Sarrat Bridge standing atop Sarrat’s lush greenery paves the rural folks’ journey to inclusive growth.

A 456-meter long span bridge has risen in the towns of Bantay and Santa in Ilocos Sur. Called the Quirino Bridge, the project was also supported by JICA’s Yen Loan Program for bridge construction in rural areas.

A 456-meter long span bridge has risen in the towns of Bantay and Santa in Ilocos Sur. Called the Quirino Bridge, the project was also supported by JICA’s Yen Loan Program for bridge construction in rural areas.

The bridge links commuters and motorists from Manila to the towns of Ilocos and was built to withstand typhoons. Its grand structure stands above the Abra River and is an important landmark in Ilocandia.

The Pantal Bridge has risen in Pangasinan, Amburayan Bridge in Ilocos Norte, and the Kaling Bridge in Benguet. These new bridges are helping aid traffic congestion and drive economic activities in potential economic growth areas in the provinces.

At the Department of Public Works and Highways (DPWH), Japanese experts through JICA’s technical cooperation assistance are teaching engineers know-how on maintaining the country’s roads and bridges.

The JICA bridge projects are transforming the infrastructure landscape, easing traffic and driving economic activities in the provinces.
Investing in the Future: Improving Bridges & Highways

For two decades, JICA has been sending experts to assist the Philippines in rehabilitating and maintaining deteriorating bridges.

Nearly 8,000 bridges (about 90% are reinforced concrete and 10% are steel bridges, built as early as 1930s) throughout the country currently show signs of deterioration and whose repair/maintenance are long overdue. Lack of funds and appropriate maintenance technology affected the DPWH comprehensive repair efforts.

JICA bridge expert Hideo Nagao said, “We prepared manuals for bridge maintenance for DPWH engineers. We found that most bridges are deteriorated and it’s timely to bring maintenance technology to prolong the structures.”

Since 2007, JICA has supported DPWH through the Technical Cooperation Project (TCP) on “Improvement of Quality Management for Highways and Bridge Construction and Maintenance” where JICA experts facilitate knowledge and technology transfer and supply of equipment to DPWH.

Pilot Regions: Cordillera Administrative Region (CAR), Regions 7 and 11, within a 3-year period.

JICA also provided non-destructive testing (NDT) equipment to DPWH to help assess the bridges’ structural integrity.

“We hope that the project can spread to other regions and local engineers will be able to maintain the structures by themselves,” said Nagao.

“In general, the TCP has greatly enhanced the Department’s technical and equipment capability to effectively undertake bridge and road inspection, rehabilitation and maintenance, with emphasis on utilizing indigenous materials in repair works. Not only will it augment the materials requirements in construction but would likewise generate local jobs in the community,” said Dr. Judy F. Sese, head of DPWH Bureau of Research and Standards.

Investment Promotion
Better Business Climate:
A Window of Opportunities

Enhancing the Philippines’ business climate through infrastructure development, investment promotion, and policy development and support is JICA’s way of supporting broader economic growth in the country. Over the years, JICA’s initiatives in this area have been creating impact in attracting investments, creating jobs, and protecting the ordinary consumers.
**ON THE ROAD TO PROGRESS**

“The road is life,” – Jack Kerouac, novelist

For years, residents of Kalamansig, a port area town in Sultan Kudarat, who need access to basic services like hospitals or need to sell their produce to other markets, would travel nearly 12 hours to reach urban centers like Cotabato. Today, the journey is rather shorter. Through JICA’s Yen Loan program, Central Mindanao’s 105-kilometer road project is now connected to nearby business districts via a 105-kilometer road project by JICA and the Department of Public Works and Highways (DPWH).

In towns like Upi where about 80% of make a living from farming, farmers like Jonathan Acopio said the road helped them transport corn and rice products to nearby urban centers via Cotabato within an hour. “The road is a dream come true to us. Farmers like us see new opportunities for better income,” Acopio said.

With the new road, farmers are also diversifying into non-traditional crops (rubber) and more carp goes carrying construction materials and local produce pass the Kalamansig terminal port.

“Peace and order are stabilized because poverty is addressed,” said Mario Debolgado, a resident and businessman in Upi.


dash

Leaving from Upi to Manila (780 km) is easy to discern the name’s reverberations hope, lifting hard-pressed communities from their economic stupor towards a better future.

Along with infrastructure support to attract investors, JICA also extends assistance in the country’s investment promotions. At the Philippine Board of Investments (BOI), Japanese investors making their foray into the Philippines are getting assistance from experts dispatched by JICA for trade and investments.

Businessmen were initially hesitant to invest because of security and transportation costs. With the road project, people have more opportunities,” he added. Property taxes from rural investments also support their public schools.

Residents call the project “the road for peace.” And it is easy to discern the name’s underpinnings for the road move has significant impact to the Philippines: Japan’s Tsuneishi Heavy Industries (Cebu), Inc. created 15,000 jobs.

Oshima said JICA also helps consolidate activities of the 13 Philippine investment promotions agencies and ensure that the Philippine Investment Promotion Plan (IPP), a JICA-Nomura study, is implemented.

With JICA’s support, aggressive investment promotion on Japan and the Philippines’ potential offers a bright spot.

JICA’s support lays down the foundation for more investors to come to the Philippines and they continue to extend support towards capacity building to boost the country’s competitiveness and win over foreign investments.

**A BOOST IN INVESTMENT TIES**

Mr. Masaharu Oshima keeps an office at the Board of Investments (BOI) as investment adviser since 2010. Investments in the Philippines lagged behind compared to its Asian neighbors, and needed boost.

The last quarter of 2012, however, showed better prospects. JICA led a shipbuilding investment seminar based on the Nomura Research Institute study. Oshima also joined JICA Chief Representative Takahiro Sasaki in an investment mission in Hiroshima and Osaka.

“JICA is driving investment interest to emerging economies like the Philippines. We are inviting Japanese shipbuilders to locate here,” said Oshima.

The strong yen prodded shipbuilders to diversify their operations overseas to stay competitive. This is addressed,” said Mario Debolgado, a resident and businessman in Upi.

**LEVELING THE PLAYING FIELD**

The designation of the Department of Justice (DOJ) as the Philippines’ competition authority in 2011 marks a new start for the enforcement of competition policy and law (CPL) to promote national development and deliver economic justice.

With a sectoral regulatory approach to competition policy formulation and competition law enforcement, the Philippines has 30 competition laws being implemented by various agencies. The DOJ through the Office for Competition (OFC) pursues its mission through institutional capacity building, advocacy, enforcement actions and partnerships, among others.

With JICA’s technical assistance, DOJ organic team of state counsels, prosecutors, economists, sector regulators and key legislative staff worked with stakeholders and experts on the facets of CPL and case handling/investigations of anti-competitive practices.

DOJ Assistant Secretary Geronimo L. Sy said, “We appreciate JICA’s partnership with the Philippines. We learn from Japan’s best practices and work ethic. The JICA trainings increased our exposure to the practical challenges of carrying out our role as the competition authority.”

With the Philippines’ leap in global competitiveness rankings and the onset of ASEAN economic integration, the DOJ-JICA partnership is a model of bilateral cooperation. With a capable OFC team, a fair, competitive framework to support investors and protect consumers is now being set in motion.

**12 Hours → 3 Hours**

12 hours: 2001... when the project was completed forming the North-South Economic Varing Region. 3 hours, 2011... when the project was completed forming the North-South Economic Varing Region. 3 hours

**423 km**

road curves when traversing Cotabato City to Lalinon in Central Mindanao

**Over 65,000 people**

are employed in shipbuilding in Japan as of April 2011, according to Nomura study

**41 billion yen**

of Japanese investments were dispatched by JICA to 200 countries

**308 people**

government personnel trained through the 6-Country trainings under JICA project
The view from the Metropolitan Cebu Water District (MCWD) takes one to an urban sprawl lined with landmarks from a Spanish past. Business centers and busy streets dotting the landscape explain Cebu’s ranking as among the Top 10 Asian Cities in the Future by the Financial Times’ Group.

Thus, striking a balance between rapid development and sustainable resources is a challenge.

“The twinning with Yokohama Water Co. Ltd. helped us on water quality enhancement and provided knowledge and skills on several aspects of water distribution efficiency improvement,” said Maria Rowan Tenedo, MCWD’s manager for corporate planning.

With its previous technical cooperation project with MCWD, JICA facilitated the current technical support project between the former and Yokohama Water Co. Ltd. Yokohama City has the second largest population in Japan and is one of the most active local government units (LGUs) involved in overseas technical cooperation.

With the accumulated experiences and know-how of its Waterworks Bureau in water service operations, Yokohama City established Yokohama Water Co. Ltd. in July 2010 wholly funded by the city.

Since 2010, Yokohama Water has been sharing with MCWD its technical know-how to improve water services operations. The technical assistance provides for introducing Japanese technology, sharing of experiences in improving water supply business management, and water quality management, and introduction of countermeasures to reduce non-revenue water (NRW) of the water district.

“The partnership with them somehow confirmed MCWD’s programs already in place with regard to non-revenue water reduction and offered new insights. The mesh system, a new technology in leak detection and certain aspects of the mapping system are some of these,” she added. “The program also includes a pilot rehabilitation works of a section of one District Metered Area (DMA) of MCWD.”

“Twenty years ago, we had same problems on managing water supply in Yokohama City. We are sharing our skills to help them address possible water shortage to help Cebu also sustain investments and create more jobs,” said Ken Yokoyama, Japanese expert from Yokohama Water.

Through this technical assistance, sharing of Japan’s level of expertise and technical know-how in water supply management in MCWD as a model will hopefully make an impact in the future of growth centers like Cebu and later on to other growth centers in the country.
The story of the friendship and international cooperation between Japan and the Philippines is a tapestry of milestone events and activities. Through the years, Japan's development assistance to the Philippines continues to make an impact in creating a better quality of life for the Filipinos.
JICA
Japan International Cooperation Agency

About JICA

The Japan International Cooperation Agency (JICA) is an agency of the government of Japan responsible for implementing Japan’s official development assistance (ODA) such as technical cooperation, ODA loans and grant aid in an integrated manner, except contributions to international organizations. It is one of the world’s largest bilateral aid agencies working with over 150 countries and regions. It has 15 branch offices across Japan and over a hundred overseas offices including the Philippines (JICA Profile, p. 7).

In accordance with its vision of “Inclusive and Dynamic Development,” JICA is cognizant of the value of promoting self-help efforts among developing countries in achieving socio-economic development. JICA is committed to share its experience-based knowledge with developing countries to strengthen their own problem-solving capability.

JICA Philippines resounds the same commitment of fostering self-reliance in its development approach. It acts as a bridge that links Japan and the Philippines so that Japanese technology and knowledge can be shared to the Filipinos and can be used to derive sustainable development.

It has been an active development partner of the Philippine government by undertaking activities such as dispatch of Japanese experts, Japan Overseas Cooperation Volunteers or JOCVs and study teams, sending of Filipino technical trainees to Japan, supply of equipment and implementation of development studies in addition to managing concessional loans and technical support to Japanese grant aid cooperation. Likewise, JICA Philippines promptly responds to emergency relief requests of the Philippine government during large-scale disasters. It provides relief supplies such as blankets, tents and medicines.

JICA Philippines looks forward to strengthening the ties of Japan and the Philippines by continually supporting the development efforts of the Philippine government.

Technical Cooperation

To help develop people and build the administrative systems of developing countries, JICA dispatches experts, provides necessary equipment, and accepts personnel for training in Japan and other countries. The Cooperation volunteers can be customized to address a wide range of issues.

ODA Loans

JICA provides low-interest, long-term and concessional ODA funds (in Japanese yen) to developing countries above a certain income level, to help in their growth efforts. The loans are large-scale infra-structure and other development projects requiring substantial financing.

Grant Aid

Grant aid is the provision of funds to developing countries which have low income levels, without the obligation of repayment. It is used for improving basic infrastructure such as schools, hospitals, water supply facilities, and roads, along with obtaining health and medical care equipment and other requirements.

Cooperation Through Citizen Participation

JICA promotes the participation of Japanese citizens in international cooperation activities.

Partnership with NGOs

JICA welcomes in-depth grape harvest collaboration especially where programs with partner governments in developing countries cannot reach effectively. JICA supports projects planned by Japanese partner mainly NGOs, local governments, and universities in Japan based on their accumulated experiences and technologies in social development in the grassroots level, focusing on health, livelihood, education, and other areas with direct impact on the lives of the local people.

VOLUNTEER PROGRAM

Since 1961, JICA has been sending Japan Overseas Cooperation Volunteers (JOCVs) to developing countries to spend two years living and working with people in host communities and help build the capacity of their host organizations.

These Japanese volunteers are trained and qualified professionals in a variety of technical disciplines. Their work also helps deepen the understanding of cultures and build genuine friendships between volunteers and hosts.

Disaster Relief

In cases of large-scale disasters, JICA dispatches Japan Disaster Relief teams in response to requests from the governments of affected countries or international organizations. These teams help in search and rescue efforts, provide medical treatment, and support work for recovery. JICA also provides emergency supplies such as blankets, tents and medicines.

JICA REPORT 2013

Assistance Schemes

Official Development Assistance

Bilateral Assistance

JICA REPORT 2013
FACT SHEET
JAPAN’S BILATERAL ASSISTANCE
IN THE PHILIPPINES

GRANT AID
Grant Aid is financial assistance extended to a developing country (partner country) with no obligation for repayment. It covers a wide range of cooperation, among which is development of social and economic infrastructure as well as education, health and environment aimed at nation-building (JICA Annual Report 2012, p. 118). In the Philippines, examples of this aid are the construction of Benguet General Hospital in La Trinidad and the University of the Philippines-National Institute for Science and Mathematics Education (UP-NISMED).

TECHNICAL COOPERATION
Technical Cooperation harnesses the comprehensive capacities of the developing countries to address their development challenges by their own. It is a people-to-people cooperation that taps both the knowledge, technology and experience of Japan and the developing countries in providing a “multi-tiered assistance” for human resource development, policy formulation and institutional building (JICA Annual Report 2012, p. 114). The Comprehensive Competition Policy Project in collaboration with the Department of Justice and the National Industry Cluster Capacity Enhancement Project implemented with the Department of Trade and Industry are among the number projects that JICA implemented under this scheme.

LOAN ASSISTANCE
Yen loan assistance offers relatively large amounts of development funds under concessional terms to support development and growth efforts of developing countries. Since this type of assistance has an obligation of repayment, efficient use of funds and supervision of project implementation are necessary resulting in project ownership for the developing countries in the process (JICA Annual Report 2012, p. 116). The scenic Subic-Clark-Tarlac Expressway and the Ninoy Aquino International Airport Terminal 2 are key structures that were constructed through loan aid.

DISPATCHED PERSONNEL IN JFY 2011
(Cumulative Total)

<table>
<thead>
<tr>
<th>Training Participants</th>
<th>Experts</th>
<th>JOCVs</th>
</tr>
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<tbody>
<tr>
<td>33,099</td>
<td>33,099</td>
<td>1,496</td>
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JOCV DATA

- Total Number of JOCV: 51 as of January 2013
- Distribution by Region:
  - NCR - 2
  - Region 5 – 11
  - Region 6 – 11
  - Region 7 – 8
  - Region 8 – 13
- Fields of Specialization in the Philippines:
  - Agriculture, Forestry, Fisheries
  - Public Health/Medical Service
  - Manufacturing and Maintenance
  - Education and Information Services
  - Sports

PRIORITY AREAS

1. Achieving Sustainable Economic Growth through Farther Promotion of Investment
   - To improve investment climate in order to attract more local and foreign investment toward the achievement of sustainable economic growth in the Philippines, JICA provides assistance centering on: 1) the improvement of traffic and transportation network of the Greater Capital Region; 2) the improvement of infrastructure related to energy and water; 3) the enhancement of administrative capacity; 4) the securing of maritime safety; and 5) human resource development for industries.

2. Overcoming Vulnerability and Stabilizing bases for Human Life and Production Activity
   - To overcome vulnerability to various risks affecting the impoverished sector in particular, such as environmental issues including natural disasters and climate change as well as infectious diseases, and also to stabilize and fortify bases for human life and production activities, JICA provides assistance to the Philippines centering on: 1) the improvement of both “hard” and “soft” infrastructures to address issues related to natural disasters and environment; 2) the development of safety nets including healthcare; and 3) the enhancement of agricultural production and productivity as well as the improvement of the processing and distribution of agricultural products.

3. Peace and Development in Mindanao
   - To secure and stabilize peace in Mindanao through the promotion of the peace process by means of socio-economic development in the conflict-affected areas, and also to eradicate poverty, JICA provides assistance for: 1) the strengthening of governance; 2) the reduction of poverty including the improvement of access to social services; and 3) the community development through the improvement of infrastructures and promotion of industries.
### Report 2013

**JICA Operations Map**

#### GRANT AID

1. Project for the Bridge Construction for Expanded Agrarian Reform
2. Development of Human Resource Development System II (URBAN-Bridge) [31,861,961.70]
3. Japan Grant Aid for Human Resource Development Scholarship (JUS) [34,499,621.27]
4. Project for Escalator Shelter Construction in Disaster Vulnerable Areas in Province of Albay [31,237,250.07]
5. The Project for Improvement of the Meteorological Radar System [27,018,664.12]
6. Project for Improvement of Equipment for Disaster Risk Management [89,684,550.70]
7. Follow-up Cooperation for the Improvement of Water Quality in Local Areas [22,380,207.00]
8. Project for Flood Disaster Mitigation in Camiguin Island [41,556,777.00]
9. Aurora Province Hospital Construction [10,049,757.04]

#### YEN LOAN

10. Creation of Non-Handicapping Environment for Filipinos with Disabilities in Bohol [95,807,100.18]
11. National Industrial Cluster Capacity Enhancement Project (NICCEP) [85,402,021.09]
12. Packaging technology improvement project for the competitiveness of local industry [108,875,219.68]
13. Project for the Bridge Construction for Expanded Agrarian Reform [57,227,592.27]
15. Project for Bridges Construction Project for Rural Development [80,675,270.10]
16. Arterial Road Bypass Project (Phase 1)(Marikina and Cainta) [56,354,990.62]
17. Central Mindanao Road Project [40,626,207.30]
18. Pang Marikina River Channel Improvement Project II [45,684,994.09]
19. Pinatubo Hazard Urgent Mitigation Project Phase III [65,521,728.62]
20. Agriculture Reform Infrastructure Project (Phase II) [329,505,325.15]
21. Environmental Development Program (EDP) [279,101,695.27]
22. Agricultural Credit Support Project [186,693,642.66]
23. Logistic Infrastructure Development Project (LIDP) [231,695,976.62]
24. Post-Ondoy and Pepe Lang Short-Term Infrastructure Rehabilitation Project [108,675,246.68]
25. Road Upgrading and Preservation Project [84,670,920.80]
26. Mindanao Sustainable Agrarian and Agriculture Development Project [69,657,601.60]
27. Pang Marikina River Channel Improvement Project III [80,808,783.05]
29. National Irrigation Sector Rehabilitation and Improvement Project [76,975,100.44]
30. Arterial Road Bypass Project (Phase II) [40,628,300.13]
31. Central Luzon Link Improvement Construction Project [254,395,410.19]
32. Foreland Management Project [40,537,578.10]
33. Development Policy Support Program (DPSP-IC) [8,602,121.00]
34. Training the Tax-Related Matters Exchanges of Information, Mutual Agreement Procedure & Permanent Establishments [15,900.90]

#### TECHNICAL COOPERATION PROJECT

36. Project on Capacity Building for a Comprehensive National Competition Policy [377,948.62]
37. Philippine Coast Guard Education and Human Resource Management System Development Project [2,524,245.25]
38. The Project on Enhancing the Capacity for Collection and Application of Fingerprints [3,629,172.12]
39. ADRM Human Capacity Development Project [670,209.74]
40. Improvement of Quality Management for Highway and Bridge Construction & Maintenance [22,357,706.01]
41. System Loss Reduction for Philippine Electric Cooperatives [329,525.48]
42. Capacity Development Project for Improvement of Safety & Efficiency for Air Navigation System [1,903,622.50]
43. Packaging technology improvement project for the competitiveness of local products [46,287.40]
44. National Industrial Cluster Capacity Enhancement Project (NICCEP) [108,545,819.00]
45. Disaster Risk Reduction and Management (DRRM) Capacity Enhancement Project [47,027,850.65]
46. Strengthening of Flood Forecasting and Warning System for Dam Operation [30,755.71]
47. Creation of Non-Handicapping Environment for Filipinos with Disabilities in Mindanao [86,007,749.68]
48. The Rice-Based Farming Technology Extension Project for Autonomous Region in Muslim Mindanao [92,007,955.68]
49. Maternal and Child Health Services in Eastern Visayas [1,661,906.85]

#### GRASSROOTS

50. Typhoon Ondoy and Pepeng Short-Term Infrastructure Rehabilitation Project [1,065,465.73]
51. Regional Environment and Natural Disaster Mitigation Laboratory-Pasig for Metro Manila [1,098,418.28]
52. Project to Promote Children’s Rights By Children Of Orphaned In Mindanao Region [1,098,418.28]
53. Follow-up of Community Based Health and Livelihood Project in Barangay Pagsanjan through Empowerment of Cooperative [329,613.48]
54. Rehabilitation of Control Project in Mindanao, Camiguin, Bohol and Cebu [539,224.60]
55. Watershed Reinforcement and Environmental Education Program – Introduction of Crostwon [215,541.35]
56. Soil Vegetation Production and Marketing Project with Soil Resource Conservation [695,622.50]
57. Capacity building project for child caring institutions’ personnel toward child’s well-being and independence in Central Luzon Region [11,715.84]
58. Establishment and Operation of the Arroyo River Cooperative and Formation of Basis for Independent Development [604,130.05]
59. Community-based Adaptation and Resilience Against Disaster [229,512.65]
60. Project for Study for the Airport Strategies for the Greater Capital Region [68,702.60]
61. Mega Manila Region Highway Network ITS Integration Project [4,000,000.00]
62. Study on the Strategic Railway Network for Greater Capital Region [1,465,219.68]
63. Improvement of the Bridges Through Disaster Mitigating Measures for Large Scale Earthquakes [6,126,312.00]
64. Preindustrial tax system analysis research project phase 1

#### DEVELOPMENT STUDY

65. Community Development for Conflict-Affected Areas in Mindanao (TED-CAM) [1,245,892.44]
67. Follow-up Cooperation and Development Study on Energy Efficiency and Conservation for the Philippines [90,287.37]
68. Preparatory Study on New Bohol Airport and Sustainable Environment Protection Project [130,000.00]
69. Hydroelectric Development Project in the Philippines [949,012.13]
70. Project on the Bridge Construction for Expanded Agrarian Reform [57,227,592.27]
71. Comprehensive Epidemiological Study on Acute Respiratory Infections in Children [1,104,672.04]
72. Road Upgrading and Preservation Project (Procurement Support) [329,525.48]
73. Study to Develop Manual and Driver Container Traffic to tillic and Banagay Port [133,169.00]
74. Follow-up Cooperation and Development Study on Energy Efficiency and Conservation for the Philippines [90,287.37]

#### YEN LOAN TECHNICAL ASSISTANCE

75. Preparatory Study on New Bohol Airport and Sustainable Environment Protection Project [130,000.00]
76. Science and Technology Technical Cooperation

#### SCIENCE & TECHNOLOGY TECHNICAL COOPERATION

77. Preparation for Project Formulation on Water Resources Development, Management and Camigui: [538,224.96]
The Japan International Cooperation Agency (JICA) Philippines thanks all the local government officials, staff at the implementing agencies, field staff, community members, other partners and JICA home and national staff who shared their stories with us, provided valuable information, arranged interviews and worked for the success of JICA projects.

Acknowledgments:

JICA Report 2013 is published by JICA Philippines
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