

**HON. ALBERT F. DEL ROSARIO  
SECRETARY OF FOREIGN AFFAIRS  
PANEL DISCUSSION: “60 YEARS OF JAPAN ODA AND ITS FUTURE”  
“HOW DID JAPAN’S ODA AFFECT THE GROWTH OF THE PHILIPPINES”**

**17 NOVEMBER 2014 (MONDAY), 2:00-2:55 P.M.  
IINO HALL, CHIYODA-KU TOKYO**

**PHILIPPINES-JAPAN DEVELOPMENT PARTNERSHIP: INVESTMENTS IN GOVERNANCE AND  
INNOVATION FOR INCLUSIVE GROWTH**

**Introduction**

JICA President Akihiko Tanaka,

Hon. Michael S. M. Kamau, Cabinet Secretary in the Ministry of Transport and Infrastructure, Kenya  
(Ministerial-level Representative for Africa),

Mr. John Page, Brookings Institution as Senior Intellectual on Dev’t Cooperation,

Our Ambassador to Japan Manuel Lopez and colleagues from the Philippines,

Government, Officials from the Ministry of Foreign Affairs and JICA,

Ladies and gentlemen, thank you for the kind invitation and wonderful introduction.

The partnership between the Philippines and Japan is at its best. It is comprehensive, modern and strategic.

**A Strategic Partnership**

This Strategic Partnership permeates all aspects of our strong bilateral relations. It is underpinned by our shared values of democracy, respect for human rights, liberal market principles, and adherence to the rule of law.

Our deep engagements in political-security matters and people-to-people exchanges are fully echoed in our economic ties, which are robust and dynamic. Japan is the Philippines’ only bilateral free trade partner through the Philippines-Japan Economic Partnership Agreement of 2006. This has made Japan the Philippines’ top trading partner in the last four years, and the third largest source of both foreign direct investments and tourist arrivals.

**ODA as Tool for Development**

This vibrant economic relationship is complemented by enduring development cooperation. Japan is consistently the Philippines’ number one bilateral ODA partner. I take this opportunity to convey that we are deeply grateful for Japan’s steadfast support for over six decades.

Japanese ODA has directly contributed to the Philippines’ development efforts across a wide range of priority areas, including maritime cooperation, peace-building, governance, education, healthcare, infrastructure, agriculture, livelihood programs, and youth leadership training programs.

As the Philippine government continues to pursue inclusive growth, ODA has become instrumental in filling the financing gap for development and poverty reduction that has beset the Philippines and many other developing countries.

### **ODA, Japanese Style**

Japan has always played a significant role in the Philippines' development story. It is the quality of Japan's assistance to the Philippines that truly sets it apart from other development partners.

Our experience with Japan's ODA program is that it genuinely takes into account domestic development priorities, tailor-fitting its development framework to the beneficiary's capacity and potential. This is consistent with Japan's pragmatic philosophy and approach to development assistance, known as the twin principles of "self-help" and "country ownership" under Japan's ODA Charter.

Japan's adherence to these principles over the years and its continued commitment to supporting its beneficiaries' own domestic development efforts cemented its reputation as a responsible ODA provider and a genuine development partner.

### **Sustaining Growth of Developing Countries**

ODA programs, to be truly responsive and meaningful, must take into account relevant factors that profoundly impact not only on a country's pace of growth and development, but also on the well-being of an individual or a community.

The harmful effects of climate change, for example, threaten to cause major disruptions in ongoing measures to raise productivity and enhance growth in typhoon-prone areas.

The Philippines deeply appreciates Japan's assistance in combating the effects of natural disasters and climate change. Japan was among the first to provide emergency assistance to the Philippines in the aftermath of Super Typhoon Yolanda almost a year ago. Aside from its generous humanitarian assistance, Japan continues to provide support under the Yolanda Comprehensive Rehabilitation and Recovery Plan which aims to 'build back better' climate and disaster-resilient communities. We are completing our study on the best practices on the Haiyan experience and we will be happy to share it during the forthcoming 3rd World Conference on Disaster Risk Reduction (WCDDR) in Sendai, Japan in March 2015.

Urban decay worsens urban poverty, and the lack of adequate infrastructure has a limiting effect on the opportunities that can free families from the shackles of poverty.

Most recently, Japan has assisted the Philippines in formulating a Transportation Roadmap for the Sustainable Development of Metro Manila. This comprehensive plan will benefit not only the general riding public but will also have positive "spill over effects" for economic sectors such as tourism, agriculture, trade and industry through more efficient transportation and the development of new townships.

### **Investing in Governance Reforms**

For countries such as the Philippines, ODA can be used to upgrade and modernize public institutions and the entire civil service through institutional capacity building.

ODA can also be utilized to help the government rationalize and streamline its operations to make its processes

more effective and efficient, attuned to 21st century governance. Indeed, the program benefits become substantial when strong institutions exist to implement ODA projects. We therefore welcome more innovative program partnerships with the Japanese Government that will ensure the irreversibility of our reform agenda.

### **Investing in Innovation and Human Capital Development**

Human capital development through assistance in education and training, especially in science and technology, fosters the needed innovation and creativity to increase the skills, knowledge, and productivity of Filipino workers and the new labor entrants.

This strategy becomes an imperative as the Philippines enters its so-called demographic sweet spot in 2015, when majority of its population, with a median age of 22 years, enters the workforce. Grant programs, therefore, that focus on Science and Technology education must be promoted.

Perhaps it is high time to consider a comprehensive agreement on Science and Technology that considers ODA as one of the funding mechanisms.

Separately, vocational-technical or VocTech training programs for new entrants and for skills upgrade should be further considered as part of our cooperative activities under our human capital development.

We hope to improve our competitiveness by building a more productive and creative workforce. For this purpose, we will request more cooperation with Japan in R&D investments.

For instance, one way to do this is to pursue an exponential increase in scholarship grants in science and technology and in engineering.

### **The Changing Face of Poverty**

In addition to investing in human capital development, ODA must also respond to the changing face of poverty. We now find, fourteen years after the Millennium Development Goals were launched, that poverty has become almost an intractable development issue in the age of globalization.

I therefore commend Japan's many contributions to MDGs, including its Global Health Diplomacy, which provides access to health care services to marginalized communities.

Despite tremendous economic gains that have been made in many countries due to globalization, it is evident that poverty remains an intractable problem.

The scourge of poverty afflicts millions, not only in poor countries, but also in middle income and higher growth economies. On top of this, poverty is exacerbated by the increased severity of climate change-induced disasters.

I believe, therefore, that ODA must continue to target poverty alleviation as an effective means for addressing social inequality and promoting sustainable development.

### **ODA and Peace-Building**

Through vital initiatives such as the Japan-Bangsamoro Initiative for Reconstruction and Development or J-BIRD, Japan has done its part in advancing the Mindanao peace process by directly addressing poverty challenges and development gaps in Southern Philippines

To ensure that we continue to generate peace dividends, we welcome Japan's recent initiatives under the Comprehensive Capacity Development Project for the Bangsamoro.

These initiatives support the Bangsamoro Development Plan, a six-year roadmap, from 2014 to 2019, that provides a short-, medium- and long-term vision and strategy for the development of the Bangsamoro region. We thank Japan and our other development partners for strongly supporting this plan.

## **Conclusion**

Ladies and Gentlemen,

Throughout its 60-year history, Japan's official development assistance continues to help build and transform nations. Japanese ODA has contributed, in one way or another, to the development of nearly every Asian nation, including the Philippines.

As the most dynamic region, Asia's dramatic reduction of poverty incidence in such a short span of time, and the growing prosperity of Japan's many development partners such as the Philippines are proof-positive to Japan's enduring commitment to Asia's continued growth and development.

But Japan's ODA must continually adapt to the changing needs of the times.

At this juncture, let me reiterate: that the quality of Japan's assistance to the Philippines truly sets it apart from other development partners.

As Strategic Partners and close friends, Japan and the Philippines should continue to pursue an inclusive growth agenda that effectively put our peoples at the center of development.

Ladies and Gentlemen,

The future of the Philippines-Japan partnership, 60 years and beyond is full of infinite, promising possibilities. From these possibilities, let us prioritize what is best for our peoples and our shared future.

Thank you very much.

**END**