

EU - PHILIPPINES RELATIONS: A DYNAMIC PARTNERSHIP

"With the Philippines, Europe has a long historical relationship. We share many common beliefs such as on human rights or on democracy. The level of trust between the Philippines and the EU is such that sensitive political issues are already part of our daily work, be it co-operation on counter-terrorism, non-proliferation or the peace process in Southern Mindanao, where the EU is a willing and engaged partner."

EU High Representative Catherine Ashton,
Phnom Penh, July 11, 2012



THE EUROPEAN UNION

who we are and what we stand for

The EU is a unique, deep economic and political partnership between 27 countries covering much of the European continent. It is home to 500 million people.

Created in the aftermath of the Second World War it first pursued economic cooperation inspired by the idea that countries that trade with one another become economically interdependent and less likely to descend into conflict. It now covers almost all areas of government from trade and foreign policy to energy and development cooperation.

Today the EU is the largest single market in the world, with the euro as the common currency of 17 member states. It has delivered half a century of peace, stability, and prosperity and dramatically raised living standards through a social market model that links economic progress to the protection of the rights of workers, consumers and the environment.

Thanks to the abolition of border controls between EU countries, EU citizens can travel freely throughout most of the continent to settle, study and work.

The EU is based on the rule of law. This means that everything that it does is founded on treaties, voluntarily and democratically agreed by all member countries. The EU remains focused on making its governing institutions more transparent and democratic and giving European citizens more channels to take part in the political process.

One of its main goals is to promote human rights both internally and around the world. Human dignity, freedom, democracy, equality, the rule of law and respect for human rights are core values of the EU.



EU Member States

The 27 EU Member States of the EU are Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom. On 1 July 2013, Croatia will join as the 28th Member State.

Institutions of the European Union



Martin Schultz is the President of the European Parliament which is directly elected by the citizens of the European Union. It adopts the EU budget and co-legislates with EU Member States.



Jose Manuel Barroso is the President of the European Commission which is the executive arm of the Union and proposes European legislation for adoption by the European Parliament and Member States.



Herman van Rompuy is the President of the European Council which gathers the Heads of State and Government of EU Member States and gives political direction to the European Union.



Catherine Ashton is the Union High Representative for Foreign and Security Policy. She leads the diplomatic service of the Union (European External Action Service) and chairs the Foreign Affairs Council where EU foreign and security policy actions are agreed. She is also Vice-President of the European Commission.

The European Court of Justice resolves any questions relating to the interpretation of EU law, while the European Court of Auditors oversees the correct expenditure of EC budget resources.



The EU-Philippines Partnership and Cooperation Agreement



The signature in July 2012 of the EU-Philippines Partnership and Cooperation Agreement (PCA) cements a relationship that goes back decades. It marks a maturing of a partnership which has broadened and deepened remarkably in recent years.

The new PCA will intensify the EU-Philippine bilateral relationship by focussing on a modern policy agenda supported by an appropriate institutional framework. The agreement covers political, security, economic and social affairs as well as issues of specific interest such as human rights, counter-terrorism and migration.

Europe's dialogue with ASEAN began in the late 1970s, and was formalised with the signature of an EC-ASEAN

co-operation agreement in 1980. Discussions and periodic reviews on economic and political issues, at both the ministerial and official level have been held regularly ever since.

The PCA with the Philippines is an important component of the EU's broader ambition to deepen its engagement with Asia and enhance its political, trade and economic partnership with the region. In doing so the EU also brings to the table proven expertise in the provision on non-traditional security assistance including disaster preparedness, conflict prevention, emergency aid, post-crisis reconstruction, policing assistance, energy, climate change, product safety and maritime security.

EU diplomatic presence in the Philippines

The Delegation of the European Union to the Philippines is one of almost 140 diplomatic missions that represent the EU across the globe. The Delegation in Manila is headed by Ambassador Guy Ledoux. It aims to strengthen EU-Philippine relations in particular through:



- Promoting strong economic and trade ties
- Developing EU-Philippines dialogue through the recently-signed Partnership and Cooperation Agreement
- Supporting the Government in its peace efforts in Mindanao
- Working with the Philippines' Administration to reach the UN Millennium Development Goals

Several Member States of the European Union also maintain Embassies and Consulates in the Philippines.

The European Union

- is the world's largest economy.
- is the world's biggest exporter and the second-largest importer.
- is the top trading partner of both the United States and China.
- is the world's most generous donor of development assistance.
- is the world's biggest investor in the Philippines
- has a population of 500 million, the world's third-largest, after China and India.

Partners for Peace and Development in Mindanao

The European Union was invited by the Government of the Philippines and the Moro Islamic Liberation Front Peace Panels to take responsibility for the Humanitarian, Rehabilitation and Developmental component of the International Monitoring Team.

Since the 1990s, the EU has been active in helping to address poverty and development in Mindanao as a contribution to the advancement of the ongoing peace negotiations. More than € 150 million has gone towards programmes such as the rehabilitation of internally displaced persons, institution building, increasing the revenues of the most vulnerable members of society and responding to humanitarian crises.

Over the past 15 years, the EU has provided € 35 million or Php 2 billion in aid to victims of natural and man-made disasters in Mindanao. In addition the construction of 800 shelters, 100 water systems and 16 health centres benefitted more than 150,000 people.

Moreover 300,000 people have already benefitted from 141 projects implemented by the Mindanao Trust Fund which is 70 % financed by the European Union (European Commission and Sweden). Since 2006, the EU has channelled Php 500 million to community-driven development and rehabilitation projects.

The Mindanao Trust Fund is a multi-donor funded community-based development programme managed by the World Bank in conflict-affected communities in

Mindanao. The programme involves intensive participation of Bangsamoro stakeholders in planning, management and implementation of reconstruction and development initiatives.



Meanwhile, under the EU Food-for-Assets project approximately 210,000 direct beneficiaries and 1.26 million indirect beneficiaries received food assistance as an incentive upon successfully participating in various community-based projects and life-skills training. This initiative worth € 6.4 million (332 million Php) was implemented by the World Food Programme in partnership with the Department of Social Welfare and Development, the Department of Agriculture and the Department of Environment and Natural Resources. The project supported agriculture, natural resource management and livelihood diversification in five conflict-affected areas: Maguindanao, Lanao del Sur, Lanao del Norte, North Cotabato and Sultan Kudarat.



photo credit: Vera Horigue

Erasmus Mundus Scholarship

The European Union has a scholarship programme called ERASMUS MUNDUS which financially supports Filipino students, academics and researchers to pursue their higher education at European universities. It also supports Filipino higher education institutions and universities that engage in partnerships with their counterparts in the European Union.

About 25 new scholarships are awarded every year. The scholarship covers air travel to Europe, tuition fees and a monthly living allowance of between Php 80,000 and Php120,000. In the Philippines, a total of 176 students and lecturers have benefitted from an Erasmus Mundus Scholarship thanks to EU spending of almost €4 million or Php 228 million since 2004. Some of the country's best Universities such as the Ateneo de Manila University, the University of the Philippines and the Visayas State University have concluded partnerships with top European Universities.

Development Cooperation

Supporting developing countries' efforts to eradicate poverty is the primary objective of development policy for a stable and prosperous world. The EU, together with its 27 Member States, is the world's most generous provider of official development aid, accounting for over 50% of the total.



The new EU Development Policy focuses on sustainable development, including the pursuit of the Millennium Development Goals (MDGs). The EU development policy also affirms that the fundamental objective of poverty reduction is closely associated with the complementary objectives of promoting good governance, democracy and the respect for human rights, which are shared values for all EU Member States. The fight against poverty also implies addressing human development, the protection of natural resources, inclusive economic growth and job creation.

Over the past four decades, the EU has been a major partner of the Philippines and has contributed more than €1 billion (more than Php60 billion) of grants to combating poverty and raising standards of living for the poor. The European Investment Bank has provided in parallel loans of more than half a billion EUR (Php30 billion). EU development assistance provided is closely aligned with the Philippines Development Plan 2011-2016 and delivers annually about €40 million or Php2 billion in grant funding. The focal sector is support to the Universal Health Care policy that provides free health care to the poorest Filipinos and by improving health facilities and services. Other priority programmes support the Good Governance Agenda of President Aquino, Trade Integration and Job creation. A particular emphasis is placed on conflict affected Mindanao where the EU supports the peace process as well as community development on the ground.



The bilateral EU-Philippines programme is complemented by additional funding - often channelled through civil society organisations - to address specific priority issues such as social issues, the environment, indigenous peoples, human rights and migration. The EU is one of the most important funders to support the Philippines in cases of natural disasters which require emergency aid. This support also covers projects in the field of rehabilitation and disaster preparedness.

Migration

EU-based Filipino migrants are the second largest source of remittances to the Philippines and account for at least 1% of Filipino GNP. According to the CFO there are 607,000 Filipino migrants in EU including 238,000 temporary migrants and an estimated 87,000 irregular migrants.

With the world's largest merchant fleet the EU is also the biggest employer of Filipino seafarers with an estimated 130,000 working on EU-flagged including as officers and captains. The EU-Philippines Partnership and Cooperation Agreement provides a structure for deeper political dialogue on numerous issues including migration.



<http://ec.europa.eu/immigration>

EU – a major trade and investment partner of the Philippines

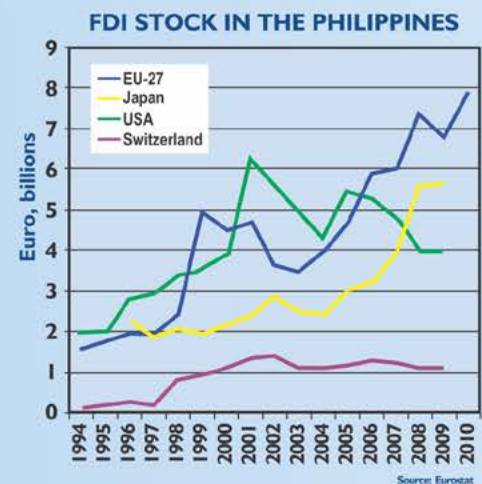
In 2011, EU-Philippines trade in goods was worth over € 9 billion, with over € 5 billion in exports from the Philippines to the EU, resulting in a € 1.1 billion trade surplus to the Philippines' advantage. The Philippines has been consistently enjoying a trade surplus vis-a-vis the EU.

The Philippines' key exports to the EU include electronics, coconut oil, transport equipment, clothing and textiles, fishery products, metal products, industrial equipment, and fruit products; while the EU's main exports are electronics, chemical products, industrial equipment, transport equipment, metal products, paper products, cereals, meat, dairy, and animal feeds.

The EU is also a major investment partner of the Philippines with an FDI stock of €7.9 billion (2010), or about 40% of total FDI stock in the Philippines. Total EU FDI flows into the Philippines have remained positive despite the economic crisis, and have been standing at €430 million in 2010 (last year of available data). On the other hand, Philippine investors have cumulatively invested some €1.7 billion in the EU as of 2010 indicating that about one third of Philippine overseas direct investment is based in the EU.

The recent purchase of Airbus planes by Philippine Airlines (PAL) is expected to have a significant impact on EU-Philippine trade figures.

The recently signed EU-Philippines Partnership and Cooperation Agreement is an important step that further strengthens economic ties. Both sides have also agreed to undertake preparatory work with a view to starting negotiations on a bilateral free trade agreement (FTA).



Renewable Energy

The EU and the Philippines share similar levels of ambition and have much to learn from each other in the area of renewable energy (RE). The EU's target is to source 20% of its final energy consumption from RE by 2020 while the Philippine Government aims at tripling its RE capacity by 2030.



Philippine companies have become world leaders in sectors such as geothermal power. Similarly, Europe has witnessed the emergence of leading RE equipment manufacturers since it introduced its first RE regulatory framework in 1990. Five of the top ten wind turbine manufacturers for the period 2001-2010 are European companies.

They provided almost 50% of the wind power capacity installed worldwide in the last decade. European products are recognised for their reliability and unrivalled customer service. EU manufacturers have also shown enough flexibility in the past to build factories and assembly lines in third countries, creating jobs and transferring technologies along the way in a clear win-win situation for both sides.



Delegation of the European Union to the Philippines

Address

30th Floor, Tower II
RCBC Plaza, 6819 Ayala Avenue
1200 Makati City, Philippines

Tel

(+63-2) 8595100

Fax

(+63-2) 8595109

Email

Delegation-Philippines@eeas.europa.eu

Website

<http://eeas.europa.eu/delegations/philippines>