



# European Union Development Assistance to the Philippines 2012

Supporting the Philippine Development Plan





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# Foreword



Welcome to the first European Union Development Assistance Brochure presenting an overview of the development cooperation between the EU and the Philippines. This document provides concrete figures and success stories on all active EU member states and for the EU Delegation to the Philippines. Globally, the EU provides more than 50% of all official development assistance and maintains its commitment to increase ODA as a percentage of GDP further. The European Union as a whole (Member States and Commission) is one of the Philippines' largest providers of development assistance, with a total of € 110 million (PhP 5.5 billion) disbursement in 2011 making the EU one of the largest grant donors to the Philippines. EU member states are together the largest shareholder of the World Bank and the Asian Development Bank and also contribute through those institutions to the development efforts of the Philippines.

The EU assistance is fully aligned with the Philippine Development Plan 2011-2016 and supports President Aquino's Social Contract with the people. We are supporting the Philippine efforts to improve governance and to fight corruption with our partners in the Government. Key social programmes such as Universal Health Care and the Conditional Cash Transfer are outstanding development efforts addressing the still too high inequality and show a direct impact for the poor. The EU is fully supporting the Framework Peace Agreement with the MILF and is delivering a significant proportion of its aid in Mindanao to ensure the success of this historic process through capacity-building and poverty alleviation efforts. Whenever a disaster is hitting the Philippines, the EU is responding fast and delivering most of the urgently needed grant assistance.

As the EU is also a major international actor on political and economic matters, policy coherence for development is a priority for the EU. The signature of the EU-Philippines Partnership and Cooperation Agreement cements a relationship that goes back decades. It marks a maturing of a partnership which has broadened and deepened remarkably in recent years. As the fourth largest trade partner and number one source of foreign direct investment, European companies have created and sustain a large number of jobs in the economy. The EU is also the second largest source of remittances of Filipinos working abroad which are important as a social safety mechanism and as a source of economic growth.

Whereas the Philippines weathered the global economic and financial crisis better than many and is growing relatively fast, the eradication of poverty and reaching the MDG's remain a challenge. Climate change, access to energy and 'inclusiveness gaps' need to be addressed. The European Union is committed to further assisting the Philippines' development process and to contribute to the equitable and inclusive growth promoted by the President.

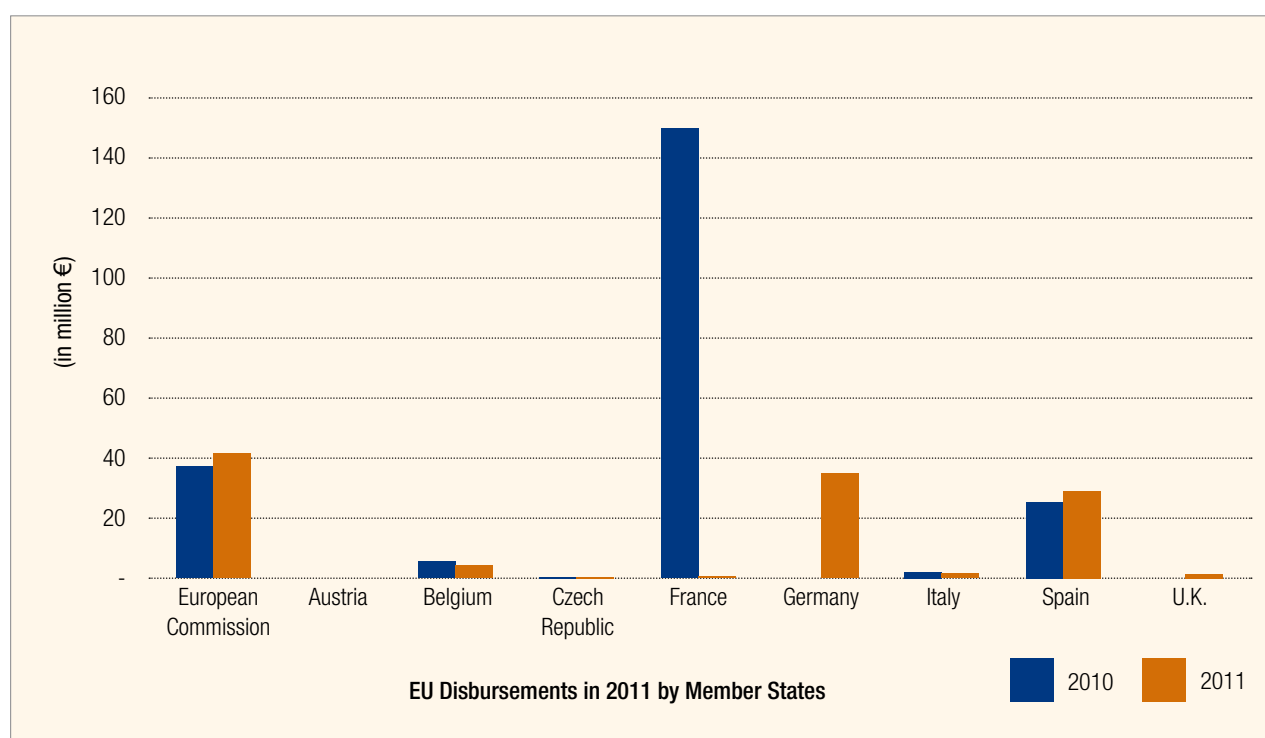
We hope that this brochure will be helpful to readers wanting to learn more about EU development cooperation in the Philippines and to serve as a practical tool for better complementarity and overall aid effectiveness.

December 2012

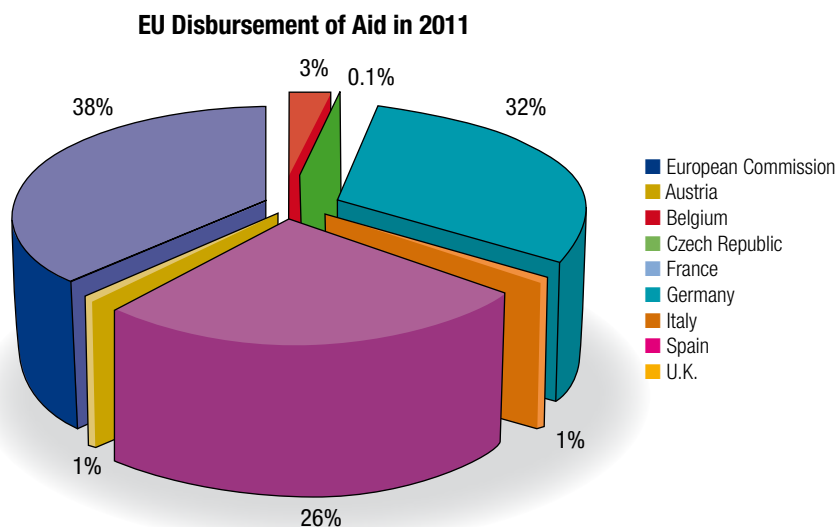
**Guy Ledoux**  
*Ambassador*  
*Head of EU Delegation to the Philippines*

# At a glance

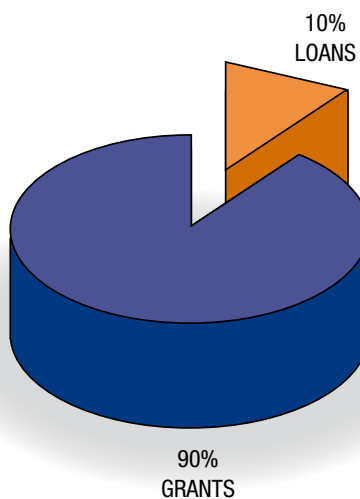
| <b>EU DISBURSEMENT OF AID BY DONOR (in €)</b> |                    |                    |
|---|--------------------|--------------------|
| <i>Donor</i>                                  | <i>2010</i>        | <i>2011</i>        |
| European Commission                           | 37,000,000         | 41,500,000         |
| Austria                                       | N.A.               | N.A.               |
| Belgium                                       | 5,237,577          | 3,250,000          |
| Czech Republic                                | 89,901             | 85,736             |
| France  | 150,000,000        | 30,000             |
| Germany                                       | N.A.               | 34,700,000         |
| Italy   | 1,500,000          | 800,000            |
| Spain   | 25,044,356         | 28,932,139         |
| U. K.   | N.A.               | 984,520            |
| <b>Total EU</b>                               | <b>218,871,834</b> | <b>110,282,395</b> |



| EU Disbursement of Aid (By Percentage) |             |             |
|--|-------------|-------------|
|  | 2010        | 2011        |
| European Commission                    | 16.90       | 37.63       |
| Austria                                | N.A.        | N.A.        |
| Belgium                                | 2.39        | 2.95        |
| Czech Republic                         | 0.04        | 0.08        |
| France                                 | 68.53       | 0.03        |
| Germany                                | N.A.        | 31.46       |
| Italy                                  | 0.69        | 0.73        |
| Spain                                  | 11.45       | 26.23       |
| U.K.                                   | N.A.        | 0.89        |
| <b>TOTAL EU</b>                        | <b>100%</b> | <b>100%</b> |



| EU Disbursements in 2011 (in €) |                   |                   |
|---------------------------------|-------------------|-------------------|
| Donor                           | Grant             | Loan              |
| European Commission             | 41,500,000        | -                 |
| Austria                         | N.A.              | N.A.              |
| Belgium                         | 3,250,000         | -                 |
| Czech Republic                  | 85,736            | -                 |
| France                          | 30,000            | -                 |
| Germany                         | 29,200,000        | 5,500,000         |
| Italy                           | 800,000           | -                 |
| Spain                           | 23,189,958        | 5,742,181         |
| U.K.                            | 984,520           | -                 |
| <b>TOTAL</b>                    | <b>99,040,214</b> | <b>11,242,181</b> |



| EU New Commitments (in €) |                   |                   |                   |
|---------------------------|-------------------|-------------------|-------------------|
| Donor                     | 2010              | 2011              | 2012*             |
| European Commission       | 34,000,000        | 34,000,000        | 24,000,000        |
| Austria                   | 0                 | 0                 | 0                 |
| Belgium                   | N.A.              | N.A.              | N.A.              |
| Czech Republic            | 180,418           | 85,736            | 23,160            |
| France                    | N.A.              | 300,000           | 330,000           |
| Germany                   | N.A.              | 24,700,000        | 40,100,000        |
| Italy                     | N.A.              | 30,090,000        | 3,000,000         |
| Spain                     | N.A.              | N.A.              | N.A.              |
| U.K.                      | N.A.              | N.A.              | N.A.              |
| <b>TOTAL</b>              | <b>34,180,418</b> | <b>89,175,736</b> | <b>67,453,160</b> |

\*Estimates



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## 2/ Overview of loans and grants disbursements from 2010-2012

### European Union

| Year | New Commitments (€) | Disbursements (€) | Number of bilateral projects (not NGO / Int.Organisation) |
|------|---------------------|-------------------|---|
|      | Grant               | Grant             |   |
| 2010 | 34,000,000          | 37,000,000        | 4   |
| 2011 | 34,000,000          | 41,500,000        | 4   |
| 2012 | 24,000,000          | 36,000,000        | 7   |
| 2013 | 45,000,000          | 35,000,000        | 7   |

## 3/ Description of approach in the Philippines

### Country Strategy Paper: Period covered from 2007-2013

Priority sectors: **Health, Trade Related Technical Assistance, Good Governance, Support to the Peace Process in Mindanao**

The bilateral EU-Philippines programme is complemented by additional funding—most of the times channelled through civil society organisations—to address specific priority issues such as social issues, the environment, attention to Indigenous Peoples, human rights and migration. There are more than 50 grant projects currently ongoing with civil society. The EU is one of the most important funders to support the Philippines in cases of natural disasters which

require emergency aid rehabilitation and disaster preparedness.

## 4/ Results of assistance to the Philippines

The focal sector of the EU country strategy is Health with significant budget support to the Universal Health Care Agenda of the Government providing free health care to the poorest Filipinos and improving health facilities and services. 85% of Filipinos are already insured including the poorest 40%. Child mortality halved over the last 15 years which was a focus of EU assistance during the same period. Life expectancy has increased and the EU is working jointly with the Department of Health to address remaining challenges particularly on maternal health and access to health services for indigenous people. About € 110 million (Php 6 billion) are provided for the three



successive budget support programmes over a decade in view of the long term partnership.

### **Trade-related assistance – fighting poverty through trade**

The EU is about to launch its 3<sup>rd</sup> phase of Trade Related Technical Assistance with the Philippines, building on successful cooperation over the last six years. This covers the areas of trade policy, standards conformity, food safety, competition and trade facilitation with the Department of Trade and Industry, the Department of Agriculture, the Department of Justice and the Bureau of Customs as key implementing partners. Recent achievements include the drafting of the Philippine Export Development plan aimed at doubling exports by 2016; preparing the Bureau of Fisheries to successfully pass food safety inspections by EU and Australian authorities, keeping these export markets open; adoption of over 250 international electrical standards as Philippine standards; successful preparation for the roll out of the National Single Window helping to cut processing time for import permits.

EU supports the Philippines anti-corruption campaign through good governance projects in the justice sector, on migration management, public finance management and local governance for more than € 30 million (Php 1.8 billion). The EU supported the Department of



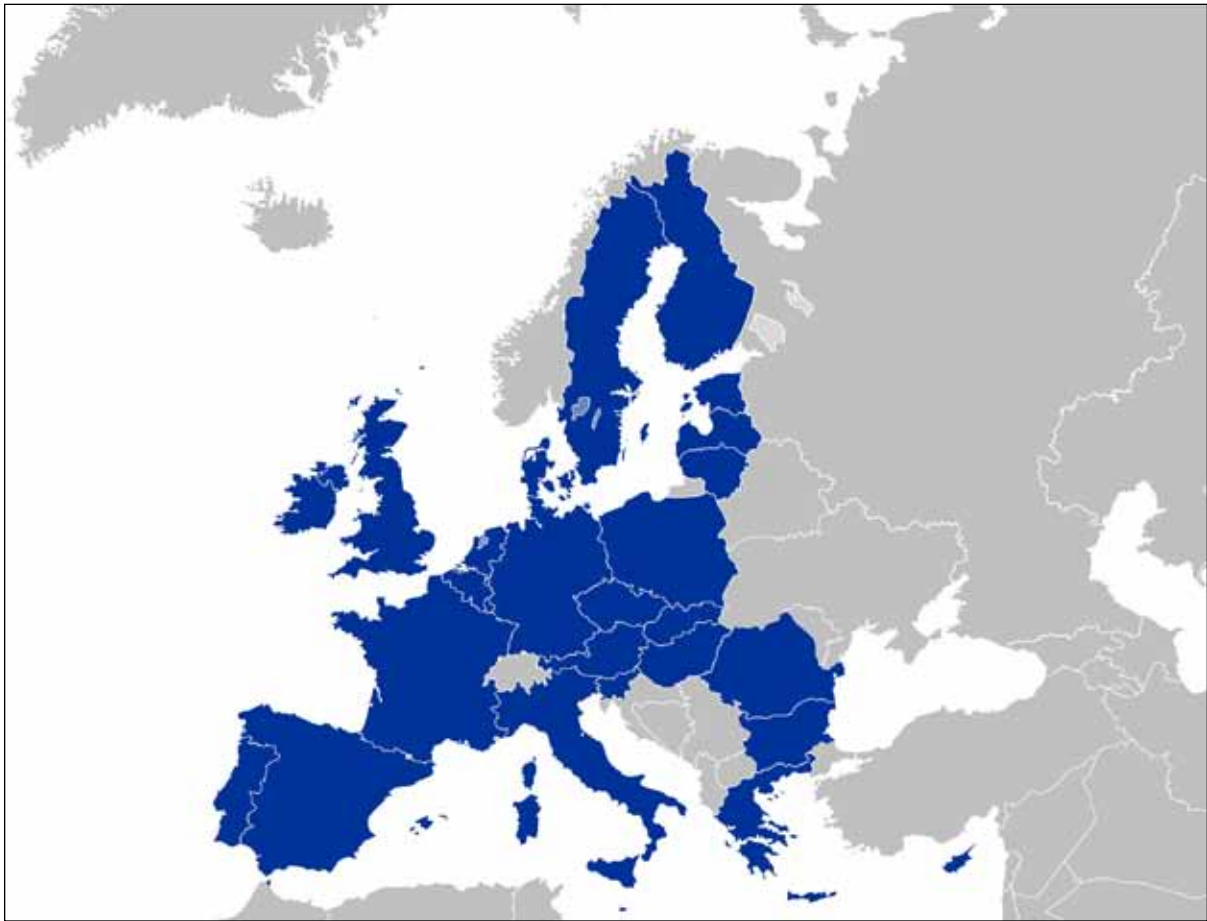
*Visit of EU Ambassador Guy Ledoux to the EU Food-for-Assets project site in Sultan Mastura, Maguindanao on 7 April 2011. The EU project implemented by WFP in partnership with DSWD, DA and DENR, supported agricultural, natural resources management and livelihood diversification for approx. 1.26 million indirect beneficiaries.*

Interior and Local Government (DILG) to develop models of participatory local governance such as G-Watch and institutionalized good practices of local governance around the country. This has allowed civil society organisations or community groups to engage with local authorities in order to improve the delivery of services and the level of transparency in the decision making. Other major good governance projects are currently in their start-up phase such as the new 'Justice for All: Enhancing Accessibility, Fighting Impunity' project with DILG and DoJ. The new Public Finance Management project will strengthen the expenditure system especially at the local level to reduce corruption and ensure more efficient spending for better public services. Migration management completes the good governance approach of the EU.

Poverty alleviation and response to crisis in Mindanao were addressed with more than €150 million (Php 8 billion) for programmes in the areas of the rehabilitation of internally displaced persons; institution-building; and increasing incomes and improving the quality of life of the most vulnerable members of society. Community-based infrastructure projects such as warehouses, solar driers, public markets, water systems as well as livelihood opportunities such as farming, provision of fishing tools and draft animals benefitted around 500,000 people living in conflict-affected areas of Mindanao.



*Mothers Forum (Super Nanay) on nutrition in Marawi City, Lanao del Sur, held in February 2011 under the EU Health project. Super Nanay sought to improve the way mothers' classes are handled, particularly in poor barangays through the use of a participant-friendly format meant to get mothers more receptive and involved.*



## 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, and on 1 July 2013, Croatia will join as the 28th Member State.



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## **2/ Description of approach in the Philippines**

The Austrian Government directly provides its contribution to the EU and has no regular bilateral development program with the Philippines. However, Austria has in the past provided and will continue to offer preferential ODA loans to the Philippines particularly for infrastructure development.

Furthermore, Austria provided € 200,000 in humanitarian assistance to the Philippines for the victims of typhoon Ketsana/Parma (Ondoy/Pepeng) in 2009.

In addition, Philippine students may avail of a postgraduate scholarship program offered by Austria to alumni from emerging markets, such as the Philippines.



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 Email: manila@diplobel.fed.be  
 Website: [http://diplomatie.belgium.be/en/policy/development\\_cooperation/](http://diplomatie.belgium.be/en/policy/development_cooperation/)

## 2/ Overview of loans and grants disbursements from 2010-2012

### BELGIUM

| <i>Year</i>   | <i>Disbursements (€)<br/>Grant</i> |
|---------------|------------------------------------|
| 2010          | 5,237,577                          |
| 2011          | 3,250,000                          |
| Estimate 2012 | 3,000,000                          |

## 3/ Description of approach in the Philippines

Belgium's involvement with the development of the Philippines started about one hundred years ago at the beginning of the 20th century, with the arrival of the CICM Missionaries and the ICM Missionary Sisters. Throughout the years, these religious congregations have established and maintained several educational and health institutions, especially in Northern Luzon. Although their numbers have been reduced because of old age and illness, several Belgian Fathers and Sisters are still continuing their commitment here in the Philippines in 2012.

Official bilateral development cooperation between Belgium and the Philippines started in 1987, and was focused mostly in the agricultural and infrastructure sectors. In 2000, the decision was taken to remove the Philippines from the list of "partner countries" of the Belgian Development Cooperation. The last official Belgian development program, the Belgian Integrated Agrarian Reform Support Programme (BIARSP), was concluded in 2007.

Currently, Belgium is mainly involved in the Philippine development cooperation through its support for NGOs who have a "framework agreement" with the Belgian Ministry of Development Cooperation. These NGOs are active in a variety of sectors, including Agriculture (DISOP, New World / Bevrijde wereld), Stimulating the local economy (TRIAS, Center for Small Entrepreneurs), Advocacy (11.11.11), Children's Rights (Vlaams Internationaal Centrum), Health (Third World Health Aid / Geneeskunde voor de Derde Wereld) and supporting the Mindanao Peace Process (Nonviolent Peaceforce, Geneva Call).

Furthermore, Belgium is also providing support for the activities of different International Organizations and UN Agencies here in the Philippines. Currently, FAO, UNDP and WFP are implementing projects and programs with Belgian support.

Each year, the Council of Flemish Universities (VLIR) and the Council of French-speaking Universities (CIUF) are also giving 35 scholarships for outstanding Filipino students and researchers who wish to study their M.Sc. or Ph.D. at a Belgian University.

Finally, in case of natural disaster or calamity, the Belgian federal government and the regional states are regularly providing emergency assistance to the Philippines. In December 2011, when tropical storm Sendong triggered huge flash-floods in Cagayan de Oro, Belgium provided € 400,000 in emergency assistance through the International Red Cross.

## 4/ Results of assistance to the Philippines

### New World and the Alcadev Agricultural School in Surigao del Sur, Mindanao



*Graduation ceremony at the Alcadev Agricultural School in Lianga, Surigao Del Sur (March 2011)*

The Alcadev School in Han-ayan, Diatagon, Lianga Municipality, Surigao del Sur, Mindanao, which is supported by the Belgian NGO “New World” (Bevrijde Wereld), provides basic education with agricultural skills for the youth of the Lumad Indigenous People. Alcadev trains the students to become channels for introducing agricultural techniques and knowledge into their communities, while responding to their needs suited to their culture, including the protection of land and the environment.

In March 2011, 20 Alcadev graduate students, of which 14 girls and 6 boys, were honored by the Belgian Embassy after having been confirmed graduates for the school year 2010-2011. This batch has made a breaking record with 17 graduates (100% of those taking the test) passing the Accreditation and Equivalence (A&E) test organized by the Department of Education – Bureau of Alternative Learning System, which is

quite an achievement for an alternative learning school.

### Belgium and FAO provide agricultural assistance to flood-affected farming communities after Tropical Storm Ketsana & Typhoon Parma



*Handing-over of agricultural inputs to the Mayor of Tuba Municipality, Benguet Province*

During the months of September and October 2009, the Northern parts of the island of Luzon were affected by a series of weather events, including tropical storm Ketsana and Typhoon Parma. In response to the sequence of natural disasters, and to complement the ongoing efforts of the Philippine Government to restore and strengthen food security in the worst affected vulnerable farming and fishing communities, the FAO implemented an “Immediate Agricultural Assistance and Agriculture Emergency Rehabilitation” intervention, for which the Belgian government provided a grant of US\$ 1,500,000 (€ 1,100,000). This FAO intervention contributed to the immediate recovery of 16,500 vulnerable farmer families.



## 1/Contact Information

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## 2/ Overview of loans and grants disbursements from 2010-2012

### CZECH REPUBLIC

| Year          | New commitments<br>(€) | Disbursements<br>(€) | Number (amount) of<br>bilateral projects (not<br>NGO / Int. Organisation) |
|---------------|------------------------|----------------------|---|
|               | Grant                  | Grant                |   |
| 2010          | 180,418                | 89,901               | 1   |
| 2011          | 85,736                 | 85,736               | 2   |
| Estimate 2012 | 23,160                 | 3,238                | 1   |

## 3/ Description of approach in the Philippines

Priority sectors: Health, Humanitarian Aid, Education, Environment

For the year 2010-2012: 50% of ODA is allotted for Health, 39% for Humanitarian Aid,  
 9 % Education and 2 % for the Environment

| Sector for<br>Intervention | Project Title  | Grant (In €)   | Grant (in<br>Czech<br>Crowns) | Percentage  |
|----------------------------|--|----------------|-------------------------------|-------------|
| Education                  | Advanced Education Pilot Project in the English Language   | 15,736         | 388,751                       | 8.80 %      |
| Humanitarian Aid           | Emergency Relief after Typhoon Sendong/Washi   | 70,000         | 1,729,350                     | 39.13%      |
| Environment                | Establishing a Philippine Tarsier Conservation Programme   | 3,238          | 80,000                        | 1.81%       |
| Health                     | Assistance at the Measures – ensuring reliable and sustainable drinking water after damages caused by catastrophic typhoon | 89,901         | 2,221,000                     | 50.26%      |
| <b>Total</b>               |  | <b>178,875</b> | <b>4,419,101</b>              | <b>100%</b> |

## 4/ Results of assistance to the Philippines

### Humanitarian Aid

In December 2011, the Czech Republic provided emergency relief due to typhoon Sendong/Washi amounting to € 70,000 through IFRC – International Federation of Red Cross and Red Crescent Societies.

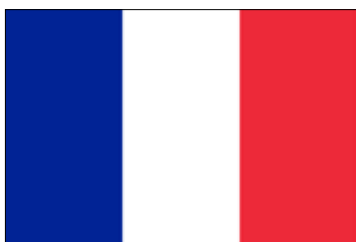
### ODA project: Ensuring Reliable and Sustainable Drinking Water Supply for Manila After Damages caused by catastrophic typhoon

The Czech Republic is engaged in a project focused on the restoration of the Umiray Hydro power plant damaged by typhoon in 2004. The objective of the project is to support the improvement of living conditions of the poor areas of northern Metro Manila by increasing the safety, reliability and quality of the drinking water supply.

### ODA Local Small scale project – Advanced Pilot Project in the English Language

This project focused on the improvement of the education system in the Philippines and was implemented in the Ilocos Sur Community College in Vigan in cooperation with Cyber Asia Learning Systems Inc. as the local partner. Reconstruction of the education premises, establishment of a special classroom – language laboratory and installation of computers & software configuration have been carried out.





## 1/Contact Information

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## 2/ Overview of loans and grants disbursements from 2010-2012

### FRANCE - AFD

| Year          | New commitments (€) |         | Disbursements (€) |         | Number (amount) of bilateral projects (not NGO / Int.Orgn) |
|---------------|---------------------|---------|-------------------|---------|--|
|               | Loan                | Grant   | Loan              | Grant   |  |
| 2010          |                     |         | 150,000,000       |         | 1  |
| 2011          |                     | 300,000 | -                 | 30,000  | 1  |
| Estimate 2012 |                     | 330,000 | -                 | 245,000 | 6  |

### 3/ Description of approach in the Philippines

Country Strategy Paper: Will be defined in 2013  
 Priority sectors: Climate change, Environment, Support to LGUs

France's Official Development Assistance is, for the most part, implemented by the Agence française de développement (AFD – *French Development Agency*). AFD is a bilateral finance institution, which can extend project loans to the Government of the Philippines and public entities, as well as implement technical assistance and studies in the context of its projects. AFD has been operating in the Philippines since 2010, with the specific mandate of supporting the country's path towards green and inclusive growth. AFD's priorities are to support the Government of the Philippines's implementation of environmental and climate change legislation, in particular at the level of local governments.

The Embassy of France also supports cooperation projects between France and the Philippines, in particular in the areas of scientific and academic cooperation.

### 4/ Results of assistance to the Philippines

#### Supporting local environment and climate change action

With the advent of climate change, cities have not been able to properly address the subsequent environmental and social issues, as a result of both constraints in their capacity to generate revenues and limited technical and human capacity. AFD has put the support to building local sustainable development paths at the heart of its intervention in the Philippines. AFD started its activities in the country in 2010 by financing, in partnership with the Asian Development Bank, the implementation of the second phase of a national program in favour of Local Government Units (Local Government Financing and Budget Reform/





*Artist's design for Cebu BRT project (Credit: ITP)*

LGFBR). This program supported the Government of the Philippines in its efforts to strengthen LGUs' capacity to plan and budget for the general welfare of their constituent communities in a transparent and accountable way. It contributed to improved efficiency and effectiveness in the delivery of basic public services, including environmental services, to residents by increasing fiscal resources and financing options for LGUs.

In connection with the LGFBR, AFD also provides a grant-funded technical assistance to the cities of Santa Rosa (Laguna), Dagupan and General Santos, which aims at supporting local climate change action planning, in the framework of the requirements of the National Climate Change Action Plan. The technical assistance (2012-13) accompanies the cities in diagnosing vulnerabilities and risks, identifying priorities and objectives, mainstreaming climate change and environmental issues within the Comprehensive Development Plan and Comprehensive Land Use Plan, and investigating priority projects and sources of funding.

### **Transforming Cebu's urban transport system**

Metro Cebu is the second largest metropolitan area of the country and an expanding financial, commercial and administrative hub for the Visayas region. Economic growth in Cebu has resulted in increased motor vehicle ownership; leading to greater fossil fuel use, higher carbon emissions, local air pollution, noise, increasing traffic accidents and congestion. In the absence of a coordinated response, the transport situation is likely to get worse, further impacting on the

environment, the economy and people's mobility. In order to address these challenges, a Bus Rapid Transit (BRT) system, named TransCebu, will be\* implemented by the Department of Transport and Communications and the Cebu city government along a 16 km corridor crossing the city from Talamban to Bulacao. This project, to be financed by the Clean Technology Fund, the World Bank and AFD, will provide a premium quality, economical, user-orientated and fast mass transit system that will appeal to the entire spectrum of residents, workers and visitors to Cebu. It will also significantly improve the traffic situation at city scale, through the implementation of an area wide traffic control system and traffic management measures.

Benefits will include the improvement of air quality along the bus corridor and across the city. A study financed by AFD demonstrated that current air pollution levels along Cebu's main roads significantly exceed international standards, causing potential threats to the health of commuters and city dwellers, in particular children and the elderly. Based on forecast, the Cebu BRT will potentially induce more than \$ 100 million in savings in terms of health cost to the metropolis.

This innovative BRT project, the very first in the Philippines, will be completed and operated by 2015 and have a demonstrative value for further development in Philippine highly urbanized cities.

\*Still to be approved by the NEDA board at the date of publication – December 2012.



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## 2/ Overview of loans and grants disbursements from 2011-2012

### GERMANY

| Year | New commitments (€) | Disbursements (€) |            | Number of bilateral projects |
|------|---------------------|-------------------|------------|------------------------------|
|      | Grant               | Loan              | Grant      |                              |
| 2011 | 24,700,000          | 5,500,000         | 29,200,000 | about 50-60                  |
| 2012 | 40,100,000          | 6,400,000         | 500,000*   | about 50-60                  |

\* complete figures for 2012 not yet available

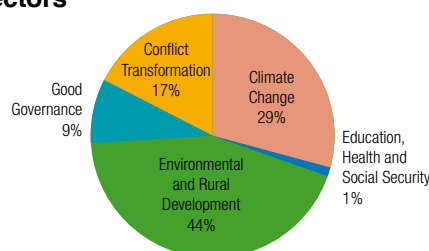
## 3/ Description of approach in the Philippines

German-Philippine development cooperation started in 1961 and is traditionally divided into two main components: technical and financial cooperation. While the technical cooperation projects are implemented by the German development agency GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), the financial cooperation is implemented by the Development Bank KfW (Kreditanstalt für Wiederaufbau). The first projects in financial cooperation date back to 1961, while technical cooperation began in 1971.

The focus of technical German development cooperation lies in the area of “crisis prevention and conflict transformation”. The regional focus has been shifted from the Visayas island group to the Caraga region on the southern Philippine island of Mindanao.

As one of the “mega-diversity” countries, the Philippines host a large share of the world's biodiversity. Due to their location on the Pacific Ring of Fire, the Philippines is particularly vulnerable to natural disasters. For these reasons, environmental protection, rural development and climate change remain to be the priority areas (see pie chart).

### Distribution of Technical Cooperation by Sectors\*



\*Technical Cooperation of GIZ in the Philippines (only bilateral programs)

In recent years, the focus of German development cooperation in the Philippines has increasingly shifted to projects related to the environment, climate protection and adaptation to climate change.

Germany is assisting the Philippines in the International Climate Initiative (ICI) through support of the Federal Ministry for the Environment. In fact, there are currently 9 bilateral projects ongoing in the environmental sector.

In financial cooperation, KfW is engaged in three focal areas: (1) Sustainable Economic Development; (2) Environment and Natural Resource Protection including water supply and climate protection; and (3) Health. Future

cooperation will concentrate on Peace Development and Conflict Resolution in the Caraga Region in Mindanao.

Furthermore, Germany funds development activities of about 20 German NGOs, as well as the churches and the political foundations affiliated with major political parties in Germany, and gives humanitarian assistance.

In addition to the Philippine Government departments and agencies, GIZ works together with the European Union (EU), the Asian Development Bank (ADB), other bilateral donors such as Australia, as well as with local authorities and NGOs, the private sector, business associations and educational and research institutions.

#### 4/ Results of assistance to the Philippines

##### Crisis Prevention and Conflict Transformation

Poverty reduction and conflict transformation are focal points of the German cooperation with the Philippines. GIZ's support to the Philippine-German Conflict Sensitive Resource and Asset Management (COSERAM) Program aims to ensure that governance of natural resources and assets is implemented in a peaceful and sustainable manner, benefiting the community.

The target group of the program is the disadvantaged poor population, people affected by land-based resource conflicts, indigenous peoples and women in Caraga Region of Mindanao – one of the poorest and resource richest areas of the country. In the framework of the German Civil Peace Service, GIZ seconds Civil Peace Experts to partner organizations all over Mindanao to strengthen local capacities for peace, to foster understanding, and to resolve conflicts in a non-violent way.



##### Fit For School

The GIZ also supports Southeast Asian governments in the implementation of school-based health programs to prevent hygiene deficiency-related diseases like diarrhea, itchy skin diseases, worm infections and dental caries: The Philippine Government's Essential Health Care Program (EHPC) institutionalizes daily hand washing with soap, tooth brushing with fluoride toothpaste, and bi-annual deworming, nationwide as group activities in elementary schools. Supported by the NGO Fit for School Inc. and GIZ it targets over two million Philippine children.

##### Small-scale development projects of the German Embassy: Water supply system in La Union

The German Embassy itself undertakes the so-called Small-Scale Projects in the Philippines which are intended to directly improve the quality of life of poor families, especially in rural areas.



The Embassy supported the construction of a water supply system for more than 2,000 beneficiaries, including an elementary and high school, in Parasapas, La Union. A spring in the mountains about 3km away from the households now serves as the source of the gravity-fed water system. 20 public faucets with wash pans were constructed in cooperation with the provincial and local governments and the help of the beneficiaries through their labor.

In the past, the residents had to rely on water through a water system that became unpredictable and insufficient during the summer months. The water shortage also posed a health hazard by making it difficult to implement proper hygiene. With the new water system in place, the problem of water shortage has been addressed and residents can devote their time to income generating activities instead of fetching or collecting water.



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## 2/ Overview of loans and grants disbursements from 2010-2012

### ITALY

| Year          | New commitments (€) |           | Disbursements (€) |           |
|---------------|---------------------|-----------|-------------------|-----------|
|               | Loan                | Grant     | Loan              | Grant     |
| 2010          |                     |           |                   | 1,500,000 |
| 2011          | 26,190,000          | 3,900,000 |                   | 800,000   |
| Estimate 2012 |                     | 3,000,000 | 6,590,000         | 1,400,000 |

### 3/ Description of approach in the Philippines

Priority sectors: Trade and Rural Technical Assistance, Support to the Peace Process in Mindanao, Environment, Education, Animal Health

- From the Government of the Philippines, a total counterpart of € 14,438,463 equivalent to Php 722 million.

The main objective of the IARCDSP is to contribute to the improvement of the living conditions of about 53,000 rural families in five provinces of Regions XII and ARMM in Mindanao, specifically in about 35 ARCs (Agrarian Reform Communities) in the provinces of Sarangani and Sultan Kudarat in Region XII, and the provinces of Maguindanao, Shariff Kabunsuan and Lanao del Sur in ARMM.

### 4/ Results of assistance to the Philippines

#### Trade and Rural technical assistance and Support to the Peace Process in Mindanao

In December 2012, Italy will launch the "Italian Assistance to the Agrarian Reform Community Development Support Program" (IARCDSP) in Mindanao, an ambitious project of around € 27,450,000, to be disbursed over 6 years. The total IARCDSP budget requirement is € 41,979,091 equivalent to Php 2.1 billion and shall be financed through the following:

- From the Government of Italy, a soft loan of € 26,190,016 equivalent to Php 1.3 billion, and a Technical Assistance grant of € 1,350,612 equivalent to Php 68 million which will include Italian Technical experts composed of a Chief Technical Advisor (CTA), an Engineer and a Microfinance Specialist, and seven (7) national consultants.

To achieve the objectives and purposes, the Program consists of four interrelated components:

1. Agricultural Enterprise Development – to increase and stabilise production, develop new market opportunities, promote use of improved technologies, improve crop diversification and create new entrepreneurial activities according to the farmers' needs.
2. Local Capacity Building Support component – to improve competitiveness in agriculture sector. Technical assistance for capacity building and strengthening, based on a learning-by-doing approach will be implemented through strengthening of farmers' organizations and community

- development, training of LGU implementers and provision of equipment for LGUs.
3. Community Infrastructure Development Support component – to provide production, access and social infrastructure (rural roads and bridges; rehabilitation of irrigation systems and development of small scale irrigation for diversified farming; potable water systems and latrines; post-harvest and storage facilities; health/day care centres, multipurpose halls, public markets, etc.).
  4. Program Management component – to provide support to supervision and administration in order to effectively implement the program.

The program will contribute in strengthening the **Peace Process** in Mindanao, particularly in the aftermath of the recent signing of the Peace Framework Agreement between the GoP and the MILF. The extreme poverty, political marginalization and social exclusion experienced by the minority Muslim population, exemplified by the low socio-economic development in the Autonomous Region of Muslim Mindanao (ARMM) are also felt by Muslims outside the ARMM. Hence, the project seeks to address the sources of grievances of previously conflict-affected communities and will prioritise its interventions in these areas in order to accelerate barangay-focused rehabilitation and development.



*Ambassador Fornari signing the Agreement for the IARCDSPP with Secretary De Los Reyes in Cagayan De Oro, 23 March 2011, witnessed by H.E. Benigno S. Aquino III.*

### Animal Health

Since 2005, Italy is the only sponsor to the **Sub-Regional Environmental Animal Health Management Initiative for Enhanced Smallholder**

**Production in South East Asia**, an institutional strengthening and capacity building project of the Food and Agriculture Organisation of the United Nations (FAO). The project, initially started in the Philippines, has shown great success and results, and has therefore been extended, on their request, to Cambodia, Lao PDR, Myanmar, and Viet Nam. The Government of Italy has renewed its contribution last January 2012, with a new pledge of EUR 1.2 million for the 3<sup>rd</sup> phase of the project, until June 2013. The Environmental Animal Health Management Initiative (EAHMI) is contributing to sustainable agricultural and rural development by promoting an interdisciplinary, holistic approach to animal health management for enhanced and environmentally sound and responsible forms of animal production, including: integrated animal disease management; improved animal husbandry and farm management practices; and the balanced use of natural resources aimed at reducing disease transmission risks from animal to animal, and animals to people.

### Disaster Relief

On the occasion of the tragic transit of Typhoon Sendong over some provinces of Mindanao, in December 2011, the Government of Italy urgently organized a humanitarian flight carrying 40 tons of first relief goods (tents, tarpaulin, water purifiers, emergency kits, etc.), for a total value of over € 500,000. The flight solution made possible to offer immediate concrete help to the victims, avoiding the time-consuming procedures (particularly in a situation of great emergency) of sourcing the material on the market.



*First Secretary – Deputy Head of Mission Alfonso Tagliaferri briefing some journalists on the occasion of the official turn over Ceremony (Cagayan De Oro, 28 December 2011).*



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## 2/ Overview of loans and grants disbursements from 2010-2012

### SPAIN

| Year          | Disbursements (€) |            | Number (amount) of bilateral projects (not NGO / Int. Orgn) |
|---------------|-------------------|------------|---|
|               | Loan              | Grant      |   |
| 2010          | 8,729,931         | 16,314,425 | 15  |
| 2011          | 5,742,181         | 23,189,958 | 14  |
| Estimate 2012 |                   | 8,228,954* | 9*  |

\* Period Covered from January 2012 to September 2012.

## 3/ Description of approach in the Philippines

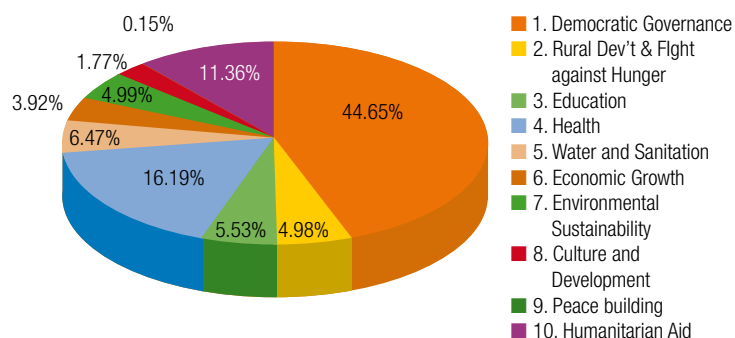
The Philippines is a priority country for the Spanish Cooperation. During the past 20 years, the Spanish Cooperation has been conducting activities that allowed the Philippines to become one of the major beneficiaries of Cooperation in Asia. The Spanish Cooperation in the Philippines is structured around three pillars:

- Bilateral Cooperation.
- Cooperation channeled through NGOs.
- Multilateral Cooperation.

### Country Strategy Paper:

The Spanish-Philippines Cooperation Relations are framed by the **Philippines Strategic Paper 2005-2008** which was however extended until the elaboration of the new Strategic Partnership Framework of the Spanish Cooperation in the Philippines 2012-2016. As soon as it is concluded, this agreement will replace the current Strategic Paper.

### Sector distribution of ODA in the Philippines in 2010



### Priority sectors:

In recent years, the priority sectors have been the following:

- Good Governance;
- Education;
- Health; and
- Support to the Peace Process.

It is also important to highlight the actions relating to humanitarian and emergency aid.

Priority areas:

The Spanish Cooperation priority geographic areas are:

- Region V (Bicol). Provinces of Camarines Norte, Camarines Sur, Albay, Sorsogon, Catanduanes and Masbate.
- Mindanao, with special focus on the Caraga region (provinces of Agusan del Norte, Agusan del Sur, Surigao del Norte, Surigao del Sur) and the Zamboanga Peninsula.

In terms of **humanitarian and emergency aid**, the Spanish Cooperation is ready to assist LGUs and provide a quick response all over the country in a partnership with the Government of the Philippines and Civil Society Organizations.

## 4/ Results of assistance to the Philippines

### Good Governance: PODER



Poder y Prosperidad de la Comunidad Project is a special project implemented by the Department of Social Welfare and Development (DSWD) with funding

assistance from AECID. This project believes in the capacity of the people to answer their own needs and control their resources and for this reason adopts the community-driven development (CDD) processes and principles of the KALAHÍ-CIDSS' framework. PODER has been running for the past seven years and has covered different barangays, municipalities and provinces in Central Luzon, Bicol and Caraga.

The program has three components namely:

- Social Preparation, Capacity Building and Implementation Support. The project ensures that communities are trained and involved in the whole project cycle.
- Provision of Seed Funds for Small Projects. The Project provides funding, in support of the CDD technology and has an open menu system for small-scale community projects.
- Monitoring and Evaluation. The Project is designed to provide continuous learning and adjustment of its approach and involves community, external NGO and media.

Numerous communities in the selected provinces have benefited from multiple sub-projects such as: water system, drainage system, day care centers, bridge construction, road rehabilitation, school building, flood control system, multi-purpose center, post harvest facilities, among others.

### Education: Escuela Taller Project



Intramuros Escuela Taller is a project of vocational training related to the recovery of the cultural heritage. This project is funded by the Spanish Cooperation (AECID) in association with the National Commission for Culture and the Arts (NCCA), and the Intramuros Administration (IA). This project provides basic education and training to the students in restoring its cultural heritage and in addition, offers professional practice during their training.

Housed in the historic *Revellin de Recoletos* (Intramuros), the Escuela Taller opened its doors in 2009 to 75 men and women from the BASECO compound aged 17-25. At present, more than 130 men and women have been certified by TESDA in the masonry, painting and finishing, plumbing, electricity, carpentry and wood carving sectors. From the inception of the program until present, the school workshop has produced a good number of top caliber students that are highly talented.

### Health: Sector support to Universal Health Care

Since 2009 the AECID has been supporting the Health Sector Reform Agenda using the budget support approach through the FOURmula One for Health framework adopted by Department of Health (DoH) in 21 provinces of Bicol and Mindanao. This project has had four consecutive phases with a total budgetary allotment of € 11,500,000.

The primary objectives of this budgetary support are to:

- Improve the accessibility, quality and governance of public health services.
- Contribute to the achievement of health related Millennium Development Goals.
- Support the Government reform efforts in public expenditure and public finance management.

Spanish support focuses mainly on strengthening the primary health care services, converting rural health centers into facilities which offer basic emergency obstetric care, through the rehabilitation or reform of existing centers and equipping them in accordance with the standards of the DoH. In addition, the budgetary support allows efficient management of local public finance of the health system resources.



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## 2/ Overview of loans and grants disbursements from 2010-2012

Most of the embassy's project funds are coursed through NGOs with government agencies as beneficiaries. In the future, the embassy intends to course funds directly to strategic government partners.

### UNITED KINGDOM

| Year                    | New commitments (€) |
|-------------------------|---------------------|
|                         | Grant               |
| April 2011 – March 2012 | 280,768*            |
|                         | 172,180**           |
|                         | 212,350***          |
|                         | 319,222****         |

- \* Prosperity and Human Rights & Democracy Fund: Php 15,154,936  
 \*\* Bilateral Fund: Php 9,200,000  
 \*\*\* DfID supported programmes: GBP 174,511  
 \*\*\*\*Chevening Scholarships: GBP 260,000

## 3/ Description of approach in the Philippines

Priority sectors: Economic Reform, Climate Change, Human Rights and Democracy, Support to the Peace Process in Mindanao

Aside from the bilateral fund, the Embassy has access to the following regional funds that accept bids:

1. Prosperity Fund – focused on economic reform and climate change; prioritises multi-country projects in SE Asia.
2. Human Rights and Democracy Fund – focused on electoral reforms and promotion of adherence to international human rights standards.

## 4/ Results of assistance to the Philippines

### 1. We Govern (Gender and Development)

Although there are many good laws passed in the country to uphold and protect the rights of women, there are gaps in the enforcement of these laws. WeGovern Institute sought to address this gap through its work on advancing the implementation of the Magna Carta of Women. The project was able to form a core group of women leaders. Many members of this core group were grouped into Women's Desks and Gender and Development Councils at the local levels, while some were appointed as focal persons. The project gained initial successes and gathered important lessons. For one, the institute realized that it is always important and necessary to create a mechanism that will continue to enable and empower women and to help develop the women's desk at the local level. This mechanism will actively follow up on the opportunities for engaging women on the ground to be active, if not directly in politics and governance, in other activities such as protection of children and the elderly. At the end of the project, awareness raising will continue and new women leaders and initiatives will emerge.





*Congresswoman Liza Maza meeting with different barangay representatives to network and organize the women for the leadership training seminars.*

### 1. E-jeepney

The longstanding partnership of the British Embassy with the Institute for Climate and Sustainable Cities (iCSC) on the promotion of electric vehicles (EVs) in the country has successfully launched the first E-jeepneys in 2007. The production of the first domestically-made Ejeepney and the launching of the electric public vehicle-dedicated Makati Green Routes in 2008, led to the approval of the first Land Transportation Office (LTO)-registered Ejeepneys in 2009. The first electric vehicle commercial franchise was acquired in 2010. Then in 2011, launched the EV battery swapping station project in Makati. The EV initiatives have generated interests in both public and private sectors. Some commercial banks have even opened an EV financing window with engagement with local governments.



*Ambassador Stephen Lillie drives an e-jeepney with iCSC Executive Director Red Constantino for a low-emissions vehicle event last March 7, 2012.*

### 2. A Liga Policy Institute (Budget Tracking of Environmental Funds) – partner now involved in advising DENR on how the fund can be utilised

La Liga Policy Institute worked on the budget tracking of the Air Quality Management Fund and the Renewable Energy Trust Fund. The project identified issues and challenges that hinder their effective utilization and proposed recommendations to contribute in making the funds work for their intended mandates. These were done through the budget tracking researches on the AQMF and RETF, dialogue and interviews with relevant government offices and public presentation of the researches to government agencies involved in the management of these funds, and to citizens' groups doing similar budget reform advocacies and the media. The resulting research papers are now under consideration by DENR and Congress.

# 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.



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