

## **Japan - Philippines Joint Statement On Bilateral Cooperation for the Next Five Years**

**30 October 2017**

His Excellency Rodrigo Roa Duterte, President of the Republic of the Philippines, visited Japan from 30 to 31 October 2017, in response to the invitation from the Government of Japan. During the Summit Meeting held on 30 October, His Excellency Prime Minister Shinzo Abe and President Rodrigo Roa Duterte affirmed that they would further strengthen the "Strategic Partnership" of Japan and the Philippines.

The two leaders also positively noted the recent progress in the General Review of the Japan-Philippines Economic Partnership Agreement (JPEPA) and affirmed that both sides would continue the discussion on the General Review of JPEPA with the view to further deepening the economic relationship between Japan and the Philippines.

In order to support the realization of the Philippines' long-term vision "AmBisyon Natin 2040," Prime Minister Abe emphasized the intention to steadily implement the contribution totaling one trillion yen over the next five years to be made through public and private sector engagement, which was announced during his visit to the Philippines in January 2017, and to actively extend support to the efforts of the Duterte Administration based on the "Philippine Development Plan 2017-2022." President Duterte expressed appreciation for Japan's expression of support.

The two leaders affirmed the outcome of discussions in the meeting of the Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation, which was convened three times this year. The two leaders affirmed their respective governments' commitment to pursuing the quick implementation of the projects discussed by the Joint Committee over the next five years.

### **1. Major Fields of Cooperation**

#### **(1) Infrastructure Development in Metro Manila and the Regions**

The Government of Japan will strongly support the sustainable economic development of the Philippines by extending quality infrastructure assistance, utilizing Japan's funding and technology to the maximum extent, for domestic infrastructure development actively promoted under the slogan of "Build-Build-Build" by the Government of the Republic of the Philippines.

In order to address issues arising from urbanization in Metro Manila, especially the serious traffic congestion and to vitalize other areas outside of Metro Manila expected to become hubs in the regions, the two governments

will cooperate on the implementation of the following infrastructure development projects:

<Railway projects>

- In order to provide a fundamental solution to the traffic congestion in Metro Manila, the Government of Japan will assist in the development and implementation of the Metro Manila Subway Project and the North-South Commuter Railway Project. Towards this end, for the Subway project with an estimated total project cost of eight hundred billion yen (or about three hundred fifty-six billion pesos), the Government of Japan will consider in good faith extending a yen-loan amounting to approximately six hundred billion yen, in proportion to the actual demand for funding. The Government of Japan will also extend support for the integral development plan of the North-South Commuter Railway covering about 180 km between Clark, Pampanga and Los Baños, Laguna, with the understanding that yen-loan will also be extended for this project. Moreover, the two governments will finalize the basic concept for the establishment of the Philippine railway institute, including assistance for its physical construction as well as operational needs. The two Governments will further cooperate towards the quick and sure commencement of operation of these railway projects.

<Regional development including improvement of roads and bridges>

- In order to enhance the connectivity between Metro Manila and surrounding areas in the regions and to develop regional cities, the Government of Japan will swiftly support the implementation of the Arterial Road Bypass Project (Plaridel Bypass). The Government of Japan and the Government of the Republic of the Philippines will also cooperate to swiftly formulate concrete projects for vitalization of regional areas, based on the review of the "Roadmap for Transport Infrastructure Development for Metro Manila and its Surrounding Areas", as well as the results of studies on the "Master Plan on High Standard Highway Network Development," the "Master Plan Study and Institutional Development on Urban Transport System Development in Metro Cebu Project," and the "Davao City Infrastructure Development Plan and Capacity Building Project," among others.

<Infrastructure projects for disaster prevention>

- In order to enhance the Philippines' resilience against natural disasters, the Government of Japan and the Government of the Republic of the Philippines will cooperate to swiftly implement the Cavite Industrial Area Flood Risk Management Project. In addition, the Government of Japan will also accelerate project formulation for the Project for Developing Flood Forecasting and Warning System for Cagayan de Oro River Basin, the Project for Master Plan and Feasibility Study on Flood Control and Drainage in Davao City in Mindanao, and the Project for Pasig-Marikina River Channel Improvement, and will study the possibility of project

formulation for Paranaque Spillway Project in Metro Manila by conducting basic research.

## (2) Energy

The Government of Japan proposed the “Power Sector Action Plan in the Philippines” in March 2017 in order to support the resolution of the issues in the energy field in the Philippines, such as future growth of demand for electricity associated with the steady growth of the Philippines economy, decrease in natural gas production from the domestic gas fields, and the existence of areas with low rate of electrification. Based on the said Action Plan, the following projects for cooperation will be implemented:

### <Power>

- Cooperation for the improvement of power generation efficiency as well as electrification rate will be promoted in order to introduce high-quality infrastructure for power generation throughout the Philippines.

### <LNG>

- Japan initiated the introduction of LNG in the Philippines by conducting feasibility study funded by the Ministry of Economy, Trade and Industry (METI) of Japan.
- Cooperation will be promoted to realize the construction of the LNG receiving terminal and related infrastructure in Batangas which is being planned by the Government of the Republic of the Philippines.

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## (3) Creation of Employment and Improvement of Living Standards

- In order to support the Government of the Republic of the Philippines' target to become a middle-income country where poverty is completely eliminated, the Government of Japan, with the cooperation of the Government of the Republic of the Philippines, completed “Japan's Inputs towards the Formulation of Industry Vision of the Philippines - Industrial Development Scenario for ‘No One Left Poor’ –.” This Vision was delivered by Mr. Hiroshige Seko, Minister of Economy, Trade and Industry, to Mr. Ramon M. Lopez, Secretary of Trade and Industry, in September 2017. It proposes the direction of policies leading to the creation of employment and the improvement of living standards in the Philippines and describes examples of concrete measures focused on the three fields of "Creation of Large-scale Employment", "Creation of High-value-added Employment" and "Creation of Employment through Local Industry Development." Towards the realization of this Vision, the Government of Japan will implement the following cooperation:

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### <Industrial development>

- For the industrial development leading to the creation of employment and improvement of living standards, the Government of Japan will extend

assistance for developing local supporting industries to participate in the global manufactory value chains including in the automobile industry, and cooperate for start-ups creating innovation and new industries. The Government of Japan will also cooperate including through providing information for policy making and capacity building of government organizations under the Industrial Cooperation Dialogue. .

<Industrial human resource development>

- In order to develop industrial human resource to contribute to industrial development in the Philippines, the Government of Japan will extend assistance for local endowed courses including by providing internship opportunities in cooperation with Japanese companies, and assistance for colleges and vocational training schools nurturing skilled and engineering human resource. Based on Japan's experience as a great manufacturing country, the Government of Japan will support the Philippines through industry-government-academia cooperation to enrich and advance the education that leads to creation of employment. Moreover, the Government of Japan will provide academics and government officials of the Philippines, who will play important roles in advancing education and research, with opportunities to acquire higher education degrees by studying in Japanese educational institutions.

(4) Mindanao

Recognizing that peace and stability in Mindanao contribute to peace and prosperity of Asia as a whole, the Government of Japan has long been providing assistance for peace and development in Mindanao. Since 2006, the Government of Japan has implemented concentrated assistance for community development, human resource development, institutional building and sustainable economic development under the banner of "Japan-Bangsamoro Initiatives for Reconstruction and Development (J-BIRD)."

<Reconstruction of the City of Marawi and its surrounding areas >

- Welcoming the recent liberation of the City of Marawi that was declared by President Duterte on the 17 October, the Government of Japan recognize that rehabilitation and reconstruction of the City of Marawi and its surrounding areas is extremely important for the Government of the Republic of the Philippines, and will extend the utmost support towards that end. The Government of Japan will swiftly implement the provision of equipment for the rehabilitation and reconstruction of the City of Marawi and its surrounding areas. In addition, based on post-conflict needs assessment and a master plan for reconstruction to be made by the Government of the Republic of the Philippines, the Government of Japan will also consider providing further assistance including possible support for road construction and improvement. The Government of Japan will consult with the Government of the Republic of the Philippines on building society that is resilient to radicalism.

<Enhancement of J-BIRD>

- It is important for local residents to be able to feel the dividends of peace in order to achieve sustainable security and development in Mindanao. To make this happen, the Government of Japan will continue promoting its assistance for governance, public service delivery and community development through the on-going “Comprehensive Capacity Development Project to the Bangsamoro.” In addition to the project for improvement of equipment for power distribution in Bangsamoro, livelihood assistance through agriculture, and capacity building of regional governance, the Government of Japan will consult with the Government of the Republic of the Philippines and cooperate for the swift formulation and implementation of the Road Network Development Project in Conflict Affected Areas, as well as the Malitubog-Maridagao Irrigation Project Phase 2, which are currently under consideration.
- Furthermore, recognizing that the peace process is at a critical juncture, and acknowledging the commitment of the Government of the Republic of the Philippines to peace and stability in Mindanao, the Government of Japan, with a mid-to-long term perspective, will match its support with the progress made in the process for the establishment of a new autonomous government in Bangsamoro by enhancing its assistance for development in Mindanao which it has been implementing under J-BIRD in a wide range of areas (see Attachment 1).

#### (5) Public Safety

The two governments will continue to cooperate in the field of public safety in order to realize the “Respect of Law and Order” to which the Government of the Republic of the Philippines attaches importance in promoting its 0+10 Point Socioeconomic Agenda.

##### <Combatting illegal drugs>

- With regard to anti-illegal drug measures that constitute the most important challenge for President Duterte, the two governments have finalized the Mid-to-Long Term Action Plan for the Next Five Years for Japan and the Philippines (see Attachment 2), and will cooperate paying particular attention to: i) relapse prevention among illegal drug users, ii) prevention of illegal drug use, and iii) poverty alleviation in the context of preventing illegal drug use.

##### <Counter-terrorism / maritime safety measures>

- The two governments share the recognition on the increasing importance of counter-terrorism and maritime safety measures in the region including the Sulu-Celebes Seas. The Government of Japan will, in addition to the swift provision of patrol vehicles and other relevant equipment, extend assistance such as capacity building of the Philippine maritime safety agency including coastal surveillance capability in order to ensure effective operation of the patrol vessels and high-speed boats provided

by the Government of Japan. The two governments will continue to consult on further cooperation in this field.

## (6) Information and Communications

### <Digital Terrestrial Television Broadcasting (DTTB)>

- Based on the Memorandum of Cooperation (MOC) signed in October 2016 between the Presidential Communications Operations Office (PCOO) of the Philippines and the Ministry of Internal Affairs and Communications (MIC) of Japan, efforts are underway to implement the digital transition of the television broadcasting in the Philippines.
- The Government of Japan has conducted field trials on the system utilizing data broadcasting with the cooperation of PCOO, and provided technical and policy support to the National Telecommunications Commission (NTC) through such measures as holding the Japan-Philippines Joint Working Group and the dispatch JICA experts. Based on the request from the Government of the Republic of the Philippines, the Government of Japan will consult with the Government of the Republic of the Philippines on the possibility of providing support for the digital transition in the Philippines with a view to providing cooperation to ensure the smooth introduction of the Japanese DTTB system.
- In a separate MOC signed in March 2017 between the Department of Information and Communications Technology (DICT) of the Philippines and MIC, the above initiative of ensuring the smooth transition to DTTB in the Philippines is further strengthened with technical and policy support from Japanese experts on Integrated Services Digital Broadcasting - Terrestrial (ISDB-T), including Emergency Warning Broadcasting System (EWBS) which is a crucial consideration in adopting the Japanese standard.

### <National Broadband Plan>

- Cooperation concerning the National Broadband Plan has proceeded based on the MOC signed in March 2017 between DICT and MIC.
- The Government of Japan has thus far shared knowledge regarding policies and regulations, and introduced relevant Japanese technology through holding meetings of the “MIC-DICT ICT Cooperation Committee (MDICC)” and the “Experts Meeting between the Philippines and Japan on the Broadband Policy.” Based on the experience and technology it has accumulated over the years, the Government of Japan will consider cooperation, including financing cooperation, with the Government of the Republic of the Philippines with a view to contributing to the establishment of broadband infrastructure throughout the Philippines.

## (7) Environment

- The two governments will cooperate to develop Waste-to-Energy (WtE) power generation infrastructure in model cities selected through the Environmental Dialogue on Waste Management between the Philippines and Japan. Support for developing institutional design on waste management, including environmental quality monitoring and safeguards, as well as human resource development and capacity building will be provided as a package with a view to rolling out the WtE model to other cities.
- The two governments will hold Joint Committee meetings under the Joint Crediting Mechanism (JCM) initiated in 2017, and actively implement projects for greenhouse gas (GHG) emission reduction and the transfer of appropriate technology in the Philippines.

#### (8) Agriculture

- The two governments share the recognition that the establishment of food value chains is important in order to improve agricultural productivity and reduce post-harvest losses in the Philippines. For this purpose, the two governments will strengthen cooperation to promote agricultural mechanization in the Philippines and improve logistics system for distribution of agricultural products by making use of the Japan-Philippine Dialogue on Agricultural Cooperation.
- The two governments will also mutually cooperate to ensure food security in the Philippines by utilizing programs under the Agreement on APT Emergency Rice Reserve (APTERR).

#### (9) Disaster Risk Reduction

- The two governments shared expertise and challenges concerning disaster risk reduction at the first meeting of the Policy Dialogue on Disaster Risk Reduction in July 2017. Through the Dialogue, the two governments will continue discussion on further cooperation for the capacity building on disaster risk reduction.
- The Government of Japan will continue extending a wide-range of technical assistance for capacity building of the Philippines' government agencies responsible for disaster risk reduction in the field of flood control, weather observation and forecasting and warning system.

### 2. Frameworks for Consultation

In order to realize quick and sure implementation of projects, the two governments will hold regular meetings through the following consultation and dialogue mechanisms, and promote cooperation in the respective fields discussed at the Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation.

Using the various frameworks and mechanisms for consultation, the Government of Japan and the Government of the Republic of the Philippines will continue to work together to accelerate project approvals and ensure smooth implementation of infrastructure projects. The two governments will coordinate closely and further streamline their own respective processes and introduce measures for more efficient decision making and swift execution in project preparation and formulation, due diligence, procurement, and project implementation including land acquisition and resettlement.

(1) Japan-Philippines ODA Policy Consultation

(2) Policy dialogues in various fields:

- Industrial Cooperation Dialogue
- Cooperation Committees on Information and Communications
- Policy Dialogue on Environment
- Dialogue on Agricultural Cooperation
- Policy Dialogue on Disaster Risk Reduction

Attachment 1: Japan's Assistance for Mindanao Peace and Development

Attachment 2: Mid-and-Long Term Action Plan for the Next Five Years On  
Anti-Illegal Drug Measures

Issued in Tokyo, 30 October 2017