

### **3.3 Priority issues in assistance**

#### **3.3.1 Assistance in alleviating poverty**

##### **(1) Promotion of rural development**

###### **(a) Assistance in organizing farmers and improving their livelihood**

The most important factor in rural development is the self-reliance that villages take initiatives to improve their livelihood, and for that purpose the existence of farmers' organizations is essential. In the present situation, the market for agricultural inputs and products are dominated by the commercial elite, where inappropriate pricing prevails. However, appropriate prices for inputs and products shall be achieved when farmers' organizations systematically undertake purchasing of inputs and sales of products. It immensely help villagers to improve their livelihood. The Philippine rural community, compared with Japan, has little experience in exercising autonomous activities and mutual operation among residents. Accordingly organizing farmers remains a challenging task. It is an important poverty measure to support organizing farmers by, for example, using and strengthening the scheme of existing irrigation associations and agricultural cooperatives, in order to improve farmers' income, to empower rural women, socially and economically, and to promote development of regional economies.

###### **(b) Comprehensive assistance for agrarian reform beneficiaries**

Many farmers who had benefited from agrarian reform remain poor, as the land productivity is low, despite that they may have obtained land for cultivation, and they manage agriculture in regions where economic and social infrastructure, such as roads, electricity, water supply, schools, and medical facilities, are not fully established. Therefore, some farmers even sell the land they have come to own, because of debt, and then revert to tenant farmers, or they quit farming altogether. In order to change agriculture that has depended on landlords to independent agriculture, it is necessary to provide support in such non-physical aspects as the formation and development of farmers' organizations that function as professional organizations, as well as small-scale financing. These are complemented with support in such physical aspects as establishing infrastructure, including farming roads and small-scale

irrigation. Thus, cooperation should contribute to enhancing the benefit efficacy through agrarian reform in order to produce a substantial effect.

(c) Creation of employment opportunities in agricultural villages

Creation of employment opportunities in agricultural villages has been an important issue in assistance. However, support for expanding employment opportunities does not make much progress, because it is extremely difficult to find parties that will take initiatives in launching business, and to secure sales routes and markets in rural areas. It will be effective in the Philippines to support agricultural villages in supplying information on techniques and markets regarding local industry, in establishing distribution infrastructure, and in extending loan for initial investment to start business. Recently, in some regions, small-scale owner farmers have created cooperatives and conducted business, from production to processing, in cooperation with NGOs. Providing fund and appropriate technology toward such farmers' organizations and NGOs is another way to support the creation of employment opportunities in rural areas.

(d) Promotion of development of agricultural, mountain, and fishing villages in conjunction with resource management

The non-sustainable use of natural resources, such as forests, can be explained by population pressure and poverty in rural areas. Deforestation and subsequent environmental degradation caused by upland migration of lowlanders has entailed rampant occurrence of soil outflow and flooding. In face of this situation, restoration of forests is an important issue. It is extremely difficult to solve the vicious circle of environmental deterioration and poverty in a short period of time. However, in the present state, in which many farmers live and conduct agriculture in forests, the above-mentioned (2.2.5(1)(a)) CBFM is a realistic policy, and thus the support for its promotion is important. Initially there were estimated to be 1,017 appropriate sites for CBFM, but due to lack of funds, etc., only 60 rental contracts were established as of September 1998. As such, it is necessary to study how Japan could assist in addressing this issue, including funding.

Also, in the regions blessed with fertility, development with focus on industrial afforestation (initially fast-growing trees, and in the future useful trees) must be conducted. In this case, as it is necessary to secure large-

scale afforested land, the possibility of creating friction with community people is high. To avoid this, it is important to determine projects with participation of community people from the stage of planning. Also, projects that ignore poverty measures for the people concerned are highly unlikely to be successful. Therefore, it is necessary to pursue projects that include assistance for people's living, such as by increasing nonagricultural income through employing them for afforestation and forest management. Around afforested land, as mentioned above, CBFM, which combines protection of forests and measures for community people, is being promoted, and it is necessary to study a form of assistance in conjunction with this method.

In addition, a decline of coastal marine resources, caused by many years of reckless fishing, is becoming serious, and the production volume of the coastal fishery has decreased in recent years. Exhaustion of resources is directly pressing the livelihood of small-scale fishermen who have no other opportunities or means to gain income. Improving the livelihood of such small-scale fishermen is an important matter also for the protection and management of coastal ocean resources. Therefore, it is necessary to support small-scale fishermen by combining improvement of their livelihood, by such as enhancing the added value of the catch, and culture-related business in the coastal sea, with sustainable use of coastal ocean resources.

(e) Assistance in establishing basic socioeconomic infrastructure in agricultural villages

Poverty in rural areas is said to be closely related to the state of such social infrastructure as schools and health centers, and such economic infrastructure as water supply and sewerage, terminal irrigation, drainage, agricultural roads, communications means, and electricity. And the improvement of rural socioeconomic infrastructure is expected to considerably contribute to solving poverty problems in the regions. The support for the establishment of socioeconomic infrastructure there is necessary in order to guarantee access to economic activities in rural areas and to alleviate poverty. In the process, it is important to engage community people in the project-planning stage, which cultivates people's sense of ownership, as rural basic socioeconomic infrastructure is closely related to the community living. Further, from the viewpoint of sustainability, it is important to locally formulate a system in which community people can take charge of

maintenance and management of the established infrastructure.

**(2) Assistance for the urban poor**

**(a) Assistance in provision of social services at the lower class residential districts**

In Metro Manila, lower class residential area, so-called the slum and squatter is widely formed. For the poor living in those areas in order to participate in the labor market and gain income, good physical health and minimal-level knowledge and skills are required. Various kinds of social services, however, hardly reach those areas, keeping the poor from escaping the vicious circle of poverty. Therefore, it is necessary to extend assistance in improving such situation and to provide the residents with opportunities to receive health service, basic education, and vocational training. Cooperation for the programs that encourage start-up of businesses, using acquired knowledge and skill, is another effective measure in the context of urban poverty. As a part of such measures, it should be considered to provide small-scale financing to the residents on the condition that they organize themselves as groups, which enable poor people to improve their livelihood through their own efforts.

**(b) Assistance in organizing the living conditions of the urban poor**

In Metro Manila, urban problems are becoming serious, as in other metropolitan areas of Asia countries. The influence of urban environmental problems, in particular, tends to affect the poor the most. The living conditions of the poor are the worst, due to shortages of urban infrastructure, such as water supply and sewerage, and houses, as well as contamination of air and water. In the same line, the squatter problem in urban area need to be solved for development of the Philippines. For this purpose, it is important to extend assistance for the improvement of the livelihood of the urban poor, in support of the Philippine Government's policy in welfare-improvement, urban-environment, and security. The present assistance in arranging housing for low-income people and electrification of the squatter district should be continued, and also assistance in improving the living environment, such as water supply and sewerage should be provided.

### **(3) Approaches to poverty measures**

Japan has already conducted assistance related to poverty measures, and tried out various methods to secure the effects of projects and their sustainability. Considering the importance of poverty measures in the development of the Philippines and for its social stability, the following four points are reviewed.

#### **(a) Importance of ensuring self-reliance and developing human resources**

In poverty measures, it is important to incorporate some elements to secure self-reliance. It is essential to target the appropriate group and to create a system that enables each group member to access various resources and gain power.

In addition, it is important for target group members to have ownership regarding projects, to accept the projects as their own issues, based on understanding the necessity of taking responsibilities in order to receive benefit from such projects. Each member should participate in the projects from the planning stage, and decisions should be made based on their own will through repeated efforts. Through this process, each member's awareness of ownership is cultivated, and it can promote empowerment for them to try to solve their problems on their own. Further, in order for the poor to maximize their abilities by taking advantage of this process and gain employment, support for sufficiency and improvement of basic needs, such as education to foster human resources and health service, will be even more important.

On the other hand, self-reliance of the poor requires employment-creation in the process of economic growth as a prerequisite, as well as the formation of a system to enable the poor to obtain information regarding markets and employment. In this regard, the smallest local government units, which directly work with the poor, plays an important role. Accordingly, capacity-building of such smallest administrative units should be considered.

#### **(b) Importance of a system for extension services**

Such issues as improving livelihood and establishing basic social infrastructure in rural areas, like electrification of agricultural villages, local water supply, and improvement of rural living, are issues that involve the entire rural area. Therefore, it is necessary from a middle-and long-term perspective to incorporate, in the planning and implementation of projects, a

system to diffuse the method and effect. At the same time, imposing an appropriate level of burden on the beneficiaries is worth considering, from a viewpoint of cost recovery. Collection of fees for facilities facilitates their maintenance and management and enhances sustainability.

(c) Importance of the prospect for and evaluation of impact on local residents and the environment

Infrastructure projects, such as local roads and irrigation facilities, bring large-scale economic effects to the community, and they also affect the community and the environment in various ways. Implementation of a project incurs social cost and beneficial result, and such cost and benefits tend to fall unevenly to specific classes of the community. As a result, social friction that was not expected at the planning stage could arise. For example, when the local environment greatly changes as a consequence of the implementation of a project, the class that previously made its living through dependence on the environment can be tremendously influenced. The socially vulnerable poor class tends to be more susceptible to influence from environmental changes and to end up bearing a larger social cost than socially higher classes.

In order to reduce such negative influence of a development project, and to achieve its original purpose, it is necessary to encourage participation of community people from the planning stage, to fully grasp the social structure and natural conditions of the region concerned, and to evaluate, in advance, the project's impact on respective social classes. Based on the results of such preliminary evaluation, project content and methods should be considered.

### **3.3.2 Assistance in health care**

**(1) Strengthening of health administration and staff**

Before the enforcement of the Local Government Code, the Department of Health had jurisdiction over all levels of health administration. With the enforcement, the national Government's jurisdiction was limited up to the level of regional health bureaus, and local government units were given jurisdiction over health bureaus at the provincial level and below. Therefore, assistance in response to this new system is needed.

Specifically, it is necessary to study assistance to serve to strengthen collaboration between regional health bureaus and provincial health bureaus, through dispatching experts and project-type technical cooperation. Also, it is essential to strengthen the abilities of local health administration staff, including midwives, who directly instruct community people, in order to enhance the awareness of regional health-related staff.

**(2) Expansion of access to health service in poor regions**

Cooperation toward regions where health service is behind, as exemplified by poor regions and the Islamic region, is important. Primary health care, in particular, is essential. Japan should cooperate in expanding medical service in remote areas, and prioritize these areas as a model project for further expansion.

**(3) Nationwide expansion of family planning and maternal and child health**

Realization of population growth in harmony with resources and the environment is important not only to promote health and welfare but also to block the vicious circle of poverty and excessive childbearing. Accompanying the improvement of people's living standards and educational level, an awareness toward voluntary family planning, regardless of religious restrictions, has been growing. Accordingly cooperation considering family planning as a step for improving people's living is desired.

In the family planning and maternal/child health project that is presently implemented in Central Luzon, efforts are being made to create a foundation of participatory regional health activities, such as operation of drug revolving fund, health education using puppet shows, use of maternal and child health notebooks, and training to produce and reeducate barangay health workers. In such development, people's engagement in maternal and child health/family planning activities is enhanced. In Japan, one of the driving forces for improving health service was the development of regional health activities conducted with participation of community people themselves. It is also necessary to consider diffusion of the results and lessons of such a project to other regions, especially poor regions, and further to the entire country.

In project-type assistance aimed at improving health and public hygiene at people's grassroots level, it will be possible to further enhance efficacy by positively

studying the participation of JOCVs and collaboration with NGOs, as well as by promoting participation of and exchanges among people from both countries.

#### **(4) Assistance in AIDS and tuberculosis measures**

In recent years, Japan has actively cooperated regarding AIDS issues in the Philippines. Still, the disease is foreseen to increase in the future, so continued cooperation, including improvement of testing capacity and awareness-raising activities, is necessary.

Also of importance are assistance in measures for tuberculosis, which still has a high disease rate, and in measures against the spreading of drug-resistant bacteria. Japan has provided assistance in measures against tuberculosis in accordance with the WHO policy since 1994, that employs the method of supervising drug administration, to achieve assured conduction of modern chemotherapy. In order to implement the method, health center staff need to be trained, but the present training program cannot reach the targeted population. Thus cooperation in tuberculosis measures must be continued.

### **3.3.3 Assistance in education**

#### **(1) Assistance that contributes to improving the quality and spreading of elementary and secondary education**

##### **(a) Training of new teachers and in-service teachers**

As to training of teachers, it is important to enrich teacher-training courses at local universities, in particular. Possible cooperation for that purpose is toward not only improving facilities and equipment but also developing faculty (improving instructing and learning abilities of teaching staff), and advancing research corresponding to regional educational issues.

Regarding education and training for in-service teachers, Japan has cooperated in fostering of teachers' instructors, who are in charge of re-education of science and mathematics teachers on the national level, focused on developing teaching materials for experiment, and certain achievements have been attained. The project aims at contributing to quality improvement of science and mathematics in elementary and secondary education. In the future, trained teachers' instructors must extend teacher training on the regional



level, in order to eventually penetrate results of the training into each school level. In conducting the training at the local level, it will be effective to select model districts and provide intensive cooperation there.

Further, in order to contribute to improving quality of teacher, it is desirable to implement comprehensive training, including not only transfer of techniques and methods but also the development of abilities to effectively instruct the content of education, with due consideration of the actual situations of schools and students. In regard of the difficulty for teachers to take a leave to participate in training, one of the conceivable measures is to develop many advisers that can continually give advice to teachers through regular visits to schools.

- (b) Strengthening of the relation between assistance for facilities and equipment and qualitative improvement of education

While the cooperation supplementing school buildings and classrooms in poor regions need to be continued, it should be accompanied by cooperation to contribute to qualitative improvement of education, considering the shortages of textbooks and teaching materials, numerous dropouts, and unsatisfactory study achievement levels. In other words, improvement of facilities and equipment need to be promoted in such a way as to bring about synergistic effect in projects for each school with qualitative improvement, such as training of in-service teachers and refinement of education methods and content, instead of simply increasing the number of classrooms or supplying teaching tools.

- (c) Building of management capacity of local education administrative officials

As the role of administrative officials in education of local levels, becomes more important, it shall be effective to cooperate in strengthening the capacity of administrative officials to plan, implement, and monitor projects depending on situations of regions concerned, as well as their capacity to provide appropriate instruction and advice to each school, based on full understanding of the decentralization policy of educational administration in the Philippines.

**(2) Assistance in non-formal education (supply of various educational opportunities)**

In the face of large-scale regional disparity in literacy and enrollment rates, improvement is urgently needed in access to basic education, in poor regions and the Islamic region, where education is insufficiently diffused. In particular, assistance should respond to the situations of students, such as by providing opportunities for basic education outside school settings, targeting youth and adults, especially women, who dropped out from schooling or did not have educational opportunities, as well as by providing vocational training that connects to an income-generation. In this case, suggested cooperation is toward literacy education, vocational training that reflects industrial needs of the community, as well as education in association with regional and rural development.

Also, in order to diversify educational environment, it will be necessary to enrich regional learning centers, which serve as public halls and libraries.

Further, it is important to link provision of these educational opportunities with assistance in other social development sectors depending on regional needs.

In the Philippines, one of the major functions of universities is considered to contributing to society, and many, in fact, provide their respective regions with service related to social welfare and education, such as vocational training and education in living skills, coinciding with local needs, and education for street children. Also, there are various university-based NGOs, and many others are established by religious groups that have their own private universities. In order to provide assistance in accordance with further grassroots-level needs, implementation of joint programs in partnership with NGOs can be considered. There is a high potential that regional universities or NGOs linked with universities, in particular, can become counterparts of assistance and cooperation.

**(3) Assistance from the planning stage and grasping of issues in local-level educational development**

Educational activities in the Philippines are conducted by many agencies, such as the Department of Education, Culture, and Sports (DECS), the Technical Education and Skills Development Authority (TESDA), the Commission on Higher Education (CHED), the Department of Science and Technology (DOST), and the Department of Social Welfare and Development (DSWD). In addition, there are

many donor countries, international organizations, and domestic and international NGOs playing active roles in the Philippine education sector. The measures taken by these various organizations need to be coordinated organically so as to effectively solve educational issues in the Philippines. For this purpose, it is essential to allocate personnel who research the tendency of and information on related departments and agencies, other donors, and NGOs, and to study the possibility of collaboration among them. Specifically speaking, dispatching project formulation specialists and experts, or overseas survey specialists could be considered. Another possibility is cooperation in the form of research and study toward solving educational issues through joint work by the Philippines and Japan.

In the divergence of local autonomy, future educational assistance calls for understanding of regional situations in detail, and programs that accurately respond to their developmental issues. Therefore, information collected by JOCVs should be appropriately used as a means to grasp regional educational issues, and experts who analyze such information from a professional view and apply it in planning projects, shall be needed.

### **3.3.4 Decentralization of power and assistance in capacity-building of local government units**

#### **(1) Assistance in capacity-building of local government units**

In the Philippines thus far, councils and their members have often played the leading role in local administration, including service provision for community people. This has caused local government units to remain incompetent in planning projects and drawing up budgets by themselves. This traditional power structure partly contributed to insufficient institutional and human capacity-building of local government units, and which disable them to fully utilize the merits of decentralization and to take initiatives in local development. Thus, it is important to assist local government units in improving their management capacity through capacity building of individual local administrators, so that they could make the best use of transferred authority in order to advance regional development. Specific assistance measures Japan could take at present are given below.

- To conduct more intensive training in Japan for local administrative officials. Administrative officials of the Philippine national Government will also be

invited. This will make local and national officials share a common understanding and form a network between them.

- To provide training to local administrative officials in the Philippines, focusing on those who have received training in Japan (second-country training). This is also intended to create a network among local government units.
- To support the creation of networks among the national Government and local government units in the Philippines, by promoting personnel exchanges and mutual training, in order to enhance communication among local government units of different levels and with the national Government, and to facilitate the exchange of information, know-how and advice. Furthermore, in order to consolidate the networks, functional strengthening of the Department of Interior and Local Governments (DILG), a core national Government department on this issue, could be considered.
- Local administrative officials are expected not only to strengthen the national-local and local-local networks, as mentioned above, but also to deepen their knowledge and skills concerning current issues and conditions of development sectors, and to improve their capacity of policy-planning, coordination, implementation, and monitoring. Their capacity building is urgently needed especially in such priority sectors as health, education, and the environment. Also included are capacity-building in such areas as agricultural extension, where much authority and a large number of personnel have already been transferred, and which areas are closely related to poverty alleviation, and in management and maintenance of basic economic infrastructure, which will have substantial effects on the progress of local government.

## **(2) Addressing problems emerging with the development of local autonomy**

In addition to overall capacity-strengthening, as mentioned in (1) above, it is necessary to address problems emerging with the development of local governance. All local government units are required to ensure a standard level of quality for some of the services that have been designated under their control, such as social services. Yet, service provision of expected levels, is hampered by inadequate appropriations or their insufficient implementation capacity. These problems need to be addressed by substantiating their functions within the framework of decentralization Code, and by devising effective schemes. Dispatching advisory experts could be an option for this purpose.

### **(3) Adequate financing and budget-sharing with the national Government**

While local public finances depend heavily on the IRA, the national Government, facing tight financial conditions, tries minimizing the finance for local government units<sup>NOTE 87</sup>. Government financial institutions also cannot meet local government units' demands for funds, and private banks are not necessarily willing to extend loans to local government units, which they regard as high-risk borrowers. There are thus a number of problems in public finances in local government units and their fund-raising. It is therefore effective, in addition to improving their tax-collection capacity, to provide development funds through ODA, while local government units are making efforts to heighten their creditworthiness to the extent that they can raise private funds.

### **(4) Issues needing study**

In providing assistance for further decentralization, the following issues must be studied.

- Roles of the national Government and local government units in accepting assistance. This issue includes which entity solicit assistance: the national Government or a local government unit, as local government units are entitled to make a direct request for foreign assistance.

Assistance for the promotion of decentralization and to local government units should target a wide area, especially in technical cooperation, differing from conventional assistance to the national Government, which is directed to spotted areas. In doing so, the following must be studied.

- Effective approaches in providing assistance targeted for a wide area
- When assistance covers a wide area, a model site is often selected. Study is needed on selection criteria and the ways and means to expand the assistance from within the model site to the outside areas.

When such assistance is provided,

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NOTE 87 Hiroshi Suzuki (1999), *op. cit.*, p.p. 57.

- The sharing of information and coordination between the national Government and local government units, and among local government units, will become vital. Study is needed on the way assistance is provided for this purpose.

### **3.3.5 Assistance in environmental conservation and disaster prevention**

#### **(1) Assistance in resources management by CBFM and CBCRM focusing on environmental conservation**

In the Philippines, forest resources decreased in the latter half of this century at an unprecedented speed and scale, partly due to commercial felling. As an approach, Japan's cooperation in forest conservation, based on its forestry technologies, could be of help, as it has been practicing conservation in its long time effort for forestry development. It is important, among others, to provide assistance in Community-Based Forest Management (CBFM), which is intended for production in and protection of village forests. Implementation of a model project for CBFM-based forest conservation in various regions is needed. The promotion of CBFM is an important challenge, and it is said that, to assure success, such a project must cover as wide an area as possible. Japan's assistance with its forest conservation technology could contribute tremendously not only to conservation of the natural environment but also to improvement of social welfare in communities of agricultural and mountainous areas, through poverty alleviation measures incorporated as a component of CBFM.

There would be similar significance in assistance in Community-Based Coastal Resource Management (CBCRM), which is intended to address the rapid deterioration of coastal ecosystems, such as coral reefs, and resulting reductions in biological resources.

#### **(2) Assistance in industrial pollution control**

Environmental pollution, including water contamination and air pollution caused in the process of industrial development and mine development, cannot be controlled without measures taken by private business entities that give out pollution besides governmental supervision and guidance. Assistance is to be provided for industrial pollution control through technical and financial cooperation.

**(3) Assistance in capacity-building in environment-related administration**

In the Philippines, environmental pollution, including water contamination and air pollution, poses serious problems, mainly in urban areas, due to rapid urbanization and industrial development, in addition to forest destruction and marine pollution in rural areas. The Government has established laws and regulations, such as the Environment Code, but they are not executed satisfactorily. For example, while industrial development and large-scale development, such as ground resources, power development, and infrastructure-building are mandated to go through Environmental Impact Assessments (EIA) and to be proven by Environmental Compliance Certificates (ECC), the government offices concerned are not equipped with adequate capacity to issue ECC. It is therefore necessary to improve the Government's operational systems and develop human resources for monitoring, environmental impact assessment, and guidance in environmental improvement.

**(4) Assistance in domestic waste management in urban cities**

Another environmental problem caused by urbanization is domestic waste management in cities, such as Metro Manila, metropolitan Cebu, and Davao. These urban cities face a variety of waste management problems, including locations of intermediate treatment and final disposal sites, as well as waste transport. It shall be important to assist the organizations concerned in planning and establishing operational system. In Metro Manila, a development study has just finished on a solid waste treatment plan, and its results should be incorporated into the practice of future assistance.

**(5) Assistance in disaster prevention in areas frequently struck by disasters**

Large-scale disasters are apt to repeatedly hit specific areas, as epitomed by volcanic zones and typhoon-prone areas. Small-and medium-scale disasters, which often result from insufficient land conservation policy, tend to cause damage to the comparatively lower income brackets of people. The Philippines does not have adequate disaster prevention systems, either in the national or local governments, and the role in disaster prevention has not been defined for each level of government, either. The overall disaster prevention system, including

meteorology and fire fighting systems, must be reviewed, focusing on volcanic erosion control, flood control, and measures against typhoons. It is also necessary to define the operational roles that each of the national and local governments should address in systematizing disaster prevention with due consideration to the traits of individual disasters. Assistance should be provided considering their technical and institutional weak points.

The Philippines is similar to Japan in terms of the kinds and conditions of natural disasters that occur. It is expected that disaster prevention technology and skills developed in Japan shall be fully transferred and adapted in spite of the differences in social conditions.

#### **(6) Assistance in water resources management**

Water resources management, intimately related to disaster prevention, is indispensable for effective development in the Philippines. A water resources management system, however, seemingly has not been established, due to low priority given by the administration. Assistance shall be given in institution-building, while calling educational attention to the importance of water resources management.

#### **(7) Assistance in earthquake disaster prevention in Metro Manila**

Manila, densely populated and crowded with a number of high-rise buildings and squatter districts, is almost defenseless against earthquakes. It is easily foreseen that many lives could be lost if the city were struck by a large earthquake. The city, however, has no measures for preventing earthquake disasters, and it is urgently necessary to prepare measures of some kind. Assistance must be provided to prevent destructive damage in Metro Manila.

### **3.3.6 Matters common in priority areas**

#### **(1) Cooperation with NGOs**

In the Philippines, a number of NGOs undertake various development activities that are closely linked with community needs. Many of them address poverty issues and provide social services. From a viewpoint of efficiency and



effectiveness of assistance, it is important to formulate, plan, implement, and monitor projects through establishing real "partnerships" with these NGOs, which have long experience and proper understanding of communities and priority issues there. It is important for Japan's aid agencies to regard NGOs as an important driving force for development, and for each side to learn from the other.

In working with NGOs, consideration must be given to the following points.

The first is independence and continuity of NGO activities. It is important, for long-lasting cooperation effects, that they be able to continue their activities independently even after aid agencies have completed their projects. For that purpose independence is important for NGOs in terms of their activities and finances.

Secondly, "continuity" and "dissemination" of projects implemented in cooperation with NGOs, can be ensured by establishing a system involving local government units. In the Philippines, most government agencies, including NEDA, have established relationships with NGOs. The Local Government Code stipulates that development councils of regional, provincial, municipal, and county levels must involve NGOs that are active in their respective communities. NGOs are institutionally defined as leading players in national development. A number of NGOs often take charge of a part of governmental functions. Local government units' involvement shall make it possible to accumulate the results and extend them to other communities.

Japan's aid agencies must be well aware of diversified activities of Philippine NGOs and their long experience in development and in providing various administrative services.

## **(2) Multi-sector approach**

Poverty, health, education, and the environment are closely interrelated. Education improves learning ability, to enable earning a living, and ability to make decisions on having children. This could control the rapid population increase in the country, eventually leading to improvement of living conditions of the poor. Enhancement of the health sector would improve people's health, which makes a foundation for their ability to learn and work. This also contributes to poverty alleviation. The environment provides a sustainable living base for the medium and long terms and its deterioration degrades results of poverty alleviation efforts.

The work force must be given employment opportunities, and industry-development and long-term economic growth in the communities are indispensable for this purpose.

Improvement of conditions in one specific sector does not necessarily result in long-lasting poverty alleviation. Well-balanced approach is important for addressing poverty issues. It is therefore necessary, in poverty alleviation projects that directly assist the poor, to select proper assistance elements according to the needs, indigenous conditions, and available resources in the target community, from among basic living needs, including education and health, and local infrastructure-building to expand employment opportunities and goods distribution, as well as factors that contribute to agricultural development and livelihood improvement.

### **(3) Gender**

The Philippines has numerous laws and regulations aimed at incorporating the viewpoint of WID and gender into development programs. Cooperation for the Philippines' development in any sector requires a conscious attention to Gender and Development (GAD), giving due consideration to the Philippine Plan for Gender Responsive Development 1995-2000 (PPGD).

In the Philippines, the Government and NGOs have cooperated in promoting Gender and Development, by creating a GO-NGO network and by conducting Gender Sensitivity Training. As Philippine NGOs have accumulated know-how responsive to the country's inherent culture and gender issues, it is essential to utilize such know-how through close cooperation with NGOs.

### **3.4 Areas needing continued assistance**

To promote social development and poverty alleviation, efforts for economic development are still needed. Some of the areas needing continued assistance include industrial development focusing on agriculture and manufacturing, and the building of economic infrastructure as a precondition for industrial development. Productivity improvement in agriculture that is the important sector traditionally providing people with employment opportunities, and the strengthening of inter-industry relations in the manufacturing sector, are indispensable for job creation and enhanced international competitiveness.

### **3.4.1 Assistance in industrial development**

#### **(1) Agricultural development**

(a) Assistance in effective and efficient operation of existing irrigation facilities

For both National Irrigation Systems (NIS) and Communal Irrigation Systems (CIS), irrigation associations are not well organized or not active. This results in insufficient collection of irrigation charges, which causes inadequate management of facilities and reductions in irrigated areas, leading to low irrigation efficiency and low planting rates. Assistance will be provided, therefore, to strengthen organizational functions of irrigation associations: organizing of irrigation associations for NIS, giving guidance in management and maintenance to farmers that benefit from irrigation service provided in existing NIS and CIS, promoting cooperation between the National Irrigation Administration (NIA) and the irrigation associations concerned, and diversifying the activities of the associations.

(b) Assistance in productivity improvement and enhancing competitiveness of agricultural products for domestic markets

As described in the preceding chapter, an urgent issue is to improve agricultural productivity and raise competitiveness of agricultural products for domestic markets, in order to cope with the liberalization of agricultural products expected in the near future and for improved self-sufficiency in food. For this purpose, assistance shall be provided in strengthening and activating agricultural cooperative associations, as well as enhancing their efficiency through improved coordination between experiments and research and extension of agricultural technologies. Joint purchasing of agricultural inputs, such as seeds and fertilizers; joint use of agricultural machines and facilities, and expanded service for farmers, such as financing for farming, shall be promoted. Vitalized agricultural cooperatives are expected to dissolve the oligopolistic distribution system of agricultural inputs and reduce farming costs. Eventually, agricultural products for domestic markets shall be ideally protected from a crushing blow by imports.

## **(2) Industrial development**

### **(a) Assistance in supply industry development**

Many small-and medium-scale business managers in supply industries, do not have access to information on financial and technical support by the Government. And they also lack market information. They are confronted by medium-and long-term capital shortage, and high interest rates and large mortgages demanded by private financial institutions. Still, the development of supply industries is indispensable for reducing dependence of capital goods and intermediate goods on imports, increasing linkage effects between foreign direct investment and domestic industries, and creating employment. For this purpose, a capital market shall be established for small-and medium-sized businesses, and long-term capital shall be provided for them. Assistance shall also be extended in spreading information on needs and technologies, and in human resources development for quality control and improved management and production efficiency.

### **(b) Assistance in establishing an institutional infrastructure for private enterprises**

Assistance shall be provided in protecting intellectual properties, which private enterprises need for business activities and an institutional infrastructure, such as a standard and certification system. It is important to the establishment of a technical expert certification system for the information industry, which is said to have immense potential.

### **(c) Assistance in improving the investment environment in local areas**

In order to reduce regional disparity, cooperation shall be extended to human resources development, and to improvement of the investment environment for the manufacturing industry in local areas, with coordination of planned regional development projects and those under implementation. It could involve, for example, building of infrastructure, such as facilities for processing and adding value to agricultural or marine products and for their distribution

### **3.4.2 Assistance in development of economic infrastructure**

#### **(1) Assistance in transportation sector**

(a) Assistance in upgrading of arterial roads and development of rural road network

The density of roads is higher in the Philippines than in its ASEAN neighbors, but the road network is poor. Many of them are unpaved and easily damaged by natural disasters, resulting in impediment to smooth traffic and goods distribution. Therefore assistance shall be given in raising the pavement ratio, constructing and improving bridges and arterial roads, and maintaining them properly under severe financial constraints. Assistance shall also be given to expanding rural road networks that connect and supplement arterial roads, and in capacity-building of local government units in planning and implementing road network construction projects and ensuring financial resources.

(b) Assistance in traffic alleviation in Metro Manila

Traffic jams and accidents, due to the sharp increase in traffic volume, have been causing enormous economic losses in Metro Manila, and restructuring of its traffic system is urgently needed. For this purpose, assistance shall be given in improving the traffic system by formulating a plan with special attention to appropriate transfer between mass transit and road transport, and to convenience in mutual access between roads, railroads, ports, and airports.

(c) Assistance in enhancing safety measures in maritime and transportation and aviation

Because of the archipelagos geography of the Philippines, both marine and air transport are important traffic means. It is necessary to improve trunkline airports and port facilities in the regions, with due attention to the interface with the relevant infrastructure, such as roads and railroads. Accidents occur frequently because of insufficient facilities, including beacons and guiding facilities, and insufficiency of trained personnel in terms of quality and quantity. To address these issues, assistance shall be given in enhancing safety measures in marine transport and aviation.

**(2) Assistance in capacity-building of LGUs in planning and implementing water supply projects**

Assistance shall be given to the Department of Interior and Local Government (DILG), which implements programs for strengthening the institutional and managerial capacity of LGUs to plan and implement water supply projects. It is important to train engineers and other officials of LGUs with special focus on on-the-job training in order to establish institutional capacity of LGUs regarding planning, fund-raising and implementation of the projects. The policy direction of the Government is to privilege the water supply system in urban areas. In Metro Manila, the Metropolitan Waterworks and Sewerage System (MWSS) was divided into two organizations, and water supply has been commissioned to the private companies. In the introduction of private sector, it is important, however, that LGUs shall improve proper regulation on operation and pricing by private companies for the sake of the beneficiaries, in light of the public nature of water supply. The privatization of water supply can only attain its expected goal if LGUs play their proper roles.

**(3) Assistance in energy and power development**

**(a) Assistance for more efficient power supply**

A bill to amend the charter of National Power Corporation (NPC), a GOCC, has been submitted to the congress to privilege NPC, among others, together with relevant bills under Omnibus power Industry Restructuring Bill. Power generation, however, is not efficient in many existing facilities because of inadequate maintenance and obsolescence, and a number of improvements are necessary. Personnel in charge of operation and maintenance of transmission and distribution facilities are insufficient in both number and capability as well. This causes early deterioration of newly installed facilities and unstable power supply. Some of possible areas for assistance are improvement of existing generation, transmission, and distribution facilities, and development human resources for proper operation and maintenance. It is also necessary, even after the privatization of NPC, to optimize the power generation mix and establish an integrated operation and management system for the power supply grid. Through the establishment of such maintenance and operation system, assistance could be extended to develop efficient system

for power distribution

Assistance could be also extended to improving management of local electrification cooperatives (EC) engaged in power distribution, so that they can supply electricity independently as regional distributors.

(b) Assistance in renewable energy development

In formulating appropriate plans for development of domestic renewable energy resources and hydroelectric and geothermal power generation, various investigations are needed, including resource identification study, feasibility study, environmental impact assessment, and forecasting and evaluation of impact on targeted community people. In the Philippines, electric power development is to be undertaken by private entities. It is often difficult, however, for them to conduct all these investigations from the planning stage, in view of their financial and technical capacity. There is a possibility that inadequate planning could cause problems in later stages of the implementation. Assistance could, therefore, be extended to investigation and planning in the planning stage, in order to formulate an appropriate plan and provide an environment in which the private sector can participate at the implementing stage.

In the Philippines, power supply for a number of remote islands has become an important challenge in improving the electrification rate. Assistance in power supply from distributed small-scale power sources using renewable energy, such as photovoltaic power generation, would also play an important role as part of assistance in basic socioeconomic infrastructure-development in rural areas.

**(4) Assistance in enhancing the Government's monitoring capacity for development of telecommunications network**

Development of telecommunications network is basically shouldered by the private sector. Nonetheless, the Government is required to play certain roles in the communications sector, such as pricing, promoting mutual connection among various companies, prohibiting the illegal use of radio waves, monitoring the obligations of private telecom companies in the rural areas and strict enforcement of them, and facilitating fund-raising by private companies. Relevant government agencies, however, are not playing such roles satisfactorily. Assistance shall be

extended to developing human resources the Government needs in order to play its role properly, and to providing equipment and materials as necessary. While private companies actively participate in telecommunications business, extension of telecommunication service is far behind in unprofitable local areas, where demand density is low. In this regard, assistance in development of telecommunications network requires due consideration for its extension to local areas.









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