



programming of EU donors together to focus on shared priorities such as promoting inclusive economic growth, supporting the peace process and protecting the environment and communities from disasters. The EU is confident that it will be more successful when the different development

partners in the Philippines work jointly. Joint programming means that the EU development partners (Belgium, the Czech Republic, the European Commission, France, Germany, Italy, the Netherlands, Spain and the United Kingdom) pool their collective expertise and knowhow to jointly contribute to the Philippines' government's own development plan in a more effective and coordinated manner.

## Why Now?

Joint programming in the Philippines is being designed in 2017 primarily because the government has adopted a new development plan (PDP 2017-2022). Implementing joint programming at this stage communicates clearly to the government, the importance the EU and MS place on supporting and aligning with the government's own vision and approach to social and economic development. A joint programming document will be designed in the first half of 2017 through consultation amongst the EU and Member States with Government authorities and non-state actors. A major step in this consultation process is the EU Heads of Mission Retreat on joint programming the first quarter of 2017. The joint programming document will include a joint analysis and a joint response and is intended for formal approval by the end of 2017.

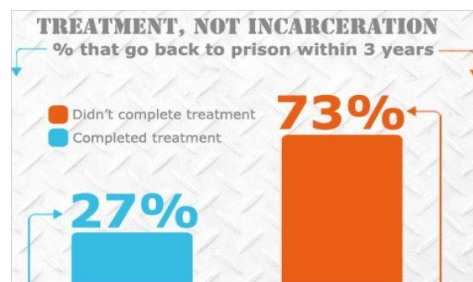
## Why is EU Joint Programming Important for the Philippines?

The Government of the Philippines was an early advocate for improving development effectiveness and endorsed the 2005 Paris Declaration on Aid Effectiveness, 2008 Accra Agenda for action and 2011 Busan Partnership Agreement. Central to these commitments is the objective of the effectiveness of development cooperation through ensuring democratic ownership through alignment with national development plans to improve results. EU joint programming specifically responds to these development effectiveness objectives whilst also reducing transaction costs and improving

transparency and predictability.

More importantly, however, joint programming in the Philippines updates development cooperation to the changing local context. The Philippines is a powerful economy and is far from being dependent on aid. The added value of development cooperation in the Philippines is to complement and support the government's own efforts to become a prosperous middle income society (Ambisyon 2040) and in support of global goods. The 2015 Sustainable Development Goals established an ambitious global objective which when achieved would benefit citizens of the Philippines as much as those of the world. The added advantage of European Union development partners in this context is to contribute knowhow and experience to working on domestic challenges where there is no clear solution but much to be achieved from dialogue and sharing experiences and promoting mutual learning. In this regard, development priorities will be clustered around:

- Supporting the Mindanao Peace Process and working on the migration-development-security nexus,
- Supporting Government initiatives to improve access to justice and expand the contribution of a treatment-based approach to mitigate abuse of narcotics,



- Continue investing in renewable energies, promoting sustainable environmental management and mitigating the risk of natural disasters,
- Making the economy work for all in promoting inclusive growth and fair labour practices,
- Facilitating and investing directly in infrastructure that will contribute to lasting economic growth and improved access to services.
- Supporting the partnership between civil society and the government for inclusive development.



# Philippines-EU Joint Programming 2017-2020

Working Document  
16 March 2017



European Union, Member States and the Philippines

The European Union (EU) and its Member States (MS) have been strong partners to the Philippines since independence. Whether it is in being amongst the first to help repair the damage done by natural disasters or to invest in disaster risk reduction the EU has been a dependable and loyal partner to the Philippines. The EU is significantly invested in the country's future focusing attention on the government's priorities of inclusive growth, decent work, protecting the environment for future generations, investing in renewable energy and investing in vital economic infrastructure that lays the foundation for sustained growth in years to come. The EU has also consistently been the largest international investor in supporting and sustaining the Mindanao Peace Process. The EU and its Member States not only contribute almost 80% of the funding to the Mindanao Trust Fund but they also make available to the Philippines their experience and expertise garnered over generations supporting peace processes and strengthening community resilience globally.

At the same time, the EU and the Philippines have a very strong investment and trade partnership. The EU invests about PHP 90 billion in the Philippines annually and trade in goods between the two is close to PHP 700 billion annually (€ 13 Billion). The EU is the largest provider of foreign investment to the Philippines (two fifths of Foreign Direct Investment in 2015), its second largest partner in trade in services and the Philippines' third largest export market. As importantly, EU investments contribute directly to industrialisation and wealth creation in the Philippines: almost two thirds of EU investments in 2015 were in manufacturing, estimated at creating half a million jobs.

There is still room to grow this partnership further. The EU remains committed to the region and is a major investor in ASEAN (Association of

South East Asian Nations) and regional economic development. The EU is ASEAN's second largest trading partner and the largest source of Foreign Direct Investment to ASEAN implying there is room to grow the partnership with the Philippines at least to this level.

The 2017-2022 Philippine Development Plan (PDP) will provide the structure and basis for greater investments in the partnership between the EU, MS and the Philippines.

The PDP 2017-2022 enjoys significant support from the EU and MS. The government's ambition to sustain annual economic growth near the 8% level is also an opportunity for European investors and development partners to be ambitious about their contributions. The goal of reducing poverty from 21% to 14% is in line with global commitments to the Sustainable Development Goals. And the PDP's orientation around 1) *Malasakit* (care/regaining trust), 2) *Pagbabago* (change/reduce inequality) and 3) *Patuloy na pag unlad* (continuing growth) echo the EU's own global policy aspirations to reduce inequality among sectors, groups of population and centers of economic growth vis-à-vis the rural areas, improve democratic and participatory governance, invest in sustainable development and strategic infrastructure, environmental protection, improve participation and equality of women in the economy and society, and protection of rights and wellbeing of the vulnerable, including Overseas Filipinos. The Philippines and the EU thus enjoy a shared vision of development that focuses on economic growth through reducing inequality, building and sustaining a caring state and society that invests in the welfare of all.

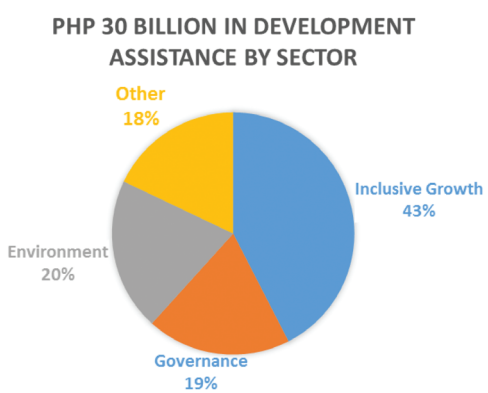
On top of providing investment and being a major trading partner the EU and MS are also major providers of development cooperation resources to the Philippines. Development cooperation is the provision of financial and technical resources to strengthen the partnership with the government in achieving shared objectives. Over the next four

Table 1. Indicative Estimates of EU and MS Grants, 2017-2020, In Million Euros

	Inclusive Growth (5)	Governance (4)	Environment (4)	Emergency / Humanitarian (2)	Infrastructure (1)	Others/ Not Committed	TOTAL
Belgium						20.2	20.2
Czech Rep.	0.1						0.1
EU	129	54.3				2.9	186.2
France		13.5	8.7		4		26.2
Germany	90		90				180
Italy	0.4					3	3.4
Netherlands	5.8	2.5	3	1.2		6.7	19.2
Spain		32	6	4			42
UK						52.6	52.6
TOTAL	225.3	102.3	107.7	5.2	4	85.4	529.9

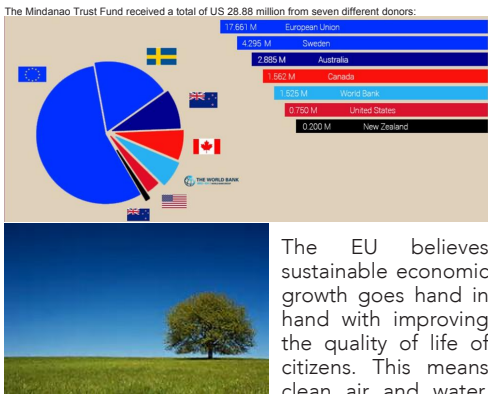
years (2017-2020) the EU and MS estimate they will provide almost PHP 30 billion in grant or grant equivalents to help the government improve the quality of life of citizens and to reduce poverty.

Most EU and MS development



cooperation spending will focus on inclusive growth, governance (including access to justice), environmental protection and risk reduction.

The EU is spending to support the Government's peace building investments in Mindanao: the EU and MS contribute almost 80% of the financing to the Mindanao Trust Fund.



The EU believes sustainable economic growth goes hand in hand with improving the quality of life of citizens. This means clean air and water, environmental protection, safe food, decent work and inclusion of women as equals in wealth creation and employment. The EU is a global leader in advocating decent work, protection of women and access to maternity leave as well as inclusiveness so much so that it is a feature of EU trade agreements as well as a development cooperation priority. In the Philippines, decent work means eradicating sexism and exploitation. Decent work can also reduce narcotics abuse in the workplace. For these Filipinos who are turning to drugs to get through long hours without food, treatment and



rehabilitation is the solution, not incarceration. For this reason, the EU also invests in the justice sector and strongly supports the government's ambitions to combat corruption and improve access to justice for all. Access to justice, democratic governance, freedom from exploitation, investing in growth, environmental protection and peace building go hand in hand and when implemented effectively will ensure sustained and robust economic growth whilst reducing the causes of crime and contributing to political stability.

What is Joint Programming?

As Filipinos know at a young age, the Philippines as a country only exists in the working together of a rich tapestry of different peoples, cultures and ethnicities. The flag of the Philippines itself embodies this diversity being structured around a golden-yellow sun with eight rays, each representing a Philippine province. Three five-pointed stars represent the three main island groupings.



The Philippines is a country of over one hundred million people, almost eight thousand islands, more than ten prominent ethnic groups and nineteen official languages.

But despite this diversity and difference, citizens join to become one country. They join up in the vibrant democratic processes, taking pride in basketball, beauty pageants and religious festivals or even celebrating the *Pinoy* diaspora like the singer from the Black-Eyed Peas. The Philippines is best defined and proudest when its peoples work jointly together.

Joint programming is inspired by the same ethic that builds the Philippines as a nation and is the motivation for the European Union itself. The European Union brings together five hundred million people speaking twenty-four different languages across twenty-eight countries. Like the Philippines the European Union is proudest when its citizens join up whether it be to celebrate the Eurovision singing competition, European sporting events or making ambitious plans such as to improve the quality of life for all through protecting the environment and clean air, promoting renewable energy and ensuring fair labour practices at home and internationally. Here in the Philippines this principle of working jointly is being used to bring the development