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The Impact of Domestic Politics in Philippines-Japan Developmental Projects

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I. EXECUTIVE SUMMARY

This policy paper examines how the Philippines' domestic political economy and institutional architecture actively prevent the sustained success of Japan-funded development projects. By integrating two analytical frameworks and the macro analysis of corruption, which frames governance failure as a systemic risk, and the DRR-ODA value creation framework that is to diagnose structural and agency-level deficiencies. This analysis will determine the precise ways in which systemic corruption is operationalized via structural deficiencies. The objective is to provide policymakers with a comprehensive, evidence-based understanding of the root causes, enabling the formulation of targeted recommendations to address both the symptoms such as missing links and the fundamental institutional failures as evidenced in the systemic corruption and structural fragmentation.

II. INTRODUCTION: DEFINING THE PROBLEM

The Official Development Assistance (ODA), particularly from long-term partners like Japan, is a critical source of financial and technical assistance for the Philippines in its growth and development. It is aimed to achieve key development goals such as disaster risk reduction (DRR), which are very prevalent conditions in the Philippines. However, the potential of these large-scale projects and investments is consistently faced with corrupt practices in local governance, as evidenced in the profound disconnect between development projects failing to deliver sustained and long-term results.

The core problem is the widespread emergence of “missing links” which are dysfunctional and incomprehensive breakdowns of the budgeting. This usually occurs after the

investment is made, rendering essential systems like flood control facilities and constructions of hospitals as inoperable, unsustainable, or even ghost or nonexistent. A prime example is the failure to allocate budgets for adequate Operation and Maintenance (O&M) post-handover, or the system inability of Philippine agencies to collaborate effectively on a total system level.

This implementation failure is a symptom of two deep-seated structural issues in the Philippine institutional landscape:

- A. Systemic Corruption and Governance Incapacity: At the government level, the fundamental obstacle is a lack of capacity to efficiently utilize ODA. This is exacerbated by systemic corruption, which acts as a chain of negative economic consequences, misallocating resources, and undermining the consistency needed for complex, long-term objectives like proactive DRR.
- B. Structural Fragmentation and Sidelined Collaborations: At the agency level, ODA effectiveness is undermined by organizational silos. Agencies operate under separate legal mandates and mission statements (e.g. DPWH focusing on construction vs. PAGASA focusing on warnings), leading to partial optimization within individual projects rather than the holistic system success required for a fully functional national system.

III. METHODOLOGY UTILIZED

The research utilized two qualitative methods: a meta-analysis of available data and an interview with JICA employees that specifically oversee a handful of development projects. The meta-analysis was used to help identify and further analyze the gaps in project implementation. The interview with JICA was conducted for more information-gathering on their process of

giving ODA, monitoring of development projects, and their perspectives on what improvement can be done in project implementation. The three employees interviewed were those from the Economic Growth Group office in JICA.

IV. ANALYSIS

This section shall analyze and present the ways in which project implementations fail, specifically focusing on the previously mentioned issues of deficiencies within inter-agency collaboration and corruption in the implementation of ODA for development projects.

A. Stakeholders Involved

Development projects particularly require frequent, large-scale inter-agency collaboration, even in its smaller scale projects. While not all government agencies are always involved, there are still key agencies and departments that are always involved in the planning and implementation of the projects as noted by our interviewees.

Table 01. Local Stakeholders and Their Functions in Development Projects Funded by ODA

Agency	Function
Japan International Cooperation Agency (JICA)	Japan's government agency in the Philippines for the implementation and funding in terms of Official Development Assistance (ODA). These are given through technological assistance, loans, and grants.
Department of Economy, Planning, and	They are mandated to conduct the annual ODA portfolio review; also an oversight agency of ODA projects in terms of monitoring,

Development (DEPDev)	evaluation, and screening of development projects for the government; provide recommendations based on the performance of past projects; conduct project-planning through the identification of implementation issues
Department of Finance (DOF)	Function to have efficient management of financial, government resources; negotiates and processes loan applications and arrangements during project preparation; reviewing, approving, and managing all public sector debt (both domestic or foreign)
Department of Budget Management (DBM)	Holds the Commission of Audit (COA), which conducts audits of ongoing and completed ODA projects and also reports the results to Congress. This is the stakeholder that agencies and departments can go to for financial records of ODA-funded projects.
Department of Foreign Affairs (DFA)	They are the ones that lead negotiations for the proposals of development projects that need to be funded by ODA in direct contact with the Government of Japan. After getting the approval from many levels of the government, the DFA is the one that confirms its approval. They are also the primary department when it comes to the management of bilateral relations, being a key stakeholder for project proposals to Japan.
The Senate	They also play a key role in reviewing the project implementation of ODA-funded development projects, in which they have to

	approve the budget for it before the projects can proceed. In preparation for the projects, ODA funding is already secured.
Local Government Units (LGUs)	LGUs also have a role of planning involvement, project management and monitoring, and resource mobilization by proposing small-scale projects that can improve at the local level. With larger projects, they are expected to aid in the planning by identifying needs and affected communities in the area that the projects are taking place.
Other Departments for Implementation	Depending on the area(s) that the project can fall in (ie. agriculture, public infrastructure, energy), other government departments are also involved in the project implementation. This can include but not limited to the Department of Public Works and Highways (DPWH), Department of Transportation (DOT), Department of Energy (DOE), and Department of Social Welfare and Development (DSWD).
Third-party Evaluation Agencies	After the completion of the development project, they are hired to conduct an evaluation report for both JICA and the Philippine government, in which they give an evaluation grade that determines the projects' duration of monitoring.

B. Deficiencies in Project Management

There are two levels in ODA project implementation that failures manifest: lower system, that is when existing legal and governance systems of recipient countries are incongruent and create silos in information, and the upper system, where the focus on individual scopes between donor and recipient agencies lead to dysfunctional inter-agency collaboration. These can be further categorized into three types of failure links, such as intra-work failures, inter-work failures regarding handovers of projects, and inter-work failures regarding the complementarity between implementation and sustaining outputs.

Intra-work failures are those that only occurred within the same agency. These can be characterized by negligent actions such as project delays, lack of capability and expertise, violations of the code of conduct, and lack of consideration in decision-making and the gaps of implementation in the project. An example would be about the recent scandals within the DPWH due to the lack of oversight to its implementation.

Inter-work failures on project handovers are characterized by how the development project fares well after it changes from the oversight of one department/agency to another. An example of this would be how the Philippine MRTs are being handled after the handover of management from JICA to the Philippine government, which the JICA employees noted as now “not being good”.

Finally, inter-work failures regarding complementarity are failures where the results are not sustainable, highlighting another gap in project management that does not ensure its longevity after the project is done. This can be characterized by rushing implementation to just have results for the sake of having them, therefore causing lapses in feasibility, analysis, and

assessments of development projects. This usually originates from the lack of project planning that did not consider all factors and areas that could affect the project.

C. Corruption in ODA Pathways

This section shall endeavor to present the evidence and ways corruption risks certain, more vulnerable stages of project implementation and its various mechanisms.

There is no single definition of corruption. It is, however, universally understood as a social ill that undermines democratic institutions and slows economic development. Amundsen (1997, p. 1-5) illustratively describes corruption as a phenomenon embedded in state-society relations, involving an unfair extraction of resources, for private or collective use, that redirects resource flow to disadvantage state or society. For the purposes of this policy, the exploration of corruption is specifically state-centric rather than the smaller bureaucratic discrepancies that occur within corporate operations.

ODA, specifically Japanese ODA that is administered through JICA, operates through the following generalized pathways: a Planning & Prioritization phase, a Procurement & Bidding phase, an Implementation & Monitoring Phase, and a Post-Project Evaluation phase. Each stage is spearheaded by various agencies, government bodies, and third parties; each stage also presents the potential corruption risks subsequently affecting the stage's success.

Table 02. Mapping out corruption in government in ODA to Infrastructure Development pathways

ODA-PDP Pathway	Type of Corruption	Minto's Concept	Measured by
Planning (PDP 2023-2028)	Priorities are not good/unaligned	Systemic risk cascades	—
Procurement and Bidding	Collusion (Contractors connected to politicians) Inter-agency collaboration	Institutional Interconnectedness	Procurement Policy Board, Investigation Reports
Implementation & Monitoring	Ghost Projects (Funds disbursed for defective work)	Resource Allocation	fiscal performance reviews
Post-Project Evaluation and Maintenance	Lack of Consequence (weak accountability system, no funds recovered)	Contextual Factors	—

Thus, by situating the generalized PDP path vis-a-vis the types of corruption that can occur, what is revealed are significant systemic risks or vulnerabilities exposed in the following ODA-PDP phases.

Phase 1 or the Planning Phase of the PDP is the first stage in development planning where the feasibility of a project is defined. Project planning and target-setting are important aspects that allow both the funders and the project officers gauge and ensure success. Since JICA's ODA comes from taxpayer money, it undergoes the scrutiny and feasibility studies of subsequent Japanese agencies. But because of the needs-base nature of funding in JICA, it is only operationalized when formal requests are done from the Philippines. Because of this corruption can misalign project priorities as Senate or Congress dictate eventually the type of projects that get approved. Similarly, the Philippines has their own set of requirements that must be met by detailed plans aside from JICA, making planning and agenda-setting phases incredibly important.

Under this phase, there are resource allocation risks, in that corruption can influence what projects are prioritized, and in low level scale, in how resources are allocated to projects. Because JICA operates through grants and/or loans-based, much of the funds disbursement and expenditure are conducted by the country's government and agencies. Monitoring on JICA's end to avoid resource allocation is usually done through analysis of progress reports and auditing, which continues on even for misaligned or misappropriated projects.

Phase 2 involves procurement and bidding where institutional interconnectedness has corruption risks. Here, collusion between contractors and politicians and inter-agency collaboration deficiencies. JICA conducts multiple high-level committee meetings and joint committee meetings, as frequent as necessary to ensure that technical issues are immediately addressed and established. However, on the Philippine's end this is not a similar mechanism shared among collaborating agencies.

And lastly, the final project phases when corrupt acts lack consequences or accountabilities, allowing for the perpetuation of continued system deficiencies. Eventually, JICA's monitoring and implementation remain to be only temporary as oftentimes their projects will either be privatized or returned to the government for full control and handling. This means that no longer will they monitor its implementation and there is no complete assurance that the project funded by ODA initially will be continued to be preserved by the succeeding agency, as seen with the current status of the LRT-2, previously funded by JICA and currently being privatized.

V. SUMMARY FINDINGS

Elite capture is manifested through collusion between various actors like contractors, and politicians, which results in misallocation of resources and ghost projects. This creates systemic risks across the ODA project cycle. These vulnerabilities undermine the project's quality and curb development. Inter-agency collaboration consistently fails because of incompatible institutional structures, especially with the DPWH, PAGASA, and NEDA (Minamitani et al., 2024). These result in missing links in O&M and handovers. As a result, the poor implementation of these projects results in tension between the Philippines and Japan relations, specifically when it comes to Japan's emphasis on long-term, system-wide DRR objectives (Ishiwatari & Kawasaki, 2025; Trinidad, 2017).

VI. POLICY RECOMMENDATIONS

There are two areas identified for improvements when it comes to the issues of project deficiencies and corruption in development projects that are funded by ODA. Improvements and recommendations are grouped together that tackle one of the identified areas.

A. Targeting Resource Allocation Vulnerability

These policy recommendations seek to establish a more transparent, accountable, and sustainable environment for JICA–Philippines projects through the required co-financing by LGUs combined with resource allocation reforms. The policy is justified by the finding that resource allocation weaknesses, such as unaligned priorities, non-existent ("ghost") projects, and infrastructure failures after handover, are often connected to weak local governance and fragmented institutional duties (Minamitani et al., 2024; Teves, 2025). Because LGUs frequently lack the motivation to operationalize or maintain infrastructure, recurring "systemic missing links" emerge. Integrating LGUs into financial responsibilities simultaneously boosts their dedication to ensuring project success and minimizes opportunities for corruption and resource leakage (Ishiwatari & Kawasaki, 2025). Based on these issues, the following policies are recommended to curb corruption

1) Local Public Financial Management Programs

- a) Integrated Audit and Local Compliance:** Local Government Units (LGUs) are required to adopt standardized Public Financial Management (PFM) systems that are consistent with JICA's protective measures. To improve local transparency, the National Economic and Development Authority (NEDA) and the Commission on Audit (COA) conduct joint audit reviews that specifically focus on budget completeness, O&M capacity, and the integrity of procurement processes (Bräutigam & Kwesi Botchwey, 2025).

- b) LGU Cost-Sharing and Ownership:** LGUs must cover a mandatory, minimum share of the total project expenses, with the precise percentage varying based on their fiscal capacity. This mandate aligns incentives and creates local ownership to ensure infrastructure sustainability (Minamitani et al., 2024). The cost categories LGUs may finance include Operations and Maintenance (O&M), local materials and logistics, and the manpower necessary for implementation and community engagement.
- c) Local O&M Sustainability Plans (LOSP):** Before a project is approved, LGUs are required to submit detailed Local O&M Sustainability Plans (LOSP) that outline multi-year O&M requirements, including dedicated budget lines and staffing and equipment schedules (Ishiwatari & Kawasaki, 2025). JICA is responsible for verifying the viability of these O&M plans to reduce the occurrence of post-handover “missing links” (Ishiwatari & Kawasaki, 2025).
- 2) PETS (Public Expenditure Tracking Surveys):** The policy institutionalizes Public Expenditure Tracking Surveys (PETS) for monitoring at the local level, specifically tracking financial flows as they move from national agencies down to LGUs (Teves, 2025). PETS teams trace expenditures related to procurement, maintenance budgets, and construction phases through site validation (Teves, 2025). The results of these PETS are incorporated into LGU performance ratings and determine their eligibility for cost-sharing in subsequent years (Teves, 2025).
- 3) Performance-Based Budgetary Release:** Funds originating from the national government or JICA are distributed in successive installments through a Performance-Based Resource Release System. These releases are dependent upon the

successful completion of project milestones, the transparent reporting of expenditures, and the absence of unfavorable audit findings. This method directly addresses the risks associated with misallocation and ghost projects (Teves, 2025).

The implementation of these policies aims to have three main outcomes. (1) Reduced Resource Allocation Vulnerability: The combination of LGU co-financing and transparent tracking systems lessens incentives for corruption, misaligned priorities, and ghost projects. (2) Stronger Local Ownership and Sustainability: Mandated cost-sharing compels LGUs to internalize the long-term responsibility and value of the projects, thereby mitigating systemic failures related to O&M. (3) Improved Japan–Philippines ODA Credibility: The establishment of a more accountable and collaborative system strengthens bilateral trust and boosts the effectiveness of JICA’s Disaster Risk Reduction (DRR)-ODA programs (Trinidad, 2017).

B. Institutional Interconnectedness

The interviewees noted that there is a further need for institutional interconnectedness in the planning and management of development projects. They noted how there is a usual lack of coordination between government agencies and departments that hinders efficiency in project implementation, in which it originates from situations that lack communication between agencies. One example that they noted was on road plumbing, when they had to exhaust much more resources and technical skills in multiple, duplicated projects instead of identifying what could have been combined into the same project that could have also ensured better longevity. Therefore, the recommendations under this category are aimed to address and improve this issue while combating the identified problems of project deficiencies and corruption.

1. Data-Sharing Mechanisms and Infrastructures within the Local Government

Basing off from the recommendations of the interviewees, they highlighted the need for data-sharing between agencies, especially on relevant data such as stakeholder demand and project demand. The current framework for data-sharing with the Philippine government is only a data-sharing agreement, which is a contract that contains the terms and conditions for data sharing. This is an aspect of possible project inefficiency that agencies have to consider during project planning, given that it does not necessarily provide concrete mechanisms for data-sharing itself. Furthermore, the interviewees also noted that they usually have to call and have meetings to be updated about the current progress and data of the ODA-funded development projects, which is another inefficient way to share data. Hence, data-sharing is easily an under-utilized aspect, which leads to situations that can foster a lack of transparency and communication between agencies. This not only exacerbates project deficiencies, but also can be a gap in oversight for corruption in development projects.

The best and most straightforward way to improve in this aspect is to invest into the development of digital infrastructure that can utilize cross-sectoral data sharing to combat the issue of insufficient data across departments, in which they can also access the data immediately in real time. An example of a good data-sharing infrastructure and framework in governance is one from the InfoComm Media Development Authority (IMDA) in Singapore, titled the Trusted Data Sharing Framework. It established the key roles and considerations in data sharing, in which they address it across multiple sectors, such as in operationalization, legal considerations, and technical considerations. Singapore uses this framework to balance data utilization in terms

of security and privacy in consideration with digital connectivity in the world today, especially when it comes to multiple sectors like media, business, finance, and more. Therefore, the Philippines should also utilize relations with other countries like Singapore to help the country develop in terms of digital infrastructure and data sharing.

2. Interagency Coordination for Better Streamlining Processes

Another aspect noted from the JICA interviewees for better institutional interconnectedness is to have better coordination within the government both vertically and horizontally. They noted a lack of LGU participation in project formulation, misalignments of priorities, and the lack of mechanisms for better streamlining. They noted that approval for the budget of development projects takes a long duration of time, which are lost opportunities for efficiency and lost time for project implementation. One example they explicitly mentioned is when they need legislative authority for such projects, citing that there is a waiting period for authorization, even though some projects are considered high priority. The prioritization of development projects is not reflected in the legislative bodies; therefore, the ODA funding secured for the projects is left unused for some time before being given the approval to proceed with the project.

With that being said, there is a need for better inter-agency coordination. While on some parts of society, the government utilize inter-agency coordination (ie. the inter-agency coordinating committee on human rights as per Administrative Order no. 370), there is none when it comes to development projects, utilizing communication between departments instead. Therefore, instead of relying and waiting on the jurisdiction and communication of government departments, the government should utilize inter-departmental teams or authorities on

development projects. Hence, employees per department are involved in each development project that can also better streamline and coordinate it within their department. Furthermore, this is also in line with the approach for the Philippine Development Plan, in which the country is actively attempting a whole-of-government approach. While only using it for specific sectors so far (ie. food security, national security, etc.), it is important to utilize such an approach for other areas in society. This is also complemented by the first point of improvement of data-sharing, in which its recommendations of improvement also improves this aspect for institutional interconnectedness.

C. Systemic Risk Mitigation

As analyzed above, there is a need to address the systemic nature of risks and deficiencies in the ODA to PDP pathways. To do this, establishing systems that integrate a sense of accountability within the operation of development project planning should be inculcated as follows:

1. Strengthen Audit Processes

First, there should be a stronger audit process on the Philippine/government's side in regards to ODA and PDP planning. JICA operations are built upon sensitive mechanisms that monitor and observe projects. Given the nature of ODA, it is essential that it is managed and ensured that funding traverses well throughout the process.

On the Philippine/government's end, there are less active mechanisms for accountability and auditing. Whereas JICA conducts more highlevel joint committee meetings with the executives in charge and more routine meetings with the main propagators of development projects, the Philippines does this less. One way this can be operationalized specifically through the same

policy recommendation in resource allocation, which is the Public Expenditure Tracking Surveys (PETS) that will be used to conduct routine checks on the progress throughout the process/

This initiative is recommended to be spearheaded by the DFA, as the main coordinating body that deals with overseas treaties and relations, maintaining the clean use of funds will mitigate systemic risks.

2. Monitoring and Portfolio Review Team

A more tangible strategy in terms of risk mitigation is the creation of a monitoring and portfolio review team that should be spearheaded again by the DFA, in coordination with relevant development agencies such as JICA, DepDev, NEDA, etc. The purpose of this team, aside from ensuring accountability is to promote the Philippines' as a trustworthy country. Corruption can impede and affect the behavior of other states in regards to pursuing bilateral treaties, thus, through the production of progress reports the DFA will be able to produce evidence and clear working knowledge of the current undertakings of ODA, where it goes and how it is spent. The DFA shall create an assigned team, potentially per project or per agency that will monitor and report back towards HQ for a consolidated and timely report that can be accessed by the public and potential partner countries for assessment.

3. Knowledge and Systems-Capacitating

Lastly, the solution for systemic risk can be transformed into a partnership between countries through knowledge sharing and systems-capacitating initiatives. Many countries have already created initiatives and systems that digitize, harmonize, and essentially upgrade current government facilities and technologies for streamlining. Korea, for example, has created the

dBRAIN, which is their version of a streamlined and digitized financial system that allows them to monitor all aspects of funding from planning to implementation to monitoring seamlessly with other financial institutions and operations.

A partnership between the Philippines and such similar countries provide two benefits: one is the strengthening of bilateral relationships with Japan, Korea, etc. and two, an increased capacity to mitigate system risks through transformation and learning. This initiative shall also be spearheaded by the DFA who will create a list of potential partners in this regards and facilitate the knowledge exchange.

VII. CONCLUSIONS

In conclusion, the success of Japan-funded development projects in the Philippines is actively undermined by the country's domestic politics and corruption practices deeply ingrained in institutional architecture. The analysis determined that two deep-seated structural issues are the root cause of these failures; systemic corruption and structural fragmentation. Systemic corruption is seen in elite capture and actors like politicians and contractors misallocating resources resulting in ghost projects and poor development. At the same time, structural fragmentation at the agency level results in failed inter-agency collaboration.

This policy analysis also confirms the persistence of challenges facing Japan-funded development projects in the Philippines. The findings show that these are not isolated errors but are systematically rooted in the country's domestic political economy and institutional weaknesses. Henceforth, the proposals pivot from problem identification to establishing durable

development outcomes through target institutional reforms in institutions like DPWH, DFA, NEDA, COA, and even in legislative and budgetary bodies. Simultaneously, enhancing accountability through the measures suggested shall directly mitigate corrupt and resource misallocation. Digital data-sharing and inter-agency coordination shall also foster a holistic system approach to successfully implement reforms and bilateral ties between sustainable national development systems between the Philippines and Japan.

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ANNEX 1. TRANSCRIPT OF INTERVIEW QUESTIONNAIRE

QUESTIONNAIRE FOR JICA

Ideal Interview Schedule: Dec 5, 2025

Ideal Venue: Preferred venue of the interviewee

Interview Style: Semi-structured one-on-one interview

Mode of Interview: Preferred modality of the interviewees (Onsite)

Location: JICA Office, Makati

1. OPENING & INTRODUCTIONS

1.A. Introduction of Group Members and Interviewee

We are students of Ateneo de Manila University and for our Diplomacy and Consular work class, we aim to investigate how ODA funding can be affected by corruption.

1.B. Purpose

As you, a member of JICA, perfectly meet the requirements needed for our study, we would like to ask you some questions about the process of application for ODA funding, the requirements for such and the overall monitoring process JICA has for this. We would also like to ask about your experiences with working with other departments in terms of the projects that are funded with ODA.

Interviews:

Sir Raymart

Ms. Joan Buenavista

Ms. Angela Pike

1.C. Duration

The interview should take us about 30 to 45 minutes.

1.D. Consent

Do we have your consent to record this interview? We assure you that this will remain confidential.

- Yes

2. ODA FUNDING

2.A. Background of ODA

Q1: Can you tell me more about what ODA is?

Ms. Pike: Well the definition we came up with is, government aid ,mainly by developed countries given to the welfare of developing communities. It is anchored by ODA development chapter, (JOJ), overall goal is to maximize the partnership with other countries, contribute overall to the international community

- Peace and prosperity
- Co-creation
- Inclusivity and transparency and fairness

As part of the OECD, held accountable by international standards

- ODA comes in form of technical assistance, grants, research, emergency and disaster relief

Q2: Why does Japan give ODA to the Philippines?

Sir Raymart: Political and economic reasons

- Mutually beneficial reasons. Not just Japan giving money but for it is also important politically that there is bilateral friendship and trust maintained between countries
- ODA strengthens mutual goodwill between the two countries. PH is a close neighbor in the iNDO Pacific, since Japan shares the free and open Indopacific vision. This is reinforced

- Projects including regional trade and security and connectivity
- Regional connectivity, trade, and etc etc
- Economic: bringing Japanese technology and expertise in the Philippines; explains business opportunities for Japanese industries. Achievement of development goals . More developed Philippines = more business opportunities

Q3: How many projects is JICA currently funding?

Sir Raymart: around 80 projects in funding. A lot of schemes as well. For example, we are funding major infrastructure projects such as MRT. LRT-2 is originally under JICA. Funding through a loan. Second is technical cooperation, projects that are helping to improve the capacity of partner agencies. For example, ph does not know how to make a long-term master plan for the emissions of some industries, Japanese experts come here to help make a master plan using their equipment and expertise. Sometimes produce manuals for them.

The other is a grant; though because PH is relatively of higher income, grants have decreased. Built a lot of disaster-proof buildings and hospitals. And some roads.

Very expensive ones are loans. When JICA provides assistance it's usually through a project (if grant) but if loan the Philippines, selects the contractors. Pls check annual report for demographics

Q4: How long has JICA been partnered with the PH?

Mr. Raymart: More than 70 years, last year celebrated last year the 70th year

2.B. Funding Process

Q1: Can you tell us about how JICA selects and funds a project?

Mr. Raymart: sometimes it varies. But subscribe to the generally being needs-based. Comes from an official request through diplomatic channels (DFA sends the request, to the embassy)

- Since JICA is part of Japanese govt, and taxpayer money, it goes under the scrutiny of different Japanese agencies

Before we construct large-scale railways, we check the feasibility of it since it will be a very big investment. Requests could come as feasibility survey to see if it is economical

Sub question 2B.1.1: What are the criteria to be selected for funding?

For the Philippines, there is a screening within the government; DEPDEV is the one on top of that, screening and the secretariat for some councils. There is also the development plan. The PH has their own set of requirements on what should be prioritized and be endorsed to JICA. There are really a lot of projects that they reject. (gurl ask what they reject na projs)

Sometimes they check if Japan can contribute as well, more or less projects must have a comparative advantage from Japan. Example – Japan is good at railways so they will bring it to JICA for considerations.

Once it is approved, written agreements and documents outline the responsibilities of each party. The terms, loans and interest rates. For loans, it must be assessed if there is the capacity to implement, social impact etc.

Q2: How does JICA maintain close collaboration with PH agencies/govt in development projects?

A lot of meetings and coordination meetings as well. Calls with PH counterparts for the implementation of a project. Prefer something more written, so rely a lot on official reports for checks in. sOMETIMES fieldwork for observing progress during project implementation. In the PH office, we are assigned per sector. So we maintain coordination with the specific agency.

- As frequent as necessary; go to them or vice versa when it can't be resolved at the technical level ASEC/ USEC level, depending on what needs resolution, we usually have meetings
 - As much as possible avoid project issues altogether
- At the high-level, we set up a joint coordinating committee; held twice a year. High-level management decisions on whether the project needs some kind of intervention. Higher than that, there is the high-level joint committee meeting, so monitoring for big ticket projects (subway and railways), discussion for major issues in our projects
- Japan has been the number one development partner of the PH. So establishing good connections with PH agencies with the monitoring

Sub question 2B.2.1: With that, have you experienced / felt concern for the ODA funds and how they are being used in these projects within the government?

Raymart: not so much since there have been some mechanisms built to monitor or observe the projects. In our projects involve a lot of audits such as exposed audit. Some have it more often. There are safeguards as well, not just in terms of use of funds but also how the people are affected (includes even noise in the monitoring; ph or jp standards of pollution etc)

Our funds are directly deposited to the contractors' accounts, so no concern on that

Concerns :

- people living in construction areas should not be worse off;
- On implementation, if you are delayed, there are opportunity costs, so must be checked.
Concern on the efficient use of resources.
- When there is a request for money, those must undergo approval of a lot of people, such as even HQ. If there is something even just a bit extraordinary, the executing agency must justify why that is the case etc. Even for the Japanese experts, and even on delays.
- There is a double weight : jp taxpayer money and PH money; DoF also. CSOs in japan also monitor these

Sub question 2B.2.2: With that concern, what do you think this implies for Philippine-Japanese Bilateral Relations?

Raymart: I think in terms of implementation, we are very open partners. We dont hide it from one another. It affirms that OH-JP are close allies since there are free dialogue with one another. There is no blaming. More on mutual cooperation, even on the field its a mix of PH-JP professionals.

Q3: What measures does JICA take to monitor and maintain the projects they've developed in terms of accountability of funds, proper implementation, etc.? (was skipped due to already answered in the previous question)

Sub question 2B.3.1: On the end of PH agencies / govt departments, do you feel secure that these measures are being met?

Raymart: there are safeguards in place, of course there are always people who might want to sabotage this. We are comfortable with the documents and all. I think there will always be isolated cases. If necessary, we can investigate. I mean COA, audits all our loan projects. We conduct our own as well, the Japan Board of Audit, conducts as well. So two layers of audits.

- On record-keeping aspect, how frequently do you check

Raymart: liquidation is monthly. There is quarterly.

Ms. Pe: even until now, for loan projects with non-ideal evaluation grades, we still keep up monitoring those. Even if its 10-20 years, we still contact them. Personally, I have done those.

- Raymart: if its gets a C or D; there will still be reports and monitoring. There are cases na those are very hard to do.

Ms. Pe: it is more or less done by third-parties kasi. A to D,

Q4: What improvement / recommendations can JICA or PH agencies / govt departments take for the better implementation of development projects?

Mr. Raymart: In the case of Japan, they are very heavy on project preparation, on feasibility and long-term planning. On environmental compliance, and right-of-way acquisition. The Japanese, even in small cities, have master plans for 10-20 years. They don't want patchwork development, what is beneficial for a long-term plan is you can plan your infrastructure and that is something they want the Philippines to have. There are cases here, wherein the projects have no long-term place so there is duplication of plans etc. Even in our sewage networks, such can be avoided through planning and coordination. You have to establish this coordination with other

government agencies. Example it is not only DoTr for railways, but also other. Avoid a situation where they do not talk to one another. So we have to foster a coordination system between them. Data-sharing is also one example, what can we share like road demand, passenger demand and such data is shared between agencies to know if a project is investment worthy. Streamline government processes → lots of bureaucratic redtape; major recommendations need approvals and take a lot of time, which are lost opportunities for these investments that end up delayed. Taxpayer's burdens

Ms. Pe: an overarching issue, is really just better coordination within the PH government vertically and horizontally. Lack of LGU participation in project formulation, misalignment of priorities within executive and legislative. They do not have enough funds (for certain projects) under the current budget, so there is a comprised capacity to achieve certain projects

Mr. Raymart: We have to get legislative authority for the budget, money is from JICA but it is a loan. Money is there but there is still this waiting period for authorization. Prioritization is not reflected in Congress/Senate. Money will always be there, they cannot move it → paralysis

CONCLUDING QUESTION

Q: Is there anything that you want to mention in regards to our topic?

Mr. Raymart → Marcos time, Japan ODA scandal research. Alleged book of contractors where you pay them to get projects, which were JICA projects. Led to the revision of the JICA charter to have more safeguards

CONCLUDING REMARKS

That concludes our interview session. On behalf of our group, we would like to express our utmost gratitude for willingly taking part as a participant in this study. Thank you for allowing us to hear from your experiences and for taking the time to participate in today's interview session. We wish you all the best in your future endeavors. Thank you once again for your time and participation!