

SPEECH OF
VICE PRESIDENT NOLI DE CASTRO
PHILIPPINE DEVELOPMENT FORUM 2008
26 MARCH 2008

LADIES AND GENTLEMEN, GOOD MORNING.

I AM PLEASED TO BE BACK, FOR THE THIRD TIME, TO ADDRESS THIS VERY IMPORTANT FORUM OF KEY PLAYERS IN DEVELOPMENT.

OUR OVER-ALL THEME FOR THIS YEAR IS "ACCELERATING INCLUSIVE GROWTH AND DEEPENING FISCAL STABILITY." THE MESSAGE THIS YEAR IS QUITE CLEAR: WE HAVE DONE OUR HOMEWORK, WE INSTITUTED DIFFICULT REFORMS, WE LABORED HARD TO MAKE GROWTH A REALITY, AND NOW WE ARE MOVING FORWARD TO SOLIDIFY OUR GAINS.

ONCE MORE, WE TAKE THIS OPPORTUNITY TO REVIEW OUR PROGRESS SINCE WE FIRST CAME TOGETHER TWO YEARS AGO IN AN EFFORT TO BUILD HARMONIZED ACTION TOWARDS NATIONAL DEVELOPMENT.

INTERESTINGLY, WE ARE MEETING TODAY ON THE FIRST WEEK OF EASTER, AFTER HAVING GONE THROUGH WHAT IS CONSIDERED AS THE MOST GLORIOUS OF CHRISTIAN TRADITIONS --- THE CELEBRATION OF THE RESURRECTION OF JESUS CHRIST.

BUT WHILE EASTER IS USUALLY ASSOCIATED WITH VICTORY AND TRANSFORMATION, OUR GET-TOGETHER TODAY RESONATES NOT WITH COMPLETE VICTORY, BUT A PARTIAL ONE. THE TRANSFORMATION THAT WE SEEK IN OUR COUNTRY IS IN PROCESS BUT THE DESIRED RESULTS HAVE NOT BEEN FULLY ACHIEVED. NOT YET, *DAHIL MARAMI PA TAYONG DAPAT GAWIN.*

IN OUR COUNTRY, MANY OF US LOOK AT THE GLASS OF DEVELOPMENT AS EITHER HALF-FULL OR HALF-EMPTY.

FOR THOSE IN THE ADMINISTRATION, THE GAINS OVER THE PAST SEVERAL YEARS SIGNAL THE COMING OF BETTER LIVES FOR OUR PEOPLE.

FOR THOSE WHO SEE OTHERWISE, WE HAVE FAILED, AND FAILED MISERABLY.

OUR STATE OF DEVELOPMENT

THE TRUTH BEHIND OUR ECONOMIC AND SOCIAL CONDITION IS NOT IN BLACK AND WHITE. OUR REAL CONDITION IS IN SHADES OF GRAY.

TO DECLARE THAT WE HAVE ATTAINED SUSTAINED GROWTH LEAVES BEHIND IMAGES OF FAMILIES STILL WALLOWING IN POVERTY, UNDER THE BRIDGES, ALONG THE *ESTEROS*, IN MAKESHIFT HOMES, BARELY MAKING BOTH ENDS MEET, UNCERTAIN OF THEIR FUTURE.

ON THE OTHER HAND, TO SAY THAT WE HAVE NOT TOUCHED THE LIVES OF THE POOR FAILS TO RECOGNIZE THE ADVANCES THAT WE HAVE MADE THESE PAST FEW YEARS OF RECORD GROWTH THAT WE HAVE NOT EXPERIENCED SINCE THE MID-70'S, AND OF THE MAJOR SHIFTS HAPPENING IN OUR ECONOMIC STRUCTURE. THANKS TO THE CONSOLIDATED EFFORTS OF OUR ECONOMIC AND INFRASTRUCTURE TEAM.

YET, OUR COUNTRY'S SITUATION TODAY IS A COMBINATION OF GOOD AND BAD, STRONG AND WEAK . . . OF A WORK IN PROGRESS.

OUR ECONOMY POSTED A GROWTH OF 7.4% IN GROSS DOMESTIC PRODUCT DURING THE FOURTH QUARTER OF 2007, HIGHER THAN WHAT MANY EXPECTED. WE HAVE BEEN RECORDING QUARTER UPON QUARTER OF GROWTH FOR MANY YEARS NOW. BUT WE ALSO KNOW THAT IN TERMS OF POVERTY INCIDENCE AMONG THE POPULATION, OUT OF 100 FILIPINOS, 33 WERE POOR IN 2006, COMPARED TO 30 IN 2003.

WE ARE NOW CONSIDERED AS A MIDDLE-INCOME ECONOMY. YET WE HAVE TO RECOGNIZE THAT A SIGNIFICANT PORTION OF ECONOMIC ACTIVITY REMAINS IN THE REALM OF THE INFORMAL SECTOR.

FOREIGN DIRECT INVESTMENTS FOR THE FOURTH QUARTER OF 2007 GREW NEARLY FIVE TIMES COMPARED TO THE SAME PERIOD LAST YEAR. THIS IS THE BEST PERFORMANCE SINCE 1997. ON THE OTHER HAND,

MORE THAN ONE MILLION FILIPINOS HAVE TO SEEK BETTER PAYING JOBS ABROAD TO PROVIDE FOR THE NEEDS OF THEIR FAMILIES.

IN OUR POLITICAL SYSTEM, WE HAVE MODERN AND ADVANCED PROCESSES, BUT MANY OF OUR INSTITUTIONS REMAIN WEAK IN RELATION TO POWERFUL AND WEALTHY INDIVIDUALS.

WE PRIDE OURSELVES IN OUR CAPACITY TO CHOOSE OUR LEADERS UNDER A DEMOCRATIC SYSTEM. BUT AFTER ALMOST EVERY BALLOTING EXERCISE, WE QUESTION THE RESULTS AND CHALLENGE THE INTEGRITY OF THE ELECTIONS.

PERHAPS, THESE ARE JUST REFLECTIONS OF THE COMPLEX NATURE OF DEVELOPMENT AND THE DIFFICULTIES THAT LEADERS, PARTNERS, AND STAKEHOLDERS LIKE US HAVE TO FACE IN ORDER TO PROMOTE GENUINE DEVELOPMENT.

RESPONSE TO POVERTY

NOONG MGA NAKARAANG FORUM, MALIMIT KONG BANGGITIN ANG PANGANGAILANGAN NG MALAKAS NA ANTI-POVERTY PROGRAM. IN THE PAST PDF, I HAVE STRESSED THE NEED FOR A STRONG AND DIRECT ANTI-POVERTY PROGRAM.

NANAWAGAN AKO SA INYONG SUPORTA SAPAGKAT NANINIWALA AKO NA MAGIGING EPEKTIBO LAMANG ANG TUGON SA KAHIRAPAN KUNG ITO AY SAMA-SAMANG ISUSULONG NG PAMAHALAN, NG MGA SOCIAL DEVELOPMENT AGENCIES, MGA INTERNATIONAL ORGANIZATIONS, AT IBA PANG GRUPONG KUMIKILOS PARA SA KAUNLARAN. I ALSO CALLED ON ALL OF YOU --- OUR DEVELOPMENT PARTNERS --- BECAUSE I FIRMLY BELIEVE THAT OUR ANTI-POVERTY EFFORTS WILL FIND MEANING ONLY IF WE PUSH FOR THE SAME VISION AND GOALS.

AT HINDI NAMAN NAGKULANG ANG PAMAHALAN SA PAGBALANGKAS NG MGA PARAAN UPANG LABANAN ANG KAHIRAPAN.

BAGO PA MAN LUMABAS ANG UPDATED POVERTY STATISTICS NG NATIONAL STATISTICAL COORDINATION BOARD, MAY MGA HAKBANG O CRITICAL INTERVENTIONS NANG GINAWA PARA IANGAT ANG BUHAY NG MGA MAHIHIRAP.

TINUTUKOY KO RITO ANG MGA ANTI-POVERTY INTERVENTIONS TULAD NG ACCELERATED HUNGER MITIGATION PROGRAM, KALAHI-CIDSS PROJECT, FOOD FOR SCHOOL PROGRAM, MICROFINANCE PROGRAM, AT COMMUNITY-BASED MONITORING SYSTEM.

INILUNSDAD DIN NANG ADMINISTRASYON ANG "8 BY 08" SOCIAL PAYBACK AGENDA, KUNG SAAN HIGIT NA PINAPALAKAS ANG INVESTMENTS SA HEALTH, EDUCATION, AT HOUSING, ANG HUNGER MITIGATION, PATI NA RIN ANG PAGSUSULONG NG JOB CREATION, LOWER COST OF LIVING, STRONGER PESO, MORE INVESTMENTS, STRONG ANTI-TERRORISM, AT GREEN PHILIPPINES.

KASABAY NG MGA PROGRAMANG ITO, PATULOY DING NAGHAHANAP ANG PAMAHALAN NG MGA PARAAN UPANG MAPABABA ANG PRESYO NG PAGKAIN, UTILITIES, TRANSPORTASYON, AT MEDICAL CARE.

THE TASKS AHEAD

THE GOVERNMENT'S ANTI-POVERTY AGENDA SERVES AS OUR GUIDE FOR PROVIDING DIRECT INTERVENTION TO THE MARGINALIZED SECTORS SO THAT THEY WILL NOT BE LEFT BEHIND BY OUR SURGING ECONOMY.

THIS AGENDA IS ANCHORED ON THE MILLENNIUM DEVELOPMENT GOALS AND IS BEING PURSUED TOGETHER WITH OUR OVER-ALL STRATEGIES TO ACHIEVE THE MDGS.

I AM CONFIDENT THAT THIS YEAR'S PHILIPPINE DEVELOPMENT FORUM WILL GIVE US ANOTHER OPPORTUNITY TO REFINE OUR STRATEGIES SOME MORE, IMPROVE OUR PROGRAMS AND PROJECTS, AND **ALIGN** OUR ACTIONS WITH THE PRESENT SITUATION.

ALLOW ME THEN TO START BY SHARING WITH YOU SOME OF MY VIEWS ON CURRENT DEVELOPMENT ISSUES.

FIRST, WE HAVE TO REFOCUS SOME OF OUR PROGRAMS AWAY FROM WELFARE ACTIVITIES AND TOWARDS SUSTAINABLE INCOME GENERATION. WHILE WELFARE-TYPE PROGRAMS ARE EFFECTIVE IN ADDRESSING SHORT-TERM PROBLEMS, WE COULD NOT RELY ON THEM TO PROVIDE THE BUILDING BLOCK FOR LONG-RUN IMPROVEMENT IN THE LIVING CONDITIONS OF THE POOR.

SECOND, WE HAVE TO INSTITUTE MECHANISMS TO ADDRESS THE REALITY OF GLOBALIZATION AND ITS IMPACT ON FOOD PRICES. IN 2007, WORLD FOOD PRICES ARE UP BY 75% AS COMPARED TO 2000. SINCE FOOD IS THE BIGGEST ITEM IN THE CONSUMPTION BASKET OF THE POOR, ANY INCREASE IN FOOD PRICES WILL SURELY AFFECT THEIR STANDARD OF LIVING.

THIRD, WE HAVE TO SEAL OUR GAINS AND PREVENT BACKSLIDING. IN THE PAST TWO PDF, WE HIGHLIGHTED THE IMPROVEMENTS IN OUR ECONOMIC CONDITIONS DUE TO THE STRONG FISCAL PERFORMANCE. THE SERIES OF REFORM MEASURES AIMED AT IMPROVING REVENUE GENERATION AND LIMITING GOVERNMENT EXPENDITURES HAVE BEEN INSTRUMENTAL IN PROMOTING MACROECONOMIC STABILITY. WE HAVE PASSED THE FIRST HURDLE. LET US NOT BE LULLED INTO COMPLACENCY IN MANAGING OUR FISCAL SECTOR.

FOURTH, WE SHOULD BUILD UP ON OUR GOOD PRACTICES IN GOVERNANCE. I AM REFERRING TO REFORMS THAT ENCOURAGE ACCOUNTABILITY AND TRANSPARENCY, SUCH AS OUR NEW PROCUREMENT LAW AND GOVERNMENT ACCOUNTING SYSTEM, WHICH WE HOPE WOULD BE ADOPTED BY ALL DEVELOPMENT AGENCIES.

IN ADDITION, WE SHOULD CONTINUE IMPROVING BUSINESS PROCESSES. GOOD GOVERNANCE REQUIRES HIGHEST LEVELS OF

COMPETENCE AND INTEGRITY. WE SHOULD NOT WAIVER IN IMPLEMENTING PUBLIC SECTOR REFORMS. REFORMS THAT WOULD CREATE A WORKING ENVIRONMENT THAT REWARDS GOOD PERFORMANCE AND DETERS AND SANCTIONS UNDESIRABLE BEHAVIOR.

AND FIFTH, LET US CONTINUE TO WORK MEANINGFULLY TOGETHER. OVER THE YEARS, WE HAVE BUILT A CADRE OF DEVELOPMENT PARTNERS - -- PEOPLE AND INSTITUTIONS COMMITTED TO ERADICATING POVERTY AND PURSUING GENUINE DEVELOPMENT IN THE PHILIPPINES.

THE KEY CHALLENGE IS TO MAKE INSTITUTIONS (ESPECIALLY GOVERNMENT) FUNCTION EFFECTIVELY AND DELIVER RESULTS IN THE MOST EFFICIENT, EFFECTIVE AND SUSTAINABLE MANNER.

LET THIS NETWORK BE OUR POSITIVE FORCE IN WINNING THE WAR AGAINST POVERTY. SURELY, WE WILL PREVAIL.

WORKING TOGETHER

LADIES AND GENTLEMEN, WE HAVE SO MUCH WORK AHEAD OF US. I DON'T HAVE TO CONVINCING YOU OF THE BENEFITS OF WORKING TOGETHER BECAUSE I KNOW THAT I AM IN THE COMPANY OF LIKE-MINDED INDIVIDUALS. OUR EXPERIENCE THESE PAST TWO YEARS SHOWS THAT COLLECTIVE ACTION IS INDEED A POTENT FORCE. WE ARE LIKELY TO ACHIEVE OUR SHARED ASPIRATIONS IF WE MOVE FORWARD TOGETHER.

AT THIS POINT, ALLOW ME TO MAKE A PITCH FOR THE PARIS DECLARATION ON AID EFFECTIVENESS ADOPTED IN 2005. SPECIFICALLY, I WOULD LIKE TO HIGHLIGHT THE KEY WORDS IN THE SAID DECLARATION, NAMELY: OWNERSHIP BY THE GOVERNMENT OF DEVELOPMENT PROJECTS; ALIGNMENT WHICH CALLS FOR THE USE OF THE COUNTRY'S SYSTEMS AND PROCEDURES; AND HARMONIZATION WHICH ADVOCATES THAT DEVELOPMENT AGENCIES DOVETAIL ALL EFFORTS TO SUPPORT THE COUNTRY'S PRIORITIES.

AS YOU CAN SEE, THE PHILIPPINES HAS BEEN A STRONG PROPONENT OF THE PRINCIPLES OF THE SAID PARIS DECLARATION. THE PHILIPPINE DEVELOPMENT FORUM CLEARLY PROVES THIS. WITH THE PHILIPPINE DEVELOPMENT PLAN AS THE PLATFORM TO HARMONIZE AND COORDINATE EFFORTS TO ADDRESS KEY CHALLENGES AND SUPPORT SHARED PRIORITIES AMONG GOVERNMENT, DEVELOPMENT AGENCIES, CIVIL SOCIETY, AND THE BUSINESS SECTOR, WE ACTUALLY SEE THE PRINCIPLES AND COMMITMENTS IN THE PARIS DECLARATION PUT INTO BEST PRACTICE. AND I WOULD LIKE TO CONGRATULATE OUR OVERSIGHT AGENCIES, NAMELY: DOF, NEDA, DBM AND COA, FOR STEERING THE HARMONIZATION AGENDA.

MARAMI NA TAYONG NAGAWA. MARAMI PA TAYONG DAPAT TAPUSIN. KAYA NAMAN HINIHING KO NA PATULOY TAYONG MAGTRABAHO PARA SA TUNAY NA KAUNLARAN, PARA SA MAS MAGANDANG BUKAS SA SAMBAYANANG PILIPINO.

MABUHAY TAYONG LAHAT. MABUHAY ANG ATING DEVELOPMENT PARTNERS AT MALIGAYANG PASKO NG PAGKABUHAY SA INYONG LAHAT.

MARAMING SALAMAT PO.

###