



2011 PHILIPPINES DEVELOPMENT FORUM
February 26, 2011
Sofitel Philippine Plaza, Pasay City

Closing Statement by the Co-Chairperson

Mr. Bert Hofman

Country Director, Philippines, World Bank

Your Excellency, President Benigno S. Aquino III
Honorable Chairman, Secretary Cesar Purisima
Honorable National and Local Government Officials
Honorable Ambassadors and Representatives from the International Development Community
Distinguished Representatives from the Private Sector and Civil Society
Ladies and Gentlemen

Introduction

Your presence, Mr. President, is a great honor.

Let me begin by thanking everyone for the valuable contributions during this day of productive discussions at the 2011 Philippines Development Forum, which took place in an environment of trust, optimism, and excitement about the Philippine Development Plan. On behalf of the international development partners, I wish to express our most sincere appreciation to the Government of the Philippines, particularly the Department of Finance, for its impeccable organization of this event, and to Secretary Purisima personally for his leadership of the Philippines Development Forum. I would like to acknowledge the participation and commitment of many Cabinet representatives, other members of the Government, and representatives of the private sector, civil society and academia.

This closing statement will highlight some of the key themes of today's discussion. Because of the time constraint, it can neither pretend to be comprehensive, nor to have been fully consulted with the development partners on whose behalf I speak. But I am confident that it captures many, though perhaps not all, the messages shared by the partners. I am sure, that all of us now have a better understanding of the Philippine Development Plan for the period 2011-2016, which provides us the framework that will guide us in designing our respective programs of assistance. I also hope that you all share my confidence that, with effective implementation of the Plan and adequate support, the Government of the Philippines will be able to sustain high levels of growth and reduce poverty.

Overview of the Philippine Development Plan

The overall theme of today's meeting was the implementation of President Aquino's Social Contract to achieve inclusive growth and poverty reduction – the theme of the new 2011-2016 Philippine Development Plan (PDP).

Development partners welcomed President Aquino's Social Contract as the guiding framework for the Philippine Development Plan and noted that the 16 points in the Contract, which form the core of the President's vision for the country, go to the heart of the many challenges that the Philippines confronts in returning to a positive development trajectory. The partners congratulated the Government for the positive and early reform measures that seek to deliver against this social contract. Development partners also recognized the importance of the PDP as a framework that would allow them to align their actions and programs with government policies and programs with clear leadership and ownership by the Government.

Highlights of Discussion in the Cluster on Governance and Security

Development partners commended the Government for the honest and detailed analyses of current problems, and emphasized the importance of strengthening capacity for implementation at each level of government, including local government. They welcomed the initial steps taken as part of the 2011 budget and the Public Financial Management Roadmap to improve the efficiency, transparency and accountability of public finances. Development partners also noted that Local Government Units should also be encouraged, through the Performance Challenge Fund and similar mechanisms, to make public financial management processes open, transparent and consultative. Development partners also welcomed the efforts to tackle corruption and encouraged the Government to send strong signals by taking legal actions against graft and fraud, and systematically addressing the vulnerabilities in government departments. CSO representatives noted the need to focus on asset reform, greater access to information, and better mechanisms for coordinating anticorruption programs.

Development partners appreciated the attention given in the PDP to the situation in Muslim Mindanao and other conflict-affected areas, and in particular to addressing the issues in a comprehensive and inclusive manner. In this context, development partners welcomed the resumption of the peace negotiations and reconfirmed their commitment to support the Philippines in this important process. Establishing a Mindanao Development Forum was proposed. Along this line a technical working group shall be convened.

Highlights of Discussion in the Cluster on Human Development

During the discussions on human development, the development partners expressed support for Government efforts to fast-track the implementation of the Universal Healthcare (UHC) as part of the commitment to the MDGs, implement the school-based management system to improve retention and participation rates of students and quality of education, and ensure the empowerment and protection of the poor, vulnerable and disadvantaged individuals from all types of risks through the proposed convergence framework. Development partners commended the Government on its skillful economic management and noted that impressive economic growth and macro-economic stability helps in strengthening confidence in the Philippines. The participants considered the Government's focus on medium-term fiscal consolidation appropriate, given the need to create more fiscal space, which will strengthen the ability of the budget to respond effectively to future shocks. On the expenditure side, development partners commended the Government for the quality and timeliness of the 2011 budget and its expenditure priorities. In order to achieve fiscal consolidation and scale up

priority spending it will be essential to raise the tax effort. In this context, the Government's intention to strengthen tax administration is deemed appropriate. To deliver on these priorities, while reducing corruption and improving equity, both tax policy measures and in-depth tax administration reform will be required in the medium term.

Development partners welcomed the Government's Public-Private Partnership (PPP) agenda as an effective means to provide urgently needed infrastructure and pledged their support for strengthening the Government's capacity to successfully promote, develop and manage PPPs. Development partners also expressed support for the aspirations of the PDP to promote job creation and economic growth, in particular with regard to improving the investment climate and transparency of public tenders. They also noted that, in order to mobilize financial resources from the private sector and to attract more investment to the Philippines, it is essential that the business environment be substantially improved, and that the strong commitment shown in this regard is translated into concrete measures that are steadily and consistently implemented on the ground.

Development partners also noted that achieving food security will remain a challenge in the years ahead and indicated support for the agriculture, agribusiness, and food security reforms that the Government is undertaking. They applauded the government's intentions to close the agribusiness infrastructure gap through PPPs.

Summary/Closing

In summary, Mr. President, the Government has laid out clear plans for implementing the Social Contract with the Filipino People. With the implementation of these plans, we can look forward to the next PDF, where we hope to report that jobs have been created, income has risen, poverty has fallen, investments have gone up, several PPP projects have been successfully bid out, and so on. On behalf of the development partners, I would like to assure you of our strong support for the implementation of the Social Contract with the Filipino people and the Philippine Development Plan for the period 2011-2016 that would lead to achieving these outcomes. Maraming Salamat po and Mabuhay!