



2011 Philippine Development Forum

STATEMENT OF THE EUROPEAN UNION

The EU and its Member States welcome the PDP as a medium and long term strategy for poverty reduction and achievement of the MDGs. The PDP provides a framework that will allow the EU and its Member States to align their actions and programmes with Government policies and programmes with clear leadership and ownership on the part of the Philippine authorities. Its implementation period includes the MDG deadline, which means that it should provide a basis for achieving the MDG target outcomes.

The title of the 2011 Philippines Development Forum is 'Implementing President Aquino's Social Contract to Achieve Inclusive Growth'. The EU and its Member States support the ambitious aspirations set out in the Social Contract. They include, among others, commitments to good governance, to the restoration of the Rule of Law and to transparency and integrity, including the fight against corruption. They also include commitments to create jobs at home and to develop an improved investment climate to encourage private sector growth. Other commitments are related to the Peace Processes and the situation in Mindanao, to education and health reform, specifically including responsible parenthood, and to sustainable environmental protection.

These aspirations are not only laudable, but they also indicate a clear commitment on the part of the Government of the Philippines to achieving economic growth which is socially inclusive. With more than 7% growth in 2010, the Philippines has weathered the global economic crisis better than many economies and has continued to achieve economic growth. The improvement in the economy needs to be shared in an inclusive way. The fact that the poverty situation has not improved, but has in some aspects even deteriorated is a point of concern. The EU and its Member States encourages the Government of the Philippines to increase its efforts to achieve the Millennium Development Goals and in particular MDGs 4 and 5.

The Draft Philippine Development Plan 2011-16 contains very honest and detailed analyses of current problems, including aspects of weak and poor governance. The proposed plans to take development forward in each sector are ambitious and complex. Great attention will have to be paid to the process of implementation. Efforts to enhance the capacities of all stakeholders in this endeavour are essential. The role of local governments will be particularly important for the implementation of policies at local and grass root level. The responsibilities at each level of government should be clarified in order to reach a clear division of labour and a clear assignment of financial responsibilities.

The commitment to improving good governance and the rule of law will be achieved through accountability of government at all levels, including local government. Local Government Units should be encouraged, through performance based grants and similar mechanisms, to make budgeting processes open, transparent and consultative. They should also publish their accounts and report on expenditure and results to their communities and they should set up open dialogue processes with the private sector and civil society to receive feedback on their performance.

In order to ensure that the PDP creates a growth paradigm which is truly inclusive it is essential to focus on the citizens of the country, especially the poor and marginalised groups. In this context, the EU and its Member States support the priority given to the conditional cash transfers programme, which has been placed at the heart of social protection policy. The benefits of conditional cash transfers can be further enhanced by aligning them with health and education policies, in particular improvements in human resources, primary healthcare and nutrition, and with environmental aspects, such as the sustainable management of natural resources. Furthermore, it will be essential to ensure that genuinely pro-poor programmes are consistent with the commitment to the Cairo Declaration, which places family planning within the broader framework of reproductive healthcare, to make it possible for women to decide on the size and timing of their families. Sustainable development can only be attained with gender equality and the economic, social and political empowerment of women. This should be reflected in the mainstreaming of gender issues in all public and social policies and the development of indicators and actions across all sectors, programmes and projects.

The promotion of growth through private sector development remains the key to job-creation and economic growth. The EU and its Member States support the aspirations of the PDP in this respect, in particular with regard to improving the investment climate and transparency of public tenders. At the same time, increased investment, in particular much-needed foreign direct investment, depends critically on further improvements in the regulatory environment and legal framework.

In addition, development of the Micro, Small and Medium Enterprises (MSMEs) that make up the vast majority of businesses in the Philippines should remain a priority. This sector has the potential to create much needed jobs and income, but it requires innovative approaches to increase competitiveness through improved regulatory conditions, better access to finance, better access to markets and increased productivity and efficiency. Market system development, value chain promotion, local and regional economic development are proven approaches that should be further spread throughout the Philippines. They should be combined with gender mainstreaming, with a green growth perspective, and with making use of funding from remittances and the know-how of Philippine migrants.

Given the country's high vulnerability to climate change, development planning needs to be clearly linked to strategies and action in support of CC adaptation and mitigation in order to enhance the resilience of ecosystems and livelihoods, especially of the poor, and to support the mitigation of green-house gas emissions with a view to developing low-carbon development strategies in all areas of development. Environmental mainstreaming, including the sustainable management of natural resources, should be applied to all development policies.

The EU and its Member States welcome the attention given in the PDP to the situation in Mindanao, and in particular to addressing this in a comprehensive and inclusive manner. In this context, we welcome the resumption of the peace negotiations, and we reconfirm our commitment to support the Philippines in this important process. This commitment is reflected in the EU's funding of two members of the International Monitoring Team. The EU and its Member States share the view of the Government of the Philippines that development can play an essential role in conflict transformation and peace building.

The EU and its Member States, which jointly constitute the World's largest provider of development assistance, are committed to the European Consensus on Development, which

sets out the principles and objectives of the EU's shared vision for development. The chief objective of the EU is to reduce poverty in the context of sustainable development. The EU seeks the achievement of the MDGs by 2015. The European Union and its Member States are pleased, therefore, to support the ambitious aspirations and social and economic policies set out in the Philippines Development Plan in order to fulfil President Aquino's Social Contract. As long-standing partners of the Philippines, we stand ready to assist the Philippine government, and the Philippine society as a whole, in implementing the programmes that are needed in order to achieve the objectives of the PDP.

The European Union and its Member States look forward to participating actively in the work of the PDF. In this respect we would encourage the PDF organisers to develop a detailed overall work plan which would provide a basis for the working groups and development partners to take forward their work in a coordinated manner.