



**United States Delegation Statement
2011 Philippines Development Forum (PDF)
Development Partners Meeting for the Philippines
February 26, 2011
Pasay City, Philippines**

The United States Government (USG) greatly values its long history of partnership with the Government of the Philippines (GPH) that is based on shared values and the desire for stability, prosperity, and opportunity. The USG, with its 30 agencies in the Philippines, remains steadfast in our commitment to this partnership. The USG is the Philippines' largest grant donor, providing more than \$176 million in FY 2010, and bringing our total assistance to the country to \$7.9 billion since 1946.

The USG welcomes the opportunity to work with the GPH in implementing its social contract with the Filipino people. The USG appreciates the articulation of GPH priorities in the Philippine Development Plan, focused on creating employment opportunities for more Filipinos, in order to significantly reduce poverty, minimize corruption, and enforce rule of law.

The USG is fortunate to have an enhanced mandate to work with the GPH in helping to propel the country on a trajectory of consistent and sustained economic growth that will expand access to basic social services, increase jobs for women and men, attract investment and encourage meaningful democratic participation. In September, 2010, President Obama signed a Presidential Policy Directive on Global Development, the first of its kind by a U.S. administration. The USG's new approach to high-impact development is built on four core areas:

- Recommitting to the Millennium Development Goals by building sustainable governance and delivery systems to support healthy and productive lives.
- Investing in country-owned models of inclusive growth and development in a focused set of countries that are well-governed, economically stable, globally connected, and market-oriented.
- Developing and delivering scientific and technological breakthroughs.
- Utilizing USG expertise on humanitarian response and recovery in conflict settings.

To better align USG programs with GPH development priorities in accordance with President Obama's policy directive, the USG is formulating a new development strategy for the Philippines for the next five years.

Accelerating Broad Based and Inclusive Economic Growth

The USG affirms the GPH priority of increasing tax collection in order to improve its fiscal position and scale up priority spending. On the expenditure side, the 2011 budget reorients spending toward sectors that support inclusive long-term economic growth. The GPH is likewise committed to stable and low inflation conducive to balanced and sustainable growth.

Over the past year, there has been notable progress in improving the investment climate and competitiveness in the Philippines. The USG supports GPH efforts to create a globally competitive business environment and to expand micro, small, and medium enterprises to broaden the industrial base and promote entrepreneurship. Continued attention to addressing regulatory constraints to trade and investment and improving governance will significantly improve the business climate and generate increased job opportunities for men and women.

The USG affirms GPH complementary efforts for increased economic growth, such as encouraging public-private partnerships in infrastructure development; putting in place a reliable power supply and improving power transmission and distribution systems; harnessing information and communications infrastructure and applications; better preparing an educated workforce for 21st century challenges; more effectively managing natural resources for sustainability and tourism; and mitigating the effects of global climate change and disasters, which cost millions of pesos each year in reconstruction and rehabilitation efforts.

The USG notes the GPH concern with ensuring food security at all levels and supports efforts that promote production on the basis of comparative advantage. The USG applauds the implementation of National Food Authority reforms, separating its regulatory and proprietary functions.

Improving Governance and Security

The Philippines has a long tradition of broad participatory democracy. The USG will continue to partner with the current administration to address persistent vulnerabilities to weak rule of law and widespread corruption. The USG affirms GPH efforts that will ensure continued progress and prevent backsliding -- intensify judicial reform, increase transparency and accountability in government, lessen constraints to business, and increase civil society oversight and participation in procurement and budget monitoring and execution. Noteworthy is the GPH Public Financial Management (PFM) reform roadmap and the recognized need to harmonize the PFM system with International Public Sector Accounting Standards. Also significant is the recognition of the roles of both the national and local governments in improving formulation and implementation of development programs and in improving the business environment.

Peace and security efforts help secure investor confidence and promote development. At the GPH's request, the USG provides assistance to peace and security efforts with military programs, including humanitarian assistance and training cooperation. We commend the

GPH's recent achievements and commitment to promoting peace and security through a range of efforts that include both development and counter-terrorism initiatives. The Philippine military has continued to achieve progress in sustaining successful counter-terrorism operations, but more significantly in devoting a larger part of its efforts to civilian outreach programs towards the same objective. The USG also supports GPH law enforcement to improve the capacity to detect, deter, and investigate terrorist activities.

The USG notes the GPH goals of bringing armed conflict to a permanent and peaceful closure through negotiated political settlement and addressing the roots of armed conflict and other issues that affect the peace process. Indeed it is important to find solutions to the long-running and debilitating violence in Mindanao, which leaves the region vulnerable to exploitation by international terrorist organizations.

Fostering Human Development

The persistent problem of poverty and severe disparities between rich and poor Filipinos requires that the GPH address constraints to growth with an approach that results in equitable and inclusive economic growth. Although higher budgets for health and education are very encouraging, the Philippines continues to suffer from declining rates of enrollment in secondary education, inadequate access to health services, and widespread environmental degradation. Complicating these difficulties are large geographic disparities in the quality of educational opportunities, access to health services, and access to safe drinking water and proper sanitation, with lagging provinces mostly located in Mindanao.

The USG commends the GPH's strong results-oriented approach to increasing access to and improving the quality of education, including through community-driven development approaches. A major imperative is to close the gap in educational achievement between men and women in marginalized regions and the rest of the country, as well as to provide alternative education options to out-of-school children and youth.

The Philippines' rate of population growth continues to outstrip the country's ability to generate enough jobs and provide needed services, and continued GPH work on family planning is noteworthy. The USG supports the scaling up of effective health interventions, particularly family planning, maternal and child health, TB detection and treatment, and HIV programs for some of the most at-risk groups. Under the framework of Universal Health Care, the USG notes the challenges facing the GPH in achieving the MDGs under a devolved health care setting. These include achieving financial risk protection for the poor through expansion of national health insurance, improving access to quality health care facilities, and maintaining a focus on achieving health related MDGs.

In the water sector, the USG affirms rationalizing allocation of public subsidies to leverage private sector financing. Improving regulatory framework will compel water utilities to expand and deliver better services and will also attract greater private sector participation.

Conclusion

The USG applauds the Philippines for its inclusive growth agenda and accomplishments over the past year. We value highly the opportunity to support the new administration's priorities through our continuing productive partnership with the GPH and with our development partners in the donor community, the private sector, civil society and academia.

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