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Statement by the Hon. **CESAR V. PURISIMA**,
Governor of the Bank for the **PHILIPPINES**

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The Philippines congratulates the new leadership of the World Bank Group, and welcomes the exciting synergies this brings to the institution and its partnership with member-countries. With the appearances and re-appearances of crises and uncertainties around the globe, impacting our countries in more ways than one, a World Bank that responds forcefully to the development challenges worldwide is the World Bank that is more meaningful to its shareholders. We are, therefore, pleased that the Bank is steadfastly committed to the global development agenda and is progressively seeking ways to further improve its delivery of financial and knowledge services.

We appreciate our long-standing partnership with the World Bank but more needs to be done. We urge the World Bank to take full advantage of its resources in offering to client-countries concrete, innovative and on-time development solutions. We advocate the World Bank's more active role in harnessing the strengths of the multilateral donor community and providing a deeper platform for South-South cooperation and learning, all towards accelerating the global fight against poverty and the attainment of prosperity.

The World Bank's mantra of "... a world without poverty" is our shared dream. But resources and capacities to achieve this common goal are so diverse across countries and regions. Therefore, we call on the World Bank to deliver more relevant country system-based programs and partnerships that are driven by the special challenges and needs faced by the poor and the low-income countries as well as middle-income, emerging economies. From food crises to fragility and conflict, from gender inequities to weak governance and infrastructures, to mention a handful, the challenges on the ground are simply huge and varied, but they offer significant opportunities for broad and transformative engagements.

Jobs for Growth and Development. The theme of jobs for development, the centerpiece of this year's meetings, is very timely because jobs create income-generating opportunities that fuel growth and potentially free people from poverty. But in order to create jobs that are good for growth and development, governments need to invest in education, in social institutions, in good infrastructure, in a competitive business climate, and in a healthy environment. We look forward to country partnerships with the World Bank that are enriched by a jobs lens informing strategies in human development, private sector competitiveness, labor policies and sectoral programs such as in agriculture, industry or service.

The jobs agenda is especially significant for the Philippines whose population is predominantly young and working-age. The growth in formal employment has been modest while underemployment and non-formal employment have remained to be challenges. Thus, investing in our people in terms of providing them the skills to be productive and competitive is high in our agenda. We also realize the need to support this with investments in their well-being and health, as well as investments in the right economic and labor policies, institutions and processes to change and invigorate the way we do business. We are ready to engage with the World Bank in doing the analytics and enriching our country partnership strategies with a jobs focus.

A Disaster-Resilient Growth. We have consistently urged the Bank to scale-up the pursuit of its development mandate. In this Annual Meetings in Tokyo, being held amidst a setting of successful rehabilitation and rebuilding from triple disasters last year, we laud the Bank for stepping-up and taking on a more aggressive role in pushing disaster risk management and climate adaptation as a development strategy. Disasters cost lives and livelihoods, and countries cannot afford to remain reactive to disaster events. Peoples, communities, institutions and industries need to be shielded against disaster events. They need the tools and capacities to manage the risks of disaster occurrences. Clearly, addressing vulnerabilities to disaster risks and climate change resonates in our poverty and growth agendas. We, therefore, call on the Bank to lead the way towards the path of disaster-resilient and sustainable development.

The Philippines is one of the most vulnerable countries in the world in terms of disaster events, being in the typhoon belt and lying in the so-called Pacific “ring of fire.” We are hit by more than 20 typhoons per year and experience an average of 20 earthquakes per day. The Philippine government has, thus, embraced disaster risk management and climate adaptation as part of its development strategy. We are actively partnering with the World Bank and other international multilateral donors in this effort. The World Bank’s CAT-DDO operation in the Philippines was a first in Asia, and proved a timely instrument as funds became immediately available to us last December 2011 after the onslaught of devastating rains and floods in Northern Mindanao.

While relief and rehabilitation are necessary, we are shifting gears and fortifying our disaster prevention mechanisms. We hope to further our collaboration with the Bank in terms of building better and disaster-proof infrastructures, and in instilling capacities for disaster preparedness among local governments and communities. We count on the Bank’s continued support in accessing new technologies to map our vulnerable zones, improve communication and accurately forecast weather conditions. We also expect to reap benefits as the Bank and the IFC assist us in developing disaster risk insurance instruments while establishing regional risk insurance markets. In all, we are convinced that if we are able to account for the impact of disasters and climate change in our

economic and fiscal plans a priori, and embed DRM plans and programs in the overall national development planning exercise, we could be more economically successful and fiscally sustainable.

The Middle-Income Country Agenda. We are encouraged that the World Bank is strengthening its partnership with middle-income countries or MICs, and giving MICs a greater voice in the development dialogue. Undoubtedly, MICs are important drivers of growth in Asia, in Latin America and in Africa, but they are also countries confronted with serious development challenges. They account for 30% to global GDP but they host 70% of the world's poor. Being in both sides of the spectrum of prosperity and poverty, MICs have a lot to contribute in terms of experiences and learnings.

We welcome a World Bank engagement framework with MICs and strongly encourage broad consultations with MICs toward the drafting of this framework. It is imperative to bring all MICs to the discussion table, as MICs are one diverse group of nations with different status and needs.

The Philippines looks forward to this new development paradigm and having more involved participation in the global development agenda through the MIC platform. We shall continue to lend support to IDA countries, and are willing to do our part in knowledge sharing. In terms of our engagement with the Bank, as a MIC, we seek opportunities for program-for-results (P4R) operations in our country to support stronger institutions that anchor our government programs. We hope to re-engage with MIGA as we intensify our investment portfolio and deepen our private sector reforms with the help of the IFC.

We strongly believe that the Bank can further advance its knowledge agenda among MICs. We call for a more aggressive sharing and exchange of knowledge among MIC countries, which the World Bank could host and facilitate. MIC nationals can be moved around MICs, in staff exchange programs, so that knowledge, experience, innovations and best practices are shared, imbibed and replicated.

Our Country Partnership with the World Bank. The Philippines has a long history of development partnership with the World Bank. It is unprecedented in recent years that we expect to tap up to \$1.5 billion in annual lending under the World Bank Country Assistance Strategy for the Philippines. With the Bank's support, we are implementing a highly-successful Conditional Cash Transfer Program that now covers more than 3 million households. We are also strengthening our public financial management system to promote prudent spending, instill transparency and accountability in the use of public funds, and ensure that we have sufficient revenues to undertake priority socio-economic

programs. The Bank also assisted us with catastrophe financing immediately after the destructive floods in Northern Mindanao last year.

We look forward to deepening and enriching our engagement with the World Bank as we collaborate on the preparation of the next Country Partnership Strategy for the Philippines. We hope to build on recent gains in order to attain more inroads in our inclusive growth agenda. Transforming the way we do business is a priority agenda as we strive to attract more investments and provide more income-generating opportunities in the country for Filipinos. The IFC's expertise and assistance can help inform our programs to capacitate national and local government agencies, automate processes, facilitate trade and reduce graft and corrupt practices that impede investment growth. Our strategies will also be guided by President Aquino's vision of clean, honest and efficient entrepreneurship.

Groundwork has been done to pursue a more vigorous infrastructure program. Having defined the rules and processes, and consolidated the implementation agencies, we have been able to launch five PPP projects in record time and have more projects on stream. We aim to modernize and climate-proof our rural infrastructure to increase agricultural productivity, attain food security, enhance rural incomes. The World Bank's forthcoming support for agricultural and rural development in Central Philippines is widely anticipated.

Our real asset is our people, thus, we are committed to continue building the necessary social infrastructures to improve their well-being and development. They are the country's best bet for sustainable growth. Instituting universal health care, improving the quality and coverage of basic education, tightening the targeting and results monitoring of the social safety nets program and expanding the community-driven development program on a nationwide scale are all part of our human development strategy, and we acknowledge the continuous support by the World Bank in these initiatives not only thru financing but also in making available to us its technical expertise, knowledge and advisory services.

As the government is relentless in the pursuit of peace in Mindanao, it is equally committed to turning Mindanao's growth potential into reality. We count on the Bank's continued role in coordinating international donor support for the conflict-affected areas in the south. We hope to benefit from the Bank's rich experience in development work in fragile and conflict-affected states. Development support for Mindanao will be a major pillar to be supported under the new CPS.

On a last note, we thank the World Bank for supporting and acknowledging the good governance agenda of the Philippine government. Good governance will remain the

cross-cutting theme of our Bank engagements and overall development plan because good governance is good economics. With good governance as anchor, the government has begun to reap dividends in terms of robust economic growth, stronger revenues and overall fiscal position, improved competitiveness rankings, more market confidence and increasing foreign investments. With good governance framing our nation-building efforts, the attainment of inclusive growth is the compelling development story we aim to tell all generations of Filipinos.