On behalf of President Benigno S. Aquino III, in whose name I have come, I wish to thank His Excellency President Jose Manuel Barroso for his invitation, and the European Commission for their gracious hosting of the 2012 European Development Days.

It is a distinct honor and pleasure for me to participate in this important European event and to be able to congratulate the EU and share the joy of your having won the Nobel Peace Prize.

We gather here today amidst a global economy that is slowly, if sometimes erratically, recovering from the crisis of the last two years. Consumer spending is increasing. Investor confidence, though still very cautious, is on the rise.

Many economists, including those at the World Bank, continue to warn us of trouble and volatility ahead. But there is general agreement that the global economy will continue to grow, especially in the developing world.

In its Global Economic Prospects published in June, the World Bank projects that growth in developing countries, while slowing to 5.3 per cent in 2012, will strengthen to 5.9 per cent in 2013 and to 6.1 per cent in 2014.

In the Philippines, we have many reasons to be optimistic.

We are now, according to HSBC, the 44th largest economy in the world. Our gross domestic product grew by 6.4 percent in the first quarter of this year, and is on track to keep that pace throughout 2012. Our growth rates have outperformed all economies in the region with the exception of China. Our gross international reserves of $70 billion now exceed our total foreign debt, and this has allowed us to commit $1 billion to the international monetary fund to help some troubled economies.
Since the Aquino administration took office in 2010, we have pushed the shadow of official corruption decisively to the past. We have since received two credit ratings upgrades from the most reputable institutions, and are now one notch away from investment grade status.

In a global economy that must contend with the rapid and irreversible ageing of the population, and serious problems of generational replacement in many developed countries, our young and robust English-speaking workforce helps to make the Philippines an attractive investment destination and manufacturing center as well as a reliable supplier of migrant labor for highly industrialized countries.

Our earnest desire to eradicate social injustice and inequality and make human development the main driving force and central motive of our peace and reconciliation efforts with the various parties in armed conflict with the state has finally begun to bear fruit.

Two days ago, on the 15th of October, the Philippine government signed a framework agreement with the Moro Islamic Liberation Front (MILF) on the establishment of a political entity known as “Bangsamoro,” to bring to a final and permanent close a secessionist insurgency that has cost our country so much in terms of human and material costs and held hostage for so long the development process in a region so richly endowed with good weather, fertile soil, lush vegetation, a hard-working and enterprising people, and a wide variety of mineral resources.

This is but a first step in our long and determined journey to peace and progress. But it is such a decisive step that we hope Europe, together with the rest of the international community, would not hesitate to extend every possible support to this initiative. Encouraged by this breakthrough, we hope we could soon finalize our next peace agreement with the Communist Party of the Philippines and its military arm, and the national democratic front.

The dividend we derive from this peace effort should enhance our prospects in transforming the nation’s economic and social fabric, consistent with our people’s shared ambitions for themselves.

Our country has the longest experience with democracy in Asia. At the same time, a majority of our people have had as long an experience with grinding poverty. It is time to demonstrate that poverty is not at all a function of democracy; that, to the contrary, democracy provides the best ethos, institutions, tools and skills to conquer poverty.

At a time when everyone is looking for a new paradigm to replace the old, we need to rediscover the real sources of our strength. We need food, water, housing, health care, education, clothing, electricity, mobility, waste disposal systems and green space. To provide for those needs, we need jobs, incomes, credit, technology transfer, environmental monitoring and management, the ability to respond quickly and adequately to disasters, and economic growth. But how do we make sure that while trying to create all those things we do not simultaneously create the inequality and injustice that will in turn create an “Occupy” movement or some variant thereof?

As crisis continues to expose the inadequacy of many elaborate theories, we inevitably reaffirm the need to place the human person at the center and summit of all our development efforts, so that he or she can decide whether to measure human achievement purely in terms
of Gross National Product or in terms of (Bhutan’s) Gross National Happiness. This is why in my country we try to target the basic unit of society – the family--- in our anti-poverty effort.

Our “Assistance to Filipino Families”, called Pantawid Pamilyang Pilipino Program, or the 4 Ps, is a poverty reduction and development strategy that provides conditional cash grants to extremely poor households. These grants are meant to help improve access to health, nutrition and education, particularly of children aged 0-14.

This program aims to help us fulfill our country’s commitment to meet the Millennium Development Goals of eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality, reducing child mortality and improving maternal health.

Through this program, we help families address their most basic material needs so that they can focus more on health and education, particularly of their women and children. In exchange for these cash transfers families are required to avail themselves of pre- and post-natal care, to attend family development sessions, to ensure that their children receive regular preventive health check-ups and vaccines and enroll and attend at least 85 per cent of their classes in elementary or high school.

Healthcare is a primary concern, and our government tries to provide quality and accessible healthcare to all its citizens. The Aquino administration’s goal is to achieve universal healthcare coverage and strengthen our healthcare and health insurance systems during its term of office. Our people should have quality healthcare as a right, and not as a privilege.

Toward this end, we seek to provide continuous training to our highly qualified healthcare professionals and modernize our delivery systems so that our program remains responsive to all our people’s needs. With the help of the appropriate information and communications technology, we are increasingly able to deliver timely quality healthcare even to the remotest villages in the Philippines.

As a valuable partner in this program, the EU has contributed 61 million Euros to improve equitable access to quality health services in our country through its Multiannual Indicative Programme from 2007 to 2010. This support is richly appreciated; we hope that as the need increases our donors would be able to do more.

Food security is another primary concern.

Although we have a large agricultural sector, Philippine agricultural growth is challenged by climate change, typhoons, high cost of production, and limited infrastructure, among others. Despite these, the sector has proven resilient, aided by government’s efforts in implementing various programs targeting the attainment of food security and sustainable agricultural development.

A banner program on food security is the Food Staples Sufficiency Program (FSSP), which aims to achieve self sufficiency in food, particularly rice, the main staple. In 2013, the country is expected to meet its domestic requirements from its own local production. Strategies to achieve self-sufficiency include raising productivity and competitiveness, enhancing economic incentives and enabling mechanisms via access to credit and crop insurance, and ensuring non-wasteful consumption.
One other aspect of our development strategy, which is close to my heart, is social housing. Another, which is equally close to my heart, is labor migration. The two issues are interrelated not only because they fall directly under the Vice President as chair of the Housing and Urban Development Coordinating Council (HUDCC) and as Presidential Adviser on Overseas Filipino Workers’ (OFW) concerns, but also because a big part of the demand for social housing is coming from the families of migrant workers.

We need to fill up a backlog of 3.6 million housing units in just a few years. With the help of all the government’s shelter agencies, we have tried to mobilize the private sector, local government units, and our migrant Filipino communities to participate in this large project. And we are extremely encouraged by the public response.

As an independent issue, migration is another high priority concern. We have contributed at least 12 million Filipinos to the large “diaspora nation” of 200 million people of various nationalities. Looking after their interests has become a little more demanding and complicated after the onset of the Arab Spring and the trans-Atlantic financial crisis.

Given their contribution to our national development – in terms of knowledge transfer, investments in the real estate and small and medium-scale enterprises at home, and foreign currency remittances – as well their own contribution to the economy and culture of the countries where they work, the protection of these nationals has become a preeminent concern of our foreign policy.

Over the last three decades, the Philippines has established perhaps the most advanced infrastructure for protecting its nationals overseas. This system may have become a model for others to follow.

EDD 2012 gives us an opportunity to assess our past development cooperation efforts. But, more importantly, it also provides an excellent venue to chart the course of future partnership between the Philippines and the EU.

It will be recalled that last July, the Philippines and the EU signed a Partnership and Cooperation Agreement (PCA), one of the very first such agreements signed in the post-Lisbon Treaty era. This agreement sets out the course of bilateral cooperation for the foreseeable future. It identifies key areas of cooperation—including the maintenance of peace and security, the facilitation of trade and investment flows, and the development of the human potential through poverty reduction and capacity-building.

Previous to this, the Philippine government in 2011 issued its Medium-Term Development Plan for 2011-2016. This plan envisions a Philippines with a rapidly growing economy, the benefits of which are broadly shared, fueled by the responsible harnessing of our natural resources and a commitment to developing the full potential of the Filipino people.

Our plan rests on five key strategies: boosting competitiveness in the productive sectors to generate massive employment; improving access to financing to address the evolving needs of a diverse public; investing massively in infrastructure; promoting transparent and responsive governance; and developing human resources through improved social services and protection.
We have since adopted the Philippine strategy towards Europe for the period 2012-2016. In very broad strokes, the strategy elevates Europe, particularly the EU, as a geographic sphere of priority in our foreign policy. This is in recognition of Europe’s importance as a partner in our national development efforts as well as of its status as a major economic and political actor in the global arena.

In the next four years, the Philippines will seek to intensify and expand its relations with the EU and other European partners in the areas of trade and investment, politico-security cooperation, migration and development, tourism, cultural cooperation, including people-to-people exchanges, and of course development cooperation.

We are confident that with the PCA and our Medium-Term Development Plan in place, complemented by the European Commission’s communications on issues such as social protection and the global approach to migration and mobility, Philippines-European Union cooperation will become more focused, strategic, and effective in the years to come.

Thank you and good morning.