



PHILIPPINES

JOSE ISIDRO N. CAMACHO, Governor

I join my fellow governors in congratulating President Chino on his reelection as President of the Asian Development Bank (ADB) and in welcoming Portugal as our newest member. I am profoundly grateful for the warm reception and hospitality of the government and people of the People's Republic of China as host for this year's annual meeting.

Our yearly gathering is both a summary of the efforts of the year past and more importantly a renewal of our collective commitment to the shared goal of fighting poverty. New challenges are evident but these are surmountable if measured against the region's remarkable resilience in facing past crises. While adversities continue to confront developing member countries (DMCs), the contagious dynamism that Shanghai exudes reinvigorates us in navigating safely out of troubled waters.

I see the silver lining on the horizon, as signs for the resumption of sustainable economic growth have been encouraging. Renewed optimism gives impetus to keep steady progress on strengthening economic fundamentals and policy improvements as we steer back to safe waters and accelerate poverty reducing growth. The tragedy of September 11 sounded a clarion call to end poverty as the conducive ambience for enduring peace. The Philippines relates to such a call as we reconfirm our conviction that the building blocks toward peace and poverty reduction reinforce each other.

Against these premises, allow me to make some reference to the Philippines.

The year 2001 witnessed another stressful but rewarding period as the convergence of political will and economic discipline allowed our economy to outperform the expectations of many and register significant progress on reforms to restore policy credibility. The Philippines posted a 3.4% growth in gross domestic product and this growth created more than 2 million jobs. But hard facts should temper premature exuberance and prevent complacency. We recognize that significant risks remain and sustained vigilance is crucial to safeguard the gains achieved so far. Rather than resort to policies that provide short-term fixes, we are vigorously pursuing initiatives to establish the foundation for long-term economic prosperity and make a significant difference in uplifting the lives of our poor. Our development plan is anchored on the

philosophy based on free enterprise, agricultural modernization, policies that squarely address the needs of the poorest segment of the population, and the upliftment of moral standards of government and society.

ADB has always been a steadfast ally in our development efforts particularly in our crusade against poverty. Over the years, we have nurtured our partnership with ADB with respect and trust. We strongly support the reorientation of the development framework toward national ownership of policies and strategies, recognizing each country's unique circumstances and domestic realities. Already, consultations are going on in the Philippines to enable us to better meet the core areas of intervention in the framework. We applaud the Board of Directors and Management for efforts to scale up ADB's arsenal of policies and institutional capacities to intensify development effectiveness. The Philippines puts a premium on similar initiatives that foster responsible governance, investing in people to unlock their creative energies and exploring synergies between the public and private sector in our endeavors. We look forward to another year of successful partnership with ADB in attaining our development goals. Official development assistance is a highly valued resource and we are reinforcing our efforts to ensure judicious spending and better performance in terms of availment.

Empowering nations through regional cooperation as the special theme of the Annual Report is most appropriate. Not only because of ADB's comparative advantage in this field, more so as a pragmatic necessity in an integrating environment. Toward these efforts, we acknowledge ADB's support for ASEAN initiatives in fostering economic cooperation such as the BIMP-EAGA. As the regional development partner, we encourage ADB to lead the way in facilitating the flow of capital to the region as countries enhance their economic regimes to bolster their competitive position and merit the full confidence of the international community.

We are encouraged by the continuing efforts to explore innovative schemes to reduce the costs of borrowing from ADB. However, the larger counterpart contributions required from the DMCs like the Philippines have adversely affected the poverty reduction initiatives of ADB and the DMCs. We strongly urge a serious review of this requirement to alleviate the financial burden of this policy.

In closing, we commend and express our full support for the active participation of ADB in the reconstruction of Afghanistan. The tragedy we saw is a painful reminder for all of us to work together more than ever given the enormity and urgency of the poverty challenge that confronts us now.