



## **Inaugural Financing for Development Forum**

18 April 2016

UN Headquarters, New York City, New York, USA

### **COUNTRY STATEMENT - THE PHILIPPINES**

#### **Hon. Roberto B. Tan, Treasurer of the Philippines**

Department of Finance

Mr. President, Excellencies, Honourable Colleagues and Partners, Ladies and Gentlemen good morning!

Allow me first to take this opportunity to express our deep sympathy to the people of Japan and Ecuador for the loss of lives and damages incurred following the recent earthquakes that hit their countries. We stand in solidarity with your people on the difficult tasks of recovery and rehabilitation.

I am pleased to take this opportunity to represent the Philippines on this momentous occasion. Today marks a significant achievement in our common goal towards concrete financial and non-financial means and solutions for a sustainable future for our people and planet.

The Philippines aligns itself with the statement made by Thailand, on behalf of the **G77 and China** and the statement delivered by Honduras, representing the **Like-Minded Group of Countries Supporters of Middle-Income Countries**.

Following the agreed actions and commitments in Addis Ababa, the Philippines has made large gains in mainstreaming FFD in our financial system and adopting transformative actions for the 2030 Sustainable Development Agenda.

#### **How do we mainstream...**

Our work emanates from the **Philippine Development Framework – the pursuit of an inclusive growth-** and the **Filipino 2040 vision** for the country's long-term development.

The continuing reforms undertaken by the Philippines have resulted in a stronger link between our development plans and more effective use of our resources.

## On Domestic Public Resources

Through concerted reform efforts in revenue administration and modernization of our revenue collection system, we have increased our tax revenues and reduced tax evasion cases and opportunities for corruption. Our revenue performance has registered double digit growth in tax collection during the past 6 years.

We are in the advance stage of enacting legislation which would modernize our custom operations which will align it with global standards.

Our financial institutions have also actively enforced policies and launched initiatives to increase our domestic public resources. In particular, to strengthen our **anti-money laundering mechanisms**, we continue to institute better controls and safeguards. We remain actively engaged in the discussions on ensuring vigilance and aligning regulations with global practices, particularly against tax evasion and illicit financial transactions.

We continue to harvest the gains since the passage of our **Sin Tax Law**. In 2015, total excise tax collections from cigarette and alcohol consumption has reached over **US\$3 billion** a year or an equivalent of 1.1% of our GDP. Of this figure, 80% were allocated for Universal Health Care with the remainder of 20% allocated for medical assistance and enhancing our health facilities.

Our efforts have also targeted use of revenues towards social protection and strengthening resiliency.

As an example, the Government's flagship program continues to increase the provision of **conditional cash grants** to the poorest of the poor families to ensure that their children go to health centers and attend school.

In 2015, the Government released cash grants totaling **US\$2 billion** to more than 4 million beneficiaries. These represent a critical investment for social protection targeting a very vulnerable segment of the population. This year, we plan to expand coverage to an additional 400,000 beneficiaries.

In the area of **climate action**, we have established the **People's Survival Fund** – the national climate fund – to support financing of transformational projects for the most vulnerable and at-risk to **adapt** to the effects of climate change. This Fund is provided an annual appropriation of at least \$20 million.

## On Domestic Private Resources

Quite importantly, we continue to encourage private sector participation. Our current initiatives of streamlining bureaucratic procedures and improving transparency and predictability of policies support this advocacy with the objective of reducing cost of doing business.

We also encourage more public-private partnerships (PPP). Key is a robust regulatory framework and government infrastructure development program. To strengthen this, we are currently working on the passage of an **enhanced legal framework** for better implementation of **PPP** projects.

We have also pushed for the legislation to further **liberalize foreign bank entry** into the country. The law was meant to create a liberalized and more competitive banking system. The insurance industry, on the other hand, has been fully liberalized to entry of foreign firms and this has been instrumental in a vibrant industry in the country.

We are relentless in developing our domestic capital market including deepening liquidity, lengthening tenors reinforcing efficiency of our fixed income yield curve.

### **On Environment, Climate and Disaster Risk Finance**

In our discussions on climate and environment, we have strongly recognized the importance of sustaining discussions between finance ministries and environment and climate change agencies to address the **challenges and opportunities for resource mobilization**. Our country's submission of the **climate action plan** under the Paris Agreement is premised on the provision of financing resources, including capacity building and technology.

### **On International Development Cooperation**

We are aiming for enhanced partnership with our development partners on various areas including science and technology, innovation, and capacity building.

We are also strengthening our south-south and international cooperation for the exchange of resources, technology, knowledge, and expertise. In our hosting of the Asia Pacific Economic Cooperation in 2015, we pushed for the adoption of the **Cebu Action Plan** which serves as a roadmap for a more sustainable financial future for the Asia Pacific Region. And as we prepare for the **ASEAN Chairmanship in 2017**, we will further strengthen collaboration with our members to pursue regional growth.

Furthermore, we continue to build on **innovative actions and advocacies** for mobilizing **climate finance from all sources such as through the Vulnerable Twenty Group of Finance Ministers (V20)**. As part of the most vulnerable countries to the effects of climate change, the Philippines led the launching and continued engagement of more than 40 countries on mobilizing financial and non-financial sources.

### **In Closing**

We will continue to improve policy environment and regulatory frameworks to attract more FDIs and PPPs. We will take advantage of current initiatives towards supporting regional infrastructure development. In line with these, we envision to improve monitoring of our financial flows, in particular, linking our financing into achieving our targets towards sustainable development.

As we work on these initiatives, there would surely be vast hurdles along the way but our presence in this opportune forum manifests our seriousness and commitment to collaborate as we face the challenges and opportunities in the next 15 years. Let us all learn from each other's practices and experiences. Let us keep our momentum as we strive to attain our goal of ensuring that no one will be left behind.

Thank you.

