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

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Countries around the world are faced with significant challenges. The turbulence in the financial markets and its repercussions on confidence, jobs, output and prices are hampering global recovery and growth.

While countries seek to address vulnerabilities and accelerate growth, uncertainty continues to persist. Thus, it is the opportune time to ask how the World Bank Group and we as policymakers of our respective countries can play more relevant roles and be stronger forces to attain sustainable and inclusive growth and development. The answers cannot be commonplace but out-of-the-box, efforts cannot be free-standing but concerted and more importantly, solutions cannot be postponed or long in coming but urgent.

Amidst a weak global economic outlook, we see the role of the Bank to be ever-increasing on the broad scale and we challenge it to live up to the expectations of the global community especially the most vulnerable. As the Bank plays out its development mandate, we strongly encourage broader dimensions to its country-driven strategies. We would like to see more enhanced country partnerships addressing specific challenges faced by IDA countries, and the low and upper middle income countries. As the financial crisis besetting select countries risks contagion within the region with adverse repercussions for the global economy, the Bank should step up its efforts with both tried and tested measures as well as novel approaches. In these extraordinary times, special debt facilities can allow the Bank to more effectively tap and channel additional resources to aid debt-strapped sovereigns attain temporary financing until their situation normalizes. This would have the intended effect of reassuring markets and creditors as well as providing headroom to struggling economies while continuing vital funding to assure a sustainable way out of the crisis. With respect to environmental and other possible external shocks, we encourage the use of innovative tools like catastrophe financing instruments to address climate change vulnerabilities faced by many nations as

well as aid in post-crisis financing should the need arise. This seems to be a pretty tall order but I am confident of the Bank's capabilities, and we expect the Bank's effective leadership and pro-active response to avert any further impending crises.

Furthermore, the Bank needs to be closer to client-countries and we cannot but fully agree with Bank President Zoellick's vision of democratized development. We strongly encourage initiatives to establish regional hubs for knowledge and financial activities, and to facilitate the sharing of knowledge and best practices among regions as well as pursuing more development policy dialogues. We are enthusiastic about the expansion of the World Bank Group - Singapore Hub as a center for development innovation particularly focused on infrastructure financing, ICT, urban development and services, among others, and its potential in driving investments in developing countries in East Asia and other regions.

Because the pursuit of the Bank's development agenda is a long-term engagement, it is important that it maintains its relevance and responsiveness given the rapid changes in the global economy. Only genuine and broader consultations and dialogue with member states will ensure this. Processes and decisions of the Bank, as well as of the International Monetary Fund, must continue to be open and inclusive. Participation must be deepened. Leadership structures must be democratized.

The Government of the Philippines shares a common vision for development with the World Bank Group. Governance and accountability are cross-cutting themes of our reform programs. We are committed to pursuing inclusive growth and are consciously setting the bar higher for ourselves to achieve this goal. We are expanding the social safety net program, pursuing universal health coverage and enhancing basic and secondary education because we believe that strengthening our human capital and best resource would be instrumental to achieving growth and alleviating poverty. Attainment of the MDGs, job creation and reaching out to the conflict-affected areas are high on our agenda. We are also re-invigorating our infrastructure program through PPPs to address

severe infrastructure gaps that have hampered our competitiveness. We are putting our fiscal house in order through a robust public financial management program and by strengthening our balance sheet to raise resources to finance our needs.

We acknowledge the Bank's support in our initiatives through the Country Assistance Strategy, the reinstatement of the Development Policy Loan facility and of late, the CAT-DDO operation that offers contingent financing in the event of a high-level disaster while pursuing disaster risk reduction and management programs. And we look forward to a continued and richer partnership through financing and advisory services, and knowledge sharing.

Because the development vision is universal, we would like to contribute to the agenda by sharing our experiences and lessons learned in program implementation with other countries. We are keen at pursuing the growth strategy within ASEAN and intra-Asia, and are open to engaging with the Bank and other development partners on how to nurture this idea.