

Senator Edgardo J. Angara, Members of the Diplomatic Corps, Excellencies, Ms. Carmelita Dimzon, OWWA Administrator, Mr. Emil Jurado, Chairman Emeritus of MOPC, Mr. Antonio Lopez, Chairman of the Board of Advisers of MOPC, Mr. Jose Manuel Romualdez, Co-Chairman of the Board, Mr. Isagani Yambot, Co-Chairman of the Board, Mr. Rolando Estabillo, President of MOPC, Mr. Tan Ching, President of the Federation of the Filipino-Chinese Chamber of Commerce, Mr. Antonio Cojuangco, Chairman of the Philippine Trade Foundation, Mr. William Gatchalian, Wellex Group, Other Distinguished Guests, Ladies and gentlemen.

Please allow me to begin my remarks by saying it is truly a privilege to have been invited to the MOPC Diplomatic Night. I would moreover like to thank my friend, Babes, for personally inviting me so there really was no way I could decline or defer my response any further. This evening, I would like to share how we have endeavored to move forward with the three pillars of Philippine foreign policy which define the course of Philippine foreign relations. With the President as the architect of our Foreign Policy, these three pillars are categorized as: (1) enhancing economic diplomacy, (2) promoting national security, and (3) protecting our Filipino nationals abroad.

It is our earnest hope that our message today would stimulate discussions on international affairs and a better appreciation of the work that we undertake in the Department on a 24/7 basis.

In view of the fact that the world has become a global village, the DFA strives at all times to broaden and deepen our relations with as many countries as possible. To this end, since being sworn in as SFA on 26 February 2011, I have travelled 53 times on official missions, visiting a total of 38 different countries.

On enhancing economic diplomacy, President Benigno S. Aquino has clearly emphasized that "our goal is to create jobs at home so that there will be no need to look for employment abroad." His twin goals of creating jobs and alleviating poverty are pursued by the DFA in as many areas of economic diplomacy as we can afford and sustain. So when we were appointed as Secretary of Foreign Affairs, we immediately mandated our diplomats to undertake with renewed vigor, various economic diplomacy activities that are closely aligned with the President's priorities of poverty alleviation and job creation.

In line with the President's directive, our diplomats promoted trade, encouraged more foreigners to visit the country, and communicated to the business community abroad the significant strides that the Philippines has made to improving the investment climate.

These efforts yielded significant results. During President Aquino's visit to China, we achieved a major milestone in economic diplomacy when we successfully concluded an agreement with our Chinese counterparts to target US\$60 billion in bilateral trade and 3 million bilateral tourist arrivals by 2016. We are now busy preparing action plans with China, which once implemented, will improve trade and tourism on both sides. This plan includes extensive efforts to enhance people-to-people interaction, a key element in intensifying bilateral economic relations.

With the United States, we committed to ramp up investments in human capital and infrastructure through the Partnership for Growth (PFG) Initiative.

Together, we developed the Joint Country Action Plan (JCAP) to enable the Philippines to unleash its full potential for economic growth. Consequently, this involves strategic reforms in the areas of regulatory policy, promoting the rule of law and strengthening anti-corruption measures and improving our fiscal performance. The PFG emphasizes the process of joint analysis, joint planning and joint problem-solving between our two countries.

To modernize our infrastructure and make the Philippines more competitive, despite our financial constraints, we encouraged our foreign investors to participate in our Public-Private Partnership (PPP) program, assuring them of fair and predictable rules and a decent return on their investments. To advance this important initiative, we assisted other government agencies in PPP road shows in Beijing, Shanghai, and Xiamen in China and in the U.S. in 2011.

As part of our investment promotion efforts, we organized and conducted the Business Forum for the Diplomatic Corps. We also coordinated with different foreign Chambers of Commerce to avail of business opportunities for the country.

To boost our tourism industry, we furthermore organized the 6th Ambassadors, Consuls General and Tourism Directors' Tour (ACGTDT), a project which we had spearheaded in Washington D.C. when we were still posted there. This project aims to sustain a critical mass of champions who will continue to advocate the Philippines not only as a tourist destination but also as a trading partner and investment haven.

In the ASEAN, to foster economic stability, we highlighted the need for greater cooperation in disaster resiliency and food self-sufficiency. In 2011, we signed, along with our fellow ASEAN Member States and with China, Japan and the Republic of Korea, the Agreement on the Establishment of ASEAN Plus Three Emergency Rice Reserve (APTERR), a mechanism that ensures food self-sufficiency in cases of temporary and large-scale calamities. We also signed the Agreement on the Establishment of the ASEAN Coordinating Center for Humanitarian Assistance on Disaster Management (AHA Center) in November 2011.

The Philippines and Indonesia, moreover, led the drafting of the Terms of Reference of the Feasibility Study on the ASEAN Connectivity which was adopted by ASEAN. In time, we will be able to bridge the physical divide between us and the rest of ASEAN, consequently reducing the costs of transporting our goods to our ASEAN neighbors. With funding from Japan, this conduct of the Feasibility Study started in January this year.

We also obtained, from the Asia-Pacific Economic Cooperation (APEC), funding for 14 development projects in key areas of interests such as emergency preparedness, food security cooperation, enhancing tourism and air transport connectivity, social protection, and labor mobility.

In 2011, we have successfully ratified 17 agreements and treaties related to economic security with the Netherlands, Qatar, Bahrain, Turkey, Syria, Republic of Korea, China and our other ASEAN neighbours.

Noticeably, foreign and domestic investor confidence is returning to the Philippines.

Moreover, since President Aquino assumed office in June 2010 and amidst the global financial crisis, the country has so far received five credit rating outlook upgrades from three international rating agencies. We are positive that the next upgrade would finally push the country's credit rating to investment grade status and further spur growing investor interest in the Philippines. [\[1\]](#)

Moving forward, the Department, in partnership with the Asian Institute of Management, has designed economic diplomacy course programs. We have made the taking of this course compulsory for all our Ambassadors and Consuls General. This is to help equip them in

formulating an effective economic diplomacy strategy specific to their respective countries of assignment. Twenty-nine new chiefs of mission took this course before being posted as Ambassadors.

We have also incorporated economic diplomacy in the exams for Career Ministers, which is the rank immediately below Chief of Mission or Ambassador. This entails a two week live-in full time course at AIM. All of these programs are being implemented for the first time ever by the DFA.

Complementing this program for our career diplomats, we are also giving our Honorary Consular Corps an economic diplomacy course, so they too, could effectively engage in promoting the Philippines.

Furthermore, today, as you have witnessed, the DFA had signed a Memorandum of Understanding with the Philippine Trade Foundation Inc. (Philippines Inc.) to jointly undertake initiatives to enhance trade and investment promotion. Philippines Inc. is composed of leading Filipino businessmen headed by Mr. Tonyboy Cojuangco. We look forward, indeed, to a constructive and productive partnership with them.

By utilizing a robust economic diplomacy strategy which is being implemented by our various posts, we are confident that our diplomatic engagements, executed in coordination with the Departments of Trade and Industry, Tourism and Agriculture, among others, would ultimately result in quantifiable economic benefits for our country. These are in terms of higher trade volumes, more foreign investors, increased Official Development Assistance (ODA) and an increasing number of international visitors.

Since economic diplomacy outputs require significant gestation periods, we are therefore requiring input reporting procedures from our posts, fully convinced that if inputs are there, then results will necessarily follow. We intend to recall chiefs of mission who fail to meet our standards so that they can be replaced with those who are fully committed to move the country forward. For the DFA, this is, as well, going to be a first.

To further achieve these results, we are at the same time focusing on meritocracy as the primary standard for career advancement. Seniority is now taken into account only if all things are deemed equal. To reward those who perform in an exceptional manner, we are crafting a

system of having them receive monetary rewards, which is intended to be funded outside of the DFA.

On promoting national security, we are incessantly working to secure and protect our territorial integrity, which includes our maritime domains.

The West Philippine Sea remains a core national interest for the country and diplomatically we are working to ensure that "what is ours is ours." As we have maintained many times before, a rules-based approach is the only legitimate and viable way in addressing disputes in the West Philippine Sea. In this regard, we have formulated a comprehensive foreign policy which is composed of three tracks: *political, legal and defense*.

For the political track, we continue to espouse that it is in the best interest of all claimants and the region to transform the area into a Zone of Peace, Freedom, Friendship and Cooperation (ZoPFF/C). This advocacy of a rules-based approach with an actionable framework to define, clarify, and segregate, in accordance with the United Nations Convention on the Law of the Sea (UNCLOS), the disputed and non-disputed areas of the West Philippine Sea. This would effectively pave the way towards a workable cooperation between ASEAN and China. We hosted the ASEAN Maritime Legal Experts Meeting in September last year to explain this concept to our ASEAN neighbors.

At the ASEAN Foreign Ministers' Meeting (AMM) Retreat early this year, we reiterated our proposal to hold a meeting as soon as possible among the claimant states, including China, under the guidance of ASEAN, to resolve the conflicting claims in the WPS within the framework of international law.

For the legal track, we continue to coordinate with other relevant government agencies and international legal luminaries for the possible availment of the dispute settlement mechanisms under UNCLOS.

We maintain our position that the disputes in the West Philippine Sea should be resolved peacefully through a rules-based regime, involving a multilateral approach in accordance with international law, specifically UNCLOS. These parameters have the full support of many countries including the United States, Australia,

Japan, the European Union, the Republic of Korea, New Zealand, and our various ASEAN neighbors.

For the defense track, we have committed ourselves to improve our national defense by building a minimum credible defense posture to protect our national sovereignty. Given the country's lack of resources, it behooves us to proactively seek the assistance and cooperation of our various international partners to achieve this minimum credible defense posture, which is a fundamental attribute of any sovereign country.

In the case of the U.S., we will be receiving from them US\$144 million in defense assistance this year, an increase of US\$21 million from the previous year's appropriation.

We also acquired a Hamilton class cutter from the U.S. last year and are expecting the delivery of a second cutter this year. Negotiations are likewise underway for more defense articles, including newer air assets for the Philippine Air Force.

We also successfully secured funding in the amount of US\$53 million for radar systems to be used by the Coast Watch Council for enhanced and maritime domain awareness.

Furthermore, we are updating our mutual defense partnership under Mutual Defense Treaty (MDT), in view of the changes in the regional and global security environment. Specifically, our focal point for cooperation is to increase our capacity for territorial defense and maritime security. Our joint military exercises, which are aimed to ensure interoperability of our forces, such as *Balikatan*, is a component of this priority.

Australia, with whom we have an increasingly strong defense cooperation, also supports our Coast Watch project. We have been receiving assistance from them in terms of expert advice and guidance, establishment of links with the Australian Customs Service, and the development of command and control systems.

We also continue to benefit from education and training opportunities provided by Australia and New Zealand for the officers and personnel of the DND and the AFP. Thus far, over 150 AFP officers have availed of various courses on maritime security, defense studies and systems engineering offered by the institutions from Australia and New Zealand.

Japan maintains its close cooperation with the Philippines in strengthening the Philippine Coast Guard's capacity in maritime security through provision of equipment and human resource development. We are currently in discussions for the acquisition of additional vessels to patrol the country's 36,000 nautical mile coastline.

With South Korea, we also entered into a framework agreement last year for the provision of \$500 million in soft loans to finance the upgrading of our Coast Guard's information and communication systems.

With Italy, we signed a five-year defense agreement in January that would expedite the procurement by the AFP of defense articles from Italian suppliers. Possible acquisitions are deep water patrol vessels, long range patrol craft and coast watch radar systems.

From Poland, we procured helicopters last year. The first delivery of four Sokol helicopters were made last month and the balance of another four units are expected to arrive in the last quarter of this year.

We also signed similar defense cooperation agreements with Israel, Spain and Viet Nam.

Other diplomatic achievements in the promotion of our national security include:

- (1) Securing the approval of the Sub-Commission of the UN Commission on the Limits of Continental Shelf on the Philippines' submission for an Extended Continental Shelf in the

Benham Rise area. The country will gain an additional 135,000 square kilometers of continental shelf with the final confirmation of this decision.

(2) Campaigning for the successful election of Senator Miriam Defensor-Santiago to the International Criminal Court (ICC). The country's international influence became evident and our international stature was raised when she was elected, notwithstanding her late entry, in the first round, gaining the highest number of votes.

(3) Resuming the Philippines-Indonesia Maritime Boundary Delimitation Talks which were stalled since 2007. The renewed engagement has jumpstarted dialogue that would hopefully lead to an agreement in the near future.

With respect to the third pillar of protecting Filipino nationals abroad and guided by the President's call to be "even more responsive to the needs and welfare of our overseas Filipino workers", we went to Libya one day immediately after being sworn into office. This was to demonstrate the strongest mandate of the President that we should do everything possible to take care of our people abroad. We decided as well, at the very outset, to show to our people that we will not be dispatching them to any place where we ourselves would be reluctant to go.

Since then, we have travelled many times to countries beset by difficulties such as Libya, Yemen, Syria, Bahrain, and Japan to personally oversee the repatriation efforts there. In fact, we just recently visited Iraq, where we made an assessment of the security of our people and formulated plans for what needs to be done there.

Last year, we repatriated a total of nearly 11,000 Filipinos from Egypt, Libya, Yemen, Syria, Japan and New Zealand, either due to civil strife or natural disasters. We continue to repatriate our compatriots from countries where violence is escalating like Syria, South Sudan, Nigeria and Iraq.

Up to today, we have repatriated over a thousand Filipinos from Syria. This is no easy feat. Repatriation involves negotiating with employers for their release, including buying out their contracts, dealing with immigration officials and paying their fines, and in some cases, being met with the challenges of having to extract them from areas considered as "no man's land."

The "Department that truly never sleeps"--that's what we're known for--also responded to distress calls from Filipinos around the world on a round-the-clock basis. Our force of 2,400 personnel, serving in all parts of the world, assisted some 18,000 overseas Filipino workers (OFWs) and members of their families, on repatriation, legal guidance, medical and consular matters.

While steadfastly monitoring and exerting our best efforts towards the commutation of 81 pending death penalty cases involving Filipinos worldwide, we also prepared guidelines for the payment of blood money. We likewise provided legal assistance to 611 drug smuggling cases involving Filipinos in various countries.

To prevent the further victimization of our Filipinos as "drug mules", we coordinated with law enforcement agencies in the Philippines, and abroad, for a more intensified crackdown on drug trafficking syndicates.

To curb, if not totally eliminate, drug trafficking, we also supported the vision of a drug-free ASEAN through the effective control of illicit drug activities. We are at the forefront in lobbying for the full and effective implementation of the ASEAN Work Plan on Combating Illicit Drug Production, Trafficking and Use for 2009-2015.

To combat human trafficking, we actively participate in the work of the Inter-Agency Council Against Trafficking (IACAT). In 2011, we assisted 105 victims of human trafficking and endorsed their cases to law enforcement agencies. Our assistance in this area contributed to the upgrade of the Philippines' status from Tier 2 Watchlist to Tier 2 in the US State Department's 2011 Trafficking in Persons Report. Without this important upgrade, the continued flow of foreign assistance to the Philippines in 2011 would have been curtailed.

We also spearheaded the fight against trafficking in persons regionally and urged our fellow ASEAN member states to favorably consider the draft Convention on Trafficking in Persons which we submitted.

We have also secured the release of 769 Filipino seafarers held hostage by Somali pirates and

we continue to pursue the release of the remaining 26 Filipinos on board three vessels. Aside from these, we pledged US\$25,000 to the UN Trust Fund to support initiatives of States countering piracy off the coast of Somalia. We are the first ASEAN member state to make such a contribution to this international body.

With our demonstrated resolve to protect Filipinos nationals abroad, we emphasized with our ASEAN neighbors the urgency in concluding an ASEAN-wide legally-binding instrument for the protection of migrant workers' rights.

Protecting the rights and welfare of the OFWs will continue to be a strong pillar of our foreign policy. As we address the compounding challenges of the Filipino diaspora, posed by its sheer magnitude alone, we will continue to do what is necessary to send the clearest signal, that the Philippine government cares for its people wherever they are.

Among its frontline services, the DFA is also ensuring that our overseas Filipinos are able to exercise their right to suffrage. We have intensified our efforts to reach out to them when we carried out the Overseas Absentee Voting (OAV) registration last November. We touched base with Filipino communities, local NGOs, civil society organizations, churches and other Filipino groups, launched information campaigns among them, and successfully increased voter participation for the upcoming 2013 elections. For this, we were able to garner a total of 19,500 new OAV registrants as of 31st of January, and the number of registrants is expected to increase each day.

In the second quarter of last year, the Department encountered challenges in our delivery of passport services to the public which we have discussed earlier with Mr. Tony Lopez. Due to the unprecedented increase in passport applications and other technical problems, we had a backlog of around 300,000 passports in the production process. The resulting increase in the waiting period for the release of passports stretched to over a month from the regular 10 to 20-day period in Manila and to about three months in our regional consular offices and Foreign Service posts. Booking an appointment also stretched to as long as two months.

The Department exerted all efforts and worked with extraordinary diligence to overcome these challenges. Measures and reforms were immediately instituted to fast-track passport appointment, processing, production, and releasing. Positive results were gradually achieved over time that as of this date, our backlog is now zero. The earliest appointment period available for an applicant has been reduced to three to four days. The waiting period for

release of passports is now down to seven days for expedited processing and 15 days for regular processing. The improvements in the system have also efficiently reduced entry-to-exit processing time to 30 to 45 minutes for individual passport applications.

We are also taking a big leap forward as we begin the establishment of consular offices in shopping malls around the country in our effort to bring our services closer to our people.

As we open these consular offices at Robinsons Galleria, SM Megamall, SM City in Manila, and possibly at the Alabang Town Center here in Metro Manila, and in selected malls all over the country. The public can look forward not only to world-class facilities, but also to world-class services that we, in the DFA, constantly strive to deliver.

In opening more doors for public, beginning with the inauguration of the facilities in Cebu yesterday, we are expected to save an initial amount of P1.04 billion over 10 years. It is also important to note that these hosting agreements that the DFA entered into with the private sector will not cost the Filipino taxpayer a single centavo.

We hope that by 2014, consular services will be available to the public in shopping malls in major cities nationwide.

We have done all we can, and we are looking for ways to do more and to do them better. We have focused on lifting the morale and giving due dignity to the Foreign Service corps with an advocacy of appointing as few political appointees as possible. All 29 career officials whose names we submitted as Heads of Posts were approved by the President. Since my appointment a year ago, there had been no political appointments made to the Posts.

We also decided to undertake a rationalization plan for our Foreign Service Posts to realign resources to where they are most needed. The objective is to strengthen Posts where there are many OFWs such as the Middle East and some Asian posts, and to develop the capacities of Posts to tap into the economic potentials of certain countries for our economic development.

The DFA is known to have the "best and brightest." The challenge is how to fully unleash their

potential. We feel that there are several ways to move forward, including restoring the morale of the Department, upgrading the skills of its people, clearly setting our objectives, placing more premium on a results-based performance based evaluation, injecting meritocracy in the system, demanding a higher degree of professionalism, and finally replacing people who do not perform.

Steve Jobs once said that people are not used to an environment where excellence is expected. We aim for excellence at the DFA and it is in this vein that I have called on my team to "be a yardstick for quality".

Expanding on what Steve Jobs had said, my work is not to be easy on people. My mission, as I see it, is to make them better, and to exhort them at all times to reach beyond their grasp.

Thank you very much.

[\[1\]](#) *Fitch rates the country's sovereign credit at one notch below investment grade while Moody's as well as S&P rate the country's sovereign credit at two notches below investment grade.*