

HON. ALBERT F. DEL ROSARIO
Former Secretary of Foreign Affairs

TESTIMONIAL LUNCH
11 March 2016 (Friday) – 12:00 p.m.
The Grand Ballroom, Fairmont Hotel, Makati City

A PRINCIPLED FOREIGN POLICY UNDER THE AQUINO
ADMINISTRATION¹

Excellencies;

Hon. Secretary Cesar Purisima, Department of Finance;

Mr. Ramon del Rosario, Jr., Chairman, Board of Trustees of the Makati Business Club;

Mr. Perry Pe, President, Management Association of the Philippines;

Mr. Jaime Augusto Zobel de Ayala, Co-Vice Chairman, Makati Business Club;

Mr. Philip G. Romualdez, President, Chamber of Mines of the Philippines;

Mr. Rick Santos, President, AMCHAM Philippines;

Mr. George S. Chua; President, (FINEX);

Mr. Cesar Virtusio, Executive Director, Bankers Association of the Philippines;

Mr. George T. Barcelon; President, Philippine Chamber of Commerce and Industry;

Mr. Washington Sycip

Distinguished Officials and Members of the MBC, MAP, PCCI, Chamber of Mines, American Chamber of Commerce, FINEX and the Bankers Association;

Colleagues in DFA;

Ladies and gentlemen;

Good afternoon.

I cannot thank you enough for the individual tributes accorded me and for the many friends who have honored me with their presence today.

I am deeply honored to be hosted today by the Makati Business Club, the Management Association

of the Philippines, the Philippine Chamber of Commerce and Industry, the Chamber of Mines of the Philippines, AMCHAM- Philippines, Financial Executives Institute of the Philippines and the Bankers Association of the Philippines.

Please allow me, if you will, to humbly thank each and every one of you for the support you have given us and for your presence today. It means so much to the men and women of the DFA and it means so much to me.

At the outset, let me congratulate all the entities which are hosting me today for consistently being at the forefront of promoting management excellence and institutional integrity. The professional discipline that we had acquired from the private sector is precisely what I brought with me during my years at the DFA.

It has been three days since I retired from the foreign service and let me say that it has been a matter of great privilege and profound satisfaction to

have served our country and the Filipino people under the leadership of His Excellency President Benigno S. Aquino III who also is the chief architect of our foreign policy. My role as you know was only to implement policy.

Since 2011, I had embarked on 151 Official Missions for the purpose of negotiating and asserting the rightful place of the Philippines in the international community. Since 2012 until January 2016, the DFA also arranged and participated in the visits of over 60 Heads of States and Governments, Members of Royal Families and other Dignitaries.

It has been 16 months since I had the pleasure of your distinguished company during the Awarding Ceremony for the *Management Man of the Year 2014*, for which I am truly grateful and consider not only as an invaluable honor but also as a resounding vote of confidence in the Department of Foreign Affairs.

This year, 2016, is crucial not only because of the Philippines' leadership transition in June but also, in view of the country's successful hosting of the APEC Economic Leaders Summit in November, and the establishment of an ASEAN Community last month. With these positive developments, the Philippines faces great expectations on its bright prospects and potential.

Today, Mr. Ramon del Rosario has asked me to deliver some brief updates and perspectives on a few key issues which may be of interest to you. Please know that the late and most renowned Carlos P. Romulo had once said that there is nothing more useless than a one day old news paper. That view can be said to apply as well to the remarks of a just retired SFA.

ON OUR DFA TRANSFORMATION PROGRAM

Since 2011, I had embarked on and implemented a carefully thought-out 10-Point *DFA transformation program*, intended to develop the DFA into an organization that is smarter, leaner and more proactive by means of the following:

- (1) Restoring morale by further strengthening the career service corps (I am told that we now, by far, have the fewest political appointees as ambassadors in the history of the DFA);**
- (2) Upgrading economic diplomacy skills through a partnership with AIM (Previously our senior people in post, intended to be front liners, were not properly trained);**
- (3) Placing merit over seniority in the career advancement process (DFA, we insisted, must be performance driven);**
- (4) Rationalizing PH presence overseas and reallocating resources where these are most**

needed (Months after assuming office, we closed 10 out of 94 posts and we reallocated resources for greater efficiency);

(5) Bringing cost-effective consular services closer to the people by moving DFA offices to malls such as Ayala, Gaisano, Robinsons, SM, and Ali Mall (This initiative has received wide acceptance from the public);

(6) Developing effective strategies to negotiate and assert the rightful position of the Philippines in the community of nations (Our well thought-out positions are comprehensive, calibrated, and are constantly being updated);

(7) Awaiting as submitted the President's approval of a new scheme for the Non-Resident Ambassadors (NRAs) to cover Africa and Central America (Africa, for example, is comprised of 54

States where DFA coverage is limited to only 5 embassies);

(8) Strongly encouraging all foreign service personnel to reach beyond their grasp, at all times, to promote the national interest (We continue to motivate our people to do more and to think out of the box)

(9) Emphasizing the management approach of leadership by example; and

(10) And lastly, endeavouring to ensure that our people are well provided for (For example, we have continued to update their compensation, allowances, made provisions for a balanced foreign posting system and had encouraged professional development, including the pursuit of higher studies).

ON THE PHILIPPINES-US RELATIONS

Our partnership with the US is at its most robust, given our shared history, shared values and shared aspirations.

As our only treaty ally, the US is our biggest source of official development assistance grants or ODA, our 3rd largest trading partner, one of our leading foreign investors, and one of the leading providers of tourist arrivals. When President Obama met with President Aquino on the sidelines of the APEC Economic Leaders Summit last November, he reiterated the United States' ironclad commitment to the defense of the Philippines.

Our economic partnership remains on an upward trajectory and our people-to-people links continue to be vibrant, fostering mutual understanding.

ON ENHANCED DEFENSE COOPERATION AGREEMENT (EDCA)

As you know, the Supreme Court affirmed the constitutionality of the EDCA, a critical component of our efforts to enhance and strengthen national security and improve our humanitarian assistance and disaster relief or HA/DR capabilities.

The Philippines and the US will be closely coordinating on the implementation of EDCA, which is a mutually beneficial agreement that will enhance the US' ability to not only provide rapid humanitarian assistance but also to help build capacity for the modernization of the Armed Forces of the Philippines (AFP).

ON PHILIPPINES-CHINA RELATIONS

Philippines-China relations celebrated their 40th Anniversary last year.

Given this milestone, the Philippines fully recognizes China's role in world affairs and supports its peaceful

development. We openly acknowledge that China's emergence as an economic power has been of great benefit not only for the Asia-Pacific but also for the world.

Notwithstanding certain difficulties and positions, we have consistently maintained that the South China Sea issue is not the sum total of our relations with China. It is my belief, nevertheless, that for China to be truly viewed as a positive force and a responsible regional power, it is of great import for China to manifest adherence to and respect for the rule of law.

In fact, our bilateral economic relations remain strong. Our bilateral trade continues to grow reaching US\$18.34 billion in 2014.² In 2013, 426,352³ Chinese tourists arrived in the Philippines while

² Department of Trade and Industry (DTI), PH-China Trade and Investment Relations, 17 March 2015

³ 426,352 Chinese tourists arrivals to PH, 2013, data from Department of Tourism (DOT)

there were almost 1 million⁴ Filipino tourists in China. Over the years, there were greater Philippine direct investments in China as compared to Chinese investments in the Philippines.

ON THE PHILIPPINES' ARBITRATION CASE

The Philippines has reposed its faith in the rule of law, especially, the United Nations Convention on the Law of the Sea or UNCLOS and other applicable principles of international law.

Having presented our positions and evidence in support of all our submissions before the Arbitral Tribunal last November, we now await the Tribunal's decision on the merits of the case. To this decision, we shall accordingly abide.

Recent developments on the ground as a result of Chinese unilateral conduct of test flights, island-building activities and constructions, and challenges on freedom of navigation, overflight operations, and

⁴ 996,700 Filipino tourists arrivals to China, 2013, from Travel China Guide, data sourced from China National Tourism Administration (CNTA)

on-going militarization – not to mention their still continuing prevention of Filipino fishermen from plying their trade at the Scarborough Shoal area – have seriously heightened tensions and further highlight the urgency of an early promulgation of the decision.

The Philippines maintains that the decision of the Tribunal, once rendered, will be legally binding and should be accorded due respect by everyone. We are enjoining other nations to help us to convince China to respect the rule of law.

ON ECONOMIC AND CULTURAL DIPLOMACY

The DFA, through our 84 Posts, has taken a revitalized role as promoters of Philippine trade, investments, tourism and ODA.

With the DFA Strategic Plan for 2012-2016 in place and armed with the One Country-Team approach, our

Posts have been guided by the following overarching goals for economic diplomacy:

- a) Strengthen DFA structures and capacities in relation to economic security;**
- b) Contribute to job generation; and**
- c) Assist in poverty reduction**

Since 2011, we have signed as many as 205 economic agreements including in labor, trade, education, and air services.

From 2011 to 2014, over a three year period, the DFA also played an active role in securing a total of US\$4.33 billion in Official Development Assistance or ODA⁵ for the Philippines through various bilateral consultation mechanisms and economic diplomacy initiatives.

In strengthening people-to-people links, agreements were forged with countries and cultural entities to

⁵ NEDA-Monitoring and Evaluation Staff (MES), per OUIER Memorandum dated 17 September 2015

promote joint activities and enhance cultural cooperation. Since 2011, a total of 12⁶ Cultural Agreements were signed. The DFA had maintained a continuing partnership with the National Commission for Culture and the Arts (NCCA).

ON POLITICAL AND DEFENSE-SECURITY COOPERATION

On defense and security cooperation, we had designed partnerships to manage new realities. In lieu of traditional ideas of balance of power, we had emphasized engagement in new challenges, including transnational crime, terrorism, and maritime security and cooperation, as well as, cooperation on humanitarian emergencies.

In addition to our treaty alliance with the United States, we expanded our defense and security engagements with other allies. In 2015, we witnessed the deepening and broadening of the

⁶ OLA, 08 March 2016

Philippines' bilateral relations with Japan, Australia and Viet Nam. As Strategic Partners, we signed several agreements with Japan on the sidelines of the 2015 APEC Economic Leaders' Summit, from Social Security, to defense and transportation.

Another milestone is the signing of a Joint Declaration on Philippines-Australia Comprehensive Partnership which covers all aspects of our bilateral relations. Completing the troika of alliance in the region is the signing of the Joint Statement on the Establishment of a PH-VN Strategic Partnership which outlines comprehensive areas of cooperation.

From 2011 to 2015, we successfully facilitated the conclusion of 64⁷ agreements on political and defense-security matters.

ON APEC

⁷ Data provided by OLA (Political=41 Agreements; Security=Agreements); 08 March 2016

Under the Philippines' Chairmanship in 2015, a total of 229 meetings were convened including high-level policy dialogues and the APEC Business Advisory Council or ABAC.

The Philippines hosting of the APEC 2015 advocated the following priorities: 1) Enhancing the Regional Economic Integration Agenda; 2) Fostering MSMEs' Participation in Regional and Global Markets; 3) Investing in Human Capital Development; and 4) Building Sustainable and Resilient Communities.

APEC is more than about trade; we also prioritize concerns that affect an individual's economic well-being such as health, access to quality education, 21st century skills training, employment, and preparedness for and resilience to disasters.

Aside from the policies and programs the Philippines introduced in APEC, we are proud of the fruits of the Philippines' APEC hosting itself. We forecasted a

revenue of Php1.55 billion particularly for the hotel and retail industries, as well as an increase in job creation and tourist arrivals. We also considered our hosting a boost in the Philippines' international exposure and media mileage.

ASEAN COMMUNITY

In December 2015, the ASEAN Community was established as signed by the ASEAN Leaders in November 2015.

What are the benefits, one may ask, to be derived from an ASEAN Community? The establishment of the ASEAN Community offers real opportunities in the form of a huge market of US\$2.6 trillion and over 622 million people. In 2014, the ASEAN Community was collectively the third largest economy in Asia and the seventh largest in the world.

For Filipino consumers, the ASEAN Community will provide a wider variety of goods and services, at

lower cheaper prices. For exporters, it will mean a larger market for Philippine products and services. For workers, integration will bring in more investments and will thus provide more employment opportunities plus technology transfer.

The establishment of the ASEAN Community is the most recent milestone in the evolution of ASEAN as the most important regional organization in Asia.

As an addendum to ASEAN, the Philippines has started preparations for hosting the ASEAN Chairmanship and the 50th Anniversary of ASEAN in 2017.

ON CLIMATE CHANGE

President Aquino led the Philippine Delegation to the 21st Conference of the Parties on the UN Framework Convention on Climate Change in late November in Paris.

The Philippines made a commitment to reduce our greenhouse gas emissions conditionally by 70% by 2030, with caveat that we need support in terms of climate finance, technology and capacity building.

ASSISTANCE TO NATIONALS

Since the onset of the Arab Spring, the DFA has had a major preoccupation. As an overview, assistance to nationals or ATN remains a top priority for the Philippines. The DFA takes care of our almost 8 million⁸ overseas Filipinos on a 24/7 basis, in 174 countries over 40 time zones.

Consequently, DFA has maintained its reputation as the “Department that never sleeps.”

All our embassies and consulates are tasked with the mandate of protecting the rights and promoting

⁸ Per OUMWA, estimated number of overseas Filipinos as reported by PH Posts as of June 2015

the welfare of our nationals abroad, regardless of their location or circumstance. Since 2011, starting with Libya, the DFA has repatriated over 24,000 Filipinos in countries torn by civil strife and devastated by natural and other disasters.

From 2012 to 2015, DFA extended assistance to over 80,000 overseas Filipinos and members of their families. Our Foreign Service personnel provide round-the-clock legal consular assistance, counselling, shelter, and labor mediation. We undertake jail visitations, administer overseas absentee registration and voting, and help Filipinos organize themselves into communities.

ON THE DFA'S CONSULAR SERVICES

Beginning with the Office of Consular Affairs, DFA is working towards ISO 9001:2008 certification, to

realize the Department's goal of being up to par with existing international standards.

The DFA's Visa Division is presently reviewing visa privileges under Executive Order 408 which presently allows citizens of at least 150 countries a 30-day, visa-free entry to the Philippines for tourism. This on-going evaluation is necessary in order to balance tourism interests with national, regional, and global security and international commitments.

In an effort to bring DFA's consular services closer to the people, 14 of the 19 Regional Consular Offices were already mall-based as of 2015.

I am also pleased to share that the DFA is working closely with other partners in government in the further enhancement of our ePassport system.

CONCLUSION

In conclusion, what is cast in stone are our Foreign Policy Pillars which call for: (1) preservation and enhancement of national security; (2) promotion of economic security; and (3) protection of the rights and promotion of the welfare of our overseas Filipinos.

What had not been cast in stone is how these Pillars or objectives would be pursued. The manner in which these should be pursued, we believed, should be governed by relevance, effectiveness and the values of our people.

Since five years ago, we believed that our Philippine foreign policy must be pursued in a manner that is guided by the following elements. Our foreign policy should be Independent, Principled and based on the Rule of Law.

That said, every Department or Agency of the Philippine Government (including DFA) has concerns

about the effectiveness of its strategy. I had lost a considerable amount of sleep, often, second guessing myself on our strategies.

It is our hope that the recent SWS survey (December 2015) on the Aquino administration's performance will demonstrate the Filipino people's approval of the DFA's strategies.

Out of 14 issues which are most important to Filipino people, four (4) have merited the highest grade of being rated as "Good."

These are:

- 1. Helping the poor;**
- 2. Foreign relations;**
- 3. Promoting the welfare of OFWs; and**
- 4. Defending the country's territorial rights.**

We are very pleased with these survey results as 3 out of 4 issues are directly under the purview of the

DFA, which include “Foreign Relations”, “Promoting the welfare of OFWs” and “Defending the country’s territorial rights.”

On the first issue, which is “Helping the poor”, DFA’s efforts have directly and indirectly contributed by increasing to record-levels the Official Development Assistance or ODAs to the Philippines.

For the MBC Survey for the Top 10 Government Agencies in the last three (3) years, DFA’s ranking has improved from 11th spot in 2012 (*no 2013 rankings*), to #6 in 2014 and ranked #4 in 2015.

The DFA is most pleased with both survey results and we humbly thank the Filipino people for their kind recognition of our strategy.

With the continued support of all the distinguished organizations represented here today, it is our hope that the next administration will consider the same strategy – which, for us, has been deemed to be

forward-looking – to fully realize the Philippines’ bright prospects and immense potential.

Ladies and gentlemen,

Please know that I am deeply saddened by having to step down prematurely from the Cabinet. Including my posting as Ambassador to Washington, it has been a total of ten years that I have faithfully served our country. At the DFA, we did our best and we gave our all. It has been truly an honor and a privilege.