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# (English translation) Benigno S. Aquino III, Third State of the Nation Address, July 23, 2012

**State of the Nation Address  
of  
His Excellency Benigno S. Aquino III  
President of the Philippines  
To the Congress of the Philippines**

*[English translation of the speech delivered at the Session Hall of the House of Representatives, Batasan Pambansa Complex, Quezon City, on July 23, 2012]*

Senate President Juan Ponce Enrile; Speaker Feliciano Belmonte; Vice President Jejomar Binay; former Presidents Fidel Valdez Ramos and Joseph Ejercito Estrada; eminent Justices of the Supreme Court; distinguished members of the diplomatic corps; honorable members of the House of Representatives and of the Senate; our leaders in local government; members of our Cabinet; uniformed officers of the military and of the police; my fellow public servants; and, of course, to my Bosses, the Filipino people, a pleasant afternoon to all.

This is my third SONA. It wasn't too long ago when we began to dream again; when, united, we chose the straight and righteous path; when we began to cast aside the culture of *wang-wang*, not only in our streets, but in every sector of society.

It has been two years since you said: We are tired of corruption and of poverty; it is time to restore a government that is truly on the side the people.

Like many of you, I have been a victim of the abuse of power. I was only 12 years old when Martial Law was declared. For seven years and seven months, my father was incarcerated; we lived in forced exile for three years. I saw for myself how many others also suffered.

These experiences forged the principles I now live by: Where a citizen is oppressed, he will find me as an ally; where there is an oppressor, I will be there to fight; where I find something wrong in the system, I will consider it my duty to right it.

Martial Law ended long ago and when it did, we were asked: "If not us, then who?" and "If not now, then when?" Our united response: let it be us, and let it be now. The democracy that was taken from us by force was reclaimed peacefully. And in so doing, we brought light to a dark chapter in our history.

Let it not be forgotten: Martial Law was borne because a dictator manipulated the Constitution to remain in power. And to this day, the battle rages: between those who seek a more equitable system, and those who seek to preserve their privileges at the expense of others.

The specters of a lost decade haunted us from our first day in office.

There was the North Rail contract—an expensive project that became even more expensive after renegotiation. Ironically, the higher cost came with fewer public benefits; a fleet of 19 train sets was reduced to three, and the number of stations, from five to two. To make matters worse, the debts incurred from the project are now being called in.

We had GOCCs handing out unwarranted bonuses, despite the losses already suffered by their agencies. We had the billions wasted by PAGCOR on—of all things—coffee. We had the suspect management practices of the PNP, which involved ignoring the need to arm the remaining 45 percent of our police force, just to collect kickbacks on rundown helicopters purchased at brand-new prices.

We were left with little fiscal space even as debts had bunched up and were maturing. We were also left a long list of obligations to fulfill: A backlog of 66,800 classrooms, which would cost us about 53.44 billion pesos; a backlog of 2,573,212 classroom chairs, amounting to 2.31 billion pesos. In 2010, an estimated 36 million Filipinos were still not members of PhilHealth. Forty-two billion pesos was needed to enroll them. Add to all this the 103 billion pesos needed for the modernization of our Armed Forces.

To fulfill all these obligations and address all our needs, we were bequeathed, at the start of our term, 6.5 percent of the entire budget for the remaining six months of 2010. We were like boxers, sent into the ring blindfolded, with our hands and feet bound, and the referee and the judges paid off.

In our first three months in office, I would look forward to Sundays when I could ask God for His help. We expected that it would take no less than two years before our reforms took hold. Would our countrymen be willing to wait that long?

But what we know about our people, and what we had proven time and again to the world was this: Nothing is impossible to a united Filipino nation. It was change we dreamed of, and change we achieved; the benefits of change are now par for the course.

Roads are straight and level, and properly paved; this is now par for the course.

Relief goods are ready even before a storm arrives. Rescue services are always on standby, and the people are no longer left to fend for themselves. This is now par for the course.

Sirens only blare from the police cars, from ambulances, and from fire trucks—not from government officials. This is now par for the course. The government that once abused its power is finally using that power for their benefit.

Reforms were established as we cut wasteful spending, held offenders accountable for their actions, and showed the world that the Philippines is now open for business under new management.

What was once the sick man of Asia now brims with vitality. When we secured our first positive credit rating action, some said it was pure luck. Now that we have had eight, can it still just be luck? When the Philippine Stock Exchange index first broke 4,000, many wondered if that was sustainable. But now, with so many record highs, we are having trouble keeping score: For the record, we have had 44, and the index hovers near or above 5,000. In the first quarter of 2012, our GDP grew by 6.4 percent, much higher than projected, the highest growth in the Southeast Asian region, and the second only to China in the whole of Asia. We are second only to China. Once, we were the debtors; now, we are the creditors, clearly no laughing matter. Until recently, we had to beg for investments; now, investors flock to us. Some Japanese companies have said to us, “Maybe you’d like to take a look at us. We’re not the cheapest but we’re number one in technology.” Even the leader of a large British bank recently came looking for opportunities.

Commentators the world over voice their admiration. According to *Bloomberg Business week*, “Keep an eye on the Philippines.” *Foreign Policy* magazine, and even one of the leaders of ASEAN 100, said that we may even become “Asia’s Next Tiger.” Ruchir Sharma, head of Morgan Stanley’s Emerging Market Equities said, “The Philippines is no longer a joke.” And it doesn’t look like he’s pulling our leg, because their company has invested approximately a billion dollars in our markets. I only wish that the optimism of foreign media would be shared by their local counterparts more often.

And we are building an environment where progress can be felt by the majority. When we began office, there were 760,357 household-beneficiaries of the [Pantawid Pamilyang Pilipino Program](#). Our target: 3.1 million within two years. By February of this year, the three millionth household-beneficiary of Pantawid Pamilya had been registered. Next year, we will enroll 3.8 million households—five times what we had at the beginning of our term.

This is a long-term project, with far-reaching impact. The research is in its initial stages, but already the figures show promise. Based on data from the DSWD: 1,672,977 mothers now get regular checkups; 1,672,814 children

have been vaccinated against diarrhea, polio, measles, and various other diseases; 4.57 million students no longer need to miss school because of poverty.

When we first took office, only 62 percent of Filipinos were enrolled in PhilHealth. Enrollment was not necessarily based on need but on being in the good graces of politicians. Now, 85 percent of our citizens are members. This means that since we received our mandate, 23.31 million more Filipinos have access to PhilHealth's array of benefits and services.

And here's even better news: the 5.2 million poorest households identified by our National Household Targeting System will now fully benefit from PhilHealth's programs, free of charge. Because of the Department of Health's No Balance Billing Policy, treatment for dengue, pneumonia, asthma, cataracts—as well as treatments for catastrophic diseases like breast cancer, prostate cancer, and acute leukemia—can be availed of for free by our poorest countrymen.

The process for our poorest PhilHealth members: Enter any government hospital. Show you PhilHealth card. Get treatment. And they return to their homes without having to shell out a single centavo.

One of the briefings I attended noted that four out of ten Filipinos have never seen a health professional in their entire lifetime. Other figures are more dire: Six out of ten Filipinos die without being attended to by health professionals.

But whatever the basis, the number of Filipinos with no access to government health services remains a concern. And we are acting on this: In 2010, ten thousand nurses and midwives were deployed under the RNHeals Program; to date, we have deployed 30,801. Add to this over 11,000 Community Health Teams tasked to strengthen the links between doctors and nurses, and the communities they serve.

And today, because of efficient targeting, they are deployed to where they are most needed: to areas that have been for so long left in the margins of society. We have sent our health professionals to 1,021 localities covered by the Pantawid Pamilya, and to the 609 poorest cities and municipalities, as identified by the National Anti-Poverty Commission.

This new system addresses two issues: thousands of nurses and midwives now have jobs and an opportunity to gain valuable work experience; at the same time, millions of our countrymen now have increased access to quality health care.

But we are not satisfied with this. What we want: true, universal, and holistic health care. This begins not in our hospitals, but within each and every household: Increased consciousness, routine inoculation, and regular checkups are necessary to keep sickness at bay. Add to this our efforts to ensure that we prevent the illnesses that are in our power to prevent.

For example: Last year, I told you about our anti-dengue mosquito traps. It is too early to claim total victory, our scientists are rigorous about testing, but the initial results have been very encouraging.

We tested the efficacy of those mosquito traps in areas with the highest reported incidence of dengue. In 2011, traps were distributed in Bukidnon—which had recorded 1,216 cases of dengue in 2010. After distribution, the number of cases decreased to 37—that is a 97 percent reduction rate. In the towns of Ballesteros and Claveria in Cagayan, there were 228 cases of dengue in 2010; in 2011, a mere eight cases were recorded. In Catarman, Northern Samar: 434 cases of dengue were reported in 2010. There were a mere four cases in 2011.

This project is in its initial stages. But even this early on, we must thank Secretaries Ike Ona of DOH and Mario Montejo of DOST; may our gratitude and applause spur them into even more intensive research and collaboration.

Challenges remain. The high maternal mortality ratio in our country continues to alarm us. Which is why we have undertaken measures to address the healthcare needs of women. We, too, want Universal Health Care; we want our medical institutions to have enough equipment, facilities, and manpower.

We can easier fulfill all these goals, if the [Sin Tax Bill](#)—which rationalizes taxes on alcohol and tobacco products—can be passed. This bill makes vice more expensive while at the same time raising more money for health.

And what of our students—what welcomes them in the schools? Will they still first learn the alphabet beneath the shade of a tree? Will they still be squatting on the floor, tussling with classmates over a single textbook?

I have great faith in Secretary Luistro: Before the next year ends, we will have built the 66,800 classrooms needed to fill up the shortage we inherited—of this, we expect 40,000 for this year. The 2,573,212 backlog in chairs that we were bequeathed will be addressed before 2012 ends. This year, too, will see the eradication of the backlog of 61.7 million textbooks—and we will finally achieve the one-to-one ratio of books to students.

We are ending the backlogs in the education sector, but the potential for shortages remains as our student population continues to increase. Perhaps [Responsible Parenthood](#) can help address this.

For our State Universities and Colleges: We have proposed a 43.61 percent increase in their budget next year. A reminder, though, that everything we do is in accordance to a plan: There are corresponding conditions to this budget increase. The SUC Reform Roadmap of CHED, which has been deliberated and agreed upon, must be enacted to ensure that the students sponsored by the state are of top caliber. Expect that if you work to get high marks in this assignment, we will be striving just as hard to address the rest of your needs.

Year after year, our budget for education has increased. The budget we inherited for DepEd last 2010 was 177 billion pesos. Our proposal for 2013: 292.7 billion pesos. In 2010, our SUCs were allocated a budget of 21.03 billion pesos. Since then, we have annually raised this allocation; for next year, we have proposed to set aside 37.13 billion pesos of our budget for SUCs. Despite this, some militant groups are still cutting classes to protest what they claim is a cut in SUC budgets. It's this simple: 292.7 is higher than 177, and 37.13 is higher than 21.03. Should anyone again claim that we cut the education budget, we'll urge your schools to hold remedial math classes. Please, attend these classes.

When we assumed office and began establishing much-needed reform, there were those who belittled our government's performance. They claimed our achievements were mere luck, and what impact they may have as short-lived. There are still those who refuse to cease spreading negativity; they who keep their mouths pursed to good news, and have created an industry out of criticism.

If you have a problem with the fact that, before the year ends, every child will have their own chairs and own set of books, then look them straight in the eye and tell them, "I do not want you to go to school."

If you take issue with the fact that 5.2 million of the country's poorest households can now avail of quality healthcare services without worrying about the cost, then look them straight in the eye and tell them, "I do not want you to get better."

If it angers you that three million Filipino families have been empowered to fulfill their dreams because of Pantawid Pamilya, then look them straight in the eye and tell them, "I will take away the hope you now have for your future."

The era where policy was based on the whims of the powerful has truly come to an end. For example, the previous leadership of TESDA generously distributed scholarship vouchers—but neglected to fund them. Naturally, the vouchers bounced. The result: over a thousand schools are charging the government 2.4 billion pesos for the vouchers. One person and one administration wanted to show off; the Filipino people are paying for that now.

When Secretary Joel Villanueva assumed the post, he was not daunted by the seemingly impossible reforms that his agency needed to enact. Despite the staggering debt inherited by TESDA, it still trained 434,676 individuals under the Training for Work Scholarship Program. The TESDA Specialists Technopreneurship Program likewise delivered concrete victories—imagine: each of the 5,240 certified Specialistas are earning 562 pesos a day, or 11,240 pesos a month. This is higher than the minimum wage.

From infancy, to adolescence, to adulthood, the system is working for our citizens. And we are ensuring that our economy's newfound vitality generates jobs.

Let us keep in mind: there are about a million new entrants to the job market every year. The jobs we have produced within the past two years total almost 3.1 million.

As a result, our unemployment rate is declining steadily. In 2010, the unemployment rate was at 8 percent. In April 2011, it dropped to 7.2, and dropped further to 6.9 this year. Is it not an apt time for us to dream of a day where any Filipino who wishes to work can find a job?

Look at the BPO sector. Back in the year 2000, only 5,000 people were employed in this industry. Fast forward to 2011: 638,000 people are employed by BPOs, and the industry has contributed 11 billion dollars to our economy. It has been projected that come 2016, the year I will bid you farewell, it will be bringing in 25 billion dollars and will be employing 1.3 million Filipinos. And this does not include the estimated 3.2 million taxi drivers, baristas, corner stores, canteens, and many others that will benefit from the indirect jobs that the BPO industry will create.

A large portion of our job-generation strategy is building sufficient infrastructure. For those who have gone to Boracay on vacation, you have probably seen our newly christened terminal in Caticlan. The plan to expand its runway has also been laid out.

And we will not stop there. Before the end of my term, the New Bohol Airport in Panglao, New Legaspi Airport in Daraga, and Laguindingan Airport in Misamis Oriental will have been built. We will also upgrade our international airports in Mactan, Cebu; Tacloban; and Puerto Princesa Airport, so they can receive more passengers; in addition to remodeling the airports in Butuan, Cotabato, Dipolog, Pagadian, Tawi-Tawi, Southern Leyte, and San Vicente in Palawan.

I am the fourth president to deal with the problems of NAIA Terminal 3. Airplanes are not all that take off and land here; so did problems and anomalies. Secretary Mar Roxas has already said: Before we convene at the next SONA, the structural defects we inherited in NAIA 3 will have been fully repaired.

This June, the LRT Line 1 Cavite Extension project began to move forward. When completed, it will alleviate traffic in Las Piñas, Parañaque, and Cavite. In addition to this, in order to further improve traffic in Metro Manila, there will be two elevated roads directly connecting the North Luzon and South Luzon Expressways. These will be completed in 2015 and will reduce travel time between Clark and Calamba to 1 hour and 40 minutes. Before I leave office, there will be high-quality terminals in Taguig, Quezon City, and Parañaque, so that provincial buses will no longer have to add to the traffic on EDSA.

Perceptions have also changed about a department formerly notorious for its inadequacies. I still remember the days when, during the rainy season, the Tarlac River would overflow and submerge the MacArthur Highway. The asphalt would melt away; the road would be riddled with potholes, until it ended up impassable.

As the representative of my district, I registered my complaints about this. The Department of Public Works and Highways' reply: we know about the problem, we know how to solve it, but we have no money. I had to appeal to my barangays: "If we don't prioritize and spend for this ourselves, no one will fix it, and we will be the ones who suffer." Back in those days, everyone called upon the government to wake up and start working. The complaints today are different: Traffic is terrible, but that's because there's so much roadwork being done. May I remind everyone: We have done all this without raising taxes.

We will not build our road network based on kickbacks or favoritism. We will build them according to a clear system. Now that resources for these projects are no longer allocated haphazardly, our plans will no longer end up unfulfilled—they will become tangible roads that benefit the Filipino people. When we assumed office, 7,239 kilometers of our national roads were not yet fixed. Right now, 1,569 kilometers of this has been fixed under the leadership of Secretary Babes Singson. In 2012, an additional 2,275 kilometers will be finished. We are even identifying and fixing dangerous roads with the use of modern technology. These are challenges we will continue to address every year, so that, before end of my term, every inch of our national road network will be fixed.

We have fixed more than roads; our DPWH has fixed its system. Just by following the right process of bidding and procurement, their agency saved a total of 10.6 billion pesos from 2011 to June of this year. Even our contractors are feeling the positive effects of our reforms in DPWH. According to the DPWH, "the top 40 contractors are now fully booked." I am hopeful that the development of our infrastructure continues unimpeded to facilitate the growth of our other industries.

The improvement of our infrastructure is intertwined with the growth of our tourism industry. Consider this: In 2001, the Philippines recorded 1.8 million tourist arrivals. When we assumed office in 2010, this figure had grown to only around 3.1 million. Take note: Despite the length of their time in office, the previous administration only

managed to add a mere 1.3 million tourist arrivals—and we contributed half a year to that number. Under our administration, we welcomed 2.1 million tourist arrivals by June 2012. More will arrive during peak season, before the end of the year, so I have no doubt that we will meet our quota of 4.6 million tourist arrivals for 2012. This means that we will have a year-on-year increase of 1.5 million tourists. The bottom line: In two years, we would have had a bigger growth in tourist arrivals, compared to the increase charted by the previous administration in their nine years. We are not singing our own praises; we are merely stating the truth.

But Secretary Mon Jimenez is still not satisfied. He says: If 24.7 million tourists came to Malaysia in 2011, and around 17 million visited Thailand, would it be too far-fetched to have ten million tourists visiting the Philippines annually by 2016? And if the Filipino people continue to embody the same solidarity that allowed the Puerto Princesa Underground River to become one of the New Seven Wonders of Nature, there is no doubt that we will be able to achieve this. As we have already announced to the entire world: “It’s more fun in the Philippines.” Secretary Mon Jimenez has been at his post for less than a year, but we are already reaping the fruits of the reforms we have laid down. So, when it comes to tourism, we are confident in saying, “It’s really more fun—to have Secretary Mon Jimenez with us.”

When it comes to growth and development, agriculture is at the top of our priorities. Secretary Alcala has been working nonstop to deliver us good news. Before, it seemed as though the officials of DA cultivated nothing but NFA’s debts. The NFA that our predecessors took over had a 12-billion peso debt; when they left office, they then bequeathed to us a debt of 177 billion pesos.

For so long in the past, we were led to believe that we were short 1.3 million metric tons of rice, and that we needed to import 2 million metric tons to address this shortage. They ordered rice as if it was unlimited—but because we had exceeded far more than what we needed, imported rice went to rot in the warehouses.

In just our first year, we reduced the annual shortage of 1.3 million metric tons to just 860,000 metric tons. This year, it is down to 500,000—including a buffer stock to dip into in times of calamity. And, if the weather cooperates, we’ll be able to export rice next year.

Secretary Alcala has said that key to our success is a feasible irrigation program and the assiduous implementation of the certified seeds program. What is galling is that this knowledge is not new—it simply wasn’t applied. If they had only done their jobs right, where could we have been by now?

Look at our coconut industry: Coconut water, once treated as a waste product, is now being utilized by our farmers. From 483,862 liters exported in 2009, to 1,807,583 liters in 2010, to a staggering 16,756,498 liters of cocowater exported in 2011. And where no one previously paid heed to coconut coir, we are now experiencing a shortage due to the high demand of exporters. We are not wasting this opportunity: We are buying the machines that will process the coco fibers. We have allocated 1.75 billion pesos to invest in, and develop, this sector.

My mother initiated the Comprehensive Agrarian Reform Program. It is only just that this program sees its conclusion during my term.

We are improving the system, so that we can more swiftly and more efficiently realize agrarian reform. The government is doing everything in its power to ensure that our farmers can claim as their own the land they have tilled and nurtured with their sweat.

There are those, however, who wish to obstruct us. I say to them: We will obey the law. The law says, the nation says, and I say: Before I step down, all the land covered by CARP will have been distributed.

Let me shed some light on our advances in the energy sector. In the past, an electrical wire needed only to reach the barangay hall for an entire barangay to be deemed energized. This was the pretext for the claim that 99.98 percent of the country’s barangays had electricity. Even the delivery of so basic a service was a deception?

We challenged DOE and NEA, allocating 1.3 billion pesos to light up an initial target of 1,300 sitios, at the cost of one million pesos per sitio. And the agencies met the challenge—they lit up 1,520 sitios, at a total cost of 814 million pesos. They accomplished this in three months, instead of the two years it took the people that preceded them. Secretary Rene Almendras, I give you credit; you never seem to run out of energy. With public service, you are not only ever-ready, but like an energizer bunny too—you keep on going, and going, and going.

We have suffused the nation with light—and it is this light, too, that has exposed the crimes that occur in the shadowed corners of society. What the Filipino works so hard for can no longer be pilfered. Crime volume continues to decline across the country. In 2009, over 500,000 crimes were recorded—this year, we have cut that number by more than half, to 246,958. Moreover, 2010's recorded 2,200 cases of carjacking has likewise been reduced by half—to 966 cases this 2011.

It is these facts that, we hope, will be bannered in headlines. We do not claim that we have ended criminality, but I'm sure no one would complain that it has been reduced. In the span of just a little more than a year, haven't we finally put Raymond Dominguez in jail, after years of being in and out of prison? Charges have been filed against two of his brothers as well, and they are now serving time, too. Of the two suspects in the Makati bus bombing of the past year—one is dead, and the other is living in a jail cell. He shares the same fate as the more than ten thousand individuals arrested by PDEA in 2011 for charges relating to illegal drugs.

Pacquiao does not fight every day, and so we can't rely on him to bring down the crime rate. Which is why we're strengthening our police force. When this administration began, 45 percent of our police carried no guns and probably relied on magic charms as they chased criminals. But now we have completed the bidding—and we are now testing the quality—for an order of 74,600 guns, which we will provide our police, so that they may better serve and protect the nation, our communities, and themselves.

Let us now talk about national defense. Some have described our Air Force as all air and no force. Lacking the proper equipment, our troops remain vulnerable even as they are expected to be put in harm's way. We cannot allow things to remain this way.

After only one year and seven months, we have been able to allocate over 28 billion pesos for the AFP Modernization Program. This will soon match the 33 billion pesos set aside for the program in the past 15 years. And we're only getting started: if our proposed AFP modernization bill is passed in Congress, we will be able to allocate 75 billion pesos for defense within the next five years.

The 30-million dollar fund entrusted to us by the United States for the Defense Capability Upgrade and Sustainment of Equipment Program of the AFP is now ready as well. This is in addition to their assistance in improving the way we patrol our shores under the Coast Watch Center of the Philippines, which will soon be established.

At this moment, the Armed Forces is likewise canvassing equipment such as cannons, personnel carriers, and frigates. Before long, the BRP *Ramon Alcaraz*, our second Hamilton class cutter, will drop anchor, to partner with the [BRP Gregorio del Pilar](#). We are not sending paper boats out to sea. Now, our 36,000 kilometers of coastline will be patrolled by more modern ships.

And perhaps it is an apt time for our Armed Forces to clean up their hangars, because we will be having equipment arriving soon to further fortify our defenses. Finally, our one and only C-130 that has been roaming our skies for the past 36 years will have partners: Two more C-130s will once again be operational. Before this year ends, we are hopeful that the twenty-one refurbished UH-1H Helicopters, the four combat utility helicopters, the radios and other communication equipment, the rifles, the mortars, the mobile diagnostic laboratories, and even the station bullet assemblies we have purchased will be delivered. Come 2013, ten attack helicopters, two naval helicopters, two light aircraft, one frigate, and air force protection equipment will also be arriving.

And it is not only through better equipment that we demonstrate our commitment to help our police and our soldiers. We have eased their financial burdens through the 22,000 houses that have been built under the AFP-PNP housing program.

We are not doing this because we want to be an aggressor, we are not doing this because we want escalation. This is about keeping the peace. This is about protecting ourselves—something that we have long thought impossible. This is about the life of a soldier who risks his life every day; this is about his family, who awaits his safe return, despite the challenges that confront him.

Let's listen to some of the beneficiaries of these programs tell us in their own words how their lives have been changed.

[Video starts]

*"We thank the Lord God for giving us this opportunity and these blessings. Also, because we have such a good President. Through these projects, we know he has the well-being of our armed forces and law enforcers at heart." – SPO1 Domingo Medalla [PNP Housing Beneficiary]*

*"We're doing our best to get by, and I'm doing my best to get my kids to go to school. That's my only mission in life: to give my kids a proper education, so that they will do right in the world. They need good parenting for that. I'm thankful for the conditional cash transfer program. I learned a lot from it." – Eva Neri [CCT beneficiary]*

*"It's a great help that our family is one of—if I'm not mistaken, one of the first—beneficiaries of the Category Z Package of PhilHealth. I'm so thankful for this. My child getting sick is not something to look forward to, but if that happens, PhilHealth will be there to ease the burden." – Kristine Tatualla [PhilHealth beneficiary]*

*"I was one of the participants of the Oakwood Mutiny. The change that is happening today, it's what we've been fighting for. These days, because of President Aquino's housing program, it's possible for us to own our own homes." – PFC Rolly Bernal [AFP Housing Beneficiary]*

[Video ends]

Now that the people care for them, the more impassioned our soldiers are in winning the peace. We consider the 1,772 outlaws whose violence has come to an end a great triumph. One example is the infamous terrorist, Doctor Abu, who will never again strike fear in the hearts of our countrymen. We also celebrate the peace and quiet that has returned to places where our countrymen were once deafened by gunfire. As a result of our solidarity: 365 barangays have been liberated from the enemy, 270 buildings and schools have been repaired, and 74 health centers have been built.

While we are on the subject of peace, let us talk about a place that has long stood as a symbol of frustrated hopes. Before our reforms in the ARMM began, what we had were ghost students walking to ghost schools on ghost roads, to learn from ghost teachers. Some of the apparitions that haunted OIC Governor Mujiv Hataman: Four schools found with ghost students; we are also investigating the teachers whose names do not appear in the list of the Professional Regulation Commission, as well as the government workers not listed in the plantilla. Fifty-five ghost entries have been taken off the payroll. The previous scheme of regraveling roads again and again just to earn money has been outlawed. To avoid abuse, we have ended cash advances for agencies. Now, the souls of the ghosts in voters lists can rest in peace. This is why, to OIC Governor Mujiv Hataman, we can say to you: You are indeed a certified ghost buster.

What we have replaced these phantoms with: real housing, bridges, and learning centers for Badjaos in Basilan. Community-based hatcheries, nets, materials to grow seaweeds, and seedlings that have benefited 2,588 fishermen. Certified seeds, gabi seedlings, cassava, rubber, and trees that are bearing fruit for 145,121 farmers. And this is only the beginning. 183 million pesos has been set aside for the fire stations; 515 million pesos for clean drinking water; 551.9 million pesos for healthcare equipment; 691.9 million pesos for daycare centers; and 2.85 billion pesos for the roads and bridges across the region. These are just some of the things that will be afforded by the aggregate 8.59 billion pesos the national government has granted the ARMM. Also, allow me to clarify: This does not include the yearly support that they receive, which in 2012 reached 11.7 billion pesos.

Even those who previously wanted to break away are seeing the effects of reform. Over the past seven months, not even a single encounter has been recorded between the military and the MILF. We recognize this as a sign of their trust. With regard to the peace process: Talks have been very open; both sides have shown trust and faith in one another. There may be times when the process can get a little complicated, but these are merely signs that we are steadily moving closer to our shared goal: Peace.

We likewise engaged stakeholders in a level-headed discussion in crafting our Executive Order on mining. The idea behind our consensus we reached: that we be able to utilize our natural resources to uplift the living conditions of the Filipinos not just of today, also of the following generations. We will not reap the rewards of this industry if the cost is the destruction of nature.

But this Executive Order is only the first step. Think about it: In 2010, 145 billion pesos was the total value derived from mining, but only 13.4 billion or 9 percent went to the national treasury. These natural resources are

yours; it shouldn't happen that all that's left to you is a tip after they're extracted. We are hoping that Congress will work with us and pass a law that will ensure that the environment is cared for, and that the public and private sectors will receive just benefits from this industry.

Let us talk about the situation in Disaster Risk Reduction and Management. Once, the government, which is supposed to give aid, was the one asking for aid. Today, even when the storm is still brewing, we already know how to craft clear plans to avoid catastrophe.

Talking about disasters reminds me of the time when a typhoon struck Tarlac. The dike collapsed due to the rains; when one of the barangay captains awoke, the floods had already taken his house, as well as his farming equipment. Fortunately, the entire family survived. But the carabao they had left tied to a tree wasn't as lucky; it was strangled to death from the force of the flood.

Many of those affected by typhoons Ondoy, Pepeng, and Sendong were just as defenseless. We lost so many lives to these natural disasters. And now, through [Project NOAH](#), all our anti-disaster initiatives have been brought inside one boat, and we no longer leave the evacuation of families up to mere luck. We now have the technology to give fair warning to Filipinos in order to prepare for and avoid the worst.

Our 86 automated rain gauges and 28 water level monitoring sensors in various regions now benefit us directly and in real-time. Our target before the end of 2013: 600 automated rain gauges and 422 water level sensors. We will have them installed in 80 primary river basins around the country.

Yet another change: Before, agencies with shared responsibilities would work separately, with little coordination or cooperation. Now, the culture of government is bayanihan—a coming together for the sake of the people. This is what we call Convergence.

There have always been tree planting programs in government—but after the trees have been planted, they were left alone. Communities that needed livelihood would cut these down and turn them into charcoal.

We have the solution for this. 128,558 hectares of forest have been planted across the country; this is only a fraction of the 1.5 million-hectare farmlands to be laid out before we step down. This covers the communities under the [National Convergence Initiative](#). The process: When a tree is planted, the DWSD will coordinate with communities. In exchange for a conditional cash transfer, communities would take care of the trees; some would help nurture seeds in a nursery. 335,078 individuals now earn their livelihood from these activities.

The private sector has likewise taken part in a program that hands out special coffee and cacao beans to communities, and trains the townsfolk, too, to nurture those seeds into a bountiful harvest. The coffee is planted in the shade of the trees that in turn help prevent flooding and protect the people. The company that hands out the seeds are sure buyers of the yield. It's a win-win situation—for the private sector, the communities with their extra income, and the succeeding generations that will benefit from the trees.

Illegal logging has long been a problem. From the time we signed [Executive Order No. 23](#), Mayor Jun Amante has confiscated lumber amounting to more than six million pesos. He has our gratitude. This is just in Butuan; what more if all our LGUs demonstrated the same kind of political will?

The timber confiscated by DENR are handed over to TESDA, which then gives the timber to communities they train in carpentry. From this, DepEd gets chairs for our public schools. Consider this: What was once the product of destruction has been crafted into an instrument for the realization of a better future. This was impossible then—impossible so long as the government turned a blind eye to illegal activities.

To those of you without a conscience; those of you who repeatedly gamble the lives of your fellow Filipinos—your days are numbered. We've already sanctioned thirty-four DENR officials, one PNP provincial director, and seven chiefs of police. We are asking a regional director of the PNP to explain why he seemed deaf to our directives and blind to the colossal logs that were being transported before his very eyes. If you do not shape up, you will be next. Even if you tremble beneath the skirts of your patrons, we will find you. I suggest that you start doing your jobs, before it's too late.

From the womb, to school, to work, change has touched the Filipino. And should a life of government service be chosen, our people can expect the same level of care from the state, until retirement. Our administration will

recognize their contributions to our society as public servants, and will not withhold from them the pensions they themselves contributed to.

Consider: some retirees receive less than 500 pesos a month. How does one pay for water, power, and food, daily? Our response: With the New Year comes our resolution that all old-age and disability pensioners will receive no less than five thousand pesos monthly. We are heartened that we can meet their needs now, without jeopardizing their future benefits.

The face of government has truly changed. Our compensation levels are at par with the private sector's at the entry level. But as you rise through the ranks, private-sector pay overtakes the government.

We will close that gap in time; for now, we have good news for government employees: Performance-Based Incentives. In the past, even poorly performing agencies would not have any employees with ratings lower than "very satisfactory." To maintain smooth interpersonal relations, supervisors would have a hard time giving appropriate ratings. Exceptional employees are not recognized: their excellence is de-incentivized, and receive the same rewards as laziness and indolence.

Here is one of our steps to respond to this. Starting this year, we will implement a system in which bonuses are based on their agency's abilities to meet their annual targets. Employees now hold the keys to their own advancement. Incentives may reach up to 35,000 pesos, depending on how well you do your jobs. This is in addition to your across-the-board Christmas bonus.

We are doing this not only to boost morale and to show due appreciation of our public servants. This is, above all, for the Filipino people, who expect sincere and efficient service—who expect that they will continue to be the sole Bosses of our workers in government.

There have always been people who have questioned our guiding principle, "If there is no corruption, there is no poverty." They ask if good governance can put food on the table. Quite simply: Yes.

Think about it: Doing business in the Philippines was once considered too risky—the rules were too opaque and they were constantly changing. A person shaking your hand one day may pick your pocket the next.

Now, with a level playing field, and clear and consistent rules, confidence in our economy is growing. Investments are pouring in, jobs are being created, and a virtuous cycle has begun—where empowered consumers buy more products, and businesses hire more people so they can expand to keep up with the growing demand.

Prudent spending has allowed us to plug the leaks in the system, and improved tax collection has increased revenues. Every peso collected is properly spent on roads, on vaccines, on classrooms and chairs—spent on our future.

We have fixed the system by which we build roads, bridges, and buildings—they now go where they are truly needed. Our roads are properly paved; products, services, and people reach their destination quickly and with greater ease.

Because of good governance in agriculture, food production has increased, prices don't fluctuate, wages are stable, and our economy is stronger.

It is true: A resilient and dynamic economy resting on the foundations of good governance is the best defense against global uncertainty. We have been dismantling the obstacles to progress for two years, and now, our success can only be limited by how hard we are willing to work for it.

We achieved all these things even as countries around the world were surmounting their own challenges.

We exist in this world with others. And so it is only appropriate that even as we attend to our own problems, we remain vigilant about some events that affect us.

The situation in Bajo de Masinloc has been the source of much discussion. Chinese fishermen entered our territory. Our patrol boats intercepted some of their ships, which contain endangered species. As your leader, it is my duty to uphold the laws of our country. And as I did, tension ensued: on one hand, the Chinese had their Nine-Dash Line Theory laying claim to almost the entire West Philippine Sea; on the other, there was the United

Nations Convention on the Laws of the Sea, which recognized the rights of many countries, including that of China itself.

We demonstrated utmost forbearance in dealing with this issue. As a sign of our goodwill, we replaced our navy cutter with a civilian boat as soon as we could. We chose not to respond to their media's harangues. I do not think it excessive to ask that our rights be respected, just as we respect their rights as a fellow nation in a world we need to share.

There are those who say that we should let Bajo de Masinloc go; we should avoid the trouble. But if someone entered your yard and told you he owned it, would you agree? Would it be right to give away that which is rightfully ours?

And so I ask for solidarity from our people regarding this issue. Let us speak with one voice. Help me relay to the other side the logic of our stand.

This is not a simple situation, and there can be no simple solutions. Rest assured: We are consulting experts, every leader of our nation, our allies—even those on the other side—to find a resolution that is acceptable to all.

With every step on the straight and righteous path, we plant the seeds of change. But there are still some who are committed to uprooting our work. Even as I speak, there are those who have gathered in a room, whispering to each other, dissecting each word I utter, looking for any pretext to attack me with tomorrow. These are also the ones who say, "Let go of the past. Unite. Forgive and forget so we can move forward as a people."

I find this unacceptable. Shall we simply forgive and forget the ten years that were taken from us? Do we simply forgive and forget the farmers who piled up massive debts because of a government that insisted on importing rice, while we could have reinvested in them and their farmlands instead? Shall we forgive and forget the family of the police officer who died while trying to defend himself against guns with nothing but a nightstick?

Shall we forgive and forget the orphans of the 57 victims of the massacre in Maguindanao? Will their loved ones be brought back to life by forgiving and forgetting? Do we forgive and forget everything that was ever done to us, to sink us into a rotten state? Do we forgive and forget to return to the former status quo? My response: Forgiveness is possible; forgetting is not. If offenders go unpunished, society's future suffering is guaranteed.

True unity and reconciliation can only emanate from genuine justice. Justice is the plunder case leveled against our former president; justice that she receives her day in court and can defend herself against the accusations leveled against her. Justice is what we witnessed on the 29th of May. On that day, we proved that justice can prevail, even when confronted with an opponent in a position of power. On that day, a woman named Delsa Flores, in Panabo, Davao del Norte, said "It is actually possible: a single law governing both a simple court reporter like me, and the Chief Justice." It is possible for the scales to be set right, and for even the rich and powerful to be held accountable.

This is why, to the next Chief Justice, much will be demanded of you by our people. We have proven the impossible possible; now, our task is reform toward true justice that continues even after our administration. There are still many flaws in the system, and repairing these will not be easy. I am aware of the weight of your mandate. But this is what our people tasked us to do; this is the duty we have sworn to do; and this what we must do.

Our objectives are simple: If you are innocent, you will appear in court with confidence, because you will be found not guilty. But if you are guilty, you will be made to pay for your sins, no matter who you are.

I would also like to thank Ombudsman Conchita Carpio-Morales, for accepting the challenges that came with the position. She could have turned down the responsibility, citing her retirement and volunteering others for the job—but her desire to serve the nation won out. This generosity was met with a grenade in her home. Ma'am, more challenges will come; in time, perhaps, they'll give you the same monikers they've given me—a greedy capitalist who is also a communist headed toward dictatorship because of the reforms we have been working so hard to achieve.

I thank you for your work, and I thank you for being an instrument of true justice—especially at the height of the impeachment trial. I thank, too, the two institutions that form our Congress—the Senate and the House of

Representatives—which were weighed and measured by the Filipino people, and were not found wanting.

To everyone that ensured that our justice system worked well: You weathered many challenges and criticism, and even misgivings; couple that with the anxiety over possible failure, of having to face the ire of those you went up against, after a mission lost. But you did not falter. The Filipino people were relying on you, and you proved that their faith was rightly placed. You did not fail the nation; you further brightened our futures.

Let me remind you that our fight does not end with the ousting of one corrupt official, with the suspension of an anomalous contract, or the systemic overhauling of a government office. I call upon Congress to pass our amendments to the Anti-Money Laundering Act, that we may strengthen our measures to hold the corrupt accountable.

Every town that has and will be lighted; the highways, bridges, airports, trains, and ports we have built; fair contracts; the peace in our cities and our rural areas; every classroom, desk, and book assigned to a child; every Filipino granted a future—all of these, we have achieved in just two years. We have advanced an agenda of reform in these last two years, a marked contrast to our suffering in the decade that came before.

If we share the same ideals and work for the same goals, then we are bound by a shared agenda. But if you are against us, it only follows that you are against what we are doing. Whoever stands against the agenda for genuine change—can the people really count them as being on their side?

Elections are fast approaching. You, our Bosses, will be our compass. I ask you, “Boss, what direction will we take? Do we continue treading the straight and righteous path, or do we double-back—toward the crooked road that leads to a dead end?”

I remember well those early days when we first started working. I was keenly aware of the heavy burdens we would face. And I was among those who wondered: Is it possible to fix a system this broken?

This is what I have learned in the 25 months I have served as your president: Nothing is impossible. Nothing is impossible because if the Filipino people see that they are the only Bosses of their government, they will carry you, they will guide you, they themselves will lead you toward meaningful change. It isn't impossible for the Philippines to become the first country in Southeast Asia to provide free vaccines for the rotavirus. It isn't impossible for the Philippines to stand strong and say, “The Philippines is for Filipinos—and we are ready to defend it.” It is not impossible for the Filipino who for so long had kept his head bowed upon meeting a foreigner—it is not impossible for the Filipino, today, to stand with his head held high and bask in the admiration of the world. In these times—is it not great to be a Filipino?

Last year, I asked the Filipino people: Thank those who have done their share in bringing about positive change in society. The obstacles we encountered were no laughing matter, and I believe it is only right that we thank those who shouldered the burdens with us, in righting the wrongs brought about by bad governance.

To all the members of my Cabinet: my sincerest thanks. The Filipino people are lucky that there are those of you ready to sacrifice your private and much quieter lives in order to serve the public, even if you know that you will receive smaller salaries, dangers, and constant criticism in return.

And I hope that they will not mind if I take this opportunity to thank them today: to Father Catalino Arevalo and Sister Agnes Guillen, who have nurtured and allowed my spiritual life to flourish, especially in times of greatest difficulty: my deepest gratitude.

This is my third SONA; only three remain. We are entering the midpoint of our administration. Last year, I challenged you to fully turn your back on the culture of negativism; to take every chance to uplift your fellow Filipinos.

From what we are experiencing today, it is clear: You succeeded. You are the wellspring of change. You said: It is possible.

I stand before you today as the face of a government that knows you as its Boss and draws its strength from you. I am only here to narrate the changes that you yourselves have made possible.

This is why, to all the nurses, midwives, or doctors who chose to serve in the barrios; to each new graduate who has chosen to work for the government; to each Filipino athlete who proudly carries the flag in any corner of the globe, to each government official who renders true and honest service: You made this change possible.

So whenever I come face to face with a mother who tells me, "Thank you, my child has been vaccinated," I respond: You made this happen.

Whenever I come face to face with a child who tells me, "Thank you for the paper, for the pencils, for the chance to study," I respond: You made this happen.

Whenever I come face to face with an OFW who tells me, "Thank you, because I can once again dream of growing old in the Philippines," I respond: You made this happen.

Whenever I come face to face with a Filipino who says, "Thank you, I thought that we would never have electricity in our sitio. I never imagined living to see the light," I respond: You made this happen.

Whenever I come face to face with any farmer, teacher, pilot, engineer, driver, call center agent, or any normal Filipino; to every Juan and Juana dela Cruz who says, "Thank you for this change," I respond: You made this happen.

I repeat: What was once impossible is now possible. I stand before you today and tell you: This is not my SONA. You made this happen. This is the SONA of the Filipino nation. Thank you.

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