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October 28, 2011

Memorandum

TO: Ernest Y. Martin, Chair, Honolulu City Council
Clayton Wong, Administrative Fiscal Officer, Honolulu City Council

FROM: Councilmember Romy M. Cachola

A handwritten signature in black ink, appearing to read "Romy M. Cachola", is written over the "FROM:" line.

SUBJECT: Diaspora to Development: Global Summit of Filipinos in the Diaspora
September 27-29, 2011, Manila, Philippines

I was invited to attend the "Global Summit of Filipinos in the Diaspora," which was held at the MR2, Secretariat Building, Manila, Philippines. Diaspora refers to people who have migrated away from an ancestral country but continue to stay connected to their heritage and homeland.

This global summit, which will strengthen Honolulu's commitment in its Sister City relationships, promote Hawaii products and encourage Philippine residents to travel to Honolulu, benefiting our city economically and culturally. This trip also strengthened Honolulu's new sister-cities agreement with Ormoc, Philippines, which was signed at the Hawaii State Sister-Cities Summit in September 2011. I anticipate that a positive economic impact will be a result in an increase in trade and visitors to Hawaii.

Much information about the Summit can be found on the website, <http://d2dglobalsummit.cfo.gov.ph>

The Summit was held in cooperation with the Commission on Filipinos Overseas (CFO), the U.S. Pinoys for Good Governance (USP4GG), and the National Federation of Filipino Associations in America (NaFFAA). I have been actively involved in NaFFAA. The purpose of the Summit was to help strengthen ties with Filipinos overseas and to promote their interests in the Philippines and abroad. The event gathered about 700 participants from 40 countries who are past Presidential awardees such as myself, as well as leaders and convenors of the USP4GG and NaFFAA and other Filipinos' networks. The aim of the event is to highlight the achievements of Overseas Filipinos and to discuss possible areas on we can have a reciprocal relationship between Filipinos in the Philippines and overseas, particularly Hawaii.

The common thread of the Summit was about the experience of Overseas Filipino Workers (OFWs), Filipinos who have migrated from the Philippines to the United States and other counties to work. This migration has alleviated under/unemployment in the Philippines; resulted in remittance to the

Philippines totaling 10% of the country's gross domestic product, an equivalent of \$18.7 billion; conquered employment opportunities in more than 200 countries; globalized the Filipino perspective and choices; provided an option out of poverty; provided greater opportunities to education for children; and helped improve access to health services.

Wednesday, September 28, 2011

I attended the Plenary Session from 9 a.m. to 10:30 a.m., which included welcome remarks by Undersecretary Mary Grace Ampil-Tirona, executive director of CFO, followed by a video presentation by the Commission on Filipinos Overseas and the Diaspora to Development Program. Messages were then presented on behalf of the four convenor-organizations: Secretary Imelda M. Nicolas, chairperson of CFO; Loida Nicolas Lewis, chairperson of USP4GG; Dr. Aurora Cudal, chairperson, NaFFAA Region 10 Head of Delegation, NaFFAA; Eileen Aparis, convenor, YouLeD, CFO; and Vladimir James Manuel. Aparis and Manuel's messages was titled "Speaking out as Second Generation Overseas Filipino: Back from the Diaspora."

Developing a Globally Competitive Healthcare System, by Dr. Alfredo Bengzon

The topic of the Plenary Session from 11 a.m. to 12:30 p.m. was "Developing a Globally Competitive Healthcare System," convened by Dr. Alfredo R.A. Bengzon, president and CEO of The Medical City. Dr. Bengzon gave compelling reasons that the Philippines can be a medical destination, such as lower cost for medically necessary procedures, lower cost for discretionary procedures, advance technology, quality care and quick access for medically necessary procedures. The benefits for the Philippines are increased foreign exchange earnings, larger investments in the local health sector, and improved health as a driver of development.

My concern is the impact of such proposal to the health care providers in the United States and Hawaii. I requested a financial analysis of this program to include the cost of medical treatment, airfare of patient and caregiver/companion, accommodations, food and other expenses to have an accurate estimate of health care provided in the Philippines.

Diaspora Investments (1:30 – 5 p.m.)

Financial Education Programs for Overseas Filipinos by Arnel Adrian Salva

Remittance to the Philippines from overseas Filipinos finance the households' need for goods and services, push local production and domestic activity, provide additional funds for bank-lending activities, and increase supply of foreign exchange.

Innovative Ways of Investing from Far Away by Augusto Cosio,

Strengthening the Ties That Bind by Francis Calpotura, and

A Case for Overseas Filipino Investments in the Countryside by Ildefonso Bagasao

These three workshops discussed how OFWs can assist the Philippine economy.

"Innovative Ways of Investing" explained stocks, bonds and mutual funds

"Strengthening the Ties That Bind" gave a profile of a U.S.-based Filipino remitter:

- 80% are Philippine-born; 71% are U.S. citizens
- 32% maintain homes in both countries
- 75% have some college education
- \$20,200 is the average individual income
- Average remittance is \$300, sent 8.8 times a year or 13% of take home pay

- Spends an average of \$12-15 in fees & exchange rates
- Transacts 20 million remittances paying up to \$240 million in fees per year
- Transacts through 13 dominant remittance service providers

A Case for Overseas Filipino Investments in the Countryside

In the Philippines, 78.8% of food poor families are in the rural areas, such as Bicol and Central Mindanao, while rural families account for 70% of total poor.

The Philippines remains dependent on agriculture, which contributes 20% to the gross domestic product. About 40% of employment comes from agriculture. Approximately 5 million farming households survive on an income of less than US\$98 per month. Poverty pushes about half a million people per year to migrate to live in slums in urban areas. Children are first victims of the cycle of malnutrition and lost education

Remittances from OFWs, sent to family members in the Philippines, are the main or primary source of support of about 6.2% of Filipino families, a figure that translates to about 881,263 families or households

Sadly, migration eases the burden of government in dealing with high unemployment rates, as well as acts as a buffer to balance of payments deficits. In the year 2000, remittances constituted 14% of exports of goods and services, and 8% of the gross domestic product.

The Philippines is currently going through a “brain drain,” losing its best and brightest. This reduces the country’s capacity for long-term economic growth and human development. Filipino migrant workers have an overall literacy rate of a high 96.1% (higher than national literacy rate). One of the areas most affected is the medical profession.

While the Philippines provide the initial investments and subsidies to educate its work force, these workers move to other countries. Such countries and institutions enjoy benefits with little or no contributions to the education of OFWs.

Tourism Initiatives (1:30 p.m. to 5 p.m.)

The objectives of the workshop, “Tourism Initiatives” were as follows:

- 1) To present the framework, initiatives and projects for participants to get involved in local tourism
- 2) To elicit recommendations for overseas Filipinos about strengthening, enhancing and institutionalizing the tourism initiative program.
- 3) To establish matching relationships between overseas Filipinos investors/participants and benefiting organizations and institutions

Thursday, September 29, 2011

Business Advisory Circle (9 a.m. – 12:30 p.m.)

To encourage economic growth, the Business Advisory Circle (BAC) was established. This network of individuals and institutions provide business advice to prospective overseas Filipino entrepreneurs, and is a matching and referral program in which business experts provide advice to overseas Filipinos in identifying, establishing and sustaining business activities and partnerships in the country. The BAC is aimed at promoting diaspora-led entrepreneurial initiatives and public/private/civil society partnerships in trade, industry, economic and social enterprise projects. Initially, a technical working group was composed of the Philippine Department of Trade and

Industry, the Philippine Chamber of Commerce and Industry, the Philippine Franchising Association and the Women's Business Council of the Philippines. Other members may be added to this consortium.

Medical Mission Coordination (9 a.m. – 12:30 p.m.)

Since I participate in medical missions to the Philippines, I attended this workshop, Medical Mission Coordination. The Philippines also relies on medical mission teams to reach the many poor people in the rural and hard-to-reach locations in the Philippines. Medical missions provide non-urgent care, promote goodwill and provides expert care otherwise unavailable to marginalized populations.

The objectives of this workshop are as follows:

- 1) To evaluate the impact of medical mission on communities in the Philippines.
- 2) To rationalize the conduct of medical missions in the country in line with the health needs of the communities and the Millennium Development Goals (MDGs).
- 3) To identify pre-and post-medical mission strategies to ensure sustainability and effective long-term impact of medical mission care.

This workshop cited various issues of medical missions:

- 1) How can the processing of requirements for medical missions be streamlined?
- 2) How do medical mission teams prioritize areas when conducting missions?
- 3) What are the possible strategies on pre-and post-mission care?
- 4) What is the role of local government units and non-government organization in the conduct of medical missions?
- 5) What are the commitments of stakeholders in making medical missions a tool for development?

One of my main concerns is the increased rules and requirements for OFW medical personnel who want to go to the Philippines for medical missions. While I understand the need for regulations to ensure patient health and safety, I am concerned that the increased requirements will discourage and deter legitimate medical personnel from helping needy patients.

Conclusion

Attending the conference gave me additional insights on how the City & County of Honolulu can benefit from strengthening the ties that it has with the Philippines through Filipinos who live in Hawaii and businesspeople who have dealings with the Philippines.

Honolulu's relationship with cities, provinces and the Republic of the Philippines as a whole will continue to grow and strengthen, providing a myriad of opportunities for our lands and people.

City Council
City and County of Honolulu


CLAIM FOR TRAVEL REIMBURSEMENT

Date: 10/26/11

Traveler: Romy M. Cachola
 Event: Global Summit of Filipinos in the Diaspora
 Location: Manila, Philippines
 Dates: From September 25, 2011 To October 1, 2011

Description	Amount	Notes:
1. Registration Fee	49.25	Summit - Commission on Filipinos Overseas
2. Airfare	715.10	Hawaiian Airlines, RT Honolulu/Manila
3. Hotel	252.87	Century Park Hotel, Manila, Philippines
4. Meals	91.79	Receipts attached
5. Ground Transportation	8.78	Receipts attached
6. Tips	68.98	Receipts attached
7. Other	17.08	Manila International Airport Authority - user's charge
Other		
Other		
8. Adjustment		
TOTAL REIMBURSEMENT	1203.85	

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:



 Signature of Traveler

OCT 26 2011

 Date