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Honorable Vice-President of the Dominican Republic, doctor Rafael Alburquerque.
Honorable Secretary of State of Foreign Affairs; engineer Carlos Morales Troncoso
Professor Jeffrey Sachs, Director of the Columbia University's Earth Institute

I believe this has been a highly illustrative and enriching event and in spite of the somber data that has been presented about some areas of the Dominican Republic, we have seen, nonetheless, that the future of the Dominican Republic has been very well represented by this eleven year old child who has made it clear that in the absence of the President and the Vice-President, the country would be in good hands. So much so, that when he finished his last poem he came to me and said Mr. President, we have an appointment pending. So, there we find solid character, as the Spaniards often say, right?

I have found this meeting very enriching and illustrative. First, because we have clarified the information. What is the reality of the Dominican Republic in figures? And that is very important because it gives us a clear perspective of what we need to transform, which are the goals of transformation and change that we need in the Dominican Republic. But it also highlighted another issue. The cost of development in the Dominican Republic: What is the cost of transforming the Dominican Republic and achieving the Millennium Development Goals?

Obviously, when dealing with a subject so complete and specific as what the cost of development and what the cost of the Millennium Development Goals would be, we must begin with some indications that have been established in the international framework. Starting with the Monterrey Summit, sponsored by the United Nations and in that summit the following was made clear: that each nation is responsible for financing its own development. Remember that this summit was to discuss financing for development and the first conclusion that it brought forth was that each country, by itself, was responsible for financing its development.

Therefore, we have here our first great challenge. How is the Dominican Republic going to finance this? And, just as Professor Jeffrey Sachs explained, we cannot look at the Millennium Development Goals and how to finance them separate from the economic policy of the country. All this needs to be placed within the context of what is the macroeconomic stability of the Dominican Republic and what is a policy oriented towards a sustained economic growth.

It is not possible to isolate these Millennium Development Goals from the management of a macroeconomic policy and of a policy oriented towards growth. But we would not be able to fully achieve these Millennium Development Goals and Objectives if this is perceived as being isolated from the institutional strengthening of the Dominican Republic, institutional strengthening that has to go, first, towards the creation and consolidation of a democratic state of law; and, second, towards the creation of a set of institutions within the state mechanism of the Dominican Republic that make viable the execution of the different measures that we aspire to and that involves all sectors of Dominican society.

I believe that we are making progress although it is true that we lost the first 5 years of the 15 year Millennium Development Goals, because we faced a deep economic and financial crisis in the last period; an economic and financial crisis that, and I must always repeat so that we do not forget, was due to an inappropriate management of fiscal policy, economic policy and currency exchange policy of the past administration and not to a banking crisis that came about later.

The banking crisis in the Dominican Republic did no more than exacerbate and magnify an already existing crisis that originates in the past administration and the most solid proof of what I am saying is that in the first semester of the year 2001, economic growth in the Dominican Republic was zero, and if in 2001, finally there was a 2.5% growth, much lower than the 8.3% registered in the year 2000, it was due essentially to investments generated by the placing of sovereign bonds in the financial markets and in international markets and from then on, obviously, came a total collapse.

Therefore it is important that we learn from this past lesson that a country, first and foremost, needs to have an adequate macroeconomic management and this means managing exchange rate policy, monetary policy and fiscal policy in sync and harmoniously and that is what we are trying to do in the Dominican Republic at the present time.

Having subscribed an agreement with the International Monetary Fund, negotiating with the Paris Club, with the private commercial creditors of the Dominican Republic and with the bond holders of our country, will allow us to increase the time for maturity and expiration of these bonds, allow us to close the first circle of economic and financial management of this government administration because in order to grow, in order to guarantee a sustainable growth, first we have to organize the economy and the finances of the country and this requires that we address each and every one of these elements.

For the upcoming month of May, we aspire to conclude the negotiations with the bond holders of the Dominican Republic and this will allow us to postpone the payment of 500 million dollars that we have pending for next year and postpone it according to the terms established in the new negotiation with these bond holders.

The culmination of this period of negotiation and straightening of macroeconomic policy of the country, allows for the Dominican Republic, a patient that is in intensive care, to leave the emergency room and enter a stage of convalescence and, I believe, that this stage of convalescence has already started.

It was extremely gratifying for me that on my visit to Rome last weekend, our Chancellor, engineer Carlos Morales, said to me: Mr. President, I have seen in CNN a note that says: Dominican Republic (Growth 4 percent and Inflation Zero in the first quarter (he said all of this in English) and I said Mr. Carlos, in CNN but in CNN in Spanish-he said no; CNN in English. They are running it in Rome that the Dominican Republic has a growth of 4% with a zero inflation rate and later I find that some people were congratulating us in the lobby of the hotel because the Dominican Republic had a 4% growth with a zero inflation rate during the first trimester.

All the news that they were presenting were negative, the only thing that looked hopeful was this news of the Dominican Republic and I call this the first sign of recuperation of the patient.

Now, the country is growing, in macroeconomic terms, at a rate of 4%, this has to be reflected, in microeconomic terms, and today in the press we found the first reaction in terms of

microeconomic growth when the executives of *Presidente* Brewery say that in the first trimester, there was a 20% increase in beer consumption, therefore, it seems that Dominicans are happier these days because they are drinking more beer.

And I understand that in effect, just as this company recognizes a 20% increase in sales, many other companies must already be receiving the benefits of the 4% growth that is being experienced at this time.

We have been in a deep crisis, we are in the midst of a recovery process but more than that, we understand that the Dominican Republic is currently in a special, unique and historical moment to produce the great transformations that we have dreamed of for many years

Perhaps the great crisis become great opportunities so that nations may, in effect, leap forward and I honestly believe, with total sincerity that in the present, the Dominican Republic is positioned in this point of historical inflection which allows it to give this great leap forward.

It is about having clear goals, clear objectives, a strategic vision of where we want to go, where we want to arrive, and that the procedure that is used to conquer these objectives is not inclusive in nature, neither from a social nor a political point of view. As we pointed out last night, it is going to require an alliance between the different components of the social fabric of the Dominican Republic, but also of an alliance between the political parties that believe in the consolidation of democracy, in economic growth, in social wellbeing, in the full participation of the Dominican Republic in international markets that will be the only guarantee that development in our country will be sustainable.

It passes through these different intermediaries and, of course, we understand the different dimensions of this development, there is an element that is global and that affects the Dominican Republic for good or bad. At this time, for example, we are at the threshold of ratifying a Free Trade Agreement with the United States, and this agreement, in reality, also represents for the Dominican Republic a great opportunity to define a competitiveness strategy.

Subscribing this Free Trade Agreement, in itself means nothing; in fact, the Dominican Republic currently enjoys preferential access to the U.S. market. Actually, there is free trade, only that it is unilateral; Dominican products that have entered the U.S. market in virtue of the Caribbean Basin Initiative under preferential tariff conditions. There is free trade, what is being put forth to us now is that this free trade be reciprocal, that is, that the Dominican Republic should now open its markets to the importation of goods and services coming from the United States.

Many people look at this with skepticism, the problem lies in that if we do not sign this agreement, then the Dominican Republic would lose preferential access to the United States market, therefore, ratified, the first thing it represents is not to lose what we already have, access, it now represents the challenge of liberating the market for the importation of goods and services that will compete with the producers of the Dominican Republic, but this, in turn, will represent for us having to define a competitiveness strategy, such as how to increase production, how to increase productivity, how to generate this competitiveness strategy that has to be directed towards two fundamental aspects: a) Human Resources; we are talking about education and we cannot continue to be a country with a fourth grade educational level because then we will be recognizing ourselves as a society of functional illiterates and, on the other hand, b) This needs to be a nation that incorporates state-of-the-art technology to increase its level of productivity and be competitive at an international level.

Can we achieve this? I believe so. The first sign of this is that the cybernetic park of Santo Domingo that we are intensely promoting in this new government administration has already received an offer from NAP of Las Americas in Miami. NAP stands for Network Access Points and it is a high technology telecommunications center and they have proposed to us, through private investments, the development of NAP of the Caribbean with which the Dominican Republic, through this investment, would become a high technology generation center of excellence and we are thinking also of an alliance with the STEVENS Institute of Technology of New Jersey to create a high technology university for masters degrees and PhDs in Software products, Biotechnology, Robotics, Computer Science, etc..

Because in absence of that academic center we have ITLA which offers Human Resources Training that go directly to the companies, here we are thinking of members of the different business units that would be operating in the cybernetic park, but at the level of engineers and of managers we require an academic center that can offer masters degrees and PhDs, validated in the Unites States and we are working on this project so that the cybernetic park can become the Technological Corridor of the Americas and launch the Dominican Republic in a new paradigm of development that moves from a model of intensive labor which is what we have had until now to a gradual modification of all operations in all the work areas.

However, these technologies can move perfectly well towards the Agriculture sector, the livestock sector, how these techniques are applied to improve the production of livestock, of food and the reduction of hunger in the Dominican Republic which is one of the MDGs. We can apply them to medicine, the development of telemedicine, the link between hospitals in the Dominican Republic with the great world centers that effectively allows access to the most modern and most recent knowledge that could be immediately applied in the Dominican Republic.

So, I believe that in effect we are in the threshold of a great revolution in the Dominican Republic. The Millennium Development Goals are to get out of extreme poverty and I think that this is the first goal that we must achieve, but our dream, our vision, is to radically transform the Dominican Republic to turn it into a modern country, a prosperous nation that generates opportunities for all, contributing in this way to elevate the dignity of Dominicans.

In the political sphere is where I believe we have the greatest challenges for us. As Professor Sachs has said here, one of the problems that we have in third world nations and that is repeated here in the Dominican Republic has to do with the change in government. It is chaos, what occurs in our country is a mayor disorder because a change in government means that those who were there have to leave because new job opportunities have to be made available for those that are coming in.

The states have had to make many investments in personnel training, in the formation of human resources, and these are lost with the arrival of the new government because they do not belong to the winning party and I think this is a mistake and that we all loose with this practice. I believe that we have a law for Civil Service and Administrative Career here that we wish to apply, what we need is the methodology to do it and I think that the methodology has to be based on merit, on the individual merit of each citizen that wants to take part in public service.

I think that a way to solve this is that everyone who aspires to join public service should be a graduate of the National Institute for Public Administration (INAP) or have some type of academic certification that enables them to participate in public service in the area that they most desire, I feel that this could be the starting point.

For example, I have discussed with Mr. Carlos Morales, the fact that there are many young people that show a desire to become diplomats. How can this be done? We have the Foreign Affairs Ministry School of Diplomacy that has work agreements with different diplomacy schools throughout the world. A young person who wishes to pursue a diplomatic career does not have to belong to the political party in office. They just need to pass the courses offered at the Diplomacy School, and this makes them eligible to start their diplomatic career, independent of the political parties and, in this way, we have started to professionalize public service.

I would be in the disposition to discuss with the leaders of the rest of the parties how to find a method that allows us to professionalize public service in the Dominican Republic and that does not depend on changes in government that come about due to electoral cycles and I am convinced that, with this, we will already be giving a great impulse to the modernization of the State in the Dominican Republic.

Therefore, if we need to be concerned about the quality of public service, about the “professionalization” of this public service, about training in order to develop the state institutions, because the opposite not only hinders the process towards development but also leads us in the end to disappointment, disillusionment, to protests and to the lack of governance. Therefore, the only way to face it efficiently is on the basis of a political pact among the different institutions that have representation in the electoral scenario of the Dominican Republic.

I want to congratulate the heads of the different Ministries that have presented here today, the technicians that have participated in the different work groups that were part of the presentations. I think that never before in the history of the Dominican Republic, have we been able to see in such a concrete way the reality of each area of the country, the very precise diagnosis but at the same time the recommendations and being able to establish quantities, required amounts, I believe it is a transcendental step in public administration in our country, besides the fact that it has been done in such a short time, three to five minutes each, reflects that they thought about it, because being brief means that you have profound knowledge of what you are doing.

In my opinion, the most important thing has been to discover a way to reflect on our problems, to meditate about things and to understand that only through intellectual understanding, through problem analysis will we be able to concrete actions that will result in transformation and that when we are in the implementation phase, something that I want to recover from professor Sachs’s intervention, is being able to have available the necessary means or mechanisms for measuring performance. What cannot be measured, what cannot be quantified has no value.

Here, we have already wanted to implement it with the physicians that make very important and very valuable claims; I think that when the doctors in the Dominican Republic demand a raise in their salaries, I believe it is fair, I think that what they are being paid is not enough, naturally, we are limited by the precarious conditions, always willing to dialogue and discuss, but I also feel that we have to establish mechanisms for measuring performance.

Some doctors do their job, some do not and I think that the professional association should not speak indiscriminately for all of them.

Let’s start to look at the individualities, those that do their job deserve and in fact need to be gratified with an additional bonus, those that do not should be sanctioned. Thus, I would say the same thing about teachers. We have to look for mechanisms that measure performance, the good teachers, the dedicated, those that stimulate, have to be compensated, have to be recognized; the bad teachers cannot be placed in line to be gratified in the same way as those that do a good job.

I think these times need to end in the Dominican Republic, the quality of public service depends on evaluation mechanisms and determining performance, I think that if we can apply all of this we will, without a doubt, have a better country.

I leave this meeting feeling very satisfied, very proud of the government team, of the technicians that have worked here because it means that we have more awareness, more conceptual clarity and that we have a working method in the Dominican Republic linking different institutions globally, nationally and locally through Provincial and Municipal Councils with the Social, Institutional and Economic Council, with the different Ministries, with the Presidential Commission on the Millennium Development Goals and Sustainable Development (COPDES).

Being able to link all these institutions, I believe that is the key that will allow us to say in 2015: The Dominican Republic has achieved!

This is the first country that has created a Presidential Commission to support the Millennium Development Goals. We aspire to be the first country that achieves the goals set forth by the Millennium Goals in the year 2015.

Thank You.