Statement by Wan Abdul Aziz Wan Abdullah
Date of Meeting: July 6, 1999

Dominican Republic: Country Assistance Strategy

We welcome the presentation of this CAS to the Board, recognizing that it once again gives us the opportunity to discuss issues emanating from the adoption of the CDF approach, at implementation level. But first let me thank management and staff for their efforts in putting together this CAS, especially given its significance as a CDF pilot. At the outset, this chair would like to express its support for the CAS’s emphasis on the four pillars of: growth; social development; modern, efficient, and accountable public sector; and the environment.

The Dominican Republic is a highly polarized economy with impressive growth and macroeconomic stability on the one hand, and a lagging reform agenda in traditional industry and agricultural production, on the other. In this regard, we wonder if it would have been essential to have poverty assessments undertaken as a prelude, or at least in conjunction to preparation of the CAS, especially given the indistinct impact of growth on the informal sectors of Dominican economy. Nevertheless, we welcome the note in Box No.1 that the FY Poverty Assessment would aim to contribute to Government’s efforts to develop more systematic poverty assessments in the Republic.

In regards to the proposed gradual approach to the implementation of the CDF pilot in the Republic, we concur with the approach to eventually place more emphasis on non-lending services than it was in the past. However, this should not be seen as giving the Bank more leverage to run the show but rather to allow the Bank to facilitate the consultation and partnership process more effectively. Ownership and direction of the action plans must be fully driven by local stakeholders, with the Bank’s technical support in areas where it has comparative advantages.

We feel that the Bank’s selectivity criteria are adequate and agree that the lending program is rightly focused on finishing the reform agenda and supporting social sectors. We also support that short-term interventions should focus on Economic and Sector Work (ESW)
to improve public awareness of reform issues. This initiative should help the Government's readiness to implement the changes and the ability of the people absorb the impact of the reform changes.

Finally, we would like to convey our best wishes to staff and the Government, in pursuing the goals of this CAS and look forward to seeing the results as a pilot CDF program.