

Mr. President of the Congress of the Republic;

Dear Presidents of the Public Powers; Ladies and gentlemen congressmen;

Ladies and gentlemen ministers of State;

Ladies and gentlemen, members of the Diplomatic Corps, civil authorities; Ladies and gentlemen, compatriots:

A year ago I assumed the mandate given to me by the Peruvian people. In fulfillment of my constitutional responsibility, today I appear again before the Congress of the Republic to report to the nation on the task accomplished, and announce the improvements and reforms necessary for the country.

Since I assumed the role of Head of State, I have dedicated all my energies to working to ensure that the benefits of economic growth are extended to the poorest sectors of our population. All the democratic forces of our country have come together around this purpose that is crucial for our future.

Today, after a year of management, I reaffirm the core of my proposal and confirm that we have begun to lay the foundations for the great transformation that the majority of citizens of our country long for.

We have made significant progress in this process of growth with inclusion in democracy, but we must also recognize that we have not achieved everything we set out to achieve. Every beginning is difficult, even more so when the healthy ambition of wanting to do things quickly and with concrete results in the shortest possible time is not in tune with a national and regional institutional framework that is still weak and in urgent need of improvement. However, in this first year we can already show concrete progress and achievements.

1. SOCIAL INCLUSION AND FIGHT AGAINST POVERTY

There can be no sustained development and solvent democracy without inclusion. Poverty still affects 27% of Peruvians and, even more serious, poverty rates exceed 60% in several regions of the country. Overcoming this situation of inequality is a challenge on which we must focus. For this reason, the commitment of social programs is to prioritize their work in rural areas where six out of every ten Peruvians are poor and one out of every four suffers from hunger.

The goal of social inclusion is to achieve equal opportunities for everyone, regardless of where they were born, the language spoken, the color of their skin, the educational level of their parents, whether they are a man or a woman, or whether their family whether or not he has money; My government has been working so that we all have the same opportunities to get ahead and look to the future with optimism.

To achieve this, we have created the Ministry of Development and Social Inclusion, intended to lead the multisectoral action of the State in the fight against poverty. On the one hand there are poverty alleviation programs, which allow access to public services and development programs and, on the other hand, programs for access to opportunities and sustained strategies for income generation, food security and productive employment.

With this strategy we hope that total poverty will be reduced to 15% by 2016.

In the first year of my administration, not only has the number of social programs increased, but the coverage of existing ones has increased and work is being done to achieve greater efficiency and transparency in social programs.

to maximize its impacts. In this framework, we have made the decision to close Pronaa, due to the multiple deficiencies it presented, and we have created another program that will substantially improve food support for children. Faithful to what was promised, we have launched in the first 12 months of management Cuna Más, Beca 18, Pensión 65, Work Peru, Jóvenes a la Obra and the Mobile Emergency Care Service (SAMU), among others; and the coverage of existing mechanisms, such as Juntos and Foncodes, has been expanded.

Social programs are intended to serve specific vulnerable groups.

- The Cuna Más Program, five months into operation, serves 1,700 boys and girls under 36 months of age in rural areas, where previously the State did not provide any service aimed at the comprehensive development of our children. In addition, it serves 57,000 minors in the day care service in 320 districts throughout the country. By 2016, it is expected to provide comprehensive care to 260,000 girls and boys under three years of age nationwide.

- Pensión 65, in eight months of operation, has exceeded the goal set for 2012, reaching 173,000 older adults in 990 districts. The expansion of the coverage of this program has recently been approved, which will allow it to reach 247,000 people nationwide by the end of this year. But the State's attention to our elderly does not end with a pension. All those who receive Pensión 65 will also receive specialized care through the Ministry of Health programs.

- Qali Warma School Feeding Program will provide breakfast and lunch in public schools, based on a nutritious menu based on local production, stimulating the consumption of Andean grains, such as quinoa and others. By 2016 we hope to be serving 3.9 million infants in preschool and primary schools nationwide.

- Juntos is progressively expanding its coverage. Every two months more households will receive 200 new soles conditional on children's attendance at school and scheduled health check-ups. Together they already serve 485,000 homes in 14 regions. At the end of this year it will serve 722,000 homes. The goal by 2016 is to reach 800,000 homes.

To complement the support that the Together Program provides to families, Foncodes and other programs, such as Agrorural, have been adding productive projects. We have started in Vinchos and Chuschi, in Ayacucho.

But in this first year we have not only increased coverage, but we are also changing the way the State supports the poorest.

Families that are emerging from the current situation of poverty will be able to grow and develop, valuing their own productive capacities, with the support and accompaniment of the State and private actors, to ensure that overcoming poverty and exclusion is irreversible.

To this end, the State has launched productive development and employment promotion programs through Foncodes, which this year plans to complete 1,224 social and productive infrastructure projects in nearly 600 districts nationwide. Peru works, which has generated more than 34,000 temporary jobs

for single mothers, young people and the disabled. Jóvenes a la Obra and Vamos Perú, which to date have trained almost 40 thousand young people for job placement. Likewise, Agrorural has been promoting the development of small agricultural production units in areas of poverty and extreme poverty, having already benefited 56,432 families. For 2013, it is scheduled to additionally benefit 20,798 families.

Families that are emerging from poverty must live with dignity. For this reason, the State will improve the availability of basic services, such as water, sanitation, electricity and telephone in rural areas, seeking that these services reach the beneficiaries at the same time, to make a real difference in their quality of life. Currently, only 12% of households in the inclusion process jointly access these services. By 2016 we hope to quadruple coverage for this group of poorest Peruvians.

To achieve this, the State is working through the National Rural Sanitation Program, which by 2016 will have installed a total of 270,495 new water connections and 385,560 new basic sanitation units. The Rural Habitat Program, which by the end of 2012 will have benefited 156 thousand families. The Rural Electrification Program, which by 2016 will have provided electricity to 718 thousand homes, benefiting 3.16 million people; and, the Telecommunications Investment Fund (FTEL), which plans to have reached all the isolated districts of the country with fixed and mobile telephony and internet services by 2016.

We have begun the implementation of the Energy Social Inclusion Fund (FISE), through which discount vouchers for 16 soles per bottle of gas are being delivered to the poorest in the country. Our goal is to reach 645 thousand homes by the end of this year and reach one million homes by 2016. This will benefit five million compatriots who are in poverty. Likewise, a solar panel program has been started to bring energy to compatriots in the most remote areas of the country's mountains and jungle. At the end of my term we will benefit 500 thousand people with these panels.

Likewise, articulating efforts with the private sector and regional governments, we present to this Congress a bill to achieve the massification of natural gas at the national level, prioritizing attention to the most depressed high Andean areas, such as: Junín, Huancavelica, Ayacucho, Apurímac, Cusco and Puno.

Quality education for all

Improving educational quality is key to achieving comprehensive development. The possibility of fully exercising our citizenship or having a decent and productive job will only be possible if we significantly improve education in our country, and particularly for the most vulnerable.

In Education, this year we have focused on three fundamental priorities: improving the learning of all students, relaunching work with teachers and modernizing management so that the changes are sustainable.

An important change in the generation of opportunities for our low-income students is the creation of the National Scholarship 18 Program, which allocates comprehensive scholarships for technical and professional careers.

university courses at the undergraduate level for high-achieving students from poverty areas. The goal is to award 25,000 scholarships by 2016. To date, 4,000 scholarships have been awarded for studies in the country. Additionally, this semester the call for comprehensive scholarships abroad begins.

To close the gaps, we are working to ensure that initial education coverage within the Juntos Program reaches 100% by 2016. This year we have managed to incorporate 60,000 more children. For the rural area, we have started the Rural Networks Program, with almost 1,200 schools organized into 72 networks in 24 regions of the country, with a comprehensive approach that includes infrastructure, support for teachers, resource centers, work with families and connectivity to Internet.

Through the Solidarity Routes Program we are providing bicycles to students to improve access to remote schools. We are also putting at your disposal a powerful digital platform of pedagogical resources, where students and teachers can research and communicate from one corner of the country to another in real time.

For Quechua, Aymara and Amazonian students, we have defined a new strategy that improves the modality of bilingual intercultural education (EIB), and includes an aggressive teacher training plan in bilingual intercultural education, so that teachers speak the language and know the culture. Of these populations of which all of us, without exception, feel proud. For my management, teachers are key actors for these educational changes.

For this reason, we are presenting to Congress a draft Teacher Development Law, which will include remuneration improvements and comprehensively addresses both meritocracy and a training system and stimulation of innovation.

However, we demand from teachers a great commitment to our students and the goals that we as a country set in education. Better conditions mean greater responsibilities and we are sure that true teachers, those who chose this career by vocation, will take on the challenge of changing to change education.

The protection of our children and students comes first and, being a national imperative, I reiterate to Congress the request for the prompt approval of the bill that we presented to you a few months ago and that seeks to prevent teachers sentenced for terrorism or crimes against sexual freedom. They can continue working in the country's schools. Our students come first and it is an ethical commitment to ensure their integrity.

We are implementing a national strategy against harassment and violence in schools, with the leadership of directors, multidisciplinary brigades, and an orientation and counseling service for a healthy and democratic coexistence. Three important conditions to improve educational quality: We are expanding the subjects and the number of learning evaluations, including one in fifth grade. Resources of nearly 350 million new soles have been transferred to regional and local governments for the construction of more than 150 schools, and the management system of the Ministry of

Education through the simplification of processes and the improvement of information systems.

Protection of vulnerable populations

Likewise, we are laying the foundations for government management that confronts inequalities, especially gender inequalities, in a decisive and effective manner. One year into our administration, we now have a Ministry of Women and Vulnerable Populations with guidance on gender, violence against women and family violence. This government has understood it this way, and that is why it incorporated the figure of femicide into the Penal Code.

We must be in a position to protect the most vulnerable and to do so we are creating more Women's Emergency Centers, which are aimed at providing care and prevention of family and sexual violence. This year three centers begin to operate in rural areas and 25 in urban areas, and by 2016 we must have a total of 131 centers operating nationwide, with a capacity to serve almost 255 thousand people and with awareness-raising actions in these topics that will reach more than 5 million people.

Likewise, we are creating Residential Care Centers (CAR), to provide comprehensive care to children and adolescents in a state of abandonment. By the end of this year we hope to have 39 centers operating and by the end of 2016 43 will be in operation, with the capacity to serve more than 4,500 children and adolescents. Likewise, another issue that concerns us and on which we are taking action is the number of boys and girls between 6 and 17 years old who work. We are focusing on reducing the number of boys and girls engaged in the worst forms of child labor.

I must highlight two initiatives that we will begin soon: the Rescue Program for Children on the Street and the Rescue Program for Adults on the Street, which will help people who are victims of sexual exploitation, labor exploitation or abandonment recover their abilities and dignity.

I want to reiterate my commitment to Peruvians of all ages, to women with different abilities, to female heads of households, to female adolescent mothers. In my government they will have all the support for their development. Women are also our main partners in the fight against poverty and inequality.

Health for a quality life

On the other hand, we are convinced that there is no possibility of growth and development if there are no healthy people and communities. The management of my government in

Health has been organized into three priorities: Improvement and access to health services, promotion of a culture of health and improvement of quality of life.

Regarding improvement and access to health services: we must highlight that 75% of Peruvians in rural areas are already affiliated with the Comprehensive Health Insurance (SIS).

A promise fulfilled in my government is the implementation of the Mobile Emergency Care System (SAMU). For the first time in our country, the State arrives and saves lives in a timely manner through articulated and coordinated emergency and urgent care in the highest-risk urban and rural areas and in the jungle through the river SAMU. In principle we have coverage of 9 million Peruvians in Lima and we will extend it nationwide by 2016.

Through the A Gusto te Atiende Mejor Program, we have incorporated progressive improvements to computerized systems to speed up care, facilitate

online appointments and reduce waits in Essalud establishments, and increase user satisfaction from the current 45% to 70% by 2016.

We know that we can still continue to improve care for patients with tuberculosis, which is why two new laboratories have been implemented for case detection in Trujillo and Ica, and at the end of this year we hope to have three more laboratories in Ucayali, Tacna and Madre de Dios.

Seeking to expand health care, the joint work between Essalud and the Ministry of Health will be strengthened. With this, members of the Comprehensive Health Insurance (SIS) will be able to receive care at Essalud and in public hospitals. This year, 14% of SIS and Essalud affiliates will have the right to this exchange, and by 2016 we must reach 100%.

We will continue to increase the level of immunizations in children under five years of age, reaching 94% of boys and girls by 2012, and 99% of boys and girls by 2016.

Likewise, we hope to reduce chronic malnutrition in children under 5 years of age at the national level, which currently stands at 23.2%. We want to break the generational perpetuation of poverty, avoiding chronic malnutrition in our boys and girls is giving them hope of achieving a dignified life.

To promote a culture of health we have implemented the Muévete Perú, Come Rico, Come Sano, Come Peruano and Healthy Kiosks and Loncheras programs, which seek to develop in people and the community a responsible attitude in caring for their own health.

We are improving the quality of life of our poor and extremely poor older adults, in conjunction with Pensión 65 and the SIS. The I See You Well, Smile Again and I Hear You Better programs contribute to physical and mental well-being, and thus facilitate active participation of our older adults in society. This year we are reaching a total of 70,665 poor and extremely poor older adults, and by 2016 we should be serving 97,382.

I want to make important announcements that are a sample of the new approach that we want to give to health care in Peru:

- In order to substantially strengthen primary health care in the country, we hope to invest until 2016 approximately 4 billion new soles in a large number of strategic health establishments, which have been identified with the active participation of the regional governments.
- An old problem in the country is the lack of specialists in the medical centers of our provinces. The majority prefer to work in the main capitals and not in the most remote areas of the country. For this reason, I have ordered that the budget bill for 2013 incorporate remuneration and professional incentives for those who choose to attend the most remote health facilities.
- Continuing with the purpose of expanding the health rights of the population, we are starting, within the framework of the SIS, the National Plan to Fight Cancer Esperanza. Through this plan, the State seeks to protect citizens so that they have access to timely, quality diagnosis and treatment against cancer. No Peruvian should be left without cancer treatment due to economic problems. This

It is the long-awaited free Oncology Insurance.

- Also within the framework of the SIS we have implemented the Intangible Solidarity Health Fund (Fissal), to progressively finance the treatment of high-cost diseases, such as leukemia and kidney failure. And because we want health with good care, we have decided to strengthen the National Health Superintendency (Sunasa) in its role of supervising compliance with user rights.

- The Bone Marrow Transplant Service for adults of the National Institute of Neoplastic Diseases (INEN) will soon be put into operation. Likewise, the Pediatric Bone Marrow Transplant Service will come into operation, which will be in the new Children's Hospital. Likewise, we have begun the efforts to implement the first National Umbilical Cord Bank and the First Bank Latin American Bone Marrow Donor Registry, so that there is a greater possibility of finding a donor.

Tambo Program for remote populations

My government's commitment is and will always be to serve, first, the most remote, forgotten and vulnerable populations in the country, which is why we have initiated the Dairy Program, which contributes to affirming the effective presence of the State in rural communities. Their operation will allow to improve housing and provide water and sanitation to the rural population, but the fundamental value of these centers is in their nature as a multi-sector space to guarantee the presence of the State in health, education, justice, security, communications and in generating development. and social inclusion.

190 dairy farms are already under construction, whose influence reaches 156 thousand families and a total of 660 thousand inhabitants, which will be served with water provision, installation of basic sanitation units, sheds, seeds and housing improvement actions, and then with sustainable multi-sector services. 2. GROWTH, PRODUCTION AND DEVELOPMENT

Sustained economic growth is essential to reduce poverty, inequality and generate tax revenues that ensure the expansion of social spending in favor of the poorest and most excluded in the country. Greater social inclusion will result in greater investment and growth: We are firmly committed to this virtuous circle.

The Peruvian economy shows solid performance. Our country grew more than 6% during the last twelve months and remains one of the most dynamic nations in the world.

The latest indicators confirm the good performance of our economy, supported by the growth of investment and consumption. Thus, for example, the construction sector grew almost 15% in the first half, private investment grew by almost 12%, the sale of family vehicles grew by almost 50%, and bank credit to the private sector expanded by 16% annually. and the formation of new companies has increased by 20%.

For its part, inflation has been decreasing and in the months of May and June it was close to zero. We expect that at the end of the year inflation will be within the Central Reserve Bank's goal, between 1 and 3% annually.

Fiscal measures have been adopted since September of last year

preventive measures against the deterioration of the international environment. These different measures, which amount to just over 7 billion new soles, have been intended to accelerate the execution of decentralized public investment in maintenance works, state purchases, support measures for the export sector, administrative simplification, debt payment social, among others.

As part of the mining investment portfolio, my government has made important investments in the last year, such as the Quellaveco project (3 billion dollars) and the expansion of Cerro Verde (4 billion dollars). The potential mining investment portfolio amounts to around \$30 billion over the next five years.

Tax and budget policy

Sustained economic development, in addition to high growth, requires an increase in permanent tax revenues. Important changes have been made in the tax field. Firstly, at the beginning of the government, a new mining tax scheme was established, the surplus profits tax or mining tax, in order to generate greater income and dedicate it to increasing social investment. Through this new scheme, 1,246 million soles have been collected so far this year, and we estimate at the end of the first year of its validity, that the State could benefit with an approximate figure of 3 billion new soles.

On the other hand, thanks to the support of the Congress of the Republic, a set of measures has been adopted that allows us to achieve a tax pressure of 18% of the Gross Domestic Product in 2016, through a significant reduction in evasion, avoidance and smuggling. expansion of the tax base and institutional strengthening of the Sunat and the Tax Court.

The Public Budget is the main tool to implement the State's redistributive policy. In this sense, we were emphatic in prioritizing the social sectors in the 2012 Budget and included important increases in the areas of health and education.

Being respectful of subnational autonomies, the continuous coordination and technical assistance provided by the Central Government to regional and local governments must continue to be improved to ensure that the resources we have are invested in impact works with probity and for the benefit of the community. population.

On the other hand, public companies such as Petroperú, Enapu, Electro Perú, are being strengthened through better corporate governance, greater transparency and accountability. We are going to encourage the complementary participation of the private sector in them for the development of investment projects.

Investment and infrastructure for development

We still have a long way to go to provide the poorest with water, sanitation, roads, electrification, schools, medical clinics, among others. This enormous task requires a joint effort between the public sector and the private sector.

The Ministry of Economy that we found was designed to manage scarcity and poverty. Today we are transforming it into an instrument of social inclusion with sensitivity, decentralized and capable of managing economic growth and ensuring that it reaches all Peruvians.

In this sense, in relation to the traditional National Public Investment System (SNIP), I must announce that, collecting the demands and suggestions of regional and local authorities, we have introduced two significant improvements that will first allow aspects such as training, technical assistance, management advice and technology adoption; and second, reduce the project approval process by half the time. This will make it possible for the almost 1,600 local governments with the greatest needs, which are home to around 12 million Peruvians, to approve their projects more quickly.

Additionally, my government has been providing training and technical assistance for the prioritization and execution of public investment projects. Thus, in the first half of this year, public investment declared viable increased by 130% compared to the same period of the previous year and amounted to 22 billion new soles.

To reduce the infrastructure gap we also require the support of the private sector, for which we have launched an aggressive concessions program for 10 billion dollars for the year 2013.

We consider that the participation of the private sector in public investment projects of regional and local competition is crucial for the development of the country. In this sense, a new regulation of the Law on Works for Taxes has been approved, which will allow the private sector to propose and finance projects with high social impact.

During the last months, viability was granted to important irrigation projects that have already begun their execution, such as Olmos, with an investment of 600 million new soles; Chincas, with an investment of 1,430 million new soles; Chavimochic III, with an investment of 2,510 million new soles. Likewise, the Pasto Grande project, second stage, will soon be granted viability, with an investment of 660 million new soles. Completing the start of these long-awaited projects has taken, in some cases, more than 20 years, and will allow the incorporation of more than 100,000 new hectares of high productivity. Also, the Majes-Siguas project is about to begin, which will be carried out under a bi-regional modality.

We are also working on 12 important land transportation works, to build more than 500 kilometers of roads, which will benefit more than 6 million Peruvians in different regions of the country. In addition, different types of telecommunications services have been installed in 3,661 rural locations. Investments in road infrastructure and communications during our first year in office have been more than 6.6 billion new soles and have generated more than 55,000 direct and indirect jobs.

Over the next few years and until 2016, the main works in this sector will include line 2 of the Lima Metro, the paving of 100% of the Longitudinal de la Sierra Highway, the construction and installation of 1,000 bridges in the National Road Network and the interconnection of the country's 195 provincial capitals with broadband, substantially improving the quantity and quality of communications nationwide. These investments will be made using public resources and encouraging public-private partnerships.

Another project of enormous regional and national impact is the Cusco International Airport. Announcement to the country that we are starting, now of course

effectively, the investment process to make this airport infrastructure a reality in the country's main tourist destination. To this end, I present to Congress the bill that empowers the Regional Government of Cusco to acquire the land required for the work.

Security and diversification of the energy matrix are essential to maintain sustainable and inclusive growth. These two objectives will be achieved by extending the gas pipeline network to the south, to ensure the provision of cheap energy for homes and industry, as well as the development of the Petrochemical Pole. This large infrastructure project will be financed in a public-private alliance, where Petroperú and Electroperú will participate.

In this sense, I announce the presentation to the Congress of the Republic of a bill that enables the call for international bidding and financing for the construction of the ethane liquid pipeline, starting from Pisco, to begin to materialize the Petrochemical Pole. This project will also allow the construction of a gas pipeline that links Malvinas with Quillabamba, to strengthen the energy security of our country. This new project is complementary to the Southern Andean Gasduct.

All these initiatives are possible thanks to the recovery of Lot 88 for the internal market, a national demand that has been made, respecting legal security and investments, through dialogue.

It is important to emphasize that we will promote the strengthening of our public companies such as: Petroperú, Enapu, Electroperú, through better corporate governance, greater transparency and accountability, promoting the complementary participation of the private sector in them for the development of investment projects. An initiative to highlight is that Petroperú will participate in the exploitation of the oil lots that will be put out to tender through Perú Petro, both in those contracts that are expiring and in the new lots to be put out to tender. Likewise, the modernization of the Talara Refinery will be a reality. Financial and pension system

In order to generate greater inclusion and well-being for workers, my government has enacted the reform of the Private Pension System. The reform promotes greater coverage of access to pensions, with which more than two million workers are incorporated into a much more efficient and fair system, seeking to insert a pension culture in the country.

On the other hand, we are promoting the reform of the capital market as a tool for financial inclusion, to increase sources of financing for all companies – especially small and medium-sized ones – and savings opportunities for all citizens. During the course of this legislature we will present the bill to expand access to the capital market for small and medium-sized companies and increase their investment options.

Through the Banco de la Nación, a series of measures are being implemented, including the installation of 150 financial agents (multi-network) in the VRAE and Alto Huallaga, which will benefit more than 600 thousand residents; banking in the jungle and the highlands, with floating agencies on Navy ships and temporary agencies in towns where there are Sunday fairs. All these measures will facilitate access to financial services for thousands of Peruvians. Competitiveness and productive diversification

Achieving the goal of being one of the fastest growing economies in the world and with greater social inclusion requires determined efforts to become a more productive, competitive and less dependent country on natural resources.

My government presented, last February, the 2012-2013 competitiveness agenda, which has the challenge of implementing 60 goals in strategic lines that will directly affect the productivity of our companies, mainly MSEs, and, therefore, in its growth. Five months after the approval and presentation of said agenda, we already have progress of close to 60% of what was planned for this year.

Encouraging technological innovation is a priority. My government will strongly influence this aspect and we have arranged an investment of 100 million dollars, under the mechanism of competitive funds for innovation business projects. With this we seek to contribute to innovation and value addition. This will be done with the second phase of the Science and Technology Program of the Presidency of the Council of Ministers. Along these lines, we have approved tax incentives for research and development, and we will carry out the National Innovation Survey in the manufacturing sector, seeking the greatest productive development of this vital area of our economy.

We have worked on instruments for productive development, based on incentives for business associativity, programs for business technical and technological assistance, as well as business coordination programs between large companies and mypes.

Likewise, to extend productive diversification in the economy, we have established the strengthening of the National Productive Quality System, among other actions, through the standardization of processes, products and services, which will improve the competitiveness of our products in international markets. and promote technology transfer.

Fisheries and agricultural development

We are committed to promoting a sustainable fishery, as well as strengthening artisanal fishing activity. The first National Census of Artisanal Fishing in the marine sphere has been carried out, the result of which will allow us to design better public policies in this sector. Seeking competitiveness with our fishing resources, we are sending a project to the Congress of the Republic to create a specialized technical organization, attached to the Ministry of Production, to be in charge of Fisheries Health. It will be a new Sanipes. The country needs a new authority that ensures the quality of what is produced and consumed that allows us to access new markets quickly and permanently.

The modernization of the agricultural sector is vital to make it more productive and inclusive. The concentration of efforts of my government will be to improve the productivity and competitiveness of agriculture. We will promote the defense of biodiversity and organic agriculture.

Support for this sector will be focused on the provision of agricultural public goods, such as the stimulation of agricultural innovation, investment in agricultural infrastructure (construction of reservoirs, irrigation canals, among others) and provision of services and financing through Agrobanco. for small farmers, for which this institution was recently capitalized with 100 million new

Suns. Finally, for the better development of public policies in the sector, the Agrarian Census is being developed.

We are placing special emphasis on irrigation infrastructure to benefit 600,000 peasant families and small producers, through the execution of 2,400 projects, in addition to the construction of 336 small and medium-sized reservoirs in the coming years. Additionally, by the end of my government we will have built 7 large reservoirs that will favor the irrigation of 105,000 hectares. This will materialize the importance that this government gives to water as a source of life and engine of development.

Foreign trade

In aspects related to trade facilitation, customs regulation has been improved with the purpose of eliminating legal restrictions for the use of clearance mechanisms.

In the area of trade promotion, measures have been implemented related to export financing mechanisms, guarantees for credit to exporters, mypes, the streamlining of the implementation of a certification mechanism for customs operators and the strengthening of agencies. related to foreign trade, within the framework of the Foreign Trade Single Window, as well as commercial offices abroad. These measures take on particular importance in the current international situation, which forces us to support our export companies, especially small and medium-sized ones.

The future perspective in relation to trade is to deepen relations with the CAN partners, the Pacific Alliance, UNASUR, as well as to complete the negotiations of the Trans-Pacific Trade Agreement (TPP), with the purpose of ensuring access for Peruvian products to such markets.

The Peru Brand, ambassador of our products and the wonders of the world that are in our country, has been accompanying the intense commercial and tourist activity that makes the world perceive us as a special and charming place, which has a lot to offer.

We are, without a doubt, a country in evolution, which is going through a good moment and this is demonstrated by our total export figures, which reached the sum of 20 billion dollars from August to December 2011, that is, 20 % more than what was achieved in the same period of the previous year.

Non-traditional exports showed a similar trend, which grew by 32% compared to the previous year. By 2016 we hope to reach 86 billion dollars in total exports, to triple non-traditional exports and to double the current number of exporting SMEs, thereby contributing to social inclusion.

In the field of tourism, we have continued to grow and receive more tourists, expecting the arrival of 3 and a half million international tourists by 2016. We want tourism to be a business for everyone. That is why we are promoting the inclusion of small and micro businesses, and communal enterprises, strengthening destinations such as Kuélap and the central jungle and designing new routes.

Formalization and economic inclusion

Informality is one of the characteristic elements of our productive structure.

My government will promote the implementation of incentives for informal companies to formalize them, through instruments that ensure access to markets, technical assistance for their business management, association and innovation, and business coordination between them and larger companies. .

Promoting mypes to formalize them is vital to sustain productive diversification. An example of my government's commitment to this sector is the work that has been carried out with the Gamarra emporium through the recently implemented multi-sector strategy. In addition, the Coopera Perú Program, another multi-sector effort that brings together the private sector, will generate the necessary demand so that producers, like those of the VRAEM, have markets for their products.

A special mention deserves the process of formalizing informal mining throughout the country, where we work hand in hand with regional governments. To date, around 20 thousand artisanal miners have begun to be formalized, who already have RUC.

In April, when nine informal miners were rescued who were on the verge of losing their lives in the Rosario del Yauca district, in Ica, I addressed them, invoking them to formalize themselves and avoid putting their lives in danger again. This is one of the reasons why we are advancing in the formalization of artisanal miners: the preservation of the lives of thousands of compatriots.

3. CITIZEN SECURITY, FIGHT AGAINST DRUG TRAFFICKING AND ILLICIT ACTIVITIES

There are several indicators that point to citizen insecurity as the central problem for the daily life of all Peruvians. For the average citizen, this situation is expressed in the simplest way since it requires traveling, buying, selling, taking the children to school, traveling and working with a single and elementary condition: doing so in peace and tranquility; not to be attacked, assaulted, harassed or threatened.

Our goal is to give our law enforcement forces a new face, closer to the population, more attentive to their needs, with better equipment. We have started an ambitious program to improve police stations, allocating 600 million new soles. In addition, we are improving communication systems with the acquisition of a unique communications center, which will allow online communication with the Ministry of Health, Firefighters, Civil Defense, municipalities, among others, to provide greater security to citizens.

Additionally, I have ordered that police facilities located in camps or on the property of private companies be progressively withdrawn to the extent that there are adequate premises for their operation and service to the community.

The prison system also needs special attention. The system has grown by 12 thousand more prisoners in just one year. For this reason, the INPE has been declared an emergency, in order to dictate exceptional measures to improve the security conditions of penitentiary establishments throughout the country.

Overcrowding and corruption are also being fought. In this sense, the processes have begun for the construction of two new prisons in

Cochamarca (Pasco) and Chinchá; private investment processes for works for taxes are carried out with the help of regional governments.

The Regulations of the Special Public Penitentiary Career Law were approved, which implies a substantive change in personnel, with an increase in salaries and a career system for servants. 20% of the total INPE staff will enter this new regime, which will imply a substantial increase in salaries.

The issue of citizen security brings together all local, regional and national authorities. Therefore, from the National Citizen Security Council, which my government has implemented, we will continue to make our greatest efforts, seeking to structure more operational bodies to combat the scourge of crime and delinquency.

Two other problems of priority attention are, without a doubt, drug trafficking and terrorism. The State must be able to defend its citizens against these internal threats, and this implies joint work with all the living forces of the nation. No strategy can be viable without the involvement of the entire political class, the private sector and civil society, since these scourges become strong in the midst of complicity and apathy. If something distinguishes my government, it is its firm decision to confront drug trafficking and terrorism head-on, until its definitive defeat.

So far in the government we have managed to pacify Alto Huallaga and now we are in the task of consolidating this process by materializing the presence of the rule of law through the execution of projects and infrastructure that allows us to value this area for the benefit of its inhabitants.

To date, 136 terrorist criminals have been captured, including important commanders and leaders in the VRAEM and Alto Huallaga areas. I must highlight, in this sense, the capture of the ringleader Florindo Eleuterio Flores, alias Artemio, and the execution of numerous military-police operations and actions aimed at dismantling the structure of terrorist criminals.

Regarding the VRAEM, we will persevere on the path of ending the threats of drug trafficking and terrorism in this region. In addition to the action of the Armed Forces and Police Forces, we have begun to develop a plan to bring the State closer to the communities. I have given instructions to all public agencies to reinforce their activities in the VRAEM, carrying out more health, alternative development, education, housing and infrastructure programs, so that the populations feel that they have new opportunities to progress.

In this framework, in the VRAEM I ordered that the Banco de la Nación bring its financial services closer to the areas of Llochegua, Pichari and Palmapampa, among other localities. This Banking Plan, combined with the presence of police stations in the areas, will allow us to make the presence of the State effective where it never was before. In Huallaga the task is to consolidate the pacification achieved. We add, to the presence of the state programs of police stations and access to financial services offered by the Banco de la Nación, a program to install bridges along the Huallaga River, which will facilitate the transit of residents and their production. .

In the operational field we are improving the aspects of logistics, equipment and personnel. We are prioritizing the presence of military personnel

professional for operational actions and incorporating new counterterrorist bases in strategic areas, among other actions.

The link between terrorist violence and drug trafficking activities makes state intervention more complex, as it requires comprehensive and multisectoral actions. From this perspective, interdiction actions have allowed the destruction of maceration ponds and around 1,200 processing laboratories, the seizure of 8,500 kilos of PCB and 9,300 kilograms of cocaine hydrochloride.

Special and focused attention will deserve the control of the chemical inputs necessary for the preparation of the drug, since we are convinced that without them drug trafficking will be seriously affected. We require the participation of the industrial sector that produces these inputs to adjust its production levels, so that it is not diverted to those who use it for criminal purposes. So far this administration we have seized more than one million kilograms of chemical inputs necessary for the production of drugs. We are taking more effective actions to control money laundering. It is worth mentioning operation "Alas", where assets in the amount of 43 million dollars were seized; the "Alanya" case, where assets worth \$40 million were recovered; and the "Bocaza" case, where properties, land and vehicles worth 100 million dollars were seized.

But we also fight against illegal mining because we must not allow mercury, cyanide and fuels to enter irregularly into various regions of our geography to contaminate their forests, rivers and the food of their inhabitants. We cannot remain indifferent to the destruction of around 20 thousand hectares of forests in Madre de Dios, one of the planet's biodiversity reserves. Illegal mining also affects the coastal and Andean valleys. It is imperative to change this situation and we have begun to do so. A new legal framework has been developed that now needs to be implemented.

Taking into account that in recent years crime and insecurity levels have increased significantly, the time has come to make immediate decisions to advance the construction of a legal framework that allows concrete results and prevents crime and delinquency from advancing, as well as optimize the powers of the Interior and Defense sectors, and implement bodies that contribute to the protection of the fundamental rights of military and police personnel within the framework of the sacrificial work they carry out and in the supervision of the duties of the State.

For this reason, we will ask the Congress of the Republic to grant us powers to legislate regarding the fight against crime, organized crime, citizen security and national defense.

I am sure that in this initiative we will also have the understanding and necessary support of the majority of congressmen of the Republic.

The arduous and complex work of the National Police and Armed Forces in the fight against insecurity, terrorism, drug trafficking and other illicit activities requires the State to improve the conditions of personnel, providing them with specialized training, such as that achieved by the young people from voluntary military service through agreements with technological institutes. Likewise, one thousand scholarships from the Beca 18 Program have been assigned for graduates this year and the gratuity has increased by approximately 60%.

In this line of supporting the human capital of our Armed Forces and National Police, we have established a new remuneration scale that allows us to meet the desires of our personnel and their families. We will present the bill as soon as possible, which I am sure will have the majority support of this Congress.

4. STATE REFORM AND DEMOCRATIC GOVERNANCE

State Reform

One of the key commitments of our government is to reform and modernize the state apparatus to continue advancing in the objective of implementing public management based on results, which serves as a vehicle to improve the redistributive capacity of the State and put it at the service of the citizen.

In this first year we have inaugurated a new way of governing by bringing the State closer to the citizens and residents of Peru, starting with the most remote and isolated areas of the country. All of this in compliance with what I offered in this same chamber to close the gap between urban Peru and rural Peru.

In this sense, we are working hard, with all regional, provincial and district governments, in periodic meetings at the Government Palace. So far in my administration I have already received 24 of the regions of Peru in the so-called Executive-Executive meetings, in which, accompanied by the ministers of my cabinet, we agreed on a set of actions for the implementation of development programs in benefit of compatriots who live in their different jurisdictions.

This positive line of action of the Central Government will be continued with the holding of the councils of decentralized ministers, as we have done recently in Iquitos (Loreto) and in Omate (Moquegua), on both occasions, accompanied by the entire ministerial cabinet, we were able address in situ the needs of these regions of Peru, together with their authorities, resulting in a regional development agenda, whose strict compliance I demand from each of the heads of the summoned sectors.

We are making progress in streamlining and modernizing processes with some important milestones that we can already show:

On the one hand, the scope of the Results-Based Budget has been deepened and accelerated. With our government's first budget we exceeded 40% coverage of non-financial and non-pension spending, and this year we will be above 50%, maintaining our goal of reaching 100% at the end of our mandate.

The simplification of procedures and processes has electronic government as a key tool. It is a priority to interconnect all State entities to provide quality service, as well as predictable and transparent responses for citizens. We are implementing online services to make it easier for citizens to establish companies, obtain municipal operating licenses, keep their accounting records, pay taxes, make foreign trade transactions through a single window and, finally, resolve their commercial disputes in the Judicial Branch of fast and predictable way. To date, 30,260 small businesses have been formalized with this instrument.

We are convinced that true reform of the State will not be achieved

while the problem of human resources in the public sector is not faced. In this sense, we are designing a single spreadsheet for the entire State that facilitates the management of these resources. In addition, a special regime has been implemented for specialized professionals through Law 29806, which allows remuneration in line with their capabilities, limiting the flight of talent from the public sector and creating an incentive to attract top-level managers.

This last measure would complement one of the most important policies that this government is going to promote: the reform of the Civil Service. In effect, we are preparing a bill for a new public career, which will be based on meritocracy and performance evaluation.

All this will be complemented with the creation of the National School of Public Administration, whose design is being completed and which will serve as a source of training and consolidation of future capable officials committed to the development of the country.

Fight against corruption

One aspect to take into account is the issue of purchases of goods and services from the State. The corruption we face today is widespread from the private sphere seeking to contaminate acquisitions and counting on the complicity of bad officials at all levels of government. For this reason, I want to address all the citizens of the country here so that they can join me in cleaning up the State, so that they can help me so that the bad authorities, whoever they may be, no longer work in the state administration. Report cases of corruption. I will be with you and the State will protect you. Let's put an end to this evil that affects us once and for all.

We have recently approved changes to the Contracting Law with the aim of making acquisition processes have greater security in the area of probity, and are more transparent and efficient. Furthermore, we have recently approved, by legislative decree, the disqualification from public procurement of those natural or legal persons who have defrauded the State.

As part of the Government's strategy to combat corruption, corruption registries have been created to identify officials prosecuted, convicted and/or fugitives from justice and the Registry of Unpaid Civil Reparations.

The Financial Analysis Unit, within the Specialized Anti-Corruption Prosecutor's Office, came into operation to locate the illicit assets of people investigated and subjected to proceedings for corruption crimes, in order to guarantee civil reparations and the restitution of the State's assets.

The Corruption Observatory was created as a unit specialized in the registration and control of information from the Attorney General's Office and the investigation of cases under its scope.

The new Money Laundering Law was promulgated, which is a precursor in the matter as it does not require the existence of a pre-existing crime and which significantly strengthens the Financial Intelligence Unit. The law has also placed limits on the entry and exit of money into the country, which can only use financial circuits to better control these movements. Likewise, a new Loss of Domain Law was approved, incorporating corruption crimes into this mechanism.

After many years, the court order was obtained for the repatriation of more than 15 million dollars from the inmate Vladimiro Montesinos, located in accounts in Luxembourg.

The policy of recovery of State assets has been initiated, after discovering that the corrupt owed the country more than 1,000 million new soles, of which they have only paid the ridiculous sum of 10 million, that is, 1% of everything that was ordered by final rulings of the Judiciary. The Anti-Corruption Prosecutor's Office and the State Attorneys have been taking concrete measures, such as the seizure of assets - which is already being carried out -, aimed at ensuring that there is no impunity and that the State effectively collects what it is owed; and, if it is not possible, because the corrupt have hidden their assets, civil death is applied to them.

To this end, we have presented a bill that we hope can be approved soon by Congress, so that no corrupt person infiltrates the State again or runs for public office.

5. SOCIAL JUSTICE AND HUMAN RIGHTS

A government committed to social inclusion cannot exempt itself from the task of promoting, at the same time, respect for the fundamental rights of all citizens and recognizing them as subjects of law. This government has been formulating a new policy on Human Rights and has created the new Ministry of Justice and Human Rights.

Recognizing the right of indigenous peoples, we approved the Law of Prior Consultation, the first law of its kind in the world. My government has great expectations of how this law will change the scenario of dialogue in the country, in order to listen to those who were never heard. This has been recognized by the United Nations and the Inter-American Commission on Human Rights.

In a clear determination of the reparation policies for victims of violence, my government decided that in this year it will have the largest and most historic budget in this matter, since 140 million new soles were allocated. Thus, this year, we will serve 21 thousand victims and 223 communities registered in the Single Registry of Victims.

On the other hand, the defense of the Peruvian State before the Inter-American Court of Human Rights has been strengthened, and special emphasis has been placed on the Chavín de Huántar case. In this task and instructed that the defense of the State is guaranteed in the most appropriate and firm terms, for which an important effort has been made.

Access to justice is a fundamental right. My government has been taking decisive action to make this right a reality, starting a new program to care for crime victims. As of January 2012, we have begun the defense of victims affected by violent crimes who did not have financial resources to defend themselves. To date, we have already served more than a thousand people and we hope that this will grow as this service becomes more known.

An issue of special personal concern is that of women and children affected by non-payment of alimony. In addition to the recent approval of an extradition for the crime of omission of family assistance, the effort being made by state lawyers throughout the country to support victims in a situation of abandonment is added. In this task, we have already obtained

the pension for almost three thousand boys and girls, and it will continue throughout the country, so I urge parents to fulfill their responsibility.

In the field of labor rights, we have achieved raising the minimum living wage from 600 to 750 soles.

Part of the commitment of the Peruvian State to its citizens is to ensure that the investments and the growth context that we have been experiencing for a few years become opportunities to develop jobs with social security, better income and respect for labor rights. Our commitment is to defend and promote decent work for adults, thus preventing the future of thousands of children and adolescents from being mortgaged by having to work.

In this sense, at the last International Labor Conference held in Geneva last June, I expressed Peru's will to eradicate child labor, through an intersectoral policy for the removal of boys and girls and adolescents from dangerous work and worst forms of child labor. We are interested, as a government, in dialogue and the law being the mechanisms to resolve all types of conflicts. For this reason, we have approved the National Policy on the Prevention and Resolution of Labor Conflicts, to prevent and adequately channel conflicts that could not be prevented, and achieve a harmonious solution for labor actors. Likewise, we have regulated the Occupational Health and Safety Law to promote a culture of occupational risk prevention.

We hope that the Congress of the Republic approves the creation of the National Superintendence of Labor Supervision, to supervise compliance with the labor legal system and occupational health and safety.

6. SUSTAINABLE DEVELOPMENT, ENVIRONMENT AND SOCIAL PEACE

Our country is recognized worldwide for its megadiversity and for being the habitat of hundreds of species of native fauna and flora. Added to this privileged condition is the extraordinary wealth in mineral resources and hydrocarbons that has been generated by the intense extractive activity carried out in our country. This requires us to design and implement a new approach in the relationship of extractive activities with the environment, the use of natural resources, balanced management of the territory and rational use of water resources.

To achieve this, it is essential to have better regulations that ensure environmental governance, the modernization of management instruments, their adaptation to our new economic, social and cultural reality, and environmental oversight in all operations.

As I announced to the country on April 20 of this year, my government committed to updating and complementing environmental regulations with a view to building a new relationship with extractive activities, having the State as guarantor of collective well-being.

For this purpose, the Multisectorial Commission was formed aimed at improving conditions in extractive industries, which has already given us the proposal for regulatory reforms, grouped into strategic axes aimed at ensuring a sovereign State and guarantor of rights, promoting governance in access and the use of natural resources, and guarantee the improvement of the quality of

life of Peruvians in a healthy environment.

In this first year we have faced serious environmental problems, which are still requiring significant efforts from the State to guarantee rights and citizen trust. The Government is also aware of the persistence of social discontent that has its roots in the unmet expectations of a large sector of the population that aspires, understandably, to an improvement in its quality of life.

Social conflict is explained by various factors, some of a structural nature and others linked to the inability of our political system to process social demands through democratic channels. In some cases, the poor relationship with surrounding communities and the lack of social and environmental responsibility with which some economic agents have operated in the past are at the basis of the conflicts that concern all Peruvians today.

That was the scenario we found. The challenge today is to overcome the culture of conflict to sow in its replacement the habits of tolerance, mutual respect and dialogue, without diminishing observance of the law and the principle of authority.

As of May of this year, 74% of active conflicts in the country correspond to the socio-environmental type, so the adequate design and compliance with rules that promote the responsible and equitable use of natural resources and care for the environment are matters of the utmost importance for the country. Water, in particular, is a top priority for my government. As I indicated in the message of last June 22, my government will not allow the development of any extractive project that exposes the population to water shortages or that does not meet the quality standards permitted for human consumption.

Along the same lines, we need to build a legal framework and a state policy that harmonizes extractive activities with the legitimate interests of preserving natural resources. I propose to the Congress of the Republic a constitutional reform project in order to recognize in the Constitution the fundamental right to water.

We have taken a big step with the approval of the Law and the Regulation of Prior Consultation to listen to the communities, and we are developing a rule on territorial planning, seeking to enhance the value of resources, respect for ancestral rights and improving the quality of life. To address social problems, we are going to establish the National System for Conflict Prevention and Management, for which the current Conflict Unit of the PCM will be transformed, in the shortest possible time, into a general directorate with representation throughout the national territory. through agreements with regional governments.

It is possible to have mining with an environmental and social license; Furthermore, we have made progress in resolving conflicts through dialogue and building trust in the cases of the Quellaveco Mining Project, in Moquegua; and that of the province of Espinar, in Cuzco; reaching consensus between the private sector and the communities, with the constructive assistance of regional and national governments.

Another great challenge we face as a society is climate change, and for

This makes it essential to take actions to mitigate its effects and adapt to the changes. Climate changes in our country are already affecting peasant communities in the high Andean areas. For this reason, my government is taking appropriate measures to reduce greenhouse gas emissions by 37.5% compared to 2000 emissions. This year we have reduced them by 5%, but we must have more ambitious goals if it is that we are going to make a difference.

Actions to mitigate the negative effects of climate change involve taking measures to prevent human and material losses in cases of disasters such as floods, frosts or cold weather. For that we must be prepared. We have begun the strengthening of state institutions in this field. The first thing was to create a Guarantee Fund for 40 million soles for agriculture and Agrarian Insurance aimed at covering damages to small farmers in the high Andean areas.

Then, through Indeci, we have taken measures to protect the inhabitants in priority areas vulnerable to the effects of frost and cold. This year we have served 250 thousand people and we are going to expand them until we reach the six million Peruvians who live in vulnerable areas. We have launched the Abriga Perú Program, aimed at covering the shelter needs of children under five years of age and those over 64 in the high Andean areas.

Peru is in a seismic zone. The ravages of the 2007 earthquake in Pisco, Chincha, Nazca, Ica, and the southern part of the country are still present in our memory. To support its reconstruction, since August 2011, more than 200 projects have been completed in all sectors with an investment of 270 million soles, with another 75 projects being executed that represent an investment of more than 350 million new soles.

7. INTERNATIONAL RELATIONS

We are an integrationist government and we are convinced that Latin America, and in particular South America, today has a historical responsibility that we cannot waste. Alone we can advance quickly, but together we can advance better and further.

The maritime delimitation process with Chile, which is being followed at the International Court of Justice in The Hague, corresponds to a State policy and Peru's pacifist vocation. The solution to this, which is the last pending boundary controversy, will allow relations with Chile to be strengthened in its multiple dimensions, as has just been highlighted by an important group of personalities from the two countries led by Mario Vargas Llosa and Jorge Edwards.

I ratify that Peru will abide by the ruling of the Court of Justice of The Hague and I am satisfied that this solemn commitment has also been assumed by the President of Chile. In relation to the displacement of mines as a result of the natural phenomenon that occurred in the Quebrada de Escritos, on February 20 of this year, the governments of Peru and Chile have agreed that a Norwegian humanitarian entity, of recognized prestige, will carry out the tasks of demining. This formula does not affect the sovereignty of Peru, nor the full validity of the limits established in accordance with the 1929 Treaty.

We have managed to further strengthen our ties with our brothers in South America, deepening trade, cooperation in the social, immigration, educational and energy fields, among others.

With our Andean partners we have begun a profound reengineering of the Andean Community, and we are strengthening our ties with Mercosur, aware that each of these processes contributes to the consolidation of UNASUR, whose Pro Tempore presidency we assumed on June 30. Peru has signed the constitution of the Pacific Alliance, to which Uruguay and other countries have already requested to join as observers.

Peru's international projection beyond Latin America has been reinforced with our participation in the last United Nations General Assembly and the APEC Summit, in which Peru was presented as one of the three emerging economies of the Asia-Pacific.

The trips of the Peruvian delegation to Spain, Switzerland, South Korea, Japan and Germany have served the same purpose of contributing to the increase in investments and trade to promote development with social inclusion. We returned from Davós with the proposal to hold the Latin American Regional Economic Forum in Lima, in April of next year.

The visit to the European Parliament was intended to ensure the approval of the Multiparty Agreement.

Finally, participation in the Rio + 20 Summit, in Rio de Janeiro, served to present to the International Community our new natural resources policy, framed in an environmental and social, inclusive and sustainable vision. We are also opening new horizons for Peru. Next October we will receive the heads of state and businessmen from South America and the Arab countries; and, in the same spirit, we are consolidating ties with new partners such as Türkiye and India.

I must state that the Government will not be indifferent to our compatriots abroad. In times of economic crisis, remittances were a solution for thousands of Peruvian households and continue to be so in some way; But today the international crisis is affecting thousands of Peruvians who have lost their jobs and seem to no longer have a future in distant lands. The time has come for Peru to welcome its children and provide them with the help they need to return to the country. To this end, we will promptly present a draft Law of Return, which provides the facilities required to rescue our brothers abroad.

Brothers and Sisters:

In this first year of government we have made significant progress in the great transformation. We have begun compliance with what I offered here, on July 28 of last year, in the sense of consolidating healthy growth of the economy, favoring its competitiveness; to generate a process of social inclusion for the benefit of the historically dispossessed; to promote sustainable development in harmony with our megadiversity. In all these areas, as I have outlined today, we have achieved concrete achievements and have set tangible goals on our immediate horizon. In the field of complex democratic governance we have also initiated a reform process aimed at putting the State at the service of the citizen.

We have acted rigorously so that our economy has a national market character open to the world. The State has recovered its role as promoter, not only of growth, but also of social progress, prioritizing education, health and child nutrition; improving working conditions;

investing in infrastructure, in schools, in medical posts; and improving the basic salary. We have begun to develop an environmental policy with the firm intention that growth is inclusive and, furthermore, sustainable.

We still have many pending tasks, especially in the field of governance and social peace. We will act with persuasion, slowly but surely, on the basis of democratic dialogue, so that social conflicts are adequately resolved. The Central Government, regional and municipal governments, private companies and civil society must be partners to achieve this objective. Likewise, we must develop more effective actions in the field of citizen security. I commit to devoting my greatest efforts so that in this dimension we advance with the same speed and the same conviction.

My government hopes that Peru reaches the bicentennial of its independence as a prosperous people that recognizes itself in its richness and cultural diversity, that respects its differences and that has learned to build together an inclusive, democratic and modern country.

This is the great transformation around which I call you to unite, inspired by the values that distinguished illustrious Peruvians, like Jorge Basadre, of whom I can borrow expressions to say them like him: "I am also another Peruvian who understands the meaning of homeland as a set of inalienable rights and, at the same time, as a set of concrete duties to make the promise of Peruvian life a reality."

This July 28 I reiterate my aspiration for "an inclusive homeland that opens the way to social progress"; I renew my commitment to continue walking under the flags of justice and the validity of fundamental rights. I ratify before you my love for Peru.

Long live Peru!