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Mr. President
Mr. Vice-President
Secretary of Foreign Affairs
Distinguished Members of the Panel
John, for your leadership
Ladies and Gentlemen

Now, we all really have to continue something impossible. We have already seen the future of the Dominican Republic, its wonderful, isn't it? What else can I say? It is absolutely exciting, that is why we are here today, to make sure that all the children in this nation can achieve their dreams, their aspirations in good health, good nutrition, quality education in a vibrant, peaceful country in a vibrant, peaceful world and I think that we have all felt inspired by this young man, I hope that we can thank him once more. (Applause)

The work that we have seen this morning is in fact very impressive and I want to tell all of you that are involved in it, and all of you who are not involved in it and are seeing it for the first time, that this has not been an easy task. We have seen things of great quality and very original in this work.

As we discussed yesterday, this is not the way in which the governments in any part of the world work, the idea of establishing very bold objectives in the future and then thinking in a very systematic and even scientific way, we could say, in a very coherent and organized matter, on how to organize these objectives. You are pioneers in this sense. This Commission is doing a wonderful job that will inspire the work in many parts of the world, but I think it is going to attain very significant results for this nation. It is definitely one of the main goals.

Allow me to mention some of the things we have seen and some suggestions regarding the forthcoming weeks in terms of concluding this phase of the work; and during the next few months in terms of presenting the work to the public, to the political leaders, to the different sectors of the country and then, a little more towards the future, implementing these ideas those which will be added and the entire remaining situation so that the Millennium Development Goals may be achieved in the Dominican Republic, which we know, cannot only be achieved, but need to be achieved for the well-being of this wonderful nation. First and foremost, the idea in this is management based on results and goals so that the entire governance process is more consistent; to establish objectives, to define objectives, goals that can be defined along the way, understanding the cost related to the implementation thereof, to accurately reflect these additional expenses in the national budgets adopted by the country and implemented with a view towards obtaining these.

We are talking about very complex tasks, because, as you have seen in all these goals, whether it be saving children's lives, keeping children in schools, the vital need of improving the quality of

education or saving natural resources. We saw dramatic data, these are the complex challenges that require many years of work, many participants from many different sectors—very seldom will it be a simple and direct intervention. Then, to establish these principles of clear objectives, chronograms, milestones, budgets...This is a very hard and unusual process. Today, we have already seen many specific and pragmatic ideas, how we can take a very extensive concept and turn it into something concrete, so that we can know how we are going to get from one place to another. And, that in fact is the job that needs to be polished, that needs to be defined during the next few weeks as we continue this process that is almost completed.

When we see the poverty maps, it is very clear that there is a huge difference even within very small geographical areas. The eastern and western parts of the country are very different. The disease burdens are different, the challenges are different in the urban and rural areas, and defining this type of mapping is extremely important as is understanding how to adopt high level objectives and then national objectives and make these relevant for the provinces, the districts, the municipal governments and the local communities. This is a great management and political challenge and all nations have their own ways of reaching the level of the capital city, the level of the community and then back up and this is part of the challenge we have here because the needs are so different in the different parts of the country and there are so many isolated communities that do not receive the proper services. This is a great challenge, to ask that a national goal be translated into a local reality, what types of systems can do that better.

It is very clear that a great part of what needs to be involved is neither resources in pesos nor dollars. What we often hear relates to the organization of public services, because a great part of what we are talking about is public investment and the delivery of public services, whether it be in hospitals, clinics, schools, and the management of coastal waters and I feel that most people think that public service does not currently work very well here. There are objective indicators, such as the low average levels in educational tests which indicate that in fact, there is a certain type of crisis in public management which needs to be addressed as part of the long term solution.

This country has a very cyclical pattern in its economic performance, very similar to the election cycle, which I hope can become stabilized. However, it is also clear that a great part of the basic public management is too politicized, at least based on what was pointed out and what we heard and discussed yesterday. Even the directors of the hospitals and clinics are changed with each political cycle. This is really very anemic with respect to the achievement of goals, because what we need is management based on excellence, not management based on partisanship or on electoral triumph. This will not lead us to reach our goals. What will lead us are trained professionals that can perform in the schools with both principles and quality; that can measure against reachable and measurable goals; hospitals with capable directors that are responsible for the performance of their hospitals so that when mothers and children die in these hospitals, the people know and can react to this. However, basic public management does not depend on who is and is not in government but rather on skilled performance sustained through time.

And, Mr. President, when we spoke of this yesterday, I recalled something that I learned a long time ago while I was advising Bolivia during the decade of the 1980s, and they still have the same problem today. When the elections came in 1985, this was a nation with a population of six million people. Forty six thousand jobs changed along with the government. And the following year I found myself in Japan, in 1986, when there was a change of government and only thirteen jobs changed -only the thirteen Ministers. All the civil servants remained in their positions. And I thought that perhaps the change was quite limited because a bureaucracy at a standstill will probably not be an absolute standard, but 46 thousand jobs changing because of an electoral change is downright instability and makes good performance impossible. When they told me

yesterday that even in some hospitals and clinics some directors change during elections, I thought that that was taking it too far, because hospital management work is such a technical job, so extraordinarily technical, that it needs a perspective of several years and vast training if we are going to save the lives of children and their parents. This is the type of thing that I think needs to be eliminated from politics through agreements among all the political parties, and truly professionalize the system. Not a system that guarantees the position, but rather a position that is guaranteed based on performance and subject to monitoring where there is accountability. Therefore, it seems to me that this is one of the things that I hope the Commission will be able to reflect in their work.

In addition to funds, what are the changes in the system that are going to lead us to a high quality performance? In general, what I see is that when we all stopped this morning we realized that the Dominican Republic was third, from the bottom up in education, on those tests. Why did we all stop? Because that is not where we should be, of course. But the reason why we did it was not because somebody said so; it was an objective indicator, it could not be disputed as if it were an opinion, these were students who had not passed tests and who were compared to other students throughout the hemisphere. So, therefore, what we need is in the measuring system. We need to include performance indicators, quality revisions and milestone. I want us to look at reports of the mortality rates per district, what are the mortality rates per hospital, how is hospital performance, were they lacking performance, per doctor etc. If you are going to undergo heart surgery, find out how many of these patients have died on the operation table. These things concern us because it is these objective measures that make people accountable and which allow people to be recognized for a good performance and questioned for bad performance. And, I feel that the system is not as strict now, that the system is not responding as well, but if we are going to have strategies based on results for an economic development, then we are going to require monitoring, measuring and responsibility according to standard objectives playing an important role and this means much less politics and much more compensated experience as a central part for education, health, environment and others... this is something that comes to mind.

Something about which we did not hear much but that I do want to touch on and I would like the commission to reflect on, is the local participation in this type of supervision and management. In many places I have visited throughout the world, the local communities have a true structure. I have been working quite a bit in towns, rural areas, and the towns perhaps have three, four, five thousand people but they are true communities and they are communities that know when the doctor is not there, and when the professor is not teaching and they are communities that know when situations occur such as “Weren’t they supposed to construct a well but someone stole our money and it never came from our capital city to us? So, what we find in many places is that empowering local people is part of this; it is an important part of accountability. All nations have their own way of doing this and I do not know what the answer is here, because I still have not had the opportunity to visit enough local communities in the country, but this is something that I want to do in a future visit. However, I would ask the commission to think about how to obtain local participation for what we have seen. Even the hospitals can be supervised by community associations, the professors can be supervised by community associations.

One of the tricks, something that has worked in many places, is that the local communities have been informed of the exact budget for local services and one of the things that Uganda has repeatedly said and which has become a banner for others, and which has been successful is that a lot of money was stolen in the educational system, but then the local school districts said to them “this is the money that is coming into your school” and each school presented their budget and then the communities could ask “where is the money?” Did the money arrive? Is it in fact going to the teachers? Are you receiving supplies? Why don’t we have blackboards, why don’t we have

classrooms with adequate instruments, and then there is a sense of accountability, of participation, that increases the quality of performance dramatically and prevents the people of the district to remove the money, the Department of Education as well, so then this is the kind of system based on results that I think should be a part of the reform so that there may be trust in the resources so that we know that when we speak of resources they are going to arrive and that the real beneficiaries are directly involved.

Let me explain something to all of you that has not been discussed here, but which I believe deserves a brief explanation. We did not discuss in detail the economic strategy, in terms of how to promote more trade, how to promote more direct foreign investment in the different sectors. It is a key part of national strategy. I do not want you to forget this, because this nation needs a fast economic growth so that all of this may be possible. This also means the participation of the private sector, private enterprises doing business in this country. Therefore, there are really two different agendas. The Commission is focusing on where public investment is necessary, but in addition, there is also the growth of the private sector, which is very important and none of these, by themselves, can represent the complete solution for the problem of poverty and, definitely, not for the larger problems of economic development. I would like to think that the government has two components in the investment. One is the basic infrastructure, which is vital for economic growth, so that we know where it has gone, so that we know that we are going to overcome the economic crisis. Undoubtedly, without solving the energy crisis, we cannot start a course of action for rapid growth. Electricity -the last time I checked into many parts of the world, without electricity, these are neither going to have any foreign investments nor economic development, so, solving a problem such as this, absolutely, I am not saying something that you do not already know, is something that we have not yet discussed. However, it is a core part of the public investment program.

The port installations must be absolutely efficient; the industrial zones need to be well defined so that the free zones can work efficiently. This country needs to have competitive costs with 108 cycles of production because everyone is competing throughout the world for the same type of activity and, therefore, the free zones are losing jobs. Thus, you cannot afford the luxury of losing jobs if you are going to reach objectives. This needs to be vibrant, with increasing investments and this means, among other things, an absolutely excellent management of these services. We cannot have corruption, delays at the ports or any type of barrier because the Dominican Republic is not the only place where these companies can go to. That is the focal point. This is a very competitive world and you should be able to compete in it. That is an area for public investment.

Other areas that we have been discussing, satisfying human needs and ensuring basic needs, of course, it is also vital to ensure that everyone has access to potable water, basic electricity, a nearby primary attention clinic because how is it possible that we still have such high mother child mortality rates in this country. It should be possible to reduce these rates to $\frac{1}{4}$ of what they currently are with adequate management and attention notwithstanding the limits. But we also need investments. So, for those of you who are following this as part of a global strategy, this is not the global strategy. There is a growth component. You have a President, ladies and gentlemen, that turned the Dominican Republic into the country with the fastest growth in the world during the second half of the 90s. This is not a small achievement, I do not like to assign things to the Presidents, but we do hope he does it again.

Something I should say is that I think that an amazing job is being carried out because until the day before the current government went into office, this country was falling into pieces, it was a midst an enormous crisis. Now, it has a 4%-6% growth. Although a country with a level of development like the Dominican Republic, located as it is, close to the largest market in the

world, should be able to reach an economic growth of 6%-7.8% per year if the systems are working properly and if the economic development is an objective that is shared by political leadership and not a bone to fight over. National unity and the basic direction towards competitiveness of this country are absolutely essential; this is part of everything we have been discussing.

The next point that I would like to mention briefly is to take these figures we have already heard and the resources and refine these to verify the final figures, and then place these within a macroeconomic frame of reference.

Firstly, 10 year span figures are not useful, they are mythical. We need budgets. Therefore, all this must be translated into budgetary terms so that it may be realistic. Nothing is real until it is placed on a budget. Therefore, we need to think of annual distributions -what it means for the year 2006, what it means for the year 2007, what type, at least the general scenario. Therefore, undoubtedly, the next step is how we pay for all of this and this is going to present a great challenge for the country together with its development partners, because this, after all, is the objective. Thus, the goal is that all nations do their best in terms of internal management with a clear thought, of creating political consensus, to involve the people, to design strategies aimed at reaching the objectives.

Therefore, the counterpart of this is that the partners in development and many of those that are represented here are true partners that are helping to identify the financing means for the investments, of what needs to be achieved and of the other aspects of global policy that allows this to happen, whether it be access of the Dominican Republic into international markets, better trade conditions, streamlined transfer of technology. The Dominican Republic has rights under the Millennium Development Goals of telling companies "come, help us get updated, improve our technology, our inflation rates, our universities, our high schools" so that we not only have knowledge about computers, but also an information technology industry. Those are the commitments made at international level and we must call all our partners within this process to join in.

I mentioned yesterday, as part of this work, that as soon as the commission advances somewhat more, I think it needs to meet more intensely with the International Monetary Fund with the World Bank and with the Inter-American Development Bank, to think about this in macroeconomic terms. What does this really mean in terms of annual budgets, what does it mean in terms of the International Monetary Fund programs, of macroeconomic stability which we need to maintain but which also need to be compatible for reaching the goals.

It does not make sense to have very pretty social goals here and that the reality of the International Monetary Fund goes beyond. The reality between the International Monetary Fund and the social objectives need to be exactly the same and this is also the commitment of the International Monetary Fund. But the countries and the Fund must work together for this to be a reality, so that we have a macroeconomic frame of reference that is both solid and designed to allow more investments in the social sectors, more investments in the health sectors, the environment and others. Therefore, how is this going to be done? As we discussed yesterday, at the end, there are only a few alternatives. We are not going to do this by printing more currency because this is the only thing that is not going to work except for a very brief period of time and we know that this country is committed to reach stability once more and inflation has basically be eliminated from the system briefly, but we cannot give up. We must find ways of including increasingly larger investments within the macroeconomic frame. Part of this is converting these areas of high priority expenses, finding the low priority areas and place them aside because I

think that elementary schools, primary care hospitals, potable water, all of this has to be a priority in the agenda, so, therefore, it is necessary to prioritize.

The second point is to collect tax revenues that are due. There are taxes on books, taxes paid and these are not the same in any country but they need to be more similar. In other words, an effective public management of the fiscal earnings so that there is a fiscal base that is sufficient to finance these investments.

Clearly the third point is an increase in international resources. This can come from different forms. We expect the World Bank and the International Development Bank to finance a significant part of this investment, increasing it in time. These are the objectives of these institutions, to help countries reach their Millennium Development Goals.

I would certainly hope that on the basis of rigorous plans and reforms of public management and political consensus demonstrated throughout the country, the development partners will bilaterally increase their levels of assistance in areas of high interest to guarantee that these interventions can be carried out and I would also try to see how this can be done with the Paris Club, thus, long term solutions for the debt that we have with the Paris Club that help reduce the burden and save the country money so that it can reinvest in these areas of high priority.

The official bilateral creditors have told us in many different ways, including in the Millennium Development Goals, and the Monterrey Consensus that the debt reduction needs to be more generous, more substantial, more profound, to enable the Millennium Development Goals to be reached, and if we find that in receiving the budget, it is such that these goals cannot be financed with the current levels of payments of the debt, this needs to be addressed by the development partners. Therefore, this should be the kind of discussion that needs to take place during the next months and I am counting on the partners to be true associates in this and definitely on the United Nations, that is committed to this being a true partnership, that the countries are fulfilling their obligations because we are not writing a blank check for anyone: it is not easy to find resources, there needs to be a good performance. However, on the other hand, there is also a strong commitment among the development partners do more.

Let me mention a few more things regarding geopolitics. First locally, then globally. Locally, we cannot have the Dominican Republic achieve its objectives without Haiti overcoming some of its challenges. Many are linked and Haiti is a country that has suffered. Inevitably, now it feels as though something can be done. There is an intention to do something. I hope this country can help direct the international community to do sensitive things with its neighbors. Yes, from a desperate point of view it is vital for Haiti but also important for the Dominican Republic and I want to assure you that I am at your service to work so that this is may be possible because there is a huge urgency to do it.

Finally, geopolitically, this is an interesting year not only for the Dominican Republic as it moves past an enormous crisis looking for the achievement of very large goals. This is a year that is very important globally because 2005 is five years after the Millennium Declaration. There are ten years left reaching these goals. And that occasion as John mentioned, will be the year that promises the largest meeting in the history of worldwide political leaders who will meet on September 2005 at the United Nations to strengthen and expand their commitment to peace, security and global development.

Last month, the Secretary General launched a briefing for the world entitled "Expanding Freedom". It is a wonderful document and I feel most appreciative that it mentions our work in the Millennium Development and calls it "the plan of action to reach the Millennium

Development Goals". It mentions the commission that was subsequently formed by the Secretary-General to reform the United Nations, including the Security Council. He also highlights something very important and that is the fact that there is neither worldwide development without security nor security without development so the world leaders have to meet and chose both security and development as common worldwide objectives. There can be no successful war against terrorism in the world, if there is no war against extreme poverty. This is also the commitment.

The United States is investing millions of dollars in weapons and only one third of this in development. The United States also needs to acknowledge a balance, because both the war against terrorism and poverty must be won simultaneously if they are going to overcome any of the two.

All nations have a voice in this process. Therefore, I hope that the voice of the Dominican Republic is heard loud and clear and this will be made possible because you have such a respected leader in this country, one that is recognized worldwide for his accomplishments and he will be heard because the job that he is doing to create the path towards reaching the Millennium Development Goals will leave a very significant message.

It is also an important moment, ladies and gentlemen, when in effect you will be heard because of the votes to be counted at the General Assembly there will also be votes on the expansion of the Security Council. All the votes are going to count. With CARICOM there are fourteen good votes. And one of the messages that the Secretary-General has launched to the world is that those countries such as Germany, Japan and others that claim to have permanent membership in the Security Council, their membership depends on the support of the rest of the world and this will depend on what they are doing for international development and that all countries do what they have to do so that they are true partners of the poor nations in reaching these objectives.

Therefore, this year is an extremely important year. The Commission is an extraordinary testimony of this. I think that in the reports you can see the level of effort that so many people in this room have placed.

I would like to say on behalf of the Secretary General and as Director of the Millennium Project that we feel highly honored, pleased and grateful. We are excited over what you are doing in the country and we hope to be your true partners in everything you are doing in this process. Thank you.