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Thank you, John, thank you Mr. Secretary, it is a pleasure to be here to bring myself up to date with regard to the progress of the country. When I was here, the crisis was still very severe some months ago, and the President was just beginning, and I felt that there would be a considerable change. It is so good to see an agreement with the International Monetary Fund, for reducing the debt, improvement in national indicators, among other things.

Perhaps I am only touching the surface, but it seems to me that the Dominican Republic is on the path to coming out of this very grave and horrendous crisis situation, and soon we will think again of issues concerning short and long-term development and not of the intense pain of macroeconomic crisis and of course, the middle of March 2015.

For the Millennium Development Goals, I think that it is a good temporary horizon and I am happy that there is also a report from the Dominican Republic for the year 2025, I think that having a 10 or 20 year perspective is very good.

I just published a book about the 20 year perspective for the world saying that we could end poverty by the year 2025; and I am sure that the Dominican Republic is going to eliminate extreme poverty in this country by the year 2025, although I would hope that you would end it by 2015 to reach all of the challenges of the Millennium Development Goals.

John and the Presidential Commission have been heading quite a fascinating process. Just to give you a little history, the Secretary General of the United Nations, Kofi Annan, asked me to mobilize a team of specialists in New York and a network of specialists all over the world, to try and identify practical ways to achieve the Millennium Development Goals, and some of my colleagues in the project are here today in this room, Guido Schmidt Traub, Lenora Suki, who have been working on the project for the past several years, as has Gordon McCord, and Mariana Kastrinakis, who has joined the team.

And we have presented 14 volumes that we sent to the Secretary General in January, of about two thousand pages that may make him sleep at night, but I am convinced that he will read it, although fortunately there are about 70 pages with the main conclusions.

The basic conclusions from the report are that the Millennium Development Goals are achievable. I would say that any country in the world that has a time horizon of 10 years can achieve them, but what they require is a focused effort. Likewise, there is no country with the level of income in this as that of the Dominican Republic; there are more poor that I hope can satisfy the Millennium Development Goals, because it is not only a matter of market forces, not only a matter of income, but also a matter of focalized investments in priority areas.

Income alone, even if we don't say maternal health, if we don't say mother-child health, you need other types of care for that, increased income does not indicate that infant mortality is going to go down by two thirds, or that the spaces will be reduced; a subtle system of regulations and

administration is needed. We don't know what to do without safety of any kind, although we know that it requires effort, and I think that that is true; and more so in the Dominican Republic. And allow me to say, that if it is true in Ethiopia, where I think it is, there is no doubt that it is true in the Dominican Republic.

It could be said that the Dominican Republic is on the path to achieving many if not the majority of the goals already, and I believe that with investments all of the MDG's will be achieved, assuming that the country returns to the path of increasing its revenue and normal development, which is something that I really hope will fully occur.

It also seems clear that there are many MDG's that are not going to be reached given the current course. This is something that has to be studied, that has to be analyzed, that has to be worked on, and that is something that the amazing Presidential Commission is doing.

We have selected as part of the Millennium Project, some 10 country counterparts all over the world, to be called the pilot countries. No one necessarily wants to be a pilot country, but in this sense the Dominican Republic is a pioneer in this process.

The question of how the national strategy can develop in very practical operational ways to achieve the Millennium Development Goals, President Fernandez, acting in a very wise manner, has placed it at the presidential level, saying that there should be a Presidential Commission, with politically key objectives for the country, which has made a very substantial effort. My colleagues have enjoyed working closely with this Commission in recent months, and I have been very pleased about receiving a partial report this afternoon and more so, when I receive it [sic] complete tomorrow.

A number of things are already clear to me, which is why I only want to place them on the table as a basis for our discussion. First, this country, in fact, let's start from the past; the idea of planning based on objectives as we say. These are our objectives for 2015 and we are going to implement specific operational plans to achieve the objectives that are a decade away.

This is not an easy process, but I think it is the right process for the government, and in fact is different from, let's say, the plan of the Dominican Republic for 2025, because this process of the Dominican Republic for 2025 is like a vision statement, it helps people to have an idea, a vision of the path that the country should follow.

This is very important, but in fact, this is trying to be operational, and I would say that it is operational in a way that is quite different from the normal government program, because the government will be in power for four years and perhaps will design a four-year program as part of its selection, of its commitment to the people in the elections, and perhaps it will have a three-year framework for spending as part of the agreements and that also is normal. But this is taking a different horizon; this is taking a 10-year horizon. We are talking about structural changes, and how to implement it through investments, concerted political strategies, so it is more specific than a vision, is much more long term than a typical program, and finally, it is based on trying to achieve an objective. In this sense, a set of ten-year quantitative objectives, so it is like shooting at the moon, it is like shooting at that place, out there, a decade away.

The first thing I have been observing in this process, is that it is creating many new types of discussions within the government, because government programs generally are not based on this type of orientation towards objectives, thinking that objectives are very brief, very short-term macroeconomic objectives and the credit-budget situation, to lower inflation, to maintain a stable

exchange rate, in other words, is not based on achieving certain development objectives and certainly is not based on achieving a reduction in the rate of infant mortality or on reducing the rate of maternal mortality, or reducing poverty, access to water and sanitation. No program is based on this type of thing, which is why I have observed on speaking with John and his colleagues in the last several months that many diverse discussions and free thinking are lacking, but in an open way, which is not usually the case in Government, and I would like to ask all of you to support this process and that you be active in it, but I think that it is very important to seek various ways to approach these problems.

It is very clear that many of the key systems in the country are not oriented toward the MDG's. For example, the Healthcare Sector, which we discussed this afternoon, works with a lot of inefficiency and many of the basic things that would be needed are not currently functioning, because the infant mortality rates are so high, the maternal mortality rates are also too high; in its normal role, the government does not lend systematic attention to these issues, does not provide much monitoring, measuring, nor designing of policies to achieve the goals or so that these indicators in fact are aimed at the target, and a large part of what we discussed this afternoon is the fact that the system does not in fact function and that this is not a matter of the resources not being available, but rather that it is the responsibility of us present here and in many ways this is easier to resolve than if it were simply a matter of the lack of resources.

One of the things that reminded me of many other countries in this region is that the turnover of professionals after each election is too high. Because if you have a good level of professional personnel in the hospitals, clinics, district offices that change politically instead of strengthening these professional positions, then there will be great stability [sic] in the system and in fact very little responsibility, because people are being brought in who do not know what they are doing. It takes them 18 months to learn, then they have one or two more years remaining, and then there is another election and the results are foreseeably poor and this reminds me of when I was advising the government of Bolivia in the 1980's, where about 40 thousand workers were substituted from their positions when there was a change of government, while the following year, when I was in Japan, I was impressed to see how only the thirteen ministerial positions changed, all of the other professionals in the public sector remained the same. I am not sure if either of the two parties was in the right, but I would say that something between more than the 13 and the 40 thousand is going to make a lot more sense. What I have heard a lot is how many jobs change due to political reasons in this country, and this in fact is a very serious problem, because it is understood that a lot of politics and little implementation is involved.

I think that the recommendation is that there be a professional and not political sense to each job, whether in education, health, nutrition, sanitation, environment, among other areas, because this is how you are going to achieve the goals; in other words, that people have career expectations, not only because of politics but professionally, and this is the type of thing that will help the process succeed, and where we must really open our way of thinking expansively to have professional focuses on these issues.

It is also clear that when people die due to negligence in hospitals, there is impunity. Although the statistics are not counted and certainly are not published, there is no liability in the system. Goals must be set in the system so that it is accountable, so that alarms go off and there is a way for public administrators to be responsible for these acts. It is very clear that without this the goals will also not be achieved, so we should say that province by province we need indicators for these Millennium Development Goals for infant mortality, maternal mortality, hunger, access to freshwater, etc., to know what is happening and if there have been changes in the right direction

and when there have been no changes in the right direction or at an adequate rate, then some type of public accountability should be put into the process.

And a large part of what we discussed this afternoon also had to do with the fact that the communities seemed to have very little input with regard to the quality of services; so, of the schools with primary healthcare units, they are not working well at the national level, in other words, there is not necessarily a response available for the communities, to make suppliers accountable for public services and this is another thing that needs to be overcome in the process.

I believe, however, that we are also going to find that resources are important issues; this remains to be seen, it is still not a fact. There is a relatively high number of social actors, for example in the Dominican Republic, who still feel that they are not performing optimally now; for example, it seems that there is an incredible shortage of nurses and this could require that nurses receive higher remuneration, or that for more nurses to be trained may require that the system change. Also implying resources, perhaps more infrastructure is needed; I don't know, I think that what we are going to find is that there is a balance among systems, policies and resources, and what that balance is, is still not clear to me and we were working a great deal in South Africa, and I can tell you that there everything is about resources; simply stated, in extreme poverty there is nothing, so even before getting to systems we have to achieve the most difficult part, and that is that there be electricity and water and these don't exist in most of Africa. So it is mainly a matter of resources. I can see that it is less about resource constraints than it is about administration, and I think that we have to keep the process in mind in order to know what the investment needs are that go together with the needs for system reform and then take the next steps to see how we are going to put them into practice. So it is abundantly clear that if this is going to work, it is going to have to go further than politics, there is going to have to be a National Consensus that it makes no difference who wins the elections so that in 2015 the country can get to a place, a place where boys and girls are not dying due to lack of access to medical care or potable water, in other words, these have to become national objectives, not party politics, not the objectives of the president but rather the objectives of the country.

I know that I am a little naive, but I am not totally naive about when to quantify, so we need to get the politics out of this; this is part of what has to be done, so the recommendations from this report have to go to the President, to the Presidential Commission, but also to Congress.

And somehow it has to be seen. The country has to feel ownership of this. And the partners in development as well, not only as a report to the President, but what really has to be done to achieve this.

Something that I think is vital is that the IMF, the World Bank and the U.N. and this Commission work together closely, to complete the work of the Commission, because this is not usually the case and it will have to be the case, in an extremely vital way. And particularly with the IMF, these issues are not issues that typically concern them, but they are basic issues that have to do with the budget. So the IMF starts out with a macroeconomic perspective in which the budget deficit has to be such percent and the debt and the net international reserves and credit expansion have to be such and such, and we have to join a 10-year macroeconomic perspective with a macroeconomic perspective of stability and we have to understand what the implications of this are.

One thing that all this Millennium Project is based on is the idea that the world has said, and that is the world as represented at this Roundtable, that to a certain extent these objectives are priority and that we are going to see how to achieve them within the context of macroeconomic stability

instead of macroeconomic stability as the basis and then whether the objectives can be met or cannot be met.

And what this means is the following, in practical terms: assume that more resources are needed to achieve these objectives than those that are available now. You must find the resources in a macroeconomically responsible way; no one recommends that the Government simply print money and more money, to finance the gap, this is contrary to the recommendations. The question is how can the necessities be financed, perhaps we will find that you don't need more resources, only better administration. We owe, but we need more resources. So it's a matter of solid growth. Will this take care of the resources? And then in Africa, the answer undoubtedly is that this will bring us closer, but it won't be enough, so one has to start by asking what to do about this. The first thing that needs to be done is that if there are unnecessary expenditures, reduce them, to reduce non priority spending, then make new allotments in the budgets on priority or low priority areas. I would favor doing that first. Second is to mobilize revenue that is perhaps already on the books, but is not received because fiscal administration isn't working, so adjusting fiscal administration is a second issue. The third is to perhaps mobilize domestic resources, thinking about the year 2015. In doing this, one has to think about the financing of the healthcare sector, medical care, in different ways; I am not making any recommendations to the Table, but in general, for example, I think that the country cannot charge fees for services. When services are delivered, it is expected that a poor person will not pay anything. I think that everything should be free at the point of service, but this perhaps means that there is some type of contribution system for one type of national healthcare system that is more ambitious than the one that is currently functioning. In other words, that could be one reform in the way it functions.

I also think that the fees paid by the users at the point of entry, is terrible. I think that is why many poor people die and finally (and I say finally because in the Dominican Republic it really must be final; while in Ethiopia this is the first thing) the development partners probably can have a role to play and in the end there may be a gap still in functioning that must be closed through some type of financial assistance; then there could be a hierarchy in terms of financial health, to be moved; perhaps it can be done with loans, although this is not enough, from the IDB or perhaps this would not be good because there would be too much debt. So assistance would have to be sought in some way or another at a higher rate, perhaps the Paris Club which is already dealing with part of the debt; perhaps it would take a more fundamental reduction of this load as part of achieving the Millennium Development Goals in this country.

I don't want to prejudge any of this but what I do want to say is that all of the people in the Dominican Republic and all of the partners at the Table sign so as to facilitate achieving of the MDG's by the countries of the world. The goals have to be taken seriously, one can't say "Oh, I am so sorry, we couldn't reach them" but rather, "we are going to reach them. We have to see what is needed to reach them".

That is what the Commission is going to report in terms of investment policy, then the time comes to sit down and say what the macroeconomic framework is that makes this possible to achieve. There is the mobilization of national resources, the change from low priority spending to higher priority spending, international financing, loans, grants, debt relief, and I think that that is the exercise we have to ensure occurs in the next few months so that there is a viable 10-year strategy.

I told the other group an hour ago that this is truly a pioneer process, this is not exactly how governments normally operate, and this is not how the international community normally operates. We are trying to do something in the new millennium that is different, to set goals and

try to achieve them, and very valuable goals, very bold ones, and I think that we can reach them if we go outside the box, thinking in a cooperative way and responsibly seeing what we established in the MDG's and at Monterrey.

And I think that if we do it in the Dominican Republic, it will be history if it's done and we will be a very powerful example for other countries in this region, and certainly in the rest of the world also, and I am confident that this is the place that can do it. This is country that we know can grow rapidly, I hope that it will have rapid growth again, it is a country with a history, a President with a history. I think that that will be the key to everything that we are going to achieve. And something else I think is important for the Dominican Republic is that the capacity of the country to achieve these objectives depends on Haiti, that Haiti also enters a path to development; it is something that has escaped Haiti for generations, because the interconnections between Haiti and the Dominican Republic are really very serious. They are serious in terms of health, they are serious in terms of the Environment, they are serious in terms of many other fiscal type issues, in public administration and in many other ways, and I think, I hope, that we can discuss this a little more today, but certainly I hope to discuss this with the President, ways in which even in our context, from here we can learn to promote a much more ambitious and coherent strategy in Haiti. Haiti desperately needs us, but also the result for the Dominican Republic will be enormously positive, and we should keep in mind that that is very serious as well.

Thank you.