

Achieving the Millennium Development Goals: Health in the Developing World

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Jeffrey Sachs addressed several hundred high level officials, Ministers of Health, Finance and Planning, from 40 countries, on Oct 29th, 2003, during the 2nd global Consultation of the Commission on Macroeconomics and Health (CMH). The meeting was convened by the World Health Organization (WHO) with the participation of the International Monetary Fund (IMF), the World Bank, and the Bill and Melinda Gates Foundation.

Chairmen and distinguished delegates to this conference, it is my great honor to be among you. I want to say how moved and impressed I am by the many presentations and interventions that we have heard so far.

A real revolution in thinking and practice is clearly underway. It is evident around this table. It is a revolution on behalf of global justice, equity, and an end of extreme poverty; and you in the ministries of health and finance and other related areas are leading this remarkable effort.

It is enormously gratifying and impressive to see how some of the words of the CMH Report may have been useful to you in your efforts to scale up the fight against disease. Disease remains a scourge in so many parts of the world, and I am thankful that the report is in some small way helping to scale up access to the basic social investments that all of us need to fully be members of the world community.

I want to also give my great thanks to WHO which has been the progenitor of the whole effort. Dr. Gro Harlem Brundtland as Director-General was the inspiration for this effort and now the new Director-General J.W. Lee continues the great leadership. Dr. Kerstin Leitner, who has the lead within WHO for overseeing this continuing effort, and Sergio Spinaci, who has been a friend, colleague and a great mover of this project from its very inception, both deserve our tremendous collective appreciation.

I also want to very briefly thank all the people that are here that were part of the CMH: Anne Mills, Peter Heller, Alex Preker, Alan Tate, and others that are in the room. They were part of what was a thrilling, exciting effort that engaged hundreds of experts, advocates, policy makers and business leaders from around the world to come together in what was a real consensus about the urgency of scaling up health services, and the rich world's ability to do much more for the sick and dying than has been the case up until now.

I've been asked to speak about the Millennium Development Goals, which are the international objectives on poverty reduction adopted by the world community at the Millennium Assembly in the year 2000. I have been honored by Secretary-General Kofi Anan to be his special advisor on how these goals might be met.

These goals do not really change our agenda, because, as you know, the MDGs are about health through and through. One cannot think about poverty reduction without thinking about improvements in health. That's why a significant number of the goals are explicitly about health: reducing the child mortality rate by two-thirds by the year 2015 compared with 1990; reducing the maternal mortality rate by three-quarters by the year 2015; controlling the great pandemic diseases of our time – AIDS, Malaria, and TB; giving access to safe drinking water and sanitation; and alleviating the scourge of hunger. All of these goals are about improving public health. Moreover, the first MDG, to reduce by half the proportion of the population in extreme poverty (the so-called 'dollar a day' poverty) by the year 2015, cannot conceivably be accomplished if the health goals are not achieved. People that are sick and dying do not get out of poverty. Children orphaned by AIDS or other killers do not have much prospect of getting out of poverty in the world that we are living in.

The investments in health must be well-designed, well-financed, and very importantly, they must be very ambitious and must happen very soon. There's no time to lose, whether it's in Uganda with its life expectancy of 45 years, where 124 out of 1000 children still die before the age of 5, or other countries in a similar position. There is no future without getting these disease burdens under control. The MDGs are more than targets: they provide leverage for you to use within your publics, your governments and the donor world.

In regards to the question on absorptive capacity, I can firmly tell you as a macroeconomist that all of your countries can absorb substantial increases of assistance if directed towards health. This increased assistance will not destabilize countries, but actually give a tremendous boost to productivity and to the ability to achieve economic growth. Do not believe that if the AIDS pandemic is running unchecked that you will attract foreign investment. Do not believe that if malaria is not under control that you will attract a tourist sector or a business investment sector. Do not believe that if diarrheal diseases, acute respiratory infections, vaccine-preventative infections and nutritional deficiencies of the young are not being attended to, that your children will be in school and will stay in school to achieve their potential. They cannot achieve their potential if repeated bouts of illness keep them out of school, or if they suffer from physiological and psychological drain of chronic undernutrition. Investing in health is not just something that is "nice to do." It must be done not only for the sake of health (though health itself is worth the effort!), but because it is essential for all aspects of economic development. This is a point that all of you understand and that you are trying to explain to your finance ministers and to the public, but it is a point that the donor world urgently needs to understand as well.

There is a new financial benchmark in the world of international development: 87 billion dollars spent in one year on one country. We know now what I have known as

a macroeconomist all along: in a world of trillions of dollars of income every year, the amount of money that you need to address the health crises is easily available in the world, even if it's not necessarily available within your own countries. You do not have to be shy telling the richest countries of the world that you need more. You have to tell them that if they don't provide more, it will be a danger to them as well as to you. Yes, your fellow citizens will be the first to die, but we are global citizens now. The borders don't protect anybody. We are all in this together and the rich countries have to understand that if they don't help you fight the war against disease, against early death, against children not meeting potential, and against an epidemic leaving tens of millions of orphaned children in Africa, that there is no chance for stability for anybody in the world. Since there is plenty of money to go around, money is not the problem for the rich countries. It has been a problem for you to access it. But this has to end for our mutual well-being. Otherwise we're going to be in a growing disaster of global destabilization, and that is in nobody's interest.

These MDGs emerged from the Millennium Declaration adopted by 189 countries of the United Nations. Everybody signed on to them. Everybody signed on more recently in March of 2002 in the Monterrey Consensus, where the rich countries said that if poorer countries take on the responsibility of good governance, serious policy design, transparency and openness to real implementation, the rich countries will take on the responsibility of increased donor financing. I commend to you paragraph 34; I read it everyday, and I really like it. It says, and keep in mind that this is signed by the rich countries, "We urge developed countries that have not done so to make concrete efforts towards the target of 0.7% of gross national product (GNP) as official development assistance (ODA) to developing countries..."

Now let me do a bit of arithmetic with you. The rich countries have a combined GNP of \$25 trillion this year. They've repeatedly said that they should take concrete steps towards the international target of 0.7% for donor assistance, which would be \$175 billion a year. Compare that with the current rate of \$50 billion a year. There is a gap of \$125 billion between promise and delivery. \$125 billion a year! In the work of the Commission on Macroeconomics and Health, we found that \$25 billion was needed to deliver basic life-saving health services for the low income countries. In other words, just one-fifth of the gap. If you do the arithmetic, it is \$25 billion out of \$25 trillion. That's one-thousandth of the rich world's GNP! Just 10 cents out of every \$100 of rich countries' GNP.

I usually say to my fellow Americans, "For every \$100, you can keep \$99.90, let the poor keep the other 10 cents. That will save millions of lives every year while making the world much safer." I remind them that if they do not do it that way, then those troops, which don't seem to accomplish very much, are really expensive! That's \$87 billion, just in one year and just from the United States! So we have to think about investing in people, in poverty alleviation, in social stability, and in progress, rather than be waiting for the explosions that are too expensive for anybody to bear. The money is amply there, we're talking about pennies on \$100!

What I want to say to you is that you must not be shy about asking. Believe me, in my country we have more than enough money than we know what to do with. Your countries need it and we actually need you to have it, because if you don't get

malaria under control, or if we don't get AIDS under control, or if the children are dying of respiratory infections because they're breathing firewood inside huts rather than modern cooking fuels, or they're not drinking safe water, then it's a tragedy for you and it's a danger for us. So you have to ask for more. You also have to urgently realize that you can absorb huge amounts of aid, and will not stop absorbing while life expectancy is 46 or 50 while the rich world has a life expectancy of 80. Do not settle for 100 or 150 children dying before the age of 5 for every 1000 born. That's not a civilized world for any of us, that's a horror. We know that those child mortality rates can be brought down to 5 or 10 or 15 with the technologies that we have. There's no excuse, and there's no way that we can talk about a global community when our children are dying at these rates and when they're being orphaned because we let their parents die from diseases we know how to treat or prevent. I even heard a representative from an international institution say, "We can't give more money for scaling-up the health sector in one of the African countries because the nurses are dying of AIDS too fast, so there's no capacity to scale up!" And I said, "Nurses are dying too fast! Did you ever think about putting the nurses on antiretroviral medicine? The nurses are at a health clinic everyday and you're not even putting them on ARVs! Don't talk to me about not being able to scale up when you haven't even taken the first step of common sense!"

You are at the leading edge of a complete change of global philosophy, but your leadership is what is going to make it real. Being quiet won't do it. Do not listen to Washington or some international agency if they come and tell you to think small and be realistic, and tell you that you're not allowed to think big because you can't afford it. That approach is NOT going to solve any problems.

There are 4 steps ahead for us to do this, and you have to be a big part of all four.

First, you need a strategy. Many of you already have strategies that have been in the desk drawer for 10 years, and the donors have told you, "Don't bring it out, we don't want to see that universal essential health services plan again, it's too expensive." But if you have a strategy made 10 years ago, or 15 years ago, or 25 years ago after Alma-Ata, take it out of the drawer! Dust it off, send me a copy. We'll be happy to publicize it. You need a strategy; *the strategy must be for universal access to essential health services*. People need to stay alive for societies to have a chance to achieve development.

Second, you need an implementation plan. A plan is more than a broad strategy. A plan is a detailed sequencing of investments. When are the health posts going to be built? When are the doctors and nurses going to be trained? When are drugs going to be delivered? When are you going to move from operations at a research-level to full national-scale on ARVs? How are bed nets going to be re-impregnated with insecticide every six months? How are you going to reach into communities, when you don't even have enough doctors? What kind of community health workers are you going to train? Might 3 months of training suffice for certain parts of the strategy instead of 6 years of medical training? A plan needs to address these issues.

Third, you need a financial plan, for which you should take the basic message of the CMH report. There is no way that you can pay for this yourselves. Don't be shy to

understand that or to make the point. There is no shame in poverty. Poverty is a tragedy to be overcome; it is not a matter of shame. It is a real circumstance of our world today in many places, it's a problem that is absolutely solvable through serious investment and there is no shame in asking for help. It's a matter of getting the investments needed so that these scourges are ended.

In the CMH Report, we agreed that all of you should be allocating more of your budgets to health. We said that there should be an increase of 1% of GNP in health spending by the year 2007, and an increase of 2% of GNP by the year 2015. But that's not enough for your plans. You need to go from around \$10 in health spending per person in the public sector (even lower in some countries), up to \$35 or \$40 per person. Don't let anyone tell you that you can run a health system for \$5 per capita and then accuse you of being inefficient when it doesn't work. The United States spends \$4500 per person to run its health system. We're not trying to run it at \$5 per capita, we're running it at \$4500 per person per year. You simply cannot run it at \$5 per capita. You need computers, information systems, management, doctors, and nurses. They have to have salaries good enough so that they go to the health post rather than migrating to Detroit or Toronto or London. You have to pay them, and when you add up the bill, you can't afford it, so quite simply, someone else has to pay for it. I volunteer the US taxpayers (including myself), I volunteer the European taxpayers, and the Japanese taxpayers, because we have enough money to easily help you reach \$40 per capita. To tell you the truth, we wouldn't even notice it. In the United States, we just completed two trillion dollars of tax cuts over the next 10 years. A few billion dollars a year is rounding error in our budgets! Yet millions of people could be saved with that money.

So in the financing plan that you will present next year at your Consultative Group or your round table, or to the IMF and the World Bank, explain that funding essential health services in your country requires not the 20 million dollars that you have been receiving for the health sector, but 200 million. Or, if it is a large country, not 200 million but maybe 1 billion, and explain that the donors said in Monterrey that they were going to provide that funding, they said it at the Millennium Assembly, they said it in Johannesburg, they said it at the G8 Summit. And if you want another 100 speeches, I'll give you another 100 speeches where this was promised. Put the real financing needs on the table.

The fourth part needed is the advocacy to make this work. Your plans have to be thought through well. They have to be transparently designed. They have to embrace not only ministries of health but also civil society: mission hospitals, NGOs, community centers, your "Country Coordinating Mechanisms" that bring together all these critical stakeholders. Then what we have to do as soon as possible is get this into the real donor processes where the rubber hits the road. When the IMF comes next week, when the World Bank comes next week, tell them, "Yes, you've always told us to be realistic, here's realism: we're going to start treating our children; here's realism, we're going to put people on ARVs; here's realism, we're not going to sell bed nets to households that cannot afford them and we're going to give them away. No more social marketing since that does nothing but keep our bed nets in warehouses. We're going to give them away. Realism also means you must stop telling us to use chloroquine, which doesn't work anymore; we need artemisine and

combination therapies or other protocols that may be 10 times more expensive. But don't ask us to let our children die because a drug costs 1 dollar rather than 10 cents! Let's get serious about the anti-malarials we're using." When the IMF and the World Bank come next week to your country, tell them what real realism is. Realism is not letting people die, because 1 dollar per day in drug costs is too expensive or not cost-effective enough. We don't throw out human beings for 1 dollar a day. Not in a civilized world.

What are the real processes? First, you face the PRSPs, the Poverty Reduction Strategy Papers. You as health ministers have to get bold programs into these PRSPs that go to the IMF and the World Bank. I'm meeting the IMF and the World Bank executives next week. I'm going to tell them that if they continue to see documents that don't inform them of what the infant mortality rates are in the countries they're viewing, they're not doing their jobs anymore! You must put into the documents that go to the IMF your real financing needs for health. Don't accept \$5 per capital for health anymore and don't believe that you can't absorb \$20 or \$25 per person of donor assistance, because you can. You need to import medicines and pay doctors before they leave to the US or Europe. So you have the capacity, you just have to pay your doctors to not leave.

We must get real numbers into the PRSPs this coming year. We have to make sure that your plans are based on the MDGs because that's what the world signed up to. Ask yourselves whether you are on track to reduce under-5 mortality by two-thirds by the year 2015. If you're not, get on track! If getting on track means tripling the development assistance you need for health, let's do that. For Bangladesh: no one should ask your country to drink arsenic-laden water for another decade because it is too expensive to drill a deep well. You know that it was discovered a decade ago that the water isn't safe, 60% of the population is drinking water with arsenic levels above any conceivable public norm. What's been done about it? Almost nothing, because the donors say we need a free solution. Now the donors signed on to help you achieve safe drinking water. They have to help you pay for it, you have to come up with a strategy but they have to pay for it. We need to get these requirements into these documents.

Another point: almost all of you have programs now with the Global Fund to fight AIDS, TB and Malaria (GFATM), but almost all of you have programs that are too small. I know from the case of Malawi how the donors twisted the government's arm saying, "Cut the program, cut the program, cut the program, we're not going to give you that much money! You want to have 100,000 people dying of AIDS on treatment! There's no way we're going to spend that much!" This is what Malawi was told. Somehow the donors thought it was clever to bargain Malawi down to below 25,000 people on treatment when there are 800,000 people infected. That's not smart, that's death! So we have to go back to the Global Fund, with ambitious programs. Not what the donors say they can pay for, but what you need. The Global Fund will approve its next round of applications early in 2004, and I think disbursements begin in mid-2004. I want to urge all of you, whether you have Global Fund programs now or not, to submit new programs that are at national scale that really will get the job done. And give me a call, I will be happy to help you fight for scaled programs.

The World Bank is giving grants now. The US president has said repeatedly over the past few days that Iraqis should receive grants so as to not burden the Iraqi future with loans? I thought that was interesting! I've been making that point for 25 years about poor countries and I'm delighted that the president of the US has made it. What's true for Iraq is true for the countries around this table. Iraqis should not be burdened with loans for reconstruction, neither should Nigeria, neither should Nicaragua, neither should Mozambique. We need to move to grants for health, and the door has been opened. You have to push it wider, and I will help you to do that as well.

In conclusion, we're at a very important time because of where you have brought your countries. We're not at the beginning of this effort because when you listen around this table you are saying is that you want health for all. Not as a slogan 25 years after Alma Ata, not as a slogan after the Millennium Assembly but in all seriousness, you want mothers and fathers to be on ARVs, you don't want a generation of tens of millions of AIDS orphans. You want real results and you've brought plans to do this around the table. So we're not at the beginning stage, we're at the moment of truth when we see whether we live in a civilized world, whether we really have a global community, where we accept what we preach everyday, whether we recognize our common humanity and whether we understand that it is uncivilized in every conceivable way to be letting people die for a few lacking pennies that could easily be mobilized.

I hope that together we can see a way to project the voice around this table to the world. Don't back down, don't be afraid, don't be cowered by international agencies, don't believe donors telling you there's no more money. The truth is what you have been saying. It's time for humanity and we know what we have to do, let's get it done in the coming year.

Thank you.