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**US Global Health Policy In Focus  
Kaiser Family Foundation  
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**JENNIFER KATES:** Good afternoon, and welcome to the Kaiser Family Foundation's webcast series, US Global Health Policy In Focus. We're coming to you live from our broadcast studio in Washington, DC. I'm Jen Kates, vice president of the Kaiser Family Foundation.

In Focus brings you discussions and take your questions about current issues and debates concerning the US government's role in global health. Each live webcast features leaders in their fields sharing their views and experiences. Today, we are very pleased to have an expert panel to discuss the health and development related outcomes of the G-20 Summit which took place in Cannes, France last week. During the Summit, leaders of the world's largest economies discussed a range of issues including reforming international financial institutions, achieving sustainable economic development, and other topics. But of course we are primarily concerned with addressing the immediate eurozone crisis.

So where were global health and development in this mix? Prior to the Summit, many had hoped they would get new attention. Did they? What was the impact of a much anticipated and unprecedented report from Bill Gates to G-20 leaders on financing for development?

Here to talk about these issues are three experts. We have Katherine Bliss, Senior Fellow and Deputy Director of the

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CSIS Global Health Policy Center; Deb Derrick, Senior Program Officer for Global Health Policy and Advocacy at the Bill and Melinda Gates Foundation; and Josh Michaud, Principal Policy Analyst in Global Health Policy here at the Kaiser Family Foundation. Welcome to all of you and thanks very much for being here.

**JOSH MICHAUD:** Thank you.

**JENNIFER KATES:** And to our audience, today's conversation is a live webcast, and we encourage you to submit questions to us along the way by emailing [infocus@kff.org](mailto:infocus@kff.org). I'll be monitoring questions as we go.

So I'm going to start. I'd like to ask a general question, but I'll start with you, Katherine. Just give us some context about the G-20. Why is the G-20 an important body of donors to consider for health and development? What is it about?

**KATHERINE BLISS:** The G-20 is a group of 19 countries plus the European Union. It was established in 1999 in response to the late 90s financial crises, and its original goal was to bring finance ministers and central bank governors together to talk about emerging market economies and incorporating them into a discussion to reduce susceptibility to global crises.

In 2008, in context of the global financial crisis, we saw the G-20 elevated to a summit level discussion, and now it

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really frames itself as the principal forum for discussion on international cooperation around our international economic development issues with a focus on the international financial architecture, dialogue on national policy, and the role of the international financial institutions.

It's important because it's significantly more representative than some of the other groups --

**JENNIFER KATES:** The G-8 or --

**KATHERINE BLISS:** -- like the G-7, the G-8. It represents 90-percent of global gross national product, 80-percent of global trade, and two-thirds of the world's population. So this really represents a very significant group. It's governed by a rotating chair, so it also increases the possibility that each country or member as it takes over the chair has a chance to set an agenda. We've also seen the Troika as part of the governing body, but really kind of representing continuity between the previous year, the current year, and the next year. So I think in many ways it's more representational than some of the other groups that we've seen and it includes the emerging and less-developed countries than just the industrial ones.

**JENNIFER KATES:** Okay. Great, thanks. So given that and leading up to Cannes and some of the discussion that was going on prior, what was expected from this Summit on Health and Development? There was a Seoul Summit Consensus and

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Development and a commitment to a multiyear action plan on development. So optimistically, what was the hope going into this that the G-20 would do?

**DEBORAH DERRICK:** Well, I might turn it on its head and say that one of the fears was that given that there was this major financial issue going on in Europe that development and health were not going to make it onto the agenda at all, or not very significantly. So I think that that was one of the concerns.

**JOSH MICHAUD:** And I'd also add that as Katherine said, the origins of the G-20 were related to the financial ministers getting together from the countries, and then it was in 2008 that the heads of states started getting together for these summit levels. Compared to the G-8 and some of these other international bodies, the development agenda hadn't been as prominently placed, but you mentioned the Seoul Summit. It was really there, I think, that a more concrete plan was put forth about development that the G-20 could address, and that was brought forth by the Korean hosts that year. So going into Cannes, part of the question was would the G-20 at this summit be able to further that plan and what progress had been made up to that point?

**JENNIFER KATES:** I know many groups were hoping that. What were some of the issues that they were pushing for to be on the agenda at the summit?

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**JOSH MICHAUD:** Well, the Seoul plan had a number of different elements to it. So it talked about nine pillars. I wouldn't want to go over all of those nine pillars, but important components of that which are related to Global Health have to do with, at least going into the Cannes Summit, looking at financing. The traditional overseas development assistance that countries provide meeting the commitments and supporting international goals that are already out there like the millennium development goals, but also in this case looking at the possibility of bringing other sources of financing, so-called innovative financing mechanisms. That was on the agenda this time.

It hadn't been highlighted specifically in past summits very much, but it definitely was brought on by the French government. Sarkozy was a strong proponent of bringing in that discussion this time.

**JENNIFER KATES:** That's actually a segue because one of the things that we know happened at the summit and was fairly unprecedented was Bill Gates being asked to prepare a report and present it. Deb, will you tell us about that? How did this come about, why was it significant, and what did the report contain in terms of its goals?

**DEBORAH DERRICK:** Well, the Bill and Melinda Gates Foundation, one of its primary missions is to make things more equitable for people around the world and make sure that

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anyone, no matter where they're born, gets access to tools and services that allow them to lead a healthy productive life. So Bill Gates, in his work with the foundation, goes and travels around and meets with people all around the world and proselytizes on behalf of this.

So he was having a meeting with President Sarkozy in France, and they were having a discussion about official development assistance and the difficulties of meeting the commitments that had been put forward by the developed world and meeting things like the GAVI pledge or the Global Fund pledge. So they were talking about what to do about that and also recognizing the fact that there's a tectonic shift going on in terms of the global economy. Whereas the developing world has seen flat or not-so-great growth altogether, there are many other countries around the world which have seen tremendous growth and have had great success in reducing poverty rates and implementing programs that help their own populations in terms of health or agriculture or development goals.

So all together, taking a look at those changes, there was a discussion between the two of them about how to bring those changes to the forefront and how to explore the possibility of coming up with innovative or new financing mechanisms so that the world stays on track to meet some of the goals of the MDG goals and to just further the tremendous

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progress that's been made in global health and development around the world to date. So when Bill put his report together, for example, one of the first things that he led off with was some tremendous statistics that people just generally overlook.

It's easy to focus on negative news, but there's been great progress in global health and development and, for example a billion people's lives have been saved from starvation because of advances in agriculture and agricultural productivity, and that's been over the last 50 years. Over the same last 50 years, you've gone from 20 million children under the age of five dying from preventable causes down to eight million, also again over a 50 year period. That with population growth, all together that means there's been an 80-percent reduction in preventable child deaths.

So you start off letting people know, and Bill wants people to know that there has been great progress, and that health and development aid has contributed significantly to that. It would be a great shame to walk back or to not continue the progress at this point in time.

So that was first one of the things he wanted to highlight. And then within that, the question is okay, so how do you make sure that that aid is effectively delivered and used? He of course comes at his whole life favoring innovation and feeling like you can jump straight over major hurdles by

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adopting innovative techniques and innovative drugs or seeds or other technological but also sociological things. So if you're looking at development, and you're exploring what can you do to promote development, if you are just relying on the traditional aid donors, then that's a very narrow band of people to work with when, as I said, the economy and the globe is shifting, and you have a lot more resources and a lot of different areas, not just official government development assistance.

So in his report, he talked about some of these other potential sources of development assistance, not least of which is the fact that countries like Brazil and China and Mexico have been leading the way in terms of their own development and poverty reduction and have an awful lot to share with the rest of the world. So one of the things that the report recommended was developing and furthering triangular partnerships between donor countries and these rapidly growing economies so that they can share their expertise with countries that haven't moved so far so fast economically.

Secondly, developing countries also have their own set of resources which could be tapped into, and he put forward some ideas on how to do that. He didn't write off the idea of official development assistance because that's still a major source of funding for this, and so pressed again for the developed world to make sure that it meets the commitments that it has made in the past, and reiterated that the fact that it's

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generally 1-percent or less, around 1-percent of the developing world is putting forward into development assistance and health assistance. Most Americans, for example, think that we're putting something like 20-percent of our budget into foreign assistance, when it's more like one. So it's a really high value investment for a small dollar amount.

Then he talked about the private sector about which he knows a lot, both of promoting philanthropy and other philanthropists to invest in this area; sovereign wealth funds and whether or not they may be able to commit to infrastructure which can also help with development and growth; Diaspora Communities, remittances and different mechanisms to tap into market forces to pull more assistance and money into development causes.

Finally, he talked about some potential revenue sources or taxes, something which may not be --

**JENNIFER KATES:** We don't talk about so much in the United States.

**DEBORAH DERRICK:** -- no, not in the United States. No. So I think that that's a summary of where we were.

**JENNIFER KATES:** Yeah. And we'll come back to many of those issues in a moment, and Josh, I know you want to say something. I think the point about ODA and traditional ODA is really a critical one. We just are today releasing our annual analysis of ODA for health from the DAC donors, the major

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donors, and certainly they provide the lion's share of direct financial assistance for global health. But over the last decade, that really was on the rise, and now we see it not rising as fast and also not tapping into potentially some of these other sources. So I think it becomes a really important part of the conversation.

**JOSH MICHAUD:** Yeah, I was just going to add that I think it's important that context around the fact that Bill Gates was at the G-20 and that you had mentioned it was unprecedented in the fact that no one who is not a member of one of the government's or multilateral institutions had presented in this formal way at a G-20 summit. So it was unprecedented in that way, and it had to do with, I think, the priorities again of the French hosts and Sarkozy and the former French foreign minister have been years long advocates of innovative financing, thinking of innovative ways to do development financing.

It was a former French foreign minister who was part of the creation of UNITAID, for example, which now uses an innovative financing mechanism of airline ticket taxes to direct funds for drugs for HIV, TB and malaria and for example. So it was an important step and, I think, a signal for the importance for the French hosts for this particular topic.

**DEBORAH DERRICK:** Yes, and President Sarkozy was also very interested or keen on promoting the MDGs, the millennium

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development goals, too, and was trying to help further those goals as things that the world ought to buy into and invest in.

**JENNIFER KATES:** We actually have a question that's specific to this, so I think I'll bring it up now. Somebody had written this in and generally about goals. Jeff Meer from the Public Health Institute asked a question about global goals and donors that agree to global polls like MDGs, like the international conference on population development, the Cairo conference. So in terms of the role that the G-20 as a body of donors, or even individuals, have in adopting those and promoting those; and partially goes to the other point you made about who the host is and how important it is, but I don't know of any if you have thoughts about the G-20 and those kind of global health goals and the MDGs.

**DEBORAH DERRICK:** Well, I think it's terrific to get as much buy-in as possible because what you're doing essentially is changing social norms, right? So you're saying it's not acceptable for women to die in childbirth. It's not acceptable for babies to die of preventable causes. So if you have goals that are concrete that everybody can agree on, and that's the idea of the MDGs is we have agreed on them as a globe, then it's normal, I think, those goals, and the more countries you get to buy in, the better off you are.

**JENNIFER KATES:** Okay, so now I think we're going to actually go to what happens at the summit and the read-out at

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the summit. Generally a question that probably has no right answer, but was it a win for health and development or was it overtaken by the eurozone crisis in Greece? Some say it was an important step forward. Others say development got completely overshadowed. I'm curious what your views are.

We actually have a question about this that was sent by Laurie Garrett from the Council on Foreign Relations. She asks, "Given the eurozone crisis, how optimistic are you that commitments for global health and antipoverty efforts will be made, and more importantly, fulfilled?" And she writes, "Today, the IMF announced the entire world economy is heading into 'a lost decade' of economic stagnation, declining consumer demand, high unemployment and potential instability. Is it realistic to think in this climate that the G-20 will give much more than lip service to any issues other than economics, finance, and global stability and security?" which I think is partially the main topic that we're trying to grapple with today. So I'll open it up and see who wants to jump in on that one.

**JOSH MICHAUD:** I can jump in first. I'd say that while the goals often going into these summits are broad and long-term in their outlook, what often happens, it seems, is that the short-term concerns of the day do tend to take over, and that certainly was the case here as you mentioned the eurozone debt crisis. It ended up swallowing up a whole lot of people's

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time and attention, and there's really no way for the leaders to get around not focusing on that.

That said, I think whether or not this was a win or not is a little bit in the eye of the holder, and who you talk to because some people say just the fact that a session was dedicated to financing for development was an important step, that the leaders again supported the goals that were laid out in the multiyear action plan for development at the Seoul summit are seen as positive signs, but it's hard to ignore the darker clouds that are out there. I think the donor funding report which you referenced we just released which shows that global health funding through the end of 2009 had increased, but it seemed to be at slowing rate. So we'll see where that goes, but it certainly doesn't bode that well, and it's something to be concerned about, I think.

**DEBORAH DERRICK:** What I'd say, I took a look at the report, and because I'm a data type of person, I actually counted the number of pages dedicated to each topic (interposing). That's right. I think it was a 13 page report, and of that, it was about fifty-fifty between the financial crisis, and what the world wants to do about the financial crisis, and financing for development and agriculture productivity and so on. That's pretty substantial that you've got that much language put into this communiqué that came out of the G-20 when, by all rights, with the European crisis going

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on, you might not have had anything. So I think it's pretty significant that you got that much language in to begin with, and it was, I believe, the first ever endorsement by the G-20 of aid obligations.

So once again, you're normalizing the idea that these issues need to be addressed and yes, we will address that. That gives you a platform from which you can move forward.

**KATHERINE BLISS:** I think it's true that the Greek situation and the European crisis dominated a lot of the reporting and a lot of the discussion, but if you look at the communiqué, the declaration and what came out of that development working group, you do see discussion about agriculture and food price volatility, a fairly significant discussion about nutrition and making significant progress on nutrition, emergency stores for national reserves for food crises. On climate change, there was some support for innovative financing for climate change and support for some of the discussion that will happen at the Durban COP later this year, and also around a green climate fund to help countries adapt to the potentially negative effects of climate change; the importance of the continuity of overseas development assistance and then also a focus on jobs, youth and social inclusion. This idea of the social protection floor is that Michelle Bachelet is going to be leading an advisory group on some of that. As well a discussion around transparency which,

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of course, is connected to the financial issues, but also, of course, is critically important for all of the development things that we've been talking about.

**JENNIFER KATES:** It's almost a little bit of artificial separation to say the crises that were dealt with don't have anything to do with -- they're one and the same. Actually, thanks for raising the social protection floors, because we did that question about that. Where development was discussed, much of the attention was on innovative financing, but the social development floors that were put into the communiqué as something that the G-20 agreed to foster it was an important step. We did get that question from Robert Lovelace from the Trade Union Sustainable Development Unit. So you want to take a moment to explain what those are and just note that they, too, were part of the mix.

**KATHERINE BLISS:** As I understand it, there was a significant push for an adoption of language around these floors, or basically the minimum services the country should provide around health care access, social security benefits for the elderly, recognition of child benefits, benefits for the unemployed and these kinds of things. They've asked Michelle Bachelet, the former President of Chile, to chair an advisory group to come up with some recommendations that will be taken up at the next Mexico meeting. So it's significant that

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countries have agreed to look into this and make recommendations. It will be interesting to see what comes up.

**JENNIFER KATES:** We can talk after Mexico about that.

**KATHERINE BLISS:** Yes, next year.

**JENNIFER KATES:** Next year. Okay, so the Gates report. Bill Gates delivered his report. Obviously, it reflected some of many of the things reflected in the communiqué, but how was it received? During the summit and since then, what has been the attraction around it and the potential follow-up?

**DEBORAH DERRICK:** I think it was just generally well received, and again, the idea is that the G-20 has now set forward some more general aspirations but gives us a platform for moving forward. So from the foundation's point of view, we mentioned in the report that we've been working with countries like China or Brazil and coming on Korea with the Effectiveness of Aid Meeting that's coming up soon. So we're going to continue the conversations with individual countries and on a bilateral basis, but beyond that have been invited to come back or to continue working on deliverables from both France and Mexico. So I expect that this will be a continued engagement. It's bringing civil society a little further into the mix of G-20 activities.

**JENNIFER KATES:** So let's go to one of the specific types of recommendations or areas of mention in the report that was also, as we talked about, a subject on the development side

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was innovative financing. What does that mean, what promise does it bring? I'd say it's probably one of the more complicated topics in Global Health and Development, and I'd love to hear more about your views on where it can go from here, but also help our audience even understand what it is. I'm going to put Josh on the spot because he was a main author of something looking at these mechanisms, and then others can join in.

**JOSH MICHAUD:** Well, we looked at it, as you know, in the context of global health. So innovative financing is not, I would say, a new idea. People have been talking about it for quite a while, and the World Bank and some other institutions have come up with definitions for it, but basically I think it's important to frame it as you have your traditional overseas development assistance, the ODA, which comes through bilateral support and multilateral means as well. Then innovative financing would be either sources of funds that are in addition to those and complementary to those, or you can also think about it as with the funds that you have, whatever source that they might've come from, can you spend it better? Can you be smarter about that money? There are also mechanisms which aim to get more impact out of each dollar that you do have.

So when we took a look at this for the field of global health, what we saw were three main categories of innovative

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financing mechanisms, and one being a sort of novel financing sources. That would include things like the financial transaction tax --

**JENNIFER KATES:** Which I'm going to have you talk about in a minute.

**JOSH MICHAUD:** -- and some other taxes, but also more private base things like a voluntary tax on airline tickets and many other things; and the product red and those kinds of things.

A second category would be mechanisms which aim to stimulate research and development and innovation, specifically related to products, but not entirely so. Think of drugs and vaccines. What are the mechanisms that are either proposed or actually functioning right now which aim to speed up the process of getting from an idea to a drug or a vaccine or diagnostic? It's a very important part of what global health tries to do. So there are mechanisms out there like the Advanced Market Commitment, which tries to get products out and used in the field quicker than they may have without that mechanism being there. There are some other things such as prices and other mechanisms which aim to try and speed up that process of innovation.

Then the third and final category would be mechanisms which try to incentivize performance or results. That's where you're squeezing more impact out of the dollars that you do

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have. These ideas about results based aid and cash on delivery aid, which are a few jargon-y terms, but these are examples of trying to tie the impact that you get to the dollars that are spent.

**JENNIFER KATES:** Okay, so financial transaction tax.

**JOSH MICHAUD:** Yeah, well you know the financial transaction tax is an idea that's been around a long time. Originally, the name Tobin was attached to it, the Tobin tax, an American economist back in the '70s talked about this. Really, it's just the idea of having a micro-tax on financial transactions. This could be many different things. You could be talking about currency exchanges; you could be talking about derivatives. There's a whole bunch of different classes that you could assign that tax to, and then taking the revenues from the tax and applying it to, in this case, global health or development efforts.

It's interesting to note that while there's no global tax like this, it has been implemented in a number of countries, and probably most prominently, the UK has its own version known as a stamp duty where they have a financial transaction tax which is used for domestic purposes. It's been shown to be operational, and this was a very strong interest of President Sarkozy, and France along with some other European nations have been strong supporters of implementing a global, or if not a global, then a use wide --

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**JENNIFER KATES:** More widely used?

**JOSH MICHAUD:** A widely used financial transaction tax. There are some estimates out there of significant potential revenues from doing that, although not everyone is a strong supporter of it.

**JENNIFER KATES:** Okay, we'll get to that in a moment. So how did it fare at the G-20, this idea of a financial transaction tax? It was definitely something the French host wanted to see. It was mentioned in the report. What's your sense of how it fared as a potential mechanism?

**JOSH MICHAUD:** Going into it, you knew who were the supporters of it. So France and Germany and in fact, the European Commission came out for it as well. Although one question around the support is what will the funds be directed for in the end? So people support the tax in theory. Sometimes there's some discussion about whether that should be used and what percentage should be used for different purposes. That's a discussion which is still out there to be had.

The United Kingdom and the United States have been not directly supportive of it, although in the final document, it is mentioned as something to think about for the G-20 countries. So I don't know if you wanted to add anything else.

**KATHERINE BLISS:** No, I was just going to say it was interesting that some influential countries did join in that discussion as well. You saw Brazil and South Africa, Argentina

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and Ethiopia also joining in support of the financial transaction tax. Brazil and South Africa have already also implemented some kind of version of this at home, and I think we're encouraged by the discussion around making sure that some of those revenues were absolutely included either for the kind of social protection issues that we discussed or the broader health and development agenda.

So there was a lot of reporting around the fact that because influential countries within the group of emerging markets like Brazil and South Africa had joined in support of this that that was likely to lead to a greater discussion as well.

**DEBORAH DERRICK:** I'd just like to mention that there's no governing world body that's going to force a tax on anybody. So it's up to individual countries to make a determination, which is important in the American context, because as you all know, right now, the US Congress is showing little to no appetite for any taxes of any kind or increased taxes of any kind. So I think that that's a significant factor in how far and fast this is likely to go.

**JENNIFER KATES:** Right. And actually I want to turn in a moment to the US context and to have that discussion. Just before we do, in terms of the financial transaction tax, I guess it's a similar kind of thing. Was it a win for global health or not? It depends. It being put on the agenda, some

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see that as a win for having it there and going forward. We actually did get a question. The students at a Case Western undergraduate class on international health were very active in following this and sent a number of questions. One of them was about financing mechanisms. Does any of you have an opinion or perspective on what are the most effective new financing mechanisms that were proposed at the G-20 summit? And what was the cause or issue that you would see it being best applied to?

We've talked about a number of them. I don't know if you have thoughts on going forward, whether it's gaining traction on something, or it's really the thing that has the bigger bang for a buck.

**DEBORAH DERRICK:** Well, in Bill Gates's report, one of the things that he notes is that the developing countries themselves, their own resource is the largest potential source of financing in the future. So if your population is demanding or wants health care or wants agricultural development and so on, then it becomes hard for its leaders to turn around and just walk away from that. So I think that developing the revenues and the sources in the transparency to allow that is probably, in the long run, the largest potential source of financing.

**JOSH MICHAUD:** It's hard to say. I mean it depends what you define is being effective, and whether it's raising the most money or having the greatest likelihood of actually

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being enacted, those two things might not be completely on the same page. So the fact that there was this attention on the financial transaction tax, and it was brought up in the Gates report, but even independent of that, there was a movement around it prior to the summit.

It seems like there is some life beyond Cannes for that in particular. Where that goes and whether that will be directed towards the development objectives that the global health community would like or the development community would like, it's hard to say, but there is some life in that. At least reading some of the commentary afterward, it seems like at least EU-wide or at least some zone of the EU having a financial transaction tax going forward might be a definite possibility.

**JENNIFER KATES:** So a couple of you have mentioned already the US government and its role in many ways, but specifically thinking about the US government and its engagement in health and development at the summit. Obviously most of what we see in the press is not about that with regard to the US. It really was about the eurozone crisis. I did see in President Obama's press briefing read out to the press about the summit, he did mention the communiqué, of course, and does talk about the importance of addressing poverty and development, but that's a very small piece. So what's your sense of how the US did or did not position itself in regard to

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the potential of the development and global health agenda? Did it play in this field?

I know this relates to innovative financing and actually, I want to read a question we got. I think to get to the innovative financing aspect of it, and maybe Josh you want to answer this, too, from Porter McConnell at Oxfam. She writes, "Do you think it's significant that the US backed away from its formerly vocal objections to a European financial transaction tax at Cannes? Do you expect any movement on the issue at next year's G-20?" So that's one view on that, but in general does any of you want to comment on how you saw the US playing in this mix at all on the development and global health agenda?

**DEBORAH DERRICK:** Well, I'd say that the dominant theme would have been one of just economic stability and structure in Europe all together, that there's just no denying that the US government is, and in all likelihood will continue to be, a driver of investments in global health, especially in global health and development. So to take this one event and this one meeting and to suggest that we're backing away from things or the US isn't involved is, I think, not accurate.

We have a long history in the US of being supportive of this, and one of the reasons that we do is because there's significant traction in Congress. People can understand that if you invest in a bed net, you reduce the number of cases of

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malaria. If you invest in ARVs, you're going to prevent someone from dying of HIV/AIDS. It's a very concrete kind of assistance which is notably more track able than other kinds of assistance in the past. So I don't see any reason to believe that the US is going to back off in a substantial way from its official development assistance in health and development. While it may or may not rise to a high level in each individual communiqué out of each one of these G-8 or G-20 meetings, I fully expect that the government will be quite in the mix.

**JENNIFER KATES:** Actually yesterday, Secretary Clinton made a very important speech on global AIDS commitments by the US, pointing out in general, some of these same themes about ODA from donors, the US included, but others, and ways to innovate based on the new science. So that is in keeping with what you're saying.

**JOSH MICHAUD:** As far as the innovative financing angle goes, while not directly addressed by the G-20, it's important to note that while the US hasn't expressed support for the financial transaction tax, there are a number of other innovative financing mechanisms that the US does participate in. So when we looked at all the different mechanisms --

**JENNIFER KATES:** How many did we track? We looked at -  
-

**JOSH MICHAUD:** There was 31 across those three categories that I had mentioned, and the US was either

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supportive or directly involved in over half of those. But we did notice that the US was less likely to support purely public based mechanisms where you're talking about tax-based revenue sources, and much more likely to support the public that mixed with private mechanisms. So things like the priority review voucher, which is a method of trying to stimulate research and development by providing pharmaceutical companies with a special voucher which gives them accelerated review for product. That turns into monetary value for a company, and so that becomes valuable for them. That's a US idea, and in fact the US is the only one that has implemented that right now. So it's definitely a trend towards one type of mechanism versus other types, I'd say.

**JENNIFER KATES:** What about the larger congressional context here? You had started in general the bipartisan support for global health historically, but given where we are right now I don't know if you want to share what you think about the context. It's not just around financial transaction taxes or taxes, but just generally where we are as a government in terms of thinking about these issues and foreign aid and development.

**DEBORAH DERRICK:** Well, again, in the US context, you have to put it in the broader budgetary context which is, of course, very difficult. There is a broad consensus that we have to cut back on spending altogether and otherwise get the

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deficits and debts addressed. So I think everything across the board is on the table, and evidently Congress is having a hard time getting to its decision-making with that everything on the board. But Bill Gates has said, and I can't reiterate enough, you're not going to solve the deficit issue on the back of 1-percent of your Federal budget. There's just simply not going to get to trillions of dollars in debt reduction or deficit reduction. So this is a very minor slice of what the US government is spending, and for that minor slice, it provides this incredible tool, a foreign policy tool that gives you something other than guns and boats and bombs to go and address what's happening in the world.

So I think it's a tremendous asset. It's easy to stand up and grandstand against foreign assistance and giving money to foreigners, but it's a small slice. For better or worse, the US government is engaged in the world, has to be engaged in the world, and so this is a high value small cost investment that again, you can't solve the deficit issues on this.

**JENNIFER KATES:** We'll certainly know more in the next few days or next week. Anyone else on the US context and thinking about --?

**JOSH MICHAUD:** Well, no. I think that said it all. It's hard to prioritize in this context, but having some perspective on the percentage that we're talking about of the budget is important as you said.

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**JENNIFER KATES:** We'll come back to the US again, but speaking of another set of actors, and Katherine, you already brought up Brazil and South Africa in particular, but this brings up another donor group, the BRICS. Why is it so significant what Brazil and South Africa are choosing to focus on and do right now? Tell us about the BRICS and why we might all want to pay attention to that group, what they did at the G-20 and just beyond the G-20.

**KATHERINE BLISS:** Well, the BRICS are kind of an unusual group. Essentially, an analyst at Goldman Sachs came up with the term BRIC to describe Brazil, Russia, India and China.

**JENNIFER KATES:** It's a good acronym.

**KATHERINE BLISS:** Yeah, the fast growing economies that were poised to take over the G-7 in the next few years. The BRICs, or the BRIC countries themselves, decided that it could be strategic for them to work together, to communicate together. They recognize that they already had a lot of trade going on among themselves, and so they began meeting in the run-up to some of these major international discussions.

Often you do hear BRICS. South Africa was formally invited to be part of the BRICS over this past year. They make an effort to coordinate their positions in advance of major meetings, and they've also had several ministerials or declarations. We know that the BRICS presidents or heads of

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state did meeting Cannes prior to the G-20, supposedly to coordinate positions largely around whether they would offer money to bail out some of the European countries. They've also lobbied for greater voting rights for those countries within the IMF and other sets of issues.

It's kind of tough to know how influential the BRICS as a unit are going to be in a lot of these discussions. They do have a number of elements of a common agenda. They're interested in the UN reform. They want to see greater voice for developing countries within a lot of the international discussions, but they have significant differences and competition among them as well.

They meet and discuss, but they're not always going to have unified ideas on a lot of these things, but I think they are very much united on the ideas around social protection, around improving development, and health conditions in a lot of the countries that they see themselves as representing, and of those other countries in the G-20 that have been brought into those discussions.

So I think when we talk about BRICS, we can also talk about this expanded group, "friends of BRICS" if you want, Mexico, Turkey, Indonesia, some of the other members of the G-20 that are also becoming donors. They're also becoming active in this kind of horizontal and south-south cooperation and

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really trying to share their own experiences and energizing their own economies to share those with others.

So it's interesting to see them coordinating in advance of a lot of these discussions. How much ultimately that influences as a block remains to be seen, but I think individually they also exert a fair amount of influence.

**JENNIFER KATES:** And certainly, Deb, are the subject of the trilateral arrangements they were in the report about countries' emerging economies really taking on a different role.

**DEBORAH DERRICK:** Yes. Anyone who hasn't watched Hans Rosling and his tremendous presentation on demographics and economic growth, it's just an astounding illumination of what the changes are going on in the world. This is all part of the adjustment to those changes, I think.

**JENNIFER KATES:** From the perspective of someone who, at Kaiser, we try to track what donors are doing, it's presented a bit of a quandary because for all those countries, they're at this pivotal point. Many of them have as you mentioned, Katherine, become donors themselves and at the same time, they're still in that transition phase of being recipients of aid. Because that is a complex picture, it's really hard to know. Is it a wash of this point? Is it a gain? It's certainly potentially a gain in terms of a new

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vision of role in responding to global health issues, but it's an open question, I think.

We seem to be at that pivotal point where it really will shift in the next few years and hopefully, we'll enable, those of us who like to track those things, better ability to track them.

**JOSH MICHAUD:** They're also supportive of the innovative financing mechanism as well because Brazil being one of the founding countries around UNITAID and the airline tax also has expressed support, at least, for the financial transaction tax.

**JENNIFER KATES:** Used for development.

**JOSH MICHAUD:** If it's used for development. The same goes for South Africa. I don't know about the other BRICS countries, but certainly those two have been supportive of these mechanisms.

**JENNIFER KATES:** So turning to where we go from here a little bit, looking ahead, the stage is starting to maybe be set. There is a general question about where the global health and development agenda for the G-20 goes. You mentioned, Josh, and historically this is how it formed; it's the short term financial crises that tend to take the front and center, and probably should at some level, but these longer term challenges need to be addressed.

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So what is the outlook for Mexico and some of the lead-up to that? That's one question I'm going to put out there. Another one I'm curious about is we didn't talk about the G-8 today, and in fact the G-8 in the past has been a real subject of the global health and development agenda, but not so much this past year. Next year, the US is hosting the G-8. What will that do to this discussion, potentially elevating or not, this attention to global health?

We, the US, will be in the midst of a presidential campaign which can cut in very different ways. So I'm going to stop there and just throw those couple things out and see any perspectives you have on the future. What could happen, what might happen? What are the open questions to think about and pay attention to?

**DEBORAH DERRICK:** Well, I would say that for global health as opposed to development or agriculture more generally, there was not as much language in the G-20 report this time as there had been in prior G-8 reports. So I think one of the points that will be promoted and probably deserves some greater attention is seeing if we can pull more global health issues into the next G-20 report. So that's one thing I would say.

**KATHERINE BLISS:** You saw in a lot of the press a lot of NGOs were disappointed with the seemingly lack of real commitments or discussion around health and development in

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Cannes. So it does seem a lot of people are really looking to Mexico.

**JENNIFER KATES:** Little pressure on Mexico.

**KATHERINE BLISS:** A little pressure to put international development right there in the middle of the next summit agenda. I think Mexico has been a leader on a lot of climate change issues. They hosted the Cancun Conference of Parties last year. Calderon, the president, had proposed a green climate fund in the past, so I think it's possible we'll see climate change on there.

Jobs and social inclusion have been a very important issue in the region in Latin America. So again, that may be something that we'll see. Health is a little unclear, but I think it's important to remember that Mexico in 2012 will also be in a presidential election cycle. By the time the summit happens, that will have already been decided, but it's hard to know how much any of that will influence the agenda as they develop that. Mexico takes over December 1st, I think, so they'll have at least six or seven months before the elections to really be putting that in place. So it's hard to know how much that will influence, but it's something to think about as well.

**JENNIFER KATES:** And the G-8 being US host, and actually interesting that Mexico and the US, North America hosting these two important moments. I'll throw out another

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one that's happening with the US being the host for AIDS 2012 bringing back the largest conference, international conference on a global health topic that exists for the first time in more than 22 years. One way to look at it is as a happy convergence where we can see more momentum, but all these other intervening factors, the financial crisis writ large and then the election seasons, et cetera.

**DEBORAH DERRICK:** Well, on that point, I'd note that the opening of this G-20 report talked about jobs and the economy.

**JENNIFER KATES:** Sounds familiar.

**DEBORAH DERRICK:** So if I were to predict, a US based G-8 report will also have an awful lot of emphasis on jobs and economic development, domestic or global economic development. So I would think that that would be right up there on the top.

**JOSH MICHAUD:** As you mentioned, it's right in the midst of the heat of the presidential campaign, so a lot of that will depend on the temperature of the public opinion around that time, and events that will occur between now and then which will be impossible to predict, I imagine. So it's potentially going to be important, and as you said, the G-8 has been an important place for global health discussions in the past. So we can keep our fingers crossed and see what happens in the future, but a lot will depend on the circumstances.

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**JENNIFER KATES:** So I think we're nearing the end here, but just for our audience to think about, what would be some important moments, meetings, things that are leading up to those points to watch for, things that may take place in the next six months to that point that can give us the pulse on all of this? Any other thoughts you want to share in reflecting back on are we going into the lost decade, or are we really going to see health and development or health particularly?

**DEBORAH DERRICK:** I do US government relations for the foundation here on global health, and so my focus is a little bit narrower. It tends to focus on the US, but what I'd say that I see coming up is first of all, in the US context the supercommittee and the decisions that they're making are going to be critical because that will determine how much or how little accounts like foreign assistance are likely to be reduced, and that will lay some groundwork for many years to come.

Then also there's global AIDS day that's coming up and as you mentioned earlier the international AIDS conference in the middle of the summer and the run-up to the election. So I think that those are a couple of really key things to watch.

**KATHERINE BLISS:** I think coming up on climate, we have the Durban Conference of Parties coming up later this month; toward the end of the year, the Busan Meeting on Aid Effectiveness. Also, just the World Water Forum in March tends

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to be a place where a lot of development issues are also discussed.

So I think just on the international conference agenda there are opportunities, whether they're ministerials or just more informal gatherings, where some of these issues will be brought up. Also this year in July the BRICs Health Ministers met for the first time and issued a declaration saying that they were willing to cooperate on universal health access and other issues. There hasn't been a lot of progress since then, but at least they've met, and so it may be an opportunity for them to come together again and really try to push this agenda for Mexico and elsewhere.

**DEBORAH DERRICK:** And of course the UN general assembly as well is one of the standard markers.

**JENNIFER KATES:** Okay. So a lot then we can pay attention to and see what happens on the health side and maybe come back here, all of us, next summer or after next summer to see where it ended up.

So I think we'll close now. Our time's up. I'd first like to thank our panelists, Katherine Bliss, Deb Derrick and Josh Michaud for being here and sharing your views and perspectives with us. To our audience I would like to thank all of you for your questions. On our website, [globalhealth.kff.org](http://globalhealth.kff.org), you will find additional resources on

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today's In Focus, and we encourage you to share the video and transcript with your own audiences.

We also hope that you will join us for future webcasts of US Global Health Policy In Focus. I'm Jen Kates of the Kaiser Family Foundation. Thank you.

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