

**Improving Effectiveness & Efficiency in the HIV Response**  
**Kaiser Family Foundation**  
**July 23, 2012**

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**FEMALE SPEAKER:** AIDS 2012. [Applause]

**ELLY KATABIRI**: Good morning and thank you for hanging in there. Our next session is Improving Effectiveness & Efficiency in the HIV Response. The [inaudible] of HIV treatment, prevention and care has been one of the most important accomplishments in the last decade and this room have many contributors in this success, though, there are many who don't join us today. [Break in audio]

**SENATOR JOHN F. KERRY**: -- nation's policies and practices the very best of our ideals and our principles. It is not hard therefore, to glimpse, to grab onto the possibilities of what could come out of this conference, of what could come out of our parliaments and programs across the world.

As Secretary Clinton eloquently stated, by eliminating mother-to-child transmission, we can help create an AIDS-free generation and recent clinical trials have torn down the false dichotomy between treatment and prevention. We now know definitively that treatment really does prevent further infection and increasingly, we have to commit ourselves to treatment as a central component of the elimination strategy.

We will continue yes, to work towards a vaccine and we have seen how tools such as male circumcision could help stop the spread of this disease. And I'm pleased that in 2008 with the Visa Ban Congress eliminated the original earmarks that had

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undermined the impact of our programs. Countries like South Africa now have stepped up and are heading their own efforts to care for their people. So this is exciting news but it requires above all, a sustained commitment.

One study in The Lancet estimates that to make a substantial dent in both new infections and mortality, it'll require investments of \$22 to \$24 billion a year between now and 2015 and sustained investments after that. Now let me tell you something, some people in politics would say that in a time of budget crisis we can't find 24 billion for AIDS, but I think that each and every one of them has to explain why it is we could keep pouring a \$100 billion a year into Afghanistan and then refuse to find a quarter of that to conquer a global pandemic and save millions of lives [applause]. So obviously money is important but so too, is sound policy.

Every day lives have sacrificed on the alter of narrow minded politics and policies that criminalize homosexuality and that reject interventions that could reign in injection drug use epidemics. There are countries that can afford to deal with epidemics that are turning a blind eye and we know it. And there are others that cling to laws and to policies that fuel the spread of HIV or that allow stigma to flourish when we should be making it obsolete. And I would put the U.S. ban on homosexual men donating blood in that category [applause], actions matter and we still have unfinished business.

Four years ago, Congress overwhelmingly reaffirmed America's commitment to this fight by reauthorizing PEPFAR and

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the Foreign Relations Committee is now exploring where our programs ought to go next. Clinicians talk about the AIDS transition, when treatment begins to overtake the new infection, but in reality there's a second global transition underway. Where in-country leadership is overtaking direction from Washington, where science has trumped ideology and where together we are getting the most return on every single dollar or whatever currency is invested.

Now we can't hope to eliminate AIDS in this country or around the world if we just tinker with one little problem or another timidly, at one time, if we let short-term thinking rule the day. Some will claim, as I mentioned a moment ago, that in the midst of a global economic crisis we don't have the luxury of leading on this issue, that we ought to scale back PEPFAR, reduce U.S. support for the Global Fund. But what they ignore is that this is precisely the moment when our investment is most needed so that past investments are not lost and we don't slide backwards.

The United States needs to particularly embrace this challenge, not just as individuals or separate interests, but as a nation with a national purpose. And above all, we need to restore a larger sense of responsibility and replace the current clattering cacophony of the perpetual campaign that we live in and have a wider discussion about what is really best for our country and for the world.

All of us know every one of you have come here because you are passionate about the difference that we can make

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together. In 1796 a British physician named Edward Jenner developed the world's first vaccine, 10 years later Thomas Jefferson wrote "Future nations will know by history only that the loathsome smallpox had existed." It took another 170 years to realize Jefferson' vision, but the eradication of smallpox was one of the great public health triumphs of the last century. Think of the price that the world would've paid if we had abandoned that fight halfway through.

We are at a similar crossroads today and the science is clear, we need to link HIV and T.B. programs more effectively. It will save lives and it will save money and it will help curb the drug-resistant pandemic that threatens us all. We need to support testing and treatment for pregnant women and then sustain it, we need to support proven interventions and new technologies that prevent HIV transmission and we need to help countries build sustainable health systems to undertake these tasks by themselves.

For all of this to happen we need real leadership, from the Board Rooms to the Halls of Congress, to the Parliaments of every AIDS affected country in the world, and believe me we are all affected.

So everyone knows that ending AIDS; not going to be easy, not going to be quick, not going to be cheap but we know now that it may be a huge effort or investment, but just like the eradication of smallpox, it's an investment that is absolutely guaranteed to show enormous returns. It is also my friends, an inescapable test of our values as a nation, as human beings, I

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believe it's in our DNA as Americans and as all of you here prove every single day, it is our shared mission as citizens of the world. We are united in our determination to care for those who are most in need, to find what the poet Rupert Brook called "infinite meaning in action, amidst the gloom."

So when I look out at all of you here in this room and thousands that are gathered in this city for a week, we need to remember this is a matter of will power, it is not a matter of capacity [applause]. We really do need to remember in this time of crisis and chaos and failed states and all the challenges, we need to remember, as Robert Kennedy reminded us how one person can send forth that tiny ripple of hope and how you can in the end sweep down the mightiest walls of oppression and resistance.

We are all energized by everybody's passion and courage here. Those of you who living with and those of you who are helping to conquer this dreaded disease, if we stayed focused, stay disciplined, stay tough, stay strong, together we will tear down the wall of AIDS. Thank you and God bless [applause].

**SENATOR LINDSEY GRAHAM:** Good morning [applause]. You just experienced five minutes in the Senate, that was a good speech by John. Welcome to Washington, I'm Senator Lindsey Graham and I'm honored to be with you. Good news/bad news, the good news; for the last decade we've made tremendous progress in fighting AIDS all over the world, particularly Africa, particularly here at home, and it's been result of a vision, it's been bipartisan.

President Clinton, President Bush and now President

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Obama, all three Administrations have been very focused. I am the Ranking Republican on the Foreign Operations Subcommittee and the Appropriations Committee. Long story short, I'm the Republican in charge of foreign aid, I'm not so sure that it helps a lot in South Carolina but I'm enjoying it.

I want to let you know that the government has an important role to play in this war effort to conquer AIDS sooner rather than later but there's no substitute for caring human beings which you represent. So how about a round of applause for yourselves [applause]? To the faith-based organizations, God bless you, you're doing great work [applause], to the NGO's out there, there's not substitute for what you bring to the table. To the private sector like the Gates Foundation, Bill and Melinda are incredibly generous and ruthless all at the same time, and that's a good combination of being generous and ruthless.

They're ruthless in the sense that they want to make sure that the money they're bringing to the fight is well spent and you can measure progress and results. And I think that's exactly what every government should be doing, bringing money to the fight but also being able to tell the tax payers that you're getting a benefit for your money. The one foundation does great work, I can't tell you how important it is to have a voice like Bono being able to speak up for people who can't speak for themselves.

But at the end of the day the good news is; 10 years since President Bush did something very unprecedented and that is set aside \$15 billion at the federal level to make sure that we

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really start an international effort to combat this deadly disease. We've had eight million people that are alive today that would not be alive otherwise and that's good news [applause]. We're trying to bring the cost of treatment down, bipartisanship reigns here.

For those who follow American politics, it's a pretty disjointed experience right now. Democracy's kind of tough to watch up close and it's even tougher to participate in at times. But in this year's budget, a budget that's under siege, a nation that's \$16 trillion in debt, I'm here to tell you republicans in Senate and the House have exceeded the request of President Obama for AIDS funding. That's something to be proud of [applause] and when you see a member of the House or the Senate you need to thank them because right now foreign assistance is not the most popular thing a politician could choose to embrace, but the House and the Senate numbers are good, we have to hold them when we get a final budget.

The reason I am so involved in this area of the movement is I just see an opportunity to change things and in my business changing things for the better is a goal just like your business. You can see the impact the programs that the United States has funded in the world community, you can see the impact on mother-to-child AIDS transmissions, this is working. We are making progress.

To the American taxpayer, your money is going to a good cause, and we are going to continue to make sure it goes to good cause. Now is not the time to retreat, lean into this

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problem, we are going to turn the corner. The best days are ahead for fighting AIDS, and we are going to not only be able to have lower cost treatments, but one day get a vaccine. The sooner that day comes, the better for all of us.

The economic opportunity that comes from creating a stable world, particularly a continent called Africa is tremendous to my country. The ability to get governments in the region fighting the disease on their own is beginning to emerge. To our friends in South Africa, you are standing up and taking over, in your country, the AIDS program.

There is a transition plan. To the American taxpayer, countries who have been on the front lines of dealing with this problem, they are beginning to step up and take ownership, it will be a long time away, but I can see a day where the countries in question are able, through the better economy, to manage their AIDS programs, always with our help.

Part of what I am trying to do is encourage the international community and my government to have a vision very much like the Gates Foundation: Turn this into a business problem and solve it. It is a humanitarian exercise for sure, we all benefit when we do good things for those who are in need, but the opportunity to solve this problem exists now greater than ever.

The bad news: We are not yet close to a vaccine. The bad news: The regulatory side of research is too cumbersome.

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The United States should lead the effort to deregulate how you secure a vaccine, and we should have hearing in Congress asking smart people to give us a plan to find a way to accelerate vaccine research at the National Institute of Health.

The bad news: There are some leaders in Africa who quite do not get it yet. 1.7 million people die a year from this disease. Name an enemy of the people of the world that does more harm than this disease? We have been in perpetual war for the last 10 years, and that is a term people do not like hearing, and war is a terrible experience, but we should have a Manhattan-type project approach to finding a vaccine and conquering AIDS. We should have a focus very much like we have had in past conflicts because every year that goes by that we do not give it our all, people die, and the problem gets worse.

I am here to tell you that now is not the time to retreat, now is the time to pour it on; money does matter, you have seen the benefit of the money being appropriated at Congress throughout the international community beginning to pay dividends. Now is the time to focus on finding a vaccine like the future of the world depended on it.

When mankind has been challenged in the past by evil, the good people of the world always went out, but there is a disturbing pattern: Evil reigns far too long and it takes good people much too long to get activated and engaged. Such is the case with AIDS, but now I think we have turned a corner; I see

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within the continent of Africa, the central battlefield of this war, a new attitude by the people in the countries in Africa. I see a commitment by the private sector I have not seen before.

I want to acknowledge President George W. Bush as being a great role model for a Republican, that it is okay for a Republican to get involved in leading in this fight, this is a worthy cause for both parties. President Bush's vision in 2003 of dedicating \$15 billion to fighting AIDS has paid off, now our government, the United States government, has contributed over \$39 billion, that is a lot of money, but when it comes to a federal budget of over \$3 trillion it is a rounding error.

So it is my goal, ladies and gentlemen, to be able to go back to a conservative state, like South Carolina, and tell the taxpayers of my state that your money is being well spent, that the results are promising, now is the time to pour it on. Here is what I believe about the American people, and people all over the world quite frankly: That if you can make the case, they will follow.

There are so many demands on the average person trying to raise a family or start a business, but the one thing that is the strength of our country above all else is the goodness of the Americas people. I can tell you that the case is there to be made; every politician coming to Washington needs to know the history of what we have been doing over the last 10 years,

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the promise that awaits the world over the next 10 years if we stay focused.

My challenge to this audience and myself is not rest on our laurels, try to pour it on at a time when it would matter, and focus over the next decade of bringing down the cost of treatment to save lives, focus like a laser on finding a vaccine for this deadly disease, and I will tell you this without any hesitation: If we are successful, the rewards to us as individuals and to countries who pursue this with a passion is unlimited.

I do believe that a situation like we have today with AIDS, like other times in world history, is a test of mankind. Let it be said that in the 21<sup>st</sup> century, a time of great economic turmoil, evil still is very much present in the form of the Taliban and Al Qaeda and other terrorist organizations that a scourge called AIDS is still among us. But let it be said by the people that will follow us that in the early part of the 21<sup>st</sup> century those who had an opportunity and the ability to help and make a difference stepped up to the plate and hit it out of the park. God bless you.

**MALE SPEAKER:** Ladies and gentlemen, please welcome to the stage moderator Michael Gerson from the *Washington Post* and ONE.

**MICHAEL GERSON:** Good morning, it is a great achievement of science that it has provided the pathways of

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treatment and prevention that can lead to the defeat of HIV/AIDS. But it remains the hardest thing in global health to move from efficacy in trials to efficacy in the real world. Science has removed our excuses but implementation remains our challenge. Particularly in the era of constrained resources the need for efficiency has never been more urgent.

Today, we have the best possible panel, the platonic ideal of panels, to discuss these issues. I will only give them the briefest of introductions so we have more time to hear from them.

Dr. Mphu Ramatlapeng is Vice-Chair of the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria, as well as the Minister of Health and Social Welfare of Lesotho from 2007 until this June, a position in which he championed the prevention of mother-to-child transmission and broader access to ART.

Ambassador Eric Goosby is the U.S. Global AIDS coordinator. As a young physician in San Francisco he saw the beginnings of the domestic crisis. As the head of PEPFAR he is determined to see the end of the global crisis.

Dr. Jim Kim is the new President of the World Bank, and he brings an extensive background in global health to that position. He was Co-Founder of Partners in Health and former Director at WHO where he lead the 3 by 5 Initiative.

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And some of you may have heard of Bill Gates over the last 14 years, the Gates Foundation has committed \$2.6 billion in HIV grants and more than \$1.4 billion in direct support to the Global Fund. The Foundation has been continuously focused on efforts to increase efficiency and effectiveness in treatment and prevention.

Thank you all for being here today, let me begin with a question for Mr. Gates. Your foundation has made investing in improved efficiency and effectiveness of the AIDS response a priority, what do you hope to achieve, what have you found promising, and what problems have you seen?

**BILL GATES:** Well it is exciting to think how far we have come on efficiency and effectiveness. If you go back to 2003, almost nobody in Africa was getting treatment. We thought of treatment as a \$10,000/year type thing, so everything was stacked against saving these lives, and yet a variety of people, a lot of people here, decided it should not turn out that way.

The Global Fund was created, PEPFAR was created, and now we find ourselves with 8 million people who are receiving these drugs. It is a very positive story; every one of those lives is a mother, a teacher. Now, we need to get better at this, the funding environment is very tough. Some days it feels like we are going to have to fight just to keep the

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funding at the level it is at today, and yet we need to put new patients on treatment.

I was in Zambia a few months ago, that is a country that now has 144,000 people in treatment. I met with a woman, Florence Daka who had just gone on treatment; she had just had a child, whose life was changed because she received the treatment that means her baby was born without HIV.

When you see these programs at work, you know that this is money very well spent. I do think as we look at the numbers, we will be able to get these treatments' costs down, of course the drugs always pushing on that front, the facility costs, the non-facility costs, and so we are going to bring a lot of IQ to it because it is a human imperative that we be able to increase that number even if the dollars are not going up as fast as we would like.

**MICHAEL GERSON:** President Kim, what lessons has the AIDS response taught us about efficiency and effectiveness that might be applied in other areas of development such as poverty reduction?

**JIM YONG KIM:** When I was at the World Health Organization and traveling around the world, what I saw was enormous innovation. One of the professors that I worked with at Dartmouth used to argue that it is only in places where you have severe financial constraints that truly great innovations can happen, and I saw that happening everywhere. The issue

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there was it struck me that we were not capturing those innovations, we were not capturing the service delivery innovations, and we were not able to spread those innovations effectively.

I think that one of the things that I have been focusing on a lot, I think that we now have to get serious about looking around at all the different ways that we have been delivering, figuring out what is it about those most effective methods of delivery that are common, and they begin to think about really taking those delivery models to scale. There are a lot of good ideas, but we need to capture them more effectively.

One of the things that the World Bank has done for decades and decades, since its founding, is to focus on building sustainable systems that can actually deliver, whether it is healthcare or education or even roads and energy. I think that we are at a time now where the world of development, from many different perspectives, not only in healthcare, but in lots of different areas where we are trying to make achievements around our most cherished social goals: Health, education, social welfare, sustainability, and begin to focus on whether or not we can turn our understanding of delivery into a science.

When I say science, it is aspirational, it is not there yet, but in HIV for instance, some of the things that we are

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learning at one point seem intuitive, for example, a study in Tanzania showed that the establishment of a hotline that would warn of drug stock outs actually reduced stock outs by 75-percent. In another study, we looked at the impact of simply posting the finances of a school on the outside wall of the school, and that brought down costs and then created more accountability.

I think there are lots of lessons like this in the world and especially in HIV, let me put it this way, let me put a finer point on it. I think the HIV community has to now move toward asking itself a question: With all the money that has been invested so far, and I know there is a gap, what have we been able to do to capture the lessons of delivery in the field that we can then begin to see as contributions to the much broader projects, like poverty reduction, like improved education.

I think that we have gotten there, but we have not yet brought all of our forces together to capture those lessons, spread them from one place to another, and take them to scale. I think this could be a science, and we have got to work on it. I can just tell you that at the World Bank, we are going to work on that system science with great energy.

**MICHAEL GERSON:** Ambassador Goosby, you have been vocal about the need for countries to lead their own AIDS responses. For external partners, like the U.S. and the Global Fund, is it

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possible to drive efficiency gains from better alignment with national programs? If governments bring local civil society and people use the programs into decision making, does that tend to increase program impact and efficiency, or thwart it by bogging it down with politics?

**ERIC GOOSBY:** Thanks, Michael. I think that the idea of country ownership includes embracing those who are using the services in planning and implementation discussions, and decision-making.

When that connection is made, in-country, to be in a dialogue with those policymakers and appropriators who make the allocation decisions, prioritize the unmet need, you create a feedback loop that allows those who are using the services to tell those who are making the decisions on program, to get on or off track, and that feedback loop creates a self-correcting system.

When you disarticulate, if I could use that word, the feedback from those who are using the services in Geneva, where the decision is made, or in Washington, where the decision is made, you dilute that ability to self-correct. I believe country ownership is a central ingredient to creating that self-correcting system.

**MICHAEL GERSON:** Dr. Ramatlapeng, you have seen both sides of that issue that we are just talking about, on the ground and also at the Global Fund. How much of the efficiency

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effectiveness agenda can be driven from the top down at the global level, and how is the Global Fund's new strategy and reform process improving efficiency and effectiveness?

**MPHU RAMATLAPENG:** Thank you. I believe, really, that quite a bit of effectiveness and efficiency can be driven from the funder level down. But of course, this has to be a collaboration with the countries and it is important that the countries own this program and they reap whatever has been recommended essentially feasible can be implemented in short. I have, as part of the leadership of the Global Fund, I have noticed that the mandate, the five-year strategy, is putting emphasis on the effectiveness and the efficiency of all programs of the Global Fund, and the key tenant of this strategy is investing for impact.

I know you are thinking maybe this is something that is just nice written on the strategy, and that it cannot be achieved, but it can. Within the secretariate we have created a vision called Strategic Investment and Impact Evaluation. The main purpose of this is to work with each country and to make sure that the investment landscape of a particular country is specific only to that country and that it is done properly by evaluating what is necessary and what is important for the particular country.

The country also has set up disease committees together with their partners, the three diseases each has a committee,

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and this committee meets once a month, and this is to get a bigger picture of what is actually happening out there in the area of malaria, TB, and HIV/AIDS.

Of course, you will wonder, as a former Minister of Health, how do we bring in the country into all this? The countries are involved, and one example is the meeting that we had about 10 days ago in Johannesburg where we invited Ministers of Health, senior officials, CCMs, and one of the reasons was to make sure that we have a bigger voice in what is going on in the Global Fund, but over and above this, we were able also to learn about the new funding architecture of the Global Fund, and I can tell you, countries are excited.

One thing that the countries are excited about is getting rid of their old system. Making sure that their own strategies are going to be funded, or the gaps will be funded when necessary.

Global Fund general manager is very, very focused on this, and I can assure you, we are working very hard to making sure that this new funding opportunity that is going to be available very soon will be country-specific, and the effectiveness and efficiency of the programs will prove that this is the right way to go.

**MICHAEL GERSON:** Mr. Gates, there is a lot of talk at this conference about ending the AIDS epidemic, but you have

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expressed some skepticism about whether we truly have the tools that we need to accomplish that goal. Why is that?

**BILL GATES:** Well, unfortunately we do not have the tools, and we need lots of new tools. The ultimate tool will be a vaccine. Scientists are making great progress, they understand the shape of the virus, how to count the antibodies, I was meeting with some of the scientists this morning. It is very exciting, and the U.S. government is by far the biggest backer, not only of these treatment things we have been talking about, but also all of these research programs. So, it is phenomenal to see that in that ongoing commitment.

We also need prevention tools, male circumcision is really the best one we have got right now, we need to roll that out more effectively. The gel is in a second trial. There is a ring, a dapivirine ring that I am very excited about, that trial is about to start, and so only by having a number of these new tools and eventually a vaccine can we really seriously talk about moving towards the end.

Our foundation has prioritized both the delivery, that is why we earlier this year made a \$750 million grant to Global Fund, but equally we support these research activities, so no one should think that we have got the tools yet. We will get these tools but only if we stay the course in terms of the scientific investments.

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**MICHAEL GERSON:** Ambassador Goosby, the U.S. is making significant investments in both our bilateral program in PEPFAR and in multilateral HIV funding. In the field, are PEPFAR and the Global Fund basically two parallel structures? Or is there a way for them to work together to increase one another's impact and efficiency?

**ERIC GOOSBY:** I think that the initial Global Fund and PEPFAR efforts really did start out as parallel systems, and I would say the third system that was in play was the country's system. Global Fund and PEPFAR having different entries into establishing implementing partners that then turn around and create program did not always use the public sector as the sites through which these programs were realized, creating their own systems often that were indeed duplicative.

I would also say that looking at the parallel or duplication was not something that was on anybody's mind initially, and I do not mean this in the way of criticism, it was an attempt to stop the hemorrhaging, initially. The emergency response was a true component and need and focus of how implementation was decided and how it was deployed. It was appropriate.

But, now as we are now into the ninth and tenth year of implementation and as our countries are achieving and maintaining capacity to actually manage, oversee, and run large programs that have been moved to scale, we are now planning and

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implementing together very aggressively with Global Fund and PEPFAR, and will realize significant savings over the next two to three years, as we merge those two resources.

The critical piece to that merger is the country being the convenient entity that orchestrates these divergent funding lines from PEPFAR, Global Fund, World Bank, to align with their resources and their continuums of services that they have defined they want their impacted populations to receive. I am confident that that will, for another two to three years, realize significant savings. But at some point, we do need to infuse new resources into this, because it is not the answer, I do not want to give that impression.

**MICHAEL GERSON:** Mphu, as the former head of a health ministry, why should countries be investing their own resources in addressing the HIV epidemic? What are the challenges to assuming greater ownership of AIDS programs? And, what are the implications for efficiency and effectiveness of countries owning more of their program?

**MPHU RAMATLAPENG:** Thank you. This very issue was the center of discussion of the health minister's in Tunis just a few weeks ago. I was not in Tunis, but I agree that countries must invest more and more of their own resources to address the HIV epidemic.

In Lesotho, although we have had to secure a lot of donor funding from all of you, and we thank you, we always keep

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in mind that donor funding is not always going to be available and it is not going to be there forever, and we believe that ultimately countries have to take responsibility for their own funding and care of their own people. The question is sustainability of costs and ownership.

We must own more and more of our own problems. Unfortunately, there are many competing priorities, and in my own country, we have just taken a decision now to make primary education compulsory, and free. That means funding is going towards primary education, and even beyond primary education in a case of children who are often invulnerable.

So, while it is really ideal for us to continue funding our own year on year, we are adding more in funding for HIV and AIDS, and for TB in Lesotho. It is important not only because we are trying to put as many people on treatment, maintain them on treatment for a longer period, and if we, for whatever reason, our funders pull out, we do not want this to be a disaster, because then there will be a lot of resistance.

It is important but these are difficult times and we are also urging our funders to continue assisting us even as we take more and more of our own problems. Ownership is really important as far as I am concerned.

**MICHAEL GERSON:** President Kim, give us a little more detail about what the World Bank is doing on specific areas to

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promote efficiency and effectiveness, particularly as it relates to these issues?

**JIM YONG KIM:** For this audience, let me step back a little bit and talk about what the World Bank is and does, I think it might be useful. We are called a bank, but we are really a development organization, we have 4,000-5,000 PhDs who study so many different aspects of global development.

Let me specifically turn on Mr. Gates' comments. They have done so much in the area of discovery, development and delivery. A few years ago they divided up the global health world into three major areas: Discovery, the basic science of global health, and it has been so important of the contributions; development which is developing the new tools; and then delivery, and again as Bill said, they made tremendous contributions there as well.

But I guess for the World Bank, for everything from fiscal policy, your doing macroeconomic analysis and understanding of the best fiscal policy for particular government, to health care, education, and social protection. For example, in one of the areas that is most important for us, it is social protection, things like conditional cash transfer programs.

Those kinds of programs in addition to specifically focused global health programs are really critical. In terms of protecting people from catastrophic illness, this has a

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terrible impact on families. We range everywhere from fiscal policy down to the specifics to K-12 education, but then we also reach into the private sector, we have a whole private sector wing that tries to stimulate investment in the private sector in the poorest countries.

With this broad range of activities, I would say that with the Gates Foundation, we are going to be a very, very good partner as we already are in the delivery part of it, specifically. We are doing research on a lot of different areas, but in the area of global health, I think the area where we can really contribute is in the delivery.

Now, we are already looking at a lot of those things, we are looking at things like, as I mentioned earlier, what is the impact of transparency? My predecessor, Bob Zoellick, made the open data and an openness initiative a huge part of his legacy, and it is going to be a critical part of his legacy. What we found is that transparency of results, transparency of expenditures, transparency across the board in terms of just telling what you are doing is critically important.

I think the Bank can push forward on that agenda. What I am really excited about is that we have an opportunity since we spend so many aspects of both the social sector and the private sector, that we have the potential to contribute to the AIDS response in a really fundamental way.

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In every country, if we can figure out what is the delivery system that is going to be most effective here, how do we improve the procurement system so that not only does it deliver antiretroviral drugs, it can even help us making sure that school books arrive for children on time.

There are so many things that a chronic disease management program forces you to do, and if you take that and expand it to the rest of the needs in a particular society, it is possible for the AIDS response to have a spillover effect in so many other areas. That is our most important, that is the most important thing we do.

We have been at the forefront of trying to bring the development responses together so that, for example, a country in Africa does not have to respond to 50 different donors with 50 different needs, 50 different reporting mechanisms, if we can help countries put together a response that says here is our overall envelope, we want to make great strides in HIV, and the way to do it, and the way to make the case for much higher investment in HIV is to show that that investment has these wonderful spillover effects not only for HIV but in many other areas, I have seen it happen.

Rwanda has done it; they have really focused on making sure that there is no one response that does not in fact have spillover. They have insisted it does, we know that it can be done; we have got to make sure that that is the case

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everywhere. It is both the specialty of the World Bank and I think, I hope, the biggest contribution we make to the future.

**MICHAEL GERSON:** Let me followup, one second. Where are we in that process? Because I saw the response of PEPFAR at the very beginning, and it was genuinely an emergency response. They were in Lusaka putting up tents to start to treat people and giving nurses the jobs of doctors, and assistants the jobs of nurses, and volunteers the jobs of medical assistants.

That is a different phase. It seems like when you build systems, it is relatively short amount of time, 10 years. Where are we in that process? Maybe someone can answer? Because in order to do that, you have to have numbers, you have to have accountability, you have to have a lot of things, and it is hard to do that while you are responding to an emergency.

How does that happen, how does the next phase come, and where are we in that process?

**ERIC GOOSBY:** I can certainly start. We have had a terrific start, have a long way to go, but our knowledge in that start will inform where and what and how we finish. I think that the predominantly inpatient response to disease was what we saw initially. It was not picking up people, patients, until they were at an extreme moment in their disease, usually in the last two years of their infection, when opportunistic

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infections dominate, requiring a hospitalization that was often life-threatening and often resulted in a death.

That now has moved to an outpatient response. In most of the country's most heavily impacted by HIV on the continent of Africa, we have moved people, the medical delivery system so it is now meeting people earlier in their illness, not early enough, but earlier. And that we are preempting the need for the inpatient service to be the predominant wall that we have put in place.

We also have understood that populations that are participating in the highest risks are often those that are least willing to reveal themselves to medical delivery systems or to authority. As the secretary said in her speech, "We have got to go where the money is," we have got to go there not just for compassion and because there is morbidity, there is suffering and death there, that is the central reason.

The other reason is that we will never be able to stop the movement of the virus into the general population unless we have an effective strategy that respectfully creates safe space for these populations most impacted and allows them to enter with their preservation of confidentiality into the medical delivery system and retains them over time.

And that means the acknowledgement of human behavior is one of recurrent waxes and wanes and attentiveness around adherence, and around the participation in high-risk behavior.

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People go up and down with that. We need to acknowledge that our medical delivery systems need to have a response when people are in high-risk behavior as well as when they are not. And, until we match that to the behavior that we see, we will not be fully successful.

**MICHAEL GERSON:** Mr. Gates, you have seen systems that work. What are the prerequisites for health systems that work at the level of efficiency we need to treat the number of people we need with the resources we are likely to have?

**BILL GATES:** Well, the key metrics you want to work on is reducing the number of people infected each year, and the number of people who die each year. So, you need a ruthless understanding of why those people are still dying. Country by country, looking at these are ages 20s and 30s where people do not die of much if it is not a car wreck, it is not delivery, they are just not much.

And seeing those excess deaths, really tracking back and saying, okay, why did they not get on treatment? If they were on treatment, why did it not work? The diagnostic system that drives improvement and quality is going to be fairly straightforward here. We have countries where doing their treatment for way less than half of other countries, particularly in the non-facility cost areas, there is huge variation.

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So, we need to get on top of those things. It is a fairly business-oriented type looking at those metrics. We are definitely forced to do this because the number of new people who are arriving for treatment, that is the only way we are going to get that death number down, that is going to happen at a time where the money is not going to be growing nearly as fast.

**JIM YONG KIM:** Mike, let me offer one insight. The Commission on AIDS in Asia did a study and compared Thailand and Cambodia and found that the Thai program, which is very much owned by the government was about half the cost of the Cambodian program. Now, the Thai program, they were very systematically thinking about how it fit in the context of the rest of their healthcare system.

I think these metrics are critical, what Bill said, absolutely critical. But then there are some things that we know, Eric just talked about the importance of ownership, in fact the importance of ownership is that if you think that the money that you are getting for a particular problem is going to then translate into your ability to integrate this program and then build a system that will work for you on the whole, politically it is very good for you, and it seems that it is even lower cost, because that ownership, the commitment that this is my project, that it is not just what a donor tells me to do, but something that is going to be good for my country,

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good for my political party, whatever, those things seem to work better.

You asked what are the prerequisites? That piece of ownership not only is it a good thing for us, it is something that people always say, but actually costs less. I think in the end, it is much, much more effective because there will be the infusion of other priorities in that country in putting that program together. I think that is how it can work.

**MICHAEL GERSON:** Let me assert the moderator's prerogative and ask a kind of uncomfortable question: Governments that are keeping AIDS funding flat or even reducing sometimes argue that efficiency and effectiveness can make up for lost resources. When is this argument appropriate to pressuring reform, and when is it a copout for governments, in not taking the next stage?

**ERIC GOOSBY:** I think that society's people who give their tax money to the government and the government turns and puts it to programs such as PEPFAR, to the global fund, have every right to demand that they understand how that dollar is translated in the program. Our ability to do that needs to be strengthened so we can tell with no areas black boxes of how that money flows from appropriation to program.

We need to be fully accountable to that, and in that accountable, in the systems that are needed to give us the information to understand how those resources are deployed, we

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need to be able to analyze them in real enough time that we can make corrective action before the next appropriation.

In PEPFAR we have worked very hard over the last three years to create those systems to increase our understanding so we can make those decisions and have that discernment in our ability to say this is something that is too expensive or inappropriate, or you were doing it better and for more outcome than this individual implementer, therefore we are shifting resources.

We have to do that anyway, regardless of what the funding line in any country is about. That is a responsibility that we assume and accept and owe to those who give us the resources to move to program.

Eventually, your ability to become efficient will increase your outcome, we will monitor that, but you will reach a wall where you cannot go any further. That is the point that I hope my appropriators look at me and say, are we there, and if we are there, how much more do we need? I hope that I will be able to say that this amount of resource, these dollars, will buy these outcomes. We are on a trajectory to get there.

**BILL GATES:** To really answer the question, though, it is clear even if you take the most efficient way of doing this work that the number of people who will eventually need to be on treatment, that the amount of money we have is not enough to treat those people. The world will make a decision how much

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those lives matter. We are in a period of incredible uncertainty right now for all the rich governments about how much this funding will stay strong.

That creates, even just the uncertainty alone, creates certain instability in terms of how investments are made and how people plan ahead. We see it not only in AIDS; you see it in malaria, tuberculosis, a lot of the key global health areas. The voice, as these budget priority tradeoffs are made, the voices of the AIDS community and the global health community are going to have to be louder than ever.

**MICHAEL GERSON:** We will get to some audience questions, let me just conclude with one point that comes out of that, and maybe we can start a few. We have discussed some of what needs to be done, some of the challenges, and right now we are a little over 50-percent of people in need of AIDS drugs are receiving them. What does success in the next five years look like when it comes to AIDS treatment and prevention? What are the immediate goals that we can achieve under these realistic scenarios of science and management, and how do we get there?

**MPHU RAMATLAPENG:** The easy answer would be vaccine, cure, that would be success. But reality means we have to scale up more even in this difficult economic times, we have to scale up treatment, we have to scale up prevention, we have to make sure that even in these times more and more people are put

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on treatment, people stay longer on treatment, and prevention is the key. I think that is the most important thing.

I can actually quote [inaudible] Christophe wrote in the *New York Times* last week, about a village in Lesotho where he met an undertaker who told him that he is going out of business because a lot of people are staying alive because he can no longer now sell his coffins. But I think he stole that story from me, because that was my exact experience also having visited another area on Lesotho. That to me is success.

Putting more people on treatment, making sure that incidents come down, making sure that we use evidence of science that says the more people are on treatment, the less infection will be in your community. So I think if we use that and we continue with the prevention measures, more people will stay alive long enough to be able to maybe one day get a cure.

**MICHAEL GERSON:** Anyone else to add? President Kim, maybe? Bill, go ahead.

**BILL GATES:** One thing to say about the vaccine which is some fantastic thing. If you get a vaccine, say, in 10 years, then the number of people who need to be put on treatment is reduced in about 18 years. So the pool of people we need to treat unfortunately there is this unbelievable lag time that comes out of that. So even though I am thrilled at the progress on the vaccine, it is not some fast arrival.

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Now if somebody could cure AIDS, which unfortunately that is very much a long shot, there are people who are working on it, that would change the whole picture here. But it is probably not in the cards at least any time soon. That is why this treatment imperative is so dramatic.

**MICHAEL GERSON:** Let me get to a few questions from the audience before we break here. This is an interesting one, Ambassador Goosby: How do you deal with political pressures from the U.S. and countries PEPFAR works in to fund a program or area that you consider inefficient, expensive, or less effective interventions for truly at-risk populations?

**ERIC GOOSBY:** It has been a difficult dialogue for my colleagues in our implementing agencies to have strong feelings that are based in deep experience in supporting interventions especially in the prevention arena that there is no evidence to show strong impact, high impact. And our difficulty in wanting to dismantle projects in countries also is a barrier in and of itself in that these are real organizations with people that have been hired and deployed.

We have gone back to the science and embraced it, understood it, and dialogue within the USG community about what the science shows, and we have gone to our country partners, our partner country leadership, and insisted on a delineation of a continuum of services that defines for each of the demographics in their epidemic what services they want those

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individuals to have, testing, staging, initiation of antiretroviral therapy, for prevention, interventions, what is the high-risk behavior that you are attempting to modify, where geographically are people located, and to map backward from where people are with what high-risk behavior the programs that get in front of the movement of that virus into that community.

The science will set you free, is the theme, and we have gone there very aggressively, and then we have been willing to make difficult decisions, but made them, to pressure that movement in the right direction, to high-impact prevention interventions and PMTCT, male circumcision, the ability to distribute condoms to high-risk behavior, to have counseling and testing programs that target high-risk groups, and then the test to treat idea, to move our programmatic footprint, to acknowledge the highest impact on incidence and to see those behavioral interventions in combination be additive to document it so we can further refine the positioning of these programs in front of these populations and arrest that movement of the virus.

**MICHAEL GERSON:** Here is one for Bill Gates: What is your response to critics of the Global Fund when they say the fund is not managing their funds appropriately? When the critics say the fund is not managing their funds appropriately?

**BILL GATES:** Well, the Global Fund is a fantastic organization, and the impact they have had on all three

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diseases is measurable. To the degree people can get out to the affected countries, particularly in Africa, and see that impact, you will come away wanting to help the Global Fund. We made a big contribution in January to emphasize that we think that for every dollar spent, that is a wonderful impact.

Now, there is all sorts of dialogue about which drug regime should be used, the lab tests, costs too high here, should they do pooled procurement to make sure they do these things the right way, there is a rich dialogue going on in bringing best management practices in, but compared to other ways that money are spent, money spent through PEPFAR and Global Fund have clear life-saving impact. The fact that there have been a few instances where the money went astray, first of all that is been a very small percentage of the money, and second of all they have gone in and remedied those things.

So then any notion that these programs are not high-impact per dollar is just wrong. Our foundation is very tough on these metrics and that is why we are providing our endorsement to what they are doing.

**MICHAEL GERSON:** President Kim, the Bank is well known for its work on safety nets and cash transfers. What role do you think they can play in improving AIDS and health outcomes?

**JIM YONG KIM:** As I kind of answered earlier, we think it is critical, and we are working on helping every single country, low-income country develop safety net programs. One

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of the things that were really good at is assessing public sector expenditures and then using the data that we build up over 66 years in experience and say these investments and these social expenditures are not so helpful, fuel subsidies are a good example. We try to move people away from fuel subsidies and more towards things like conditional cash transfer programs.

Now, there is some science in that. We have looked at so many cases that we know this. So, if I can go back to the question of what would you like to see in five years, one: I would like to see that we have really effectively made the case that we need more investment in HIV. I think I would also like to see us say, you know what, programs are starting to look pretty similar, because if one country has a problem with procurement, they go on the internet, and there is a whole network of people that will help you solve that problem.

We have learned that you can bring together HIV, TB, malaria, and maternal and child health programs in one service delivery mechanism. Here is what it looks like for us, and here is what it looks like in 15 different countries, find the one that works best for you, and then through the Bank, through other organizations, the World Health Organization, we provide the technical assistance so that people are actually feeling that every new dollar that is coming in is helping them to

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build the system they want, that will not only work with HIV, but other diseases as well.

Moreover, these systems are going to protect them from diseases that we do not even know about yet. Protecting them from the diseases of the future can only happen if you put those systems in place. I have been talking about this for years, I would love to finally see us say, you know what, we have really committed to the science of delivery, and that is not available to every country in the world.

They are able to use the investments, in a way, that's going to help in so many different ways, we have stopped investing in things like fuel subsidies, we are now investing in things like social protection programs. If we can bring science to it, I think it will illuminate the various arguments we are having in a way that could be very helpful, and that will actually help us eradicate poverty.

**MICHAEL GERSON:** On AIDS policy, all of these panelists have helped move the world from despair to hope, to a hope beyond what many of us hoped, which is the beginning of the end of AIDS, and please join me in thanking them for their contributions and for their presentations.

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