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Advancing Country Ownership
Kaiser Family Foundation
July 18, 2010

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JENNIFER KATES: And welcome to what is the first official day of the International AIDS Conference. And congratulations to everyone for being here early. My name is Jennifer Kates and I am moderating this session. I am from the Kaiser Family Foundation, which is a U.S. based independent foundation. Today, we are going to be discussing a very, very important topic on country ownership. It's a satellite session organized by the U.S. Government State Department Office of the Global AIDS Coordinator.

And I think what's really important to note is that this is one of two sessions that is being organized by the PEPFAR Office to focus on topics of critical importance that are challenging and difficult to get your hands around. And so, we should commend them for devoting so much time to this discussion.

We're going to have a long morning to discuss many aspects of this and we're going to break it up into different sections. So in a moment, I'm going to introduce Ambassador Eric Goosby, who will welcome us officially and give us a sense of the overall goals of this session. And then we're going to have our first two panelists come up.

And we will hear from Darius Teter who is the acting Vice-President of Compact Development at the Millennium Challenge Corporation in the United States. And then we'll

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hear from David Wilson who's the newly appointed Director of the HIV/AIDS Program at the World Bank, both of whom will give their perspectives on country ownership, on working with countries. And then we will have a discussion with all of you, and then we'll go to the next panel.

So, it's my honor to be able to introduce Ambassador Eric Goosby, who is the United States Global AIDS Coordinator who leads all of the U.S. Government's Global HIV/AIDS efforts around the world and oversees implementation of the U.S. President's emergency plan for AIDS relief, as well as our government's engagement with the Global Fund.

Before that, Ambassador Goosby was the CEO and Chief Medical Office of the Pangaia Global AIDS Foundation for many, many years, and was a professor of clinical medicine at the University of California, San Francisco, and has a long history working in HIV/AIDS and many of us know him from the different roles he has played and we're very excited that he is the coordinator, the ambassador or PEPFAR and who will come up and tell us more about the session today. So, welcome.

AMBASSADOR ERIC GOOSBY: Well, thank you. I want to commend you all for getting up here on Sunday morning at nine o'clock. It's been a hot week and we have kind of been pleased that the weather has cooled down today. It's really been quite a sequence of a heat run in Vienna. I'm really happy to welcome you here today.

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This is an important conversation for us within the PEPFAR family; we have had a real evolution of our understanding of the importance of how the normal maturation of the PEPFAR programs into more of a country centered leadership focus.

And it is our hope that over the next phase two, PEPFAR two period, that we are going to aggressively move to supporting and nurturing capacity expansion in countries so they can play a leadership role in actually taking management control of the programs that we have worked with, that we work with governments, and civil society in countries in terms of the broader idea around country ownership, that it is both government, as well as civil society that must come to the plate.

During this session, we will hear a number of perspectives on what we all have different kind of definitions and nuances to country ownership. What we're really trying to focus on is really centering for all the U.S. programs, PEPFAR and the Global Health Initiative, which is kind of an umbrella idea of taking an integrative approach to USG vertical programs. And allowing those capacities that are present in a vertical program to also be available in another vertical program.

So really trying to expand in our maternal and child health platforms, family planning platforms, or in HIV/AIDS

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platform, to move the capabilities of that service site into also making available to the patients in front of us, the services from what was available in another vertical platform.

So for HIV/AIDS, we'll move more towards maternal and child health and family planning; in both capacity expansion within that site, but also referral and consultative relationships. To make that a real access point to a variety of different services, that kind of entry access point with multiple services being available through it is a theme that will put into our own platforms on HIV/AIDS, but also the other USG programs will do it more for moving toward creating an HIV/AIDS testing capability, staging, and initiation of anti-retrovirals where appropriate.

We will not only be able to make services available to the same populations that we have been serving in these vertical programs that are outside of that per view, but we will also be able to save resources significantly by collapsing management of multiple programs under one management system, one procurement distribution system, one pharmacy, one motor pool, one formulary that will allow for multiple areas of significant savings to allow us to put those resources back into program expansion.

So, it's a central theme in a time of economic severity to really push us to become not only efficient, but to look for opportunities to create those synergies that truly expand the

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service capability to meet the needs of the patient in front of us. The idea of aggregating those resources above the level of the service site is the theme, so the provider in the service site can respond to the needs without being encumbered by funding line restrictions.

So, we're very happy to kick off our satellite time at this conference with a focus on what we feel is the critical hub in the spokes to really pushing our programs from an emergency response to a permanent embedded service capability that lasts for the 20 or 30 years or more that these services will be needed.

It's worth noting that the Abuja African Government Declaration asserted that their countries in sub-Saharan African particular would look to developing a commitment to going up to 15-percent of their overall budgets for health. We know that in this economic period of severity that this is a difficult challenge for our sub-Saharan African colleagues, but one that there's a strong commitment to try to support.

Our partner government commitment is essential, because each of the governments is ultimately responsible for the populations in their countries and that relationship needs to be honored, respected and supported in our USG relationship with them.

Civil society within a country is in the best position to guarantee that the government commitment and as donors, we

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are in a position to also support this. Remain steady, constant, that civil society is in an ongoing dialogue with government to ensure that those relationships of financial commitment, management and oversight remain.

This is not to say that we think that really any of the countries that we're in will be able to take the full burden of the resource demand that are needed. We know that that's not possible, in many instances, or likely for many years.

But it is the commitment to march toward that goal that we hope we can begin our partnership framework strategy within the PEPFAR families of relationships now has started is the mechanism through which we hope to engage in a new dialogue that will allow us to talk specifically about the country's contribution to the program, on year one.

And as we move into year two, three, four, and five, that we track and monitor and hold each other accountable for country contribution, USG contribution, global fund contribution and other bilateral contributions; all convened, monitored, and orchestrated by the partner government leadership.

So, that idea of moving toward that effort will not abdicate our need to be responsible for the resources and reporting back to our congressional appropriators as to where and how that money was used. But it does give us an opportunity to create, I think, some innovative transparent

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entities that allow for transparency, audit capability, et cetera. And I'm confident that we can do that with very little difficulty in most instances.

We are going to hear from a number of different perspectives from the private sector and working through the MCC project that the United States Government has, which has taken great steps down the road in establishing really partner, true partnership relationship with countries that converge around a commitment to both resources as well as management relationships with program.

We will also have a global perspective presented by Michel Sidibe of UNAIDS. He's going to take some time later this morning to speak to the perspectives from the World Bank, Becton Dickinson, and as I said, the Millennium Challenge Corporation; each with a unique insight into how to establish, nurture, and work within a relationship with country that increases their ownership, oversight, and control of these programs.

So, without really going into anymore, I'm going to again thank you for coming. I look forward to a healthy exchange. I hope that this can be truly a dialogue with each of you bringing questions, issues, concerns, or differences with what you hear.

We want to hear what you think. Much of our intent here is to allow us to begin to farm you and the looking at the

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nuances of this relationship so we can better inform our program and how to make this transition into a successful one. So, I want to thank you for this I guess, Darius, we'll have you come on up and let the dialogue begin. [Applause]

DARIUS TETER: Thank you, Ambassador Goosby. And good morning. I'm awed at how smoothly you could do your presentation almost never looking at your notes. I doubt I'm going to be as smooth. The title of my presentation is Country Ownership and Program Design from Principles to Practice. The original title was Country Ownership, The Good, The Bad, and The Ugly; which I meant to be a little bit provocative.

And what I really want to talk about is how the Millennium Challenge Corporation has struggled with implementing a true and meaningful concept of country ownership from our inception in 2004 until the present. So, probably a lot of you don't know what the Millennium Challenge Corporation is. I promise I only have two slides on the topic.

We were established in 2004; we're wholly U.S. Government owned corporation with an independent executive board that's chaired by Secretary Clinton and includes four private sector members. Our mandate is to try to reduce poverty with our partner countries through economic growth stimulating projects. So these are projects that would attract investment and create jobs, and ultimately result in income in the pockets of the poor.

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Our programs are relatively large-scale and typically for five years we call them compacts. Our partners are a selective group of countries that are chosen on the basis of 17 indicators that attempt to measure good governance investing in people, in particular, health and education and providing basic economic freedoms.

These indicators are from international organizations, NGOs, they are not U.S. Government indicators and our board selects partner countries typically every December. Apart from the principle that good governance is a fundamental requirement for development, we also believe in country ownership and accountability for results.

These are our partner countries right now; the ones in boldface are the ones that are currently under program development. The ones in normal font are in the midst of or are beginning their five year compacts. You can see we have a very large presence in Africa.

Our typical programs are largely infrastructure based, so that includes transportation, agriculture, irrigation, water supply, and sanitation, some health education, community services, governance, finance, and enterprise development So with that, I'll get to the heart of the matter. When MCC talks about country ownership, what do we mean?

Well, I think the founding principles are pretty hard to disagree with. The local solutions are better than imposed

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ones. The governments that take charge of their own development are more likely to see those programs through; to take the difficult decisions that they need to undertake the difficult policy reforms, which we believe are preconditions for the sustainability of the programs.

So that's the principle. That if the governments, your partner countries that you work with take the lead in developing their program and developing their strategy that it's more likely to succeed. So what does the practice look like for us? I think in the early years, in 2004, 2005, MCC tried to stay very true to a quite purist idea of country ownership.

And we invited our partner countries to submit any project proposal that they felt would help stimulate economic growth and create jobs. We provided very little guidance; we provided very little structure. And what we got, as you can imagine, was a very mixed bag of approached and project ideas.

We also asked that those proposals be largely and widely consulted. And the way that was interpreted without any real framework was typically nationwide public town hall style meetings. And the first lesson that we and our partners learned right away was that nationwide consultations creates nationwide expectations, and 99.9-percent of the people consulted will be disappointed 99.9-percent of the time.

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The second thing is that if you don't have any upfront understanding or agreement or engagement about what is the world of the possible in how you are developing your programs. What you end up getting is countries expending a huge amount of time and political capital for a proposal that ultimately may not be appropriate for funding from MCC for a variety of reasons that I'll get into.

And so then we ended up going back to them and saying thanks, this is good, but the oatmeal's too hot or the oatmeal's too cold, it's not quite what we were hoping for. And that created a huge amount of frustration and a lot of time spent doing redesign programs over and over again.

So I think the first response in around 2006 is that we realized that even trying to respect country ownership in a fairly pure form, we needed to have some kind of boundaries around the world of the little possible. So what we started doing with our partners was called a constraints analysis. And this is not directly relevant, I guess, to a program focusing on public health policy and HIV/AIDS, but there are some things you can take away.

The idea behind a constraints analysis is what are the core and fundamental constraints to economic growth in this particular country. It could be constraints to mobilizing savings, constraints to domestic investment, constraints to pushing job creation into the formal economy. Let's do an

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analysis of this together and it's driven by our countries and agree on some boundaries on what would constitute a proposal that would be appropriate for MCC funding.

What we found around this constraints analysis which might say your number one constraint is mobilization of finances in weak financial sector or your number one constraint could be your export policies and all of the policies related to agriculture inputs.

What this did is it allowed your champions in government to push back against the pet project from the minister of pet projects or whoever it was that was pushing some big giant light up the elephant that every other donor had said no thanks.

But it also helped them push back against MCC. Because one of the surprising things I found was that if I sent my agriculture specialist to a country, by god, they were going to come back with an agriculture project. If I sent my road specialist to a country, they were going to come back with a road project. So, our partners needed to be defended against us as well.

Our preconceived notions about what this country needed and what the projects were. So, having an analysis of these constraints and putting some boundaries around where you would work served both to help them deal with their own strong and

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powerful political interests, but also to deal with us. And that was a surprise to us.

I think the other thing we learned is when we talk about country ownership, who exactly is the country? And it matters who you ask. Ambassador Goosby made the good point that reaching out to civil society is the first step in ensuring sustainability and holding our partner countries to their own commitments, whether it's country contributions, sustaining institutions and their own national budgets, but I think it's even more than that.

Every country I have found has this sort of standard group of stakeholders, whether it's the Chamber of Commerce that's loud and vocal, the umbrella group of NGOs that gets invited to every single conference, every single consultation, by every single donor. And what we found is that to really get into meaningful project design, you need a different group of stakeholders. You need the stakeholders who are affected by that particular problem.

So if it's public transport in a city, it's the bus drivers, it's the bus company owners, it's the bus users, it's the police, it's the ministry of transport. The group of stakeholders that are relevant to any particular program design can be very well defined, they are not necessarily in agreement with each other, in fact, that's the whole point, they're typically often in opposition to each other.

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Getting them all in the same room to have meaningful consultations, coming to an agreement to what the problem actually is, not necessarily in agreement in what the solutions are, but rather an agreement of where we want to be, where we are and where we want to be. All the discussion after that is how we get there and what's holding us back.

And of course there's winners and losers and that's the reason why we're not where we want to be. And that gets back to the country culture and political context of consultations. So I think my other take away is that in every country where we have tried to do with our partners much more in depth stakeholder analysis around a specific problem, we found that it plays out differently in every country.

What the constraints analysis does is it enables you to identify a smaller world in which to do your stakeholder consultations. And this, I've already described it, we call results of this project design, it's not my terminology, this terminology comes from the Asian Development Bank, the World Bank would call it a logical framework approach, UNDP would call this an output based approach, the idea here is simply to track that virtuous chain from a bunch of activity which costs money to a bunch of outcomes that we can all agree on.

And it's all that stuff in the middle that's the absolute most difficult part of really, really, doing meaningful engagement with a country and how to design a

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program. The last line there is meant to be a little provocative. Quite often, if you do a really careful analysis of the key problems that you're trying to solve, you'll find that actually money is not the problem. It's policy.

So what is a more realistic approach to country ownership look like for MCC? Well, I mentioned the constraints analysis. The other thing that we've started to do is we've tried to be more clear in what are the attributes of the type of investment that MCC would be able to fund? I mentioned having a sound program rationale that goes from activities to the outcomes that could be measured.

Frankly it's also the capacity of the project sponsor. What is the policy environment to the policies, to the prices, to the market signals. Do they support an environment for the project that's being proposed and will they ensure and allow for sustainability? Implementation risks of all types, crowding in other actors is really meant to be a broad statement.

We want to make sure that when we are proposed a project from a country, that in fact, they're looking for opportunities for us to work with the other donors that they're already working with, to work within the systems that they already have rather than to basically ignore the Paris Declaration and start some giant new structure from scratch.

And I think this looks like a very obvious list, but for every one of these bullets, I can promise you that what we

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have found is that our understanding of what each of those means can be totally different from the understanding of our partners. So, when they think about a sustaining policy environment and what we think about a sustaining policy environment, we may see that completely differently.

So, even though we are having an early and much more intensive upstream engagement about these attributes of a good investment proposal, it doesn't mean we actually understand each other. And that I think highlights the importance of a much more of a partnership, an ongoing and enduring dialogue in a relationship; a relationship of trust where you can have these conversations.

The other problem with having a whole bunch of project attributes is you may find out that there in fact, isn't a project. And that was my point about when you do all this analysis and you figure out that the problem isn't money, that's what I have found so often in the productive sectors, here again, I'm not referring specifically to the issues of public health policy and HIV/AIDS, I'm referring here to things like why there's no water for irrigation, or why the roads are all busted.

So once you've identified those projects, which are pro-poor, which are within the capacity of the sponsor, which have a high potential return, can be completed in five years, have manageable social and environmental risks, and the policy

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environment is supported. And somehow no other donor or the government has happened to stumble on that amazing project; is that project even there? And this is where we've actually ended up a couple of times and then had tried to back up and say okay, what are we missing here?

Getting to yes, this is a very quick summary of the next stage after we ask our partners to do this stuff, we ask them to send us a concept paper, 15 pages that I want a program rationale. Who would do it? What's their experience in implementing that project? What's the budget? What's their contribution? Who are the beneficiaries? How long will it take? What are the implementation arrangements?

And rather than giving us a 200-page proposal that takes two years to develop, we ask for a 15-page proposal that takes a few months to develop. And that proposal forms a basis for a mature, honest dialogue about what projects have a chance and what projects should be pushed off the table.

And we can do that early before too much political capital has been invested in those programs. That's the idea behind the concept paper in which we put through a peer review, it's an external peer review, we share this with the other development partners and donor agencies who have more, MCC is always the new kid on the block, so we're looking for people who actually know that issue and know that sector and know that country.

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The other thing that we're doing differently now is that we're providing very substantial grants for detailed program development. This is a key thing. We can agree on a concept, we can agree on the outcomes, we can agree who the implementing entity is. But as a manager of U.S. tax payer money, managing that fiduciary risk, I have a standard of feasibility and engineering design and environmental and social impact assessment that is frankly higher than within the capacity of a lot of our partner countries.

So rather than going back to the oatmeal is too hot, the oatmeal's too cold, we're not quite satisfied, we're providing substantial grant funds to actually do that level of the technical feasibility analysis, environmental and social assessment. Before we actually sign a compact, we do appraisal of those findings, and together we negotiate the final form.

So what are the lessons along the continuum? And I'm sorry to have probably run over here. What are the lessons on this continuum from principles to practice in country ownership? I think we've come away still with a very strong appreciation of the principle as have our partners.

I think our partners continue to experience some frustration with the practice of country ownership, how we practice it. And that gets back to the importance of communicating, first of all, when we say country ownership,

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what exactly are we talking about that's owned, and secondly, who is the country?

The third point is that as I said before, very wide variety of experiences. Different countries have different cultural norms about civil society consultations, about that type of dialogue. You have to be sensitive to those, but you also have to figure out where you can push those boundaries.

And the civil society organizations that are most effective in our partner countries are the ones that know how to do that. We're ignorant, we have to rely on them and we should. There's always going to be a tension between ownership and stewardship, particularly in implementation.

You mentioned the need to put more responsibility on our partners for implementation. MCC has \$700 million programs. We only have two ex-patriot American staff in the country because we expect our partners to do the lion share of the work. That sounds very pure, of course we have our own procurement systems, we require audits every six months, we have an enormous paper trail that we produce for our Inspector General for OEG, for the Auditor General, our government accounting office, and also for Congress.

So, we do expect our partners to implement, but we do expect them to implement in a way that protects our fiduciary responsibility and there will always be that tension that doesn't go away.

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The other thing I think finally, is that owning policies is more important than owning programs. Having an agreement on what are the fundamental changes or policies that are required to ensure that a program continues after when this donor is gone or after that donor is gone, there's nothing more important than that. And it is the toughest thing to do.

This is for your reference if you want to get a hard copy of the presentation, these are the steps that we go through, so you can ask the question have we strayed too far from country ownership? Are we back to prescriptive model? I think the answer is no. But I think our partners will have different views, some will say yes, some will say well, you've taken too much away from us. Thank you. [Applause]

DAVID WILSON: Thank you. I won't be using slides, so we could put the lights up if that would help.

I've been asked to talk about some of the World Bank's experiences in country ownership and to draw possible links for the challenges facing the USG. And I think if we reflect on the World Bank's experience in HIV, the first question to ask is, is there really country ownership. And I think the maps, our World Bank multi-country AIDS programs are an example of this.

They were really demand driven AIDS initiatives before there was a real recognition of the importance of AIDS, the first billion dollar AIDS grants. And I think in reality, in

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retrospect, often the country ownership of these grants was much weaker than we would have wished.

I think the first challenge that's faced us is, is their real ownership, or have we papered over the ownership, with our grants, with our activities, with our own desire to put an issue on the agenda.

And I think that's very relevant for the phase we're at now in the AIDS response because a colleague of mine, Peter Lamptey [misspelled?], always says that we are witnessing an era in which the allocative choices for AIDS financing are moving from donors to countries, and the only thing we can be sure of is as countries gain more of the allocative responsibility, they will prioritize other health challenges more than AIDS. And I think that's something we do need to consider. Sure.

For us, it poses the question would we be able to respect ownership choices and ownership decisions even if they result in reduced AIDS financing. And that I think is an issue we need to reflect upon.

The second and related point, if we look at AIDS financing globally today, up to 80-percent of it in many countries is what we call off-budget. It doesn't appear in the country's formal national plans or budgets. And in many cases, off-budget AIDS money is significantly larger than the country's on-budget health budgets.

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So we face an immense challenge trying to balance the large off-budget AIDS financing with the smaller, in many cases, on-budget health financing.

And a challenge for us then, is how do we work with countries to bring more AIDS money on-budget, to have it reflected in national budgets and be part of national financing choices? They relate to choices in terms of how we work, which we've had to address. Can we pool our money? That's something that our procurement policies have historically made difficult and it's taken us a long time to overcome it, but we finally have. Can we move towards budget support?

Something also that was initially difficult for the World Bank, but which we're now able to do. And the present challenge we face, can we consider results-based financing, or cash on delivery? In other words, loans or grants that pay for achievements. And we still don't have the right tools to do that and are working towards them.

Which leads me to my next point in the challenge we face in moving towards country systems. Do we have the right instruments or financing mechanisms for what we want to do? Do we have the best instruments to support transitions towards country ownership?

I've discussed some of these historical challenges already. Our difficulty in pooling money or moving strictly towards budget support. Our current difficulty in fully

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supporting results-based financing or cash on delivery financing systems. And having the right instruments to be able to support country ownership, to support stronger implementation is critical.

Echoing some of the points in the excellent previous presentation, I think a core lesson for us has been how much institutions matter. And I think a historical World Bank approach has been to create an institution that's fashioned for the purpose we need. So, if we need to do an AIDS project, we create an AIDS council or we create a project management unit. A purpose-fit institution to serve our own purposes.

But I think our reflection has been that that is not usually a very successful approach. That it's usually better to try and transform the enduring institutions of a country, however difficult that is. And I do think, as we reflect upon country ownership, it's worth considering how many of the purpose-built, purpose-fashioned AIDS institutions that we have, such as some externally financed councils, will survive in the future.

And I think the bottom line is, we really do need strong, enduring, robust institutions if we're to make progress towards country ownership.

Also echoing the previous presentation, I think a core reflection for us is how much governance matters. And I think the best definition that I've heard of our wider health sector

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program is that we try to help countries to improve the governance of their health sector. We try to help countries to have better policies and make better choices.

I think that as we see declining or greater competition for existing AIDS resources, the governance of the AIDS sector is going to be critical as we move towards national ownership. For example, an institutional assessment we completed in one southern African country suggested the country was spending 20 to 40-percent of its AIDS budget on coordination before a single tablet or a single condom reached a single client.

And one can see how that could have emerged given the extraordinary growth in AIDS financing in the last decade. But it's not something that's likely to continue or to be consistent with country ownership.

Also echoing a point previously made, policies really matter. I think the most important legacy that we can make in a country is to assist a country to have the right policies and to make the right policy choices. And policies matter so much more than programs do.

I'd like to just touch on a related point and that is the contribution we can make through good analysis, through good policy advice, through good research. We've analyzed our overall AIDS and health portfolio, and we have found that our programs are more effective and more likely to be sustained if they're backed up by really good analytic support.

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In other words, the evidence, the dialogue that creates the policy change that we so badly need. And let me just give a handful of examples of where really good analysis, country owned analysis, can help countries. These aren't necessarily World Bank examples.

But take India, which by many lights must have one of the most successful AIDS programs in the world. One of the major reasons that is the case is about 70-percent of India's HIV infections are concentrated in three or four high-burdened southern and western states. That's historically where many of the financiers, including USG, have focused.

But it's also striking how India made a discreet, implicit choice to focus on these states. Not by saying they weren't going to have a national AIDS program that operated in all 32 states and territories, but by very discreetly prioritizing these high-burdened states in all of their allocations.

So quietly and undemonstratively, three-quarters or more of the money flowed to these states. That makes a program much easier to own in the high-burdened states, much more sustainable because it costs less.

And take a comparable example in the Philippines. We now know that about two-thirds of Philippines' epidemic is among gay men in metro Manila. If we want country ownership, do we really say to the Philippines, we need a national program

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for your 800 new infections a year that extends into rural Zamboanga?

Or do we say what we really need is largely ownership of a municipal program in your capital city, metro-Manila? And the reason these things are so important is, I think we haven't supported African countries to make the same difficult choices, to take the same ownership.

Many big federal countries in Africa, and if I could use Ethiopia and Nigeria as an example, face considerable pressure to invest equally in all their states, even though some of them have the most heterogeneous epidemics in the world, ranging from zero in some states to 20-percent in others. Real ownership, real effectiveness, real sustainability means taking charge and putting the money where it needs to go.

I'd like to move briefly to incentives and to argue that, for real ownership, for real effectiveness, incentives really matter. And the Bank and USG have collaborated in studies in Rwanda that will be presented at this meeting, that show that paying for performance, rewarding health facilities for good performance, dramatically increases the range of priorities that Ambassador Goosby spoke about – thank you – including both HIV outcomes and wider child and maternal health outcomes.

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We've seen interesting work from the Center for Global Development from Nancy Birdsall and her colleagues, whose senior team members, including Ruth Levine, have recently become part of the USG's revitalized monitoring and evaluation effort.

Arguing that one of the ways we can make aid more effective, make country ownership stronger, is by transforming external aid into cash on delivery, paying countries when they achieve results. And that's something that will also be presented at this meeting. And I think it could be an interesting and important way in which international financing could in future complement national financing and make aid far more effective.

In a smaller scale, we've seen so many dramatically good examples of how incentives can truly matter. Take the example, also a shared World Bank and USG example, of using motorcyclists to serve as motor taxi drivers in Uganda and Afghanistan, two very discrete countries, to serve as taxis to bring pregnant women to clinics for early presentation and delivery.

Transforming these young people into the most active and vigorous and incentivized maternal health workers with huge, in some cases 90-percent, improvements in presentation and attendance. So I really think incentives are the single most robust mechanism that we have and which we've not

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exploited to radically improve the effectiveness of aid delivery.

I was asked to touch specifically on monitoring and evaluation. And I think here, we have an immense opportunity to learn from our mistakes because if we were going to design country-owned monitoring evaluation systems, we surely wouldn't design them the way we collectively, whether World Bank or whether USG have designed them, today.

Countries cannot manage monitoring and evaluation systems designed to report up and out, designed to report externally, on hundreds of indicators. Designed to report at two, four, or five yearly intervals, that provide no real-time information to manage national programs. If we are to have real ownership of monitoring evaluation, if it's to be used for management, then it needs to be real-time, it needs to be actionable.

And just take two examples from what I think is one of the best-conceived programs, India's Avahan program, where a brief review of their management information showed that a national trucker program that was operating a thousand sites, could be reduced to about 80 sites with an attendant quadrupling of coverage of sex workers and truck drivers. Real information for real strategic choice.

Similarly, early in its grant management program, the same project, Avahan, found that the performance of their

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contractors in each state varied by a function of up to 80-percent. Simply publishing the data monthly on coverage by each of the state partners quickly led to convergence. And that's what we're going to need if we're to improve effectiveness and install ownership.

Having discussed several somewhat abstract things as I move towards my concluding points, I also just want to emphasize a point that was really highlighted nicely in the first presentation and that is the importance of pragmatism. Talking about ownership, talking about systems, can be very abstract, and I think we need to reflect that the PEPFAR program has created a truly unique treatment legacy.

I don't think any of us believed we would have five million people on treatment in 2010. And preserving that awesome legacy will always need pragmatism. Balancing abstract possibilities against the constant challenge and burden in the field of maintaining services. And I think that the guiding principle to use is the principle with which Dr. Johnson refuted Bishop Berkeley. If you see a rock and you doubt it, kick it. [Laughter]

I do think, in my concluding remarks, as we move forward, we need a new type of practitioner and a new type of practice. And I think the missing piece of so much of what we do is what's becoming called implementation science. The science not just of knowing what to do, but how to do it, how

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to manage it, and how to implement it. And I think that there are three key elements of implementation science.

The first, epidemic characterization, the second, service delivery, and the third, impact evaluation. And I think we need a hybrid practitioner. What I call either the imbedded scientist or the reflective practitioner. But we do need implementation science, and we do need to unify science and practice.

Which leads me to another challenge for ownership for sustainability and for effectiveness and that is the core challenge of making prevention work, of getting better prevention evidence. After all, despite the complexities of treatment, we know that treatment works roughly the same way in South Africa, in China, in Papua, New Guinea.

In contrast, prevention is context-specific. And we simply haven't focused enough on prevention evaluation so that each new prevention effort is better than the last one. And yet as we all know, effective prevention is the key to a sustainable future.

And then, finally, I'd like to close with a comment from a very respected colleague of mine now retired at the World Bank, Susan Stout. And she always says that we are in development to help our clients to become more intelligent. And if after a decade of our lending and borrowing our clients are no more intelligent than they started, does that make us

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stupid or intelligent? And I think it's a marvelous criteria to apply. Moving collectively towards more intelligent partnerships and more intelligent and empowered clients.

Thank you. [Applause]

AMBASSADOR ERIC GOOSBY: You know, those were two really fascinating presentations and food for thought. I just wanted to really formally acknowledge David's new appointment as the Director of HIV/AIDS Office Oversight in the World Bank. And this is a new appointment. It's one what we're very proud and happy that World Bank has engaged in and we're really honored to have you here today.

JENNIFER KATES: Thanks to both of you. We have about 10 to 15 minutes for questions and actually, I'm going to start out with one question for both of you, and then open it up.

The first is this issue of, I really like the idea of the constraints analysis which you prefaced by saying I'm not sure it's applicable, but I do think in many ways it is. It's really starting with the boundaries of where a country is, so any more you can say about that would be helpful.

My question is, to the extent you could give some examples about the importance of owning policy over a program or not just owning program, but owning policy. If you can make that a little more concrete, either of you.

DARIUS TETER: I'll start with the owning policies example. We're working with the government of Malawi which had

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proposed to us a lot of urgent rehabilitation of their hydropower network. Only 7-percent of Malawi has any access to electricity and in rural areas it's only 1-percent.

But there's a reason why the sector hasn't seen any investment for 20 years. And that reason is the policies around the sector's organization and management. If I didn't believe that the government of Malawi was aware of those issues, I would never risk \$300 million, which is what they've proposed, on this urgent rehabilitation.

What gives me comfort is that the most damning, hard-hitting analysis of the problems with the state-owned utility was written by the government, not by consultants. It was written by the office of the president's cabinet at the instruction of the president; please tell me what is wrong with this state-owned utility. It's a more hard-hitting, honest and frank assessment than anything a donor had produced.

And it's because that report was produced by the government at the direction of the executive that I was able to represent to my management that this may be a place where it's worth gambling \$350, \$300 million, whatever the number will ultimately be will be determined by our board and congress. So that's an example where policy comes first. Fixing hydropower projects is frankly the easy part.

DAVID WILSON: Thanks. If I could begin with I think what is a very positive example of owning policy, and I think

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it's one that's not always apparent from outside eastern and southern Africa, but I think it's the extent now of the policy commitment at so many levels to making male circumcision safe and available for people who need it. It's a policy that's owned by traditional leaders whether the Lewar Elders [misspelled?], Kings Weletinian [misspelled?], KwaZulu Natal.

It's a policy owned by the South African Minister of Health and it took to personally circumcise a thousand people. Happily, he is a surgeon. It's owned by parliamentarians and it's owned by the hundred thousand people in Kisumu who have already come for these services. That's a positive one, and I chose it because I think many of the others are less positive.

Take the example of wider prevention in southern Africa. I think we would agree, and this was a point also made earlier, it's not primarily a function of money. That reducing HIV in southern Africa is primarily an issue of dealing with the most sensitive social, cultural, and normative practices and only secondarily an issue of money. But I don't think we've had the policy commitment yet to confront these difficult choices to the extent that we would wish to.

And I think the third example that's simply one that's strikingly evident in Vienna which was chosen as a conference, as a gateway to eastern Europe and the former Soviet Union. Look how difficult it is for India's to do good programs for injecting drug users in context where the wider policy

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environment is simply so difficult. I don't think we even need to elaborate on these challenges to this group.

JENNIFER KATES: Thank you. Questions, if you could come up to the microphone and introduce yourself and then ask your question.

LISA HIRSCHHORN: Thank you to both speakers. Lisa Hirschhorn [misspelled?] from Harvard Medical School. I guess this is probably addressed to both of you, as this role towards country ownership and sustainability, we do a lot of work towards building capacity and I'm wondering in your roles whether you've had any work towards developing, what are indicators that we can actually use to measure the success of capacity, particularly in the interest of being able to actually look at that data as we're ongoing as opposed to five years at the end of a program? Thank you.

DARIUS TETER: That's a good question and a tough one. I mentioned that one of the principles of MCC is accountability for results. More than 90-percent of our investments are covered by impact evaluations which were designed into the programs. They're sort of the definition of unsustainable non-country owned impact evaluations because we're putting millions of dollars against them.

We're going out and doing huge socioeconomic baseline surveys and follow-on surveys in years two and five – and very few donors frankly do that, and we're publishing all of that on

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our website, including both of the benefits that we said the program would achieve and ultimately what it did achieve.

I always joke with congress, I hope you'll allow us to survive that level of transparency because, of course, there will be lots of bad news.

We have not cracked the question of how do you have a meaningful impact evaluation faster. And the reason is that the way you really measure the effectiveness of an institution is in the outcomes of what that institution is doing, and I simply don't know, I mean, we look for intermediate outcomes, but these are simplistic things like, kilometers of road built.

I mean, who cares? It's really whether people are actually using those roads to send their kids to school, they're doing more frequent pre-natal check-ups at the clinic because they can get to them.

There are some intermediate indicators there that you would look for, but we frankly haven't solved the question of how do you know in a dynamic sense whether the capacity building you're doing with an institution is meaningfully evolving.

And I keep coming back to David's comment that if we haven't increased the capacity and intelligence of the agencies after ten years of trying, who's really the dummy here? It's obviously us. And I don't know the easy answer to that one. I

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think that results-based or cash on delivery is an exciting way to look at it.

We spent a very long time on a project in Jordan trying to understand how to do an output-based aid approach for connecting houses to water and sewerage. And we concluded that within our lifespan, which is a typical five year MCC project, the cash on delivery or output-based aid approach simply wasn't feasible because by the time the government would qualify for those funds, we'd be gone.

So we're sort of, we were sort of uniquely designed not to be effective in those types of more innovative approaches. And we're struggling with that. We're trying to figure out how we can do that.

DAVID WILSON: I would just add a sentence of agreement and that is that I think the real challenge is to measure capacity at the institutional level and not the individual level because I think in this, we can really strengthen institutions. Individual capacity building gains usually don't endure.

I also think it's really important to move towards outcome and impact-based indicators of progress and of evidence of capacity. And I do think that results-based approaches have promise although I very much like your caveat too.

DARIUS TETER: And if I may add one more thing. You know, we have to acknowledge that as donors, we are in fact

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creating a shadow economy. I mean, in the case of Malawi that I gave, almost 40-percent of what the government is spending is from external resources.

So that means there is, in fact, a parallel economy there. So when we are creating capacity, we're typically hiring those very same people that we just trained away. I mean, let's be totally honest about that. I worked in Cambodia for years, and that's what I saw over and over again. So, I don't know what the paradigm shift is so that we are no longer both creating and then immediately distorting the economy for that labor.

DAVID WILSON: And to add to the same point, I think there is a very nice example from the Commission on AIDS in Asia which suggests that Cambodia is almost entirely externally financed AIDS response costs two to five times as much as Thailand's almost wholly locally financed cost. And their conclusion is, in general, country-owned finances are much more effectively applied than aid finances. And I think many of us would subscribe to that.

JENNIFER KATES: Before you start, I'm going to ask that we be brief in our questions and we take two. We will go to your question and then your question just so we can get more questions out.

DRAKE LIPID: Okay. I'm Drake Lipid [misspelled?] of International HIV/AIDS Alliance in Ukraine. Two very brief

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questions. One is about role of the civil society because both your agencies working with government as a major partner.

At the same time, Ukrainian experience shows that civil society nearly is the only guarantee for adhering to international standards and effective practices. So, are you planning to maintain or increase work with the civil society to achieve this target?

Another question, second question is to achieve program sustainability and long-term impact, it should be more articulated. My proposal is to allocate a budget for this, to allocate certain indicators, and also, from my experience, every program ends and people forget about this. It's very important to feel the measurement of this success afterwards. In one year after the program end and three years after the program ends. Do you plan anything like this for your initiative sense?

JENNIFER KATES: And now please ask your question.

PAUL PEARSALL: Sure. Paul Pearsall in Gender Health. It was interesting hearing incentives and sustainability used sort of in the same context because they seem to be at odds with one another. You can see how incentives can lead to better performing countries and high performing services in the short term but do they actually lead to long-term sustainability?

DAVID WILSON: That's an excellent question.

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JENNIFER KATES: Okay. Let's let them answer, unless you want to take yet another one.

DAVID WILSON: I'll take it. On the first question on the role of civil society, thank you. If we didn't make that apparent in the relatively short talk, please let me correct that. The World Bank's map program spent almost 60-percent of all of its funds on civil society. And our strongest AIDS programs elsewhere in the world, such as Brazil or India are largely mechanisms for us to channel funding to civil society.

Now, I think in complete honesty, that works better where we have strong governance and where we have governments that are highly accountable to their people and to civil society. And so, in Brazil and India it works well. I agree with you that in countries with governance difficulties and countries that may regard civil society with suspicion, we have limitations which I think we haven't adequately addressed.

On the point about the trade-offs between incentives for efficiency and sustainability, I think it's a good point, but I think that if we were able to use incentives to deliver much more effective prevention programs, effective prevention itself really creates a basis for sustainability. And I think we sometimes forget how enduring prevention successes can be.

Thailand is a striking example of how a country that had an intensive program 20 years ago, and then largely

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abandoned the program. But most of those behavioral changes have become institutionalized and are maintained to this day.

So I do think that incentives are sustainable if they contribute to effective prevention and to fundamentally safer section injecting cultures.

DARIUS TETER: Just very briefly, for the gentleman from Ukraine, as I mentioned, we have invested a huge amount of resources in reporting on the impact of our investments up to five years after we make them. And so, even though the people involved in the projects may long be forgotten, the results will be out there and all of that will be public. And as I mentioned, I hope we survive that level of transparency.

With respect to public consultations, the question of consultations has bedeviled me and I think it's partly what David said and what I mentioned before, country context matters. In some countries there's a cultural trust or a tradition of consultations. And in every country there's a different mechanism for that.

So we don't come in and say you must talk to these seven groups. We first try to understand how does consultation traditionally work in that culture and in that country? But I'll be very honest with you, for the type of MCC programs which are typically these large-scale projects; it's very often and largely driven by government.

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It's some of the lower-value projects in terms of the costs, that we're doing where we're having much more success and seeing those programs being driven by societies. So that might be a farmer support program. It might be we are doing a girl's school projects in Burkina Faso.

There's the big ticket item, the dam, the bridge, the power plant, the road, which is going to be driven by government. But how you do that project - does the projects displace a lot of people? Are people being left by the side of the road because they can't afford to use the highway? That's the secondary consultation.

It's not the project selection consultation piece, but it's the making sure that project is designed to benefit the people it's supposed to benefit and not suffering from elite capture. Anyone who's worked in the Philippines has seen the thousands of ambulances that are painted in huge letters of the side, gift of Mayor So-in-So.

And the ambulance is mainly being used to transport rice. So, that kind of elite capture, those are the kinds of things when you've picked your project, how you design it, how you execute that project, ongoing consultation matters and frankly, civil society oversight.

The project that we're doing in the Philippines, which was piloted by the World Bank is called the Koahi Sids [misspelled?] Project, linking arms against poverty. In that

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project, it's the villages that determine what they want to build with the money.

They're actually trained to be the accountants for the money. Anything that's disbursed to that village as a block has to be put on a sign board and attached to the community center. So in a sense, you're activating your crowd sourcing, your project monitoring.

DAVID WILSON: A single sentence on that. The World Bank study in Uganda found the most effective reform we could make in the education sector was supporting the government to get schools to publish their accounts on the notice board outside the schools for local accountability.

JENNIFER KATES: Okay. Let's go to - we have three people, we'll take three more questions then we'll go to the next panel after that.

JUSTIN PARKERS: Thank you, Justin Parkers from the London School of Hygiene and Tropical Medicine. My concern is that I think we're missing the heart of what good governance is all about. And that's how we get the voice of the people and the needs of citizens heard by governments, and governments responding to that.

Darius Teter, you mentioned why the roads are busted up and why you can't find a project. We know how to fix roads, but it's the people who are in effect, bearing the burden of bad roads. Their voice is not heard by government and they

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don't know how to ask the government or demand the government fix those roads for them. And I don't think any external project solves that.

Similarly, David Wilson, you mentioned incentives. Yes, incentives can get you better outcomes for a single project, but the next problem that comes up for people if there's no outsider proving incentives to solve that, where are we? Compare that to a system where we actually try and build citizen's voices, where they know how to hold their governments accountable, know how to make demands on their governments.

When the next time they have a problem, the government has to respond to it, regardless of whether there's a grand or aid, or some other outside influence. I'm just wondering if you can engage in that a little bit.

HAMA RAUD: Hama Raud [misspelled?] USAID. I have two questions, one for each speaker. First of all, I'd like to congratulate our speaker from MCC, Mr. Teter. Thank you for taking all that clout from the Congress and maintaining the transparency, because I'm one of the beneficiaries.

I've been watching MCC as a hybrid practice in David's language, trying hard to translate policy made at this level into implementation and implementation finds that this has not been the center piece, ownership, country ownership like 20 years ago.

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So, thank you. I've been following all the products that came out of your website. So my specific question to you is we are translating, let's say all the lessons you've learned, we've put that into [inaudible] too. We are facing the same things that you have faced five years ago.

It's the targets that you had. We have 4, 12, 12 target, which is 4 million people to be treated, 12 to prevention, and 12 support and care. So you have this inherent tension between those quick points that we have to make and the country ownership.

And you have distilled that very, very clearly and you fought your fight because there was a lot of buzz and expectation when in 2004 when MCC was put together, but then after some time there was a lull. People thought it wasn't working. How did you manage those tensions because we are going to face that in about two or three years? That's your question please.

David, hi. Wonderful presentation. I have many questions for you, but in interest of time, if I had to pick one, it's on PBF. Because PBF is moving very fast in the GHI environment, as well as the PEPFAR too, as you know. I just want to call my other colleague here, who raised the same issue.

Is we, as people who have implemented PBF, know a lot of things about the complications in the design. Okay? So

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that's one thing to take into account. The other part is this mutual accountability. How do we empower the citizens to hold their governments accountable? I'm not saying PBF was not a magic bullet, but it's only part of the solution. So, could you just comment on that and make sure that we get this message as we put to PBF and design and implement it, please. Thank you.

JENNIFER KATES: We'll take the last question and then I'll summarize them for you, so you don't have to remember all of them.

MALE SPEAKER 1: Thank you. I come from Uganda [inaudible]. I'm very glad to be here, thanks for the presentations. I actually wanted to get the last implement from- is it David? From World Bank and I think the comment you said- you ended up by saying it colleague that the work of World Bank is really to make plans intelligent.

And I think in the context of country ownership, it kind of raises an alarm in my mind. How can we trust government to actually be intelligent about their local needs if the assumption, what is working rationale in the bank, is that they are ignorant.

And I think as we move forward, I think the idea or the question is how can we really trust countries in this ownership discourse to really be making choices based on their best information? But [inaudible], in other words they know

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nothing, you will get the second best that has no idea about the local knowledge and the ideas and prescribe things that actually are [inaudible] instead of by saying frustration about the prescriptive approach.

So I think the challenge is I think, are those institutions really ready to trust governments and countries to actually work with their own knowledge. I work in the university, but I don't call myself more intelligent than those people who are actually implementing programs. Thank you.

JENNIFER KATES: Yes. We had some excellent questions and several themes. One theme ran through most of them, which is citizen's voices and accountability. And then another was around pulling out of countries, the intelligence is already there, not assuming there is none, but how do you harness that? And there were a couple other detailed ones, but please.

DAVID WILSON: Could I begin with the last question and comment from my colleague from Makerere University? My point wasn't implied that countries were unintelligent. My point was to imply that if we, as international partners, worked with countries for a decade and if the country which includes its academics and its civil society is no better equipped after a decade, then the people who are really unintelligent and have really failed are ourselves.

So in fact, I think it's an argument for what you're saying. The way we have informed, articulate, powerful

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national constituencies with a strong vision is much less likely heard than external visions will be imposed.

And working in international financing agencies is nothing one likes more than a national counterpart with a strong, coherent, cohesive vision. And there's nothing one wishes to do more than follow that vision. Often, when we inadvertently impose things, it's because there's sometimes a national vacuum. So I think it's all important for countries to have their own strong visions of where they want to go.

On all of the comments regarding the limitations of PBF, thank you. And again, in a very brief presentation, one can sound simplistic. And I do know that my colleagues who worked with it are always emphasizing the challenges and its limitations. But then traditional budget-based financing hasn't been particularly successful either in many respects. I think we would agree. I also think we would all agree on the absolute importance of citizen's voice and citizen's accountability.

I would also underscore that it's often more difficult than we would wish. We had an excellent pre-meeting which focused a lot on India. And one of the senior Indian colleagues there said that India's national food assistance program, which had been in place for 50 years, was the best example they had of a completely unsuccessfully, scaled up national program.

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One which every Indian had eligibility for basic food grants, and almost no one gets them. And that isn't a country with quite vibrant local democracy. So, I think we also have to recognize strong institutions; strong accountability mechanisms also matter, alongside the critical point of citizen's voice.

DARIUS TEETER: I'll start with the comments from my colleague at USAID. You had mentioned that now what lessons have we learned in fighting this fight. I would just like to tell you that the fight's not over. MCC, I think was founded on some very strong principles that came along with a little bit of arrogance to be totally honest with you. That we would somehow disburse \$5 billion a year and transform countries with one compact, it was silly.

And the first four months after MCC was created, our appropriators and Congress wanted to know how come we hadn't signed any of these compacts. And then a year after we signed them, they wanted to know how come we hadn't disbursed any substantial chunks of money. Imagine this is an agency that was two years old and had 24 staff in the first year.

And then because we said that we would be accountable for results and that we would publish our impact evaluations, that we would design statistically significant, technical impact evaluations with controls, Congress took that to mean

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that we would be publishing results almost immediately after we started these programs.

So now the question is where's your results? And this came up as recently as this spring when our CEO was testifying before the House Appropriations Committee trying to defend our budget request. And we had members of Congress say yes, yes, that's all well and good, you said you're going to talk about you impact, but where are they?

And of course, the expectations are totally unrealistic, so the fight's not over. And making public policy makers in the United States aware of what it really looks like and what it really means to build these kinds of programs will require all of us agencies to work together and messaging.

With respect to the gentleman from the London School, the comments about civil society; I couldn't agree more. The question then gets back to my slide, who's country is it anyway? And who do we mean by country? Is it consistent for country ownership for us to tell a government, we're only going to do this program if you do x, y, and z with those civil society organizations.

I think we can all be agents for change, but at the end of the day, we are not going to be the ones that make it happen. We're not going to enforce a certain type of consultation. What we can do is ensure that our programs themselves and their designs reflect those consultations.

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And that's what I was talking about. A road is a road. How you make sure the road is put in the right place, how you engage communities in road maintenance where the government can afford it is something we're doing in Mongolia. There are a lot of other ways in which you can engage civil society and civil voices.

How you make governments accountable for the money that you're transferring, I think is, for me, is the key one. Even in a society where the government doesn't actually trust its own citizens and doesn't actively practice those types of consultations. What we can insist on is stewards of the project funds is a level of transparency around what they're being spend on. And that we can insist on.

And as I think as David said, that's hugely important because that is, in effect, giving people an opportunity within whatever legal structure they live in to hold their own governments accountable. And often it's local administration. It's even at the lowest level, it's local administrations. Thank you.

JENNIFER KATES: Thank you. We are a little bit over time, so please join me in thanking both Darius Teter and David Wilson. Thanks very much for - [applause]. Thanks very much for you candid comments and for giving us a lot of food for thought, for thinking about. I actually learned a lot, food for thought in that regard.

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We're going to turn to the next panel, which is part of this larger discussion on global perspectives. We were to have Michel Sidibe, Executive Director of UNAIDS comes now. He got called away for an urgent other meeting, but will be coming by in a little bit.

But are very pleased to have Tim Martineau from UNAIDS, who's the Director of Country Support there and recently coordinated a major consultation at UNAIDS just wrapped up last month with 15 or more countries on this very subject. So, probably is one of the people at UNAIDS best able to talk about this complex issue.

And we'll also here from Krista Thompson, who's the Vice President and General Manager of HIV AIDS and Becton Dickinson, which is a medical technology company. So we'll get some different perspectives going on the broader, global landscape here on country ownership.

We'll also hear from each of them, have facilitated discussion, take a break, and then we're going to hear from countries themselves. So, Tim.

TIM MARTINEAU: Thanks everybody and hello. And apologies from Michel. He's currently negotiating with the conference committee organizes for slightly longer to speak at the upcoming session. And I think he's got a few points he wants to make, so hopefully I am that this meeting will be at a time to take part in the afternoon's sessions.

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I wanted just to make a few points and it's difficult to follow some of the points being made by David and Darius and indeed, some of the comments that you were all making at the beginning there, which repeat some of the points I was going to make. So apologies if we touch on some similar areas, but hopefully they will gel as key points emerging after these discussions.

I wanted to start just by being a little bit pushy and suggesting that really at the end of the day, ownership is nothing new. This is not somewhere that is just emerging now as an issue. It's been part of the development scene as it were, for many, many years. And I think one of the interesting things for the AIDS response is in many ways, the AIDS response was born after the frustration of the failures of the development scene; and has actually come at it from a slightly different perspective.

And as a consequence, some of the challenges it is now facing are as a result of that, but has also come up with a number of solutions and approaches to resolving issues around ownership and development that are new and are beneficial. So it's a good and a bad thing.

I would also think that at the end of the day, really ownership is not something new to the AIDS response either. Back to the early days of the response. There was a very clear need and articulation of the importance of at that time, what

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was called the Claster's Leadership [misspelled?] and we still use those terms, we still see leadership as underpinning the AIDS response, and that doesn't just mean government leadership, it means the leadership from within society to the AIDS response. And that has always been a fundamental underpinning.

And indeed, concepts such as the three ones that UNAIDS and many of our development partners and countries have worked around as an essential underpinning of the country response are elements and essential elements of the ownership. As David also pointed out, and I also raised the point that in many ways, Uganda, Thailand were classic examples of strong ownership leading in response and delivering results.

And the failures in policy in terms of Eastern Europe and some of the challenges it's facing there are examples where we are not seeing clear ownership to take forward the AIDS response.

But I also think it's a real opportune moment to reflect on what we mean by ownership. There is a great space now. We have to move from 5 million to 10 million to 15 million people on treatment and we have to put in place a new dynamic behind prevention that does essentially rely upon effective country-led and owned responses.

There's just three points that I want to make before talking about some of the issues that we covered in our meeting

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and discussions in Geneva a couple of months ago. The first is I think we need to make clear that a drive around ownership is not a drive around economic responsibility and then the clarity of the AIDS response. These are different issues.

Ownership is around the capacity and a range of other elements. They should not be seen as an exit strategy for the development partners, it is a long term agenda that we all need to continue to support. It is around defining roles and responsibilities and it's around providing space for dialogue and clearing national support for national responses and strategies.

The second issue is to make a distinction between governance and government. The point has been made by many of the people coming up to talk about the importance of civil society and I don't want to undermine the complexity and the difficulty of that, of the inclusion of margin population groups and citizens within the Aids response, but they are essential underpinnings of an effective response and we see that time and time again.

And try to find a way to do that and to link that to broader processes, call the democratic processes, call them with what you wish, but process or decision making that involve people are essential for that response.

The third I think is a particularly unique issue about the Aids response in that the AIDS response was born out of a

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global solidarity that actually sort of stacked around some of the issues of the nation, state, and country responsibility.

It was born from a balance between the north and the south and some of the challenges that we now face are a consequence of that. And the World Bank, David's comment, have done some nice work looking at the relationship between policy makers, citizens, and service providers. And in many ways, the global AIDS response has stretched the distance between those groups and made ownership of that and links between those three different groups more complicated and difficult to bring together. So we now need to see how we move that forward.

Michel, if he was here, would talk in many ways around what we consider to be the essential preconditions for ownership. I think we talk a lot about ownership needing to occur, but in our thinking there are some essential preconditions that need to be in place for countries to lead and own their response.

And we've located those within a number of dimensions and we wrote a very short paper, I don't know where they've been placed, but we've got a very short paper coming out of the meeting that we held in Geneva, it just highlights some of the key areas that we've brought forward.

We've located ownership for essential dimensions. One is around policy and strategy. The second is around resources. The third is in terms of processes. And the fourth are around

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issues of alignment. And to answer of some of the points being raised in some of the earlier questions, I think we can put a set of metrics against those things and we can start to track progress in terms of developing more effectively owned responses.

And the policy and strategy elements obviously are the answer to some of the questions being raised in the earlier session about the balance between what is a policy and what is a program? And how do we own those things and the essential need to have in place an effective and inclusive process of decision making and of policy setting.

The resources or elements are I think we need to make sure that we continue to keep a focus on results and I'm saying I think there's a lot still to be done in terms of the AIDS response and I don't want us collectively to move from a focus on results and delivering outcomes to a softer and less clear agenda around capacity building and system strengthening where we have a loss of focus on outcomes and we need to bring those two things together.

And within that, the decisions around what resources are useful, where they are spent and whether they are targeted in the right direction is a discussion that countries need to have and to own. The third area in terms of processes is in many ways the old agenda that we used to support in terms of the three ones is around coordination and planning and

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implementation and to continue to build on those and make those effective.

And in terms of alignment, again, just to come back to the issue of preconditions. I think it's easy to look at countries and say they don't own the AIDS response, I think we also, as agents of development partners need to look at ourselves and the way that we behave and the way we operate the way we work and the real constraints about making those create for countries to develop long-term responses.

And David, again, was making the point about issues about resources being off budget and off plan, but I think also there are concerns around the long-term sustainability of financing, the timely disbursement of resources and the sustaining and financing elements of a national response that actually resources need.

And I think that perhaps the most classic example of the failures of development, I personally, think are we can see within the human resource fair; where we talk a lot about the need for human resources for health and for other elements of the AIDS response. But our ability to put finances and to put long-term commitments to the development of that response is often lacking and is often not as strong as we would like it to be.

And I want to just summarize a little bit about in terms of the next steps and some of the issues that we will be

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taking forward in terms of trying to look at ownership and what it means at a country level. We have undertaken a review of the three ones in two regions now; we've had about five years of working within the context of the three ones.

I agree with David's point around some of the issues around the appropriacy or not of the some structural conditions that we're often linked to resources in terms of the establishment and the national AIDS councils or whatever other bodies and structures, and I think we're reflecting now on a slightly different agenda around defining a sector of the essential functions that countries need to be able to fulfill in terms of authority around AIDS. And this is some guidance material that we're in the process of developing.

But we want to go now, we had a consultation with about 15 countries in Geneva, really just brainstorming around issues of how do we define ownership, how do we start to measure improvements in ownership, what are the strategies that we need to put in place to strengthen it. That is a piece of work that we now want to take to countries, I won't labor you with a long- I'll give you a long definition of what ownership came out of that meeting.

Actually, I should have put it on a slide probably, but our definition was inclusive, multi-sectoral, national leadership at all levels in managing the design of effective AIDS policy and strategy, its implementation, monitoring,

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reporting, and sustainable resourcing as part of the national development agenda. And for ensuring broad results based mutual accountability mechanisms and national capacities to strengthen the AIDS response, so it's quite a mouthful.

There are a number of key elements in terms of it, multi-sectoralism, inclusion, monitoring, sustainable financing, and mutual accountability are a list of words that jump out linked to elements of capacity. So, we will be taking some of this work and to country level now to work with a number of countries in trying to articulate. We'll have a discussion with them about their agreement or otherwise on that kind of definition and the metrics of how we could track progress.

And then put in place in a number of countries, the strategy to work with them in terms of capacity building, of capacity development. And as I said, I think that's going to be an interesting balancing act to strike. There are key issues that countries need to address and there are also key issues that the donors need to address.

And were going to have to call people to account the table on some of this and that's something that we've done in the past in terms of looking at progress through our board in terms of the compliance of all partners to some decisions around the three ones, but we'll take that forward again.

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So that's where the work is got to, and we, hopefully, will be able to convene a set of stakeholders, such as yourselves, again to have a discussion around what that strategy looks like. Okay. Thank you.

KRISTA THOMPSON: Good morning. I am happy to see everybody here. My name is Krista Thompson. I am here to present the private sector views, so it is going to sound, I think, quite a bit different than some of the previous speakers that were really focused on some of the major pieces that need to go in place in terms of country ownership.

I really want to take a different slice in terms of how the private sector sees the importance of this and also how the private sector can contribute to some of the issues related to country ownership.

I do need to start with a very brief introduction to the company that I work for, BD, because it certainly frames a lot of our thinking. So, it is not only the thinking of a multinational corporation where we do business in many of the countries that are greatly impacted by HIV/AIDS, but we are also a medical technology company with products and services that are directly related to the diagnosis and care of HIV/AIDS patients. So, it's a unique perspective in that we are involved in a number of different ways.

My talk is in three basic sections. In the first is to really sort of define why the private sector is interested in

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country ownership and how we view that. The second is to give some practical examples of what we have seen as a company ourselves, in terms of our own involvement in some capacity building and in health system strengthening. And then, finally a few thoughts on moving forward on how to tap in and engage the private sector in terms of some of these issues related to country ownership.

I thought it might be interesting to take- the private sector and in this case, because I need to speak about what I know about, really is the multinational corporation perspective. Because we know that there are a lot of companies that are involved in public/private partnerships, they are involved some activity that's going on, in terms of field-based programs, they sometimes gets tapped for funding, a variety of different things. In pure business terms, I thought it would be interesting to think about why should the private sector care about health in the first place?

Some of this is obvious, but I often find myself describing this even to other people in the business world, about why active engagement in health is so important. The basis of a healthy economy is obviously needed to develop markets and the private sector should be very big component of developing a healthy economy.

You need healthy communities to have a healthy economy in the first place, and obviously those two are extremely

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interrelated. As an employer, you need a healthy work force in order to really drive your business. All of these things are interrelated. Obviously, the private sector has a very important interest in seeing that health and health issues are really moved forward in a productive and effective manner.

If I take it down one level further, as a health care company, in terms of providing goods and services to the health care environment, we really need a functioning health system in the first place in order for a market to develop. For all of those reasons, I think the private sector does have a relevant point of view in terms of country ownership and how we take a look at health.

I wanted to come into this presentation and not just represent the view of one company, so by no means is this a scientific poll, but we did reach out to some fellow companies who belong to the Global Business Coalition for HIV, TB and Malaria.

Just to get their feedback as well, in terms of how they viewed country ownership, the importance of it, and it is interesting, as a nonscientific sample, and these were people we could get a hold of first, quite frankly, but if you look at that, you see they are doing programs that are in all those different areas of the circle.

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Private companies are doing public/private partnerships in various aspects of things that are needed to have an overall healthy economy and healthy community.

Everyone is doing different types of work, so I think that it is kind of a representative sampling in terms of getting feedback. If you are a private company, and you are not on here, please accept my apologies, because I know there is a lot of great work going on by a number of different people.

The question was, well, what do you think about country ownership and how to you view that. We really got some common themes coming out of that feedback. Of course, I think everybody that we spoke with, that I have ever spoken with, I think the previous speaker said it, the concept of country ownership has been around for a long time; that is sort of a recent phrase and a recent focus.

Everyone that I spoke with would agree with everything the previous speaker said about how critical this is. The key theme is how critical country ownership is to the sustainability of all the collective efforts.

Companies spoke not only from what they might be doing at a small program level and a capacity building level, they even as major contributors to some of the funds that are going, you know, government funding and international aid, so sort of the collective Euros, yens and dollars that are going to the

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tax base that helps fund international aid. Everybody thinks it is really critical to have country ownership to have more effective and sustainable efforts in this.

There was also a lot of comments about defining country ownership and all the previous speakers have alluded to this as well. That it seems really critical to find the way to define at right level and everybody says that it is also comments that it is not about abandoning our responsibilities in terms of what needs to be done to address HIV/AIDS and other critical health issues. What are we doing to either contribute or inhibit effective country ownership?

My colleague from Heineken said that he thought that it was really important that defining the government as stewards and the leaders of the health of their citizens, was critical for success. But that we also had to be working at the right levels to build capacity; too high nothing moves forward, it is too fragmented, and you don't really get effective country ownership.

A big piece of this is also, again defining country ownership, is at the top government level or what are we really doing to build in-country resources at the civil level, the local level, everything to make sure that we are building the capacity to get true country ownership.

A number of companies gave examples of really building that in-country capacity, including a colleague from Standard

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Bank. He said that he thought that getting their on-the-ground associates within that country fully engaged in whatever their effort was really critical to building that capacity and then in country ownership.

Clearly, we all think that in-country ownership is critical for the effective utilization of resources. A big theme that came out, and I am going to speak to some specific examples from our experience, in terms of having integrated processes within countries, it is very critical and for us to be working to common metrics so that we can define programs.

We have to work at some local and smaller levels, but we need that policy environment, metric environment, to be defined so that we can assess how we are all progressing collectively toward some of those goals.

We all have seen instances where poor processes, the poor environment, is really leading to a waste of resources. We always need more resources, but everybody could give a lot of examples of where resources aren't going as far as they should be because they are not being utilized effectively. Country ownership of some of these processes and driving toward the effective utilization of resources is very critical.

Once again, I think, to echo some of the earlier speakers, this isn't just about what countries need to be doing to take ownership, but what are we doing to encourage and build that and also what about the processes of private companies and

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fundors and agencies may be inhibiting effective country ownership because of our own policies. That was something that I think a number of examples, if we had more time we could talk about a lot more examples, but that really came through as a strong theme. Really caring about the communities in which we work is something that the private sector can contribute to in terms of country ownership.

Kind of moving into the next session, I want to kind of move to just a pragmatic level. These are some of the things that we have experienced through our own activities. When British Robinson [misspelled?] asked me to speak about the private sector view and she wanted BD to share some of our experiences that we have done in laboratory strengthening.

It was very nice the way she did this, because she said, well, I want you to come and talk about it, I don't know how to say this. Well, I said, just say it. She said, well, the laboratory is boring and if we struggle to do some of the things that you are doing in the laboratory, when it is fairly straightforward and defined, how are we going to do some of the bigger issues in terms of big changes that might be needed at society level around prevention and things like that.

So with the caveat that I am now entering the boring but important component of my talk, I hope you will just bear with me and I will try not to delve into too many technical details on the laboratory. We do care about the laboratory a

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lot and when we look at the scope at everything that needs to be done to strengthen laboratories, this whole sphere are things that really should be owned by the country. This is just one small piece of what needs to be owned.

In terms of building an effective laboratory system within a country, and an effective laboratory services that the citizens can access, that really is the responsibility of the country. As a private sector company involved in this space, we really should be focused here, in terms of introducing new technology. That is our competency, that is what we should be doing and that should be our remit in life.

We are doing that. We have released new technology and continue to invest in more, but we were finding that we needed to engage in a lot of public/private partnerships capacity in this whole area because these were things that were absent. It is very difficult to be successful in terms of launching new technology without these other pieces in place. A lot of what we have done in terms of public/private partnerships is specifically focused in that area.

We have three, in particular, that we have done with PEPFAR and as a series of them over the last three years, starting with a laboratory strengthening program in 2007, some support for the ICM wellness centers, and, most recently, a new program to focus on safer blood collection. I would like to

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give you some insight for the laboratory strengthening, the safer blood collection program because they are quite related.

At three years ago, when we started this program, we definitely wanted to be supporting the work that was going on with the antiretroviral therapy, but we wanted to do that in a way that we were building laboratory capacity that could be utilized for other things. You don't need to go to a special lab for everything you need for anti-retrovirals or HIV/AIDS.

No matter what disease you have you need laboratory support. We wanted to build this, and we were also very clear, we were not calling it in-country ownership at the time, but we said that we didn't want to do something that was parallel or different or part from what the country wanted to do to build their own laboratory capacity.

We really had that clear vision from the beginning that we just wanted to be a player, we wanted to help, we wanted to build capacity where we could, but we always wanted to work with the CDC and the ministry of health in-country and others, not a very good term for the number of very, very wonderful partners that we have in this space.

So again, if you are one of our partners that falls into the others bucket, my apologies, but for the brevity needed here. And we wanted to really make sure we had agreement that what we were planning on doing in-country was

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bought into by the county and that we had joint plans that we worked on together.

We are very pleased with some of the work that has gone on in the last three years. And as a laboratorian myself, I would love to tell you about all the outcomes and the results that are really related to the laboratory and if anybody else has interest in the laboratory come up and talk to us afterwards because we would love to share it with you, but I thought it might be good to maybe take a look at the outcomes, more from what the private sector capabilities were that were utilized here rather than just the results themselves.

I think we started out, and it has been an evolution over this three years in terms of the types of activities that we have been involved with and, I think, it started out with typical technical assistance, doing some training, that's often where some of these programs start, but in terms of country ownership, how we really move from training individuals to trying to instill this as a process.

We started moving into much more focus on process improvement. How do we help a country set up their system for ongoing monitoring and evaluation of a process? Something like a quality management system and helping the country put that in place. My colleague Burt Helts[misspelled?]who leads the sevritz [misspelled?] said it best, we had no difficulty finding excellent trained people in every country that we went

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to who were perfectly capable of being trainers themselves, but some of the systems for how you do that and for how they need to operate and be successful, simply were not there. We did a lot of work in terms of process improvement.

We started doing a lot of work in resource utilization, in terms of providing capacity for curriculum development and leadership and management training. Some interesting things here in terms of country ownership and how some capacity building can support country ownership, we've actually been doing some strategic facilitation of plan development.

What that simply means is private sector people are really good at running a meeting and doing strategic planning. We actually have sent trained facilitators in to help countries put together their national lab plans. They own it, it is their content, it is their plan, but we were able to provide some strategic expertise in terms of facilitation and say this is an approach that would help you put that together.

We feel like some of these things are really far more effective in terms of long term sustainability and building that capacity in-country ownership then us going in and trying to specifically do laboratory-related programs ourselves. These are some of the countries that we have worked in.

Currently we have done a lot in Uganda and South Africa and are doing a lot of replication and planning for

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sustainability there; initiating phase in Mozambique and planning phase with the Ivory Coast and Ethiopia.

We are starting to see that we're able to utilize some processes and materials developed in one country to transfer those to another country, but always with modification. It always needs to be tailored to that specific countries needs. We are starting to get some momentum in being able to effectively utilize these resources.

I was also told that it was very important to talk about some of the challenges. Where we had this vision that we really wanted to be coordinated, we really didn't want to set this up separately, this is challenging. It is quite challenging to do.

I have listed a number of the challenges, in no particular order, and I have not ascribing them to any one entity or country by any stretch of the imagination, but these are things that we have run into significantly in a number of different places. Getting by and getting the right people, figuring out what to do is always very difficult.

I thought I would focus here a bit on a couple of things that got mentioned by the previous speakers to sort of give a private sector view of these same issues. One of them is simply the processes that are needed. Now, we talked about this laboratory program, the previous speakers were talking

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about 100s of millions - big, big money- this is not big money, these are small things.

What it takes to really make a significant improvement in laboratory may not be as big of a dollar amount as you might think that it is. Even trying to get a small program funded, all the money was there but it wasn't in the right bucket, at the right time, by the right people, that could actually initiate some things.

A lot of time and energy, and frankly wasted resource, was spent simply trying to get checks cut at the right time, to the right person, to get something done. This is a very small scale, so I shudder to think if you go to build a road or bridge what that must be like because getting lunch for twenty laboratorians for one week paid for is no small feat.

I think that these are some of the things where we see waste and in terms of effective utilization of resource because some of the policies and, I think, it really would be good to think about how can the country own some of these processes and other entities support it. Clearly this was the case where the private sector that we had our own processes so did CDC, so did PEPFAR, so did the country, so did our partners on the ground, and getting that all pulled together was quite, quite difficult.

The next thing is in terms of budgeting, there were comments made about that to, because a lot of this funding is

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separate from the main country budget it is very difficult to take a demonstrated successful pilot and figure out how to get it budgeted on an ongoing basis.

Even if that is discussed upfront, and there is a lot of agreement, the mechanisms for doing that are quite challenging. And so, I think this is also something that really needs to get addressed because nobody- in many cases it didn't seem like anybody felt empowered to even put a line item in the budget. Again, for relatively a small amount of money, for which there was demonstrated data that it was successful and we did expect a successful outcome of those resources.

However, we are not deterred. These are challenges but are things we feel are making progress on and want to keep doing this. And we just launched another program in terms of working on safer blood collection. And we've learned a lot from what we've done on the lab side and are incorporating some of that learning into this next program with safer blood collection. And just finished the pilot phase for this in Kenya a couple of weeks ago.

This bodes well in terms of country ownership, these were some letters we got from the ministry of health in Kenya. I am not putting these up here for you to see the thanks that they gave to BD, but to see that the ownership they are really taking for this program because they really see that it is their government's role in terms of providing quality health

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care services. Kenya clearly sees this as their program. Not the BD PEPFAR program, not the BD/CDC program, but the Kenya program, and BD was kind enough to come in and help us with that.

That is what we want. That BD should not be doing these programs. They should be the countries programs and we should be providing the support and capacity that we are able to provide to help accelerate that. It bodes well, so obviously a lot more work to be done moving forward.

So last but not least, I wanted to end on, if we say that capacity building is needed for country ownership, that country ownership is something that we have to keep focused on, it's a long term goal, but there are still things that have to be done today.

I want to leave with the idea of what competencies and capabilities can we potential tap into that the private sector may have that could be useful in this regard. Again, the private sector is not the primary owner of a lot of these policies and things that we are doing, but we may have things to add.

I just made kind of a random list of private sector competencies and these might be different by different companies, but a well run companies should have some of these competencies very strongly. Things like management and leadership development and project management, those kinds of

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things are we see companies invest a lot of money in doing this and these are capabilities that are often could use bolstering in terms of being able to effectively to own something and run with it in a country.

It is an interesting thought to think about how we might be able to tap into some of those capabilities, again, to help with that effort. What I think about how to effectively engage the private sector, whether you're a country, whether you're a funding agency or an NGO, or any of those things, a few things to think about. There are incentives for the private sector to be involved.

Some of the most obvious ones, I guess, it does give us the ability to visibly demonstrate, through action not just talk, corporate social responsibility and global citizenship. If you are doing business within a country, obviously, many of the activities that many of the companies are focused on are to by addressing the health of their work force they are improving work force productivity and moral, and attracting better employees.

From a multinational perspective, I would also say that the people that we deploy to do a lot of this work are also far more engaged and far more productive employees. They really get a lot out of being given the opportunity to help and do something. There is really an incentive there. By doing some of this we really are investing in the capacity in establishing

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a long term business presence to help develop the markets that we know need to be developed.

It is a longer term investment, but I think companies clearly see that and if given the opportunity to participate in a way that they can contribute their skills and competencies, it is very attractive.

Finally, I think this is something that maybe is thought of enough, our economy is becoming so global and so interrelated and really developing the competencies as a company to deal with multiple stake holders, government, nongovernment, different countries, different cultures, everything else, it is very important, and it will be very important to being successful in the future. These are certainly incentives to be involved in this.

There are some disincentives, and some of this was mentioned earlier, when you go to do programs private companies are often very impatient. Entities ourselves, we expect to see results and I was sort of interested in how you need to see quick results for the MCC and explain that to Congress as to why things don't happen overnight.

We are often explaining why things don't happen overnight in this regard. I think there is also some need for countries to see, there is always some skepticism of why is a private company doing in this space and can we really trust you and that kind of thing, so there is really need for quick wins

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on both sides. At the same time, we have to be planning for some bigger kind of effort. We don't want a bunch of projects or programs that don't result in longer term capacity building and ownership by the country.

There is of course a reputational risk of failed programs, because things are quite complicated. On the same token, it is challenging the measure of success. Failure seems kind of obvious sometimes, but measuring success is not quite as easy. Of course, the whole point of these discussions is how do we transition to and have sustainability from the country in terms of owning any programs that we're involved with.

Just to conclude, I think that the private sector whole-heartedly agrees that country ownership of health is critical, but it is certainly not a one-sided problem and everybody in this room can speak to a different angle of how we all own the issue of country ownership.

I think that the private sector has both an economic and a human interest in participating and addressing this situation. I think we have many of the needed competencies, not all of them, but many of them. If they could be tapped into could maybe help with this. I think there is also a general willingness to participate in building the capacity for effective country ownership.

Thank you very much.

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JENNIFER KATES: We actually had a brief discussion here and realized that we are a little behind and so we are going to skip questions right now, take a 15-minute break, and then come back because one of the ultimate goals of this panel—this session, was to get to country perspectives. We want to hear from the country representatives we have. And we'll fold in questions for both of these perspectives into the 12:30, if they can stay.

Thank you very much. Please join me in thanking both Kate and Tim for their remarks. [Applause]. So we're going to start promptly at —

[END RECORDING]

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