TIME Global Health Summit
Funding – Who, How Much, and What For?
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Are the U.S. and other donor nations spending enough on global health? Is lack of money the major constraint precluding countries from scaling up to reach the Millennium Development Goals? Constraints at the country level in terms of poor governance, corruption, weak financial institutions and legal structures, difficult macroeconomic situations, insufficient skills and numbers of the health workers, etc., can preclude developing countries from making effective use of existing assistance. What can donors and countries do to remove these constraints? Which countries are the 'success' stories and why? What are the most realistic options to increase global financial support for health? How are public-private partnerships making the difference? Most developed nations give for specific diseases or programs, such as AIDS or bed nets or the eradication of polio. But those on the ground often face more fundamental concerns, such as diarrhea or simple malnutrition in children. How can givers and receivers avoid this mismatching or alleviate the gap? Should ministers and other government recipients have more latitude in allocating funds, and help determine which programs they participate in? What should be the roles of the bilateral and multilateral development organizations? How can donors know their money is being well spent?

Panelists:
Nils Daulaire, President and CEO, Global Health Council
Rajat Kamar Gupta, Senior Partner Worldwide, McKinsey & Company, Inc.
Paul D. Wolfowitz, President, The World Bank

Moderator:
Michael Elliott, International Editor, TIME

At the TIME Global Health Summit, held in New York Nov. 1-3, TIME magazine convened leaders in medicine, government, business, public policy and the arts to develop actions and solutions to the world's health crises.

More information, including archived webcasts of sessions, transcripts and downloadable photos, available online at www.time.com/globalhealth.

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EILEEN NOUGHTON: All right, so this is Woodstock. It's happening. And we've heard a lot from many of you over the past few days, and there's been a lot of energetic conversation in the halls and at meals and so forth. We're going to be passing out little white cards, if not right at this moment, I believe right at this moment. But if not, they'll be coming down soon. There they are.

What we'd like you to do is tell us, how do we continue the moment we've begun here this week? Not only here inside this room, but with the complicated news and noise, the $7.3 billion committed this week

by the government, the new news about malaria investments, 243 million from the Gates Foundation last week. Collaboration with GlaxoSmithKline, Merck, et cetera this week. So would you please give us your best idea of how TIME can keep the momentum going? What ideas do you have for how we can raise the level of what we we've accomplished here this week? And please, if you can put on that, if you haven't given us all ready your e-mail address, we'll have a network established and keep that network going after the conference closes.

And so now for our next panel, it's my pleasure to hand the mike over to the International Editor Michael Elliott.

MICHAEL ELLIOTT: Thank you very much, Eileen. I guess someone had to follow Bono and Kofi Annan, and (INAUDIBLE) miles away in Hong Kong. So I suppose my colleagues kind of put the program together, and said we'll give this Elliott (ph) he's too far away to complain.

But I have a terrific trio of panelists to help us discuss question nine on the program of funding. And if they'd come up one after the other. Nils Daulaire, who is Chairman and CEO of Global Health Counsel. Nils, if you come right here. Rajat Gupta, next I think, Senior Partner McKinsey Worldwide, appointed yesterday as a Special Advisor to the Secretary General on UN management reform and a member of the Board of the Global Funds for AIDS, TB and malaria. And certainly, not least Paul Wolfowitz who after a distinguished career in public service, and academia, make myself, I don't forget that was – took up his position as President of the World Bank earlier this year.

So give them all a welcome.

Now like all moderators at this fantastic conference, I've been under instructions from my colleague Phil Alma DeWitt (ph) to keep things brief and energetic. So Nils, you have to help do that. Let's cut to the chase. You've been here for two days, what are the three key questions that we have to address on funding of global health? The three key questions to which we need concrete answers soon.

NILS DAULAIRE: First is the absolute level of resources. And by resources I mean more than just money. It's also the technology, the information. The goods that actually get delivered to people to make a difference in health. And from the money standpoint, we'll probably be hearing more about that in the next panel. But let me say right now, this week, the US Congress put together a budget package with about $3.7 billion dedicated to global health. That's a good start. It's much better than the $1 billion five years ago. But the United States to be doing its fair share in global health should be investing $10 billion a year resources.

Second, the vectors of global health. Where should that, and how should those resources be flowing? Most of here are not the doers of global health. We are the enablers. I used to be a doer as a doctor working in the developing world. But I'm doing the enabling part now. It's the doers who need to be the focus of our attention. The people who are the global health heroes. We need to listen to them, not just tell them what they ought to be doing because they're the ones on the front lines.

Third, the platform. Lots of talk here, appropriate talk about AIDS, TB, malaria, but let's not forget the platform on which all of global health is built which is firs the empowerment and health of women. And women cannot be empowered and healthy unless their reproductive lives are in their own control. And they have the resources to make their own decisions. And secondly, for the future of our own societies, the children. Unless we get to attention, to children's health, those 10.7 million unnecessary death, for which we don't need new technologies to make a dramatic difference, we're going to be losing the fight.

MICHAEL ELLIOTT: Paul Wolfowitz, you've mad poverty reduction, particularly in Africa a focus of your first few months at the bank. Give us a sense of how healthcare and healthcare issues play into how you see how the bank's key mission, just as briefly as Nils.

PAUL WOLFOWITZ: It has to be a major part of what we do. And it's a major part, partly because of each individual that you can effect. I was talking with Patty Stonecipher (ph) just now and she said just on

a sheer cost benefit calculation you can save a life for $100. It's an incredible investment. I know that sounds cold blooded. Isn't it cold blooded at all. Let's put it the other way around. You're not spending $100 that could save a life, it's morally wrong.

But also looked at in the larger sense of what the needs of developing countries are, to create jobs, to create growth, you need healthy people. You need kids who's brains haven't been stunted through malnutrition. So health is both, I think, in itself a good that ought to be delivered. But it's also a key investment and the most valuable resource a country has which are its people.

MICHAEL ELLIOTT: Rajat Gupta, you have a unique perspective here. You're a member of the global – of the board of the global fund. And you're one of the most distinguished management consultants on earth. And as President Clinton reminded us yesterday, indeed, McKinsey has been doing a lot of work in Ache (ph) with tsunami reconstruction.

From the perspective of a management consultant. As you look at the world, and as you look at funding issues for health questions, what the two or three things that you worry about that you think we have to get right?

***RAJAT GUPTA: Well I'd say that one of the things that is both a great opportunity and so far, while there are many good examples, we haven't really fully realized the potential is the involvement of business and private sector in this public, private partnership we keep talking about. Everybody has made the point in the last two days that we need you know, private sector, civil society and government to work hand in hand. Well how well are we doing on that. I think that is the beginnings. We are probably at a five percent towards the potential is in terms of what we can do in that partnership.

And it comes – it has to be said – the message has to be clear for all players in this. If the message to business is very, very simple to me that there is really no business without development and public health is – you know, have global health is a significant part of it.

At the same time, if you look at development overall, there is no example in the world where development actually has occurred, i.e. people have gone from abject poverty to reasonable standards of health without private enterprise, without business, without development of jobs and so on and so forth. So you could clearly say there is no development without business, but there is no business without development. And in that sense, that's the self interested part of the partnership that makes sense.

My involvement with the global fund is both, in some ways, a hope that that public private partnership at the micro level, at the country level can be working. There are good examples of that. At the same time, it's a great disappointment in terms of the pace at which it is growing. And I think I cannot – and I say this to this community because I know many of my friends here, I've been talking about how we can harness the capabilities of the private sector, whether it be contributions in kind, capabilities they have, and welcome that in a way that we can work together with government and civil society. That is not so easy. And I think if I were to say one message that I'd give is that if we worked on that access very hard in a framework of trust and mutual cooperation and understanding the self interest, enlightened self interest to all parties, we could, you know, double, trip, quadruple the resources, effective resources that are deployed in the field.

PAUL WOLFOWITZ: You know, Michael, one of the things you have to remember is development is a team sport. And one of the great things in the health area is so many people want to be on the team. I think it was the President of Botswana who said that the great thing about development is that so many people want to be generous, and this whole thing about development is so many people want to generous.

And the thing we've got to be careful about, those of you who have small children who play soccer, eight year olds the ball goes to one part of the field and all 22 players, including both goalies chase the ball. And we can't do that, we've got to cover the whole field. We can't just do HIV AIDS, we've got to do malaria. We can't just do AIDS and malaria, we've got to think about the whole system that trains healthcare

workers. Some of the positions on the field are very glamorous. Some of them are not so glamorous but absolutely essential to the rest of the team.

MICHAEL ELLIOTT: I want to pick up in a minute or so some of the less glamorous challenges and how we fund them. But I want to kind of first pick up the point that for all of you picked up from Rajat. It seems to me when we've talking about funding for the last couple of days, three Cs have been out there all of the time. And you've essentially one of them, that's coordination, how is funding coordinated? How do we make sure that the sum is greater than the parts?

Secondly is capacity building. We've heard that over and over and over again. How do we get funding into building indigenous capacity building so that health services can be developed internally in countries rather than coming from outside. And let's just take those two first, because Paul, a session yesterday on TB and malaria, there were questions raised about whether multi national funder were doing enough of fund capacity building, to actually provide salaries, if you like, for healthcare workers. I mean is that an issue that comes up for the bank?

PAUL WOLFOWITZ: I think it does. And in fact, I think you heard yesterday from the Kenyan health minister, I think – there she is in the audience. I heard from her and was thinking of our parliamentarians network and the issue of how do you distribute scare government resources for civil servants among the different priorities. And she obviously has a huge issue, which I promised to try to look into is to people saying, well there's only so much, awful word, fiscal space. And 4000 healthcare workers are outside of what can be hired. Well it seems to me it sounds like somebody has the priorities wrong. But it is a realistic issue. You can't – you have to, I'd like to say grow capacity because it's not something you come in from outside, and you put a few nails in the wall, it's a more indigenous product. You've got to grow capacity, but you also have to be careful. One of the challenges for a lot of these countries is there is too much bureaucracy. It's the wrong kind.

MICHAEL ELLIOTT: But is there something that the multilateral donors can do? I mean can you genuinely put money into capacity building, so that real live on the ground identifiable health workers can be helped.

PAUL WOLFOWITZ: We can and we do. I think it is – all of the best medicines in the world aren't going to get you very far if you don't have a health delivery system to help.

NILS DAULAIRE: And let me just add to that as well. We have to get outside the mindset of everything is a matter of multilaterals and governments. When we look at what's happened in Bangladesh which has had dramatic improvements in health status of children, reduction in fertility, most of that work has taken place outside of the government sector. It's been NGOs that work (INAUDIBLE) which we've heard a lot about here, and on the RX for Survival.

Countries, even countries that are known as being corrupt and inefficient, if there is a vibrant civil society and there are resources flowing through civil society channels, you get a much better opportunity to improve health and that's where a lot of the capacity building has got to go. We're not talking about building bureaucracies. We're talking about those vectors that I was mentioning. The people who are on the front lines delivering the goods and the information.

MICHAEL ELLIOTT: Rajat, come in.

RAJAT GUPTA: You know the last couple of years I've been involved in an effort to create some schools of public health in India. And I tell you the stark statistics. I mean India, as large a country as it is, graduates only about 300 graduates in public health which is just nothing.

If you look at the entire health sector spending it is well below what it should be. But the worst part of it is that because of the lack of real understanding of public health, the resources are generally misdeployed. So the capacity to deploy it correctly is very much needed.

If you look at the civil society that is very active in India, the NGO community, a lot of the people who are working in public health, actually don't have the training for public health in any significant way. So to build that capacity is going to be crucial to tackling the needs of the country. And it can't be modeled after what – you know what exists in the western world, you don't need that. What you need is, you know, 10,000 field workers being trained for three months in public health, not necessarily NCH graduates, although you do need that too.

So what I'm saying is that, you know, there is a huge need. I do think that there is not enough emphasis and resources devoted to broad scale capability building, in almost any health system that I encounter.

MICHAEL ELLIOTT: As a semi detached outsider looking at some of these funding issues, are you impressed or worried by the ability of donors and recipients to coordinate their actions, Rajat?

RAJAT GUPTA: Well I – it's a huge challenge, coordination. But I think that there is more – I'm encouraged by much of what goes on. But I have a slightly different issue. It's not so much coordination which is the period of development. I mean in the sense of saying, does development most effectively work at the community level in a holistic fashion? Or can development be delivered in vertical slices, whether it be, you know, health or even micro vertical slices? And we all know that people who are working in the field, that again, here the answer is not either or. It's probably both. The question I have is whether we're striking the right balance in terms of holistic development or going into some vertical solutions. And how they relate with each other. We all know that, you know, you can't just solve, you know, a health issue, and not work on empowerment or livelihood or education because they don't show, you can't do that.

So I'm more worried about the balance we are placing on holistic development versus all of the resources that get into, you know, we'll go build more schools in the tsunami effected areas, you know, school buildings, without worrying about something else.

NILS DAULAIRE: That brings me back to the comment Paul made about the eight year olds playing soccer. Certainly coordination is needed. That's not the same thing as direction and instruction from the most powerful players.

MICHAEL ELLIOTT: Well can I just say that my third C, which I was going to throw your way, and now you've taken it is conditionality. Because we've heard a lot of comments during the past couple of days on conditionality of funding. And it seems to me that that's exactly where you're going now.

NILS DAULAIRE: Well the questions where are what are the conditions? If the conditions are that we will hold the recipients accountable for actually achieving the benefit that we're talking about, lowering child death, improving women's reproductive health, reducing, AIDS, HIV, reducing malaria and so forth. Those are perfectly good conditions.

If they go to things like you may not hire new people, or you must have cost reimbursement for basic services, those are not constructive conditionality's. And again, what we recognize those who are on the front lines is that we have to deal with the realities of the people who are living out there. That's why I think the voice of the people on the front lines is really critically important. So the issues is yes, you've got to have things coordinated. It will always be a semi chaotic coordination but you also have to take shots on goal. And those goals have to be well enough defined as they are with the millennium development goals, but also include things that were left out, like reproductive health.

PAUL WOLFOWITZ: One of the best examples of coordination I've see in the last few months, traveling around within Rwanda where the government, Agnes Menguaro (ph) was here, told the development community, you do it, our program. It's a Rwandan led program. And that is, absolutely, I think, the best way to have coordination. Frankly, it reduces the squabbling among who's got the lead.

But also it's the right people having the lead, the people who know what the problems are on the ground. And it also has produced a program, at least as I saw, and you get a sort of fleeting glimpse, but I saw this

one very impressive clinic that not only treated HIV AIDS, but dealt with maternal nutrition and had a small nursery school for children that really looked at the whole community. And it seems to me that is part of the effected delivery.

MICHAEL ELLIOTT: Now none of the three of you are either rock stars, or politicians. Although Nils Daulaire kind of has a, you know, a heavy metal kind of feel to it. But I'm interested kind of having seen Bono give his wonderful words here and having heard over the last few days, how a broad based campaign for resources in funding is coming into shape with faith based institutions with traditional social justice types, with healthcare professionals with business as well.

Are you all kind of cautious that the campaign for more funding, and for better funding for healthcare is really taking off. I mean Paul, do you see that at the bank?

PAUL WOLFOWITZ: I think what he said is correct. There's been a lot of promises. It's easier to make promises than to deliver. We've got a challenge now, I think of looking at delivery not only in terms of delivering the money that's been promised but showing that its going where it needs to go. And it's a lot harder than it ought to be just to get simple factors on a piece of paper, of how much money is supposed to go into this problem, what the result is supposed to be, and which donors is supposed to do which. And I think it's one of the big challenges for us as a development community if we want to make some real progress and do it quickly is to start just having the basic data available.

And part of that data is to say, well here's a country that has a need. It's ready to move. It's money that's holding it back. And go to these people who have made these wonderful promises and get them to deliver.

NILS DAULAIRE: Let me come to a word you used there which is campaign. For those of us who have been at this for 20, and 30, and 40 years, we recognize that there's a danger in the concept of campaign, because we think about campaigns, as something you do for a limited time and then you move on. And that's a real danger.

Global health is not simply a one or two year problem. We're talking about a generation of change that's needed. I think there are tremendous opportunities to make that change, if we keep attention on it. If TIME Magazine keeps attention on it, if Bono is still doing this in 10 or 15 years, these are the resources we need. The attention is terrific. I would have killed for this 10 years ago. I'm so delighted that it's here now.

But I'm looking at everybody in this room and saying we want you still here as enablers in movers in 2015 and in 2020.

MICHAEL ELLIOTT: Let me just kind of shift the focus a tiny little bit, because so far we've been talking about funding issues, as if they are from here to there. But Rajat, you introduced a slightly different idea in one of your comments earlier, of course, one of the ways in which we can increase funding for health issues and other development issues is if there's economic growth in the recipient countries themselves. We've got a – Hong Kong is sort of one of my hometowns. We've got a massive ministerial meeting at – in mid December of the WTO, a crucial meeting for the end of the Doha (ph) round.

Tell me the extent to which economic growth within countries can be an important source of funding for health issues? And the extent to which trade talks can help move that along.

RAJAT GUPTA: Well let me first stat by saying there is – we have in much of the world, much below a critical level of funding for health which, you know, does not allow us to enter this virtual cycle. So what we are talking about here is increasing – when you have burden of disease as much as we have in many countries, or we have the kind of poverty we have, you've got to have external help to get to a point where the virtual cycle can start working.

You know once- and that's the role I think of external health in many ways. But once you get there, you have the promise of getting there. I think there is no better engine than enterprise creation. You know,

women's empowerment comes with their livelihood. I mean lots of things are all interconnected in this economic development model. And I think that if you really look at the history of the last 50 to 60 years, countries that have been able to come out of a $1 a day or less into areas of middle income or even higher income, all has to do with that economic engine. And that economic engine will, you know, put resources and help put resources in other areas that are needed, and so on. But we've got to get to that point.

MICHAEL ELLIOTT: Right.

RAJAT GUPTA: And I think one of the messages clearly to the governments around this, that we've got to create an environment of security, of the rule of law, of friendliness in terms of entrepreneurialship and enterprise creation. That will let that economic engine rise. And a lot of countries, you know, don't really do that.

MICHAEL ELLIOTT: Right.

NILS DAULAIRE: But coming back to an issue that's been echoed here, time after time, this isn't a matter of either or. And I know Rajat, that that's not what you're proposing. We have to have economic development. But we also have to have those specific investments in critical health arenas because you can't have women getting enterprise opportunities if they're pregnant every two years. They're simply unable to do that.

You can't have the growth of capacity if a third of children entering school or entering school age have lifelong deficiencies as a result of disease and malnutrition in their early childhood. So these all have to be done as a whole if we're going to make real progress.

The other part is in terms of the private sector we recognize that even today in the poorest countries, the vast majority of the health expenditures of those countries come out of pocket. They are paid for by the people themselves. So it's not that privatization or using the private sector is a big shift. What we have to recognize is that there's fundamental platform that has to be their safety net for everybody.

PAUL WOLFOWITZ: But before we leave Anka (ph), I mean this round of trade negotiations is absolutely critical. And the amount of wealth that is wasted on particularly in the agricultural area, on subsidizing production in the rich developed countries of inefficient agriculture, our estimates are it's over a quarter trillion dollars, roughly $260 billion. And it takes jobs away from poor people.

So when these negotiations are coming up in Hong Kong think about it this way there are 1.2 billion people in the world living on less than $1 a day. There isn't a single negotiator in Hong Kong who lives on anything close to that, but they are representing the interest of those people. And I think with all respect, I think a little bit of campaigning pre Hong Kong would be good. That is a critical decision point, and is going to effect the ability other things like healthcare.

MICHAEL ELLIOTT: Sure. Paul, you made a point right at the beginning of this discussion that I wanted to circle back to and make sure that we didn't lose, and that's the question of fashionability, if you like. The global fund is called the global fund for AIDS, TB and malaria. Campaigners in Hollywood, rock stars what have you, put red ribbons for HIV AIDS and God bless them. TB has its champions. Malaria has its champions, and God bless all of those too.

But there are other diseases and there are other kind of ways in which people die, diarrhea diseases, for example, which don't have fashionable champions. What can we do about that?

PAUL WOLFOWITZ: I think that's why you need, I'll come back to my soccer analogy, that's why you need to cover all of the positions on the field, and nutrition is a critical part of it, and clean water is a critical part of it. In fact, some of my staff have told me we need to stop focusing so much on specific water born diseases, and just look at cleaning up the water in general.

MICHAEL ELLIOTT: Right.

PAUL WOLFOWITZ: This whole subject of infrastructure investment which got a bad name in the mid 1990s, and I think somewhat deservedly so. There certainly were white elephants built. There were certainly corruption. There were words to no where, and sewage plants with no sewage to treat. We need to learn from those mistakes, but infrastructure investment is vitally needed. And clinics can't run without electricity and clean water.

So, you know, it's not a very sexy word, but balance is something that is essential both within the health field, and across the development field.

MICHAEL ELLIOTT: Yes, we haven't yet gotten rock stars in favors of dams.

PAUL WOLFOWITZ: Maybe you should.

NILS DAULAIRE: Although the idea of a rock star for diarrhea is that…

MICHAEL ELLIOTT: That would be good, but I haven't seen it. But I mean do you see, out in the field as you talk to the members of the G8C I mean do you see a problem with fashionability.

NILS DAULAIRE: Well of course, there's a problem if it's passing fashion. I think the attention the spotlight, things like this summit are amazing steps forward for us. But the point is that we need to keep the focus on it. And fashion does tend to shift. That's the nature of fashion. So the challenge is picking out the areas that people can get a real attachment to where they're going to keep on supporting it.

And then for the people in the field to make sure that there is that feedback loop because we're talking here a little bit in the woes me fashion, all of these problems. But in fact, enormous things have take place over the past 30 years. The world is far better off than it was then from the standpoint of health, and in terms of economic development.

I think we have to recognize that giving the good news is as important as highlighting the problem.

MICHAEL ELLIOTT: I want to bring the audience in in just a minute, but I just want one last round of questions to all of you, and that's this. How do you convince your neighbors in rich countries, that their funds, I mean we've been talking about funding, but that their funds, their money, that their taxes, are well spent in being sent to parts of the poor world to combat health issues – Rajat.

RAJAT GUPTA: I think the – part of the convincing has to do with creating institutions that are accountable, and you feel that your money is being well spent. Having been involved very much in the – right from the beginning in the global fund just as an institution to pick up, I think its quite innovative. It's – you can always look at anything and say the glass is half full or half empty. But to be able to do that in a very short period of time, operate in 90 countries with reasonable accountability move lots of money and feel like it's really having the right impact, and the impact is beginning to come through is – it gives a very powerful ammunition, to now when I go back to the business community and say, you know, we ought to be supporting that to a much greater degree, because you can see what the results are. So actually seeing results and accountability is a very powerful thing.

I think on a broader level, of course, I think on humanitarian grounds, and looking at the return of investment at an individual level, the message just needs to get out there. I think it will be very, very – I mean how can you argue the point in terms of the amount of defense spending and the return we get on that, let's say versus the comparably small amount of health spending in this country in terms of, you know, while it's way up, the return on that. It's – you know, for a common person, my neighbor, it's very, very clear. It's just they don't know how to and get it out there.

PAUL WOLFOWITZ: I think in many ways the biggest challenge is in persuading people that there's an enormous need. And it isn't even really persuading that it's in their own self interest. I mean, for one

thing, I think an awful lot of people in this country and around the developed world find the need compelling. And I must say Live Aid has helped, the concerts have helped.

From a moral point of view, I think they also at some level understand that it's an unhealthy world if 600 million people sub-Saharan Africa are going backwards when the rest of the world is going forward. And you don't have to get into some complicated specific mechanism, although certain avian flu brings home the fact that we don't live in an island.

But to me the biggest challenge is persuading people the money is going to make a difference. And I run into people who say well you've told us you just the last 20 years there were two or $300 billion of development assistance to Africa, right? Yes. Didn't you just finish telling us the situation is worse now than it was 20 years ago? Yes. So why is it going to be different?

I'll tell you my strongest answer is because I think the people and leaders in many African countries, not all, but quite a few important ones are different. They're saying things and doing things they didn't used to do. They are arresting senior officials on corruption. The President of South Africa dismissed his Deputy President, not because the man had taken a bribe, but because his financial advisor had taken a bribe.

And then, I want to add another thing, which is we've got to stop talking as though corruption is a disease of poor countries. It's a disease.

MICHAEL ELLIOTT: Right.

PAUL WOLFOWITZ: And every – if you stop and think about it, every corrupt transaction has at least two parties to it. And the company that bribed the advisor in South Africa is from a developed country.

MICHAEL ELLIOTT: Right.

PAUL WOLFOWITZ: And so far as I know, nothing's happening to them yet. I think the whole world, including my own institution we have a responsibility to deal with corruption because it is a disease, it is a cancer. And it is hold countries back. And it is, I think, holding donors back. It is one of those arguments, that, let me put it this way, I don't want to be in the same position five years from now, where we spend another $100 billion and things will get worse. We've got to deliver results. And I think particularly in Africa, a lot of the leadership wants to delivery results, and is in a position to do so.

MICHAEL ELLIOTT: Nils, what do you say to your neighbors?

NILS DAULAIRE: Well you set the bar very low for me because I live in the Peoples Republic of Vermont and it's very easy to convince my neighbors. But even a tougher audience, the key question that I get is isn't it hopeless? Isn't the money just being wasted? We can make a terrific case in global health for why that's not the case.

The moral imperative is that it's so easy to make when we do polling nationally 70 to 80 percent of Americans can understand the moral imperative, but they want to feel the hope.

And then thirdly, we do need to introduce a little bit of self interest for some of the more cynical people. And the self interest case is so obvious. In a globalized world we're dealing with it now with avian influenza. We're dealing with it with AIDS. We cannot have a future without healthy children worldwide. So these things, actually are of a single fabric that come together very well.

MICHAEL ELLIOTT: Let's bring the audience it with questions. The usual format that you're all now familiar with, placard three, please. Please identify yourself.

HANNY WEFI (ph): Hanny Wefi (ph) from the Harvard School of Public Health. Briefly what can be done to build a constituency in donor countries by the donor agencies governmental, non governmental for capacity building? I mean I feel in this country there's a sense that if your money – if your dollar didn't go

directly to buying food or a dose of vaccine, that somehow it was wasted, as if the vaccine is going to administer itself when it gets there.

MICHAEL ELLIOTT: Good question. Very good question.

NILS DAULAIRE: We deal with outreach and advocacy a great deal. And you've nailed a very touch question. It's must easier to say let's get AIDS treatments to these people than it is to say let's make sure there are enough trained health workers. And I think the argument has to be or the campaign really has to be built on that flip side argument of you saying we cannot accomplish X, Y, or Z, whether it's reducing child mortality or improving the situation with AIDS, unless we've got some basic delivery systems and capacities. And each of working in our separate vertical areas is responsible for bringing the conversation back to that as part of it.

The World Bank and Mr. Wolfowitz I applaud them for their focus on systems. It's a very hard sell but it's a critical one.

MICHAEL ELLIOTT: One of the things that I hope readers from TIME and people who are here this week, you haven't met them before, will take away from this week is seeing those wonderful motorbike riders, kind of concentrating on something, kind of really down to earth, which is how do you do the last mile? How do you do the last five miles? How do you take the medicine and actually get it into the villages in Zimbabwe or Senegal or what have you.

Rajat, come on it.

RAJAT GUPTA: I'd just make one comment. While it may seem difficult, I must say that I've been involved in two institution building, capacity building kind of initiatives in the last, one in India, and one in Tanzania. And I didn't find it that difficult, I mean not more difficult than, you know, many of the challenges we're talking about either in terms of getting the decision makers to come together, or developing some funding. It's not all done, but I think the prospects are very good. So if you say we can create, you know, a capacity to, let's say train 10,000 health workers in – within the next you know, three year timeframe, it took us two years to put that thing together with the resources. It's reasonable in terms of institution building, how it goes. So I'm not despairing of that.

We have to just put our minds to it. And I think if we do the people see that clearly.

NILS DAULAIRE: Well, and I think – just one last thing, I think the arguments have to be made in complete sentences. In order to improve child survival we must do it through systems, health workers reaching out to communities. If you make the whole sentence, people understand it, but you've got to have the point of it at the beginning.

MICHAEL ELLIOTT: Lots of hands going up. Placard four, please. I feel like a game show host, actually, it's kind of good.

UNKNOWN: (INAUDIBLE). How can you persuade developed countries, to stop being subsidized by Africa. Actually, we in Africa are subsidized (INAUDIBLE) three ways. One we're paying in debt, more than what we're getting in AID or foreign direct investments. Two we're subsidizing the health system in the north by sending doctors, nurses, pharmacists, everybody, and one year- how one plane going from Ghana to Britain has have the year's graduates of pharmacists. The third point is about what you mentioned about the trade in terms of the subsidies in the north. You know, the World Bank forced governments like my government a few years ago to stop subsidizing poor farmers, yet, the rich farmers here are subsidized. I mean it's just illogical. How can you persuade the developed countries to change this, to stop us subsidizing the north?

MICHAEL ELLIOTT: A little tiny technical hitch at this point. Paul Wolfowitz, the World Bank, I know has actually got a report forthcoming, I happen to know, on remittances, brain drains, the extent to which

healthcare workers in particular from the developing world are leaving in droves for the developed world. What can we do about that? What can we do about that?

PAUL WOLFOWITZ: I – I mean a couple of things. On the issue of subsidies I – yes, Jeffery Sachs (ph) is here. We spent some time with Jeffrey, I think, hopefully successfully addressing an issue in Malawi where there was a kind of prejudice were against subsidies. And in this case, included we, collectively against, subsides for the inputs that could product food crops that will avert a famine. So what do we end up doing, we wend up creating a famine, and then we subsidize the food to deal with the famine after it's happened.

And I think it's important not to be do doctorinal (ph) as apparently was – it sounds like it was the case in your country. I mean I think the goal is to get ultimately healthy sustainable independent development, but it may require some subsidy at the front end.

The most tragic thing is this brain drain you're talking about, that Michael is asking about. I don't think there's a magic solution to it, but I do think it is absolutely critical and it goes back to the discussion about capacity building. Whatever we're doing in capacity building is more than undone, I think, by the capacity draining that takes place. And however, something that really has struck me in the relatively short time I've been at the bank is how many times African immigrants have come up to me in the most improbable places, hardware stores, drug stores, shopping malls, as my 17 year old remarked on one occasion, dad I don't think there's anyone in the United States who knows the President of the World Bank, but these people all did. They thought it was important. And they really care about Africa. And that's – I mean somehow there is something to be said.

These people don't leave their countries because they hate their countries, that's what struck me. They leave their countries because they don't feel it's possible to succeed by the rules of the game there. Most of the people I'm referring to have brought up the subject of corruption almost immediately. It's near the top of their minds. So in a way the strongest answer to the brain drain argument is to create reasonable opportunities for people who succeed in their own countries.

And I think part of that is to pay a little more attention than we sometimes do to the subject of higher in those countries. And programs that will bring trained people and higher education back. There's a tendency sometimes to think that higher education a luxury good so the development community is going to focus at the primary end. I'm not saying that in principal that's wrong. But if you get the balance too far out of walk, then they're going to go to the west for training, and they're going to stay in the west.

In Lahore (ph), I visited the Lahore University of Management Sciences (ph), it looks like a first class school. The students are absolutely first class. And you ask them what do they want to do in the future, and it's all working in Pakistan.

MICHAEL ELLIOTT: Placard two, I think the Minister needs to have a chance to ask a question directly.

UNKNOWN: Thank you very much. (INAUDIBLE), Minister of Health Kenya. I want to thank the President of World Bank that he has acknowledged the problem that I have. And that you have promised to look into this. But may I say that the structure assessment programs of the 1980s and '90s, have made worse the situation in the African continent in that the cost sharing or the user fee in the schools and in hospitals have not worked. And because they have not worked, we actually find ourselves having to keep people in hospitals much longer than they should stay in hospital because they come in, they cannot afford. And then they are treated and they can go home, we have to detain them until such time as they pay. And if that does not happen they'll continue staying. And this has happened many, many times.

And in one place that I visited last year with the Professor (INAUDIBLE), in fact, we found a (INAUDIBLE) a child, young girl, who had been detained after being brought in by a neighbor she was an orphan. And she would not be released after she had been repaired her leg which broke when she was playing in school. And she cried the whole night and two other patients had to contribute money overnight to get her repaired she's an orphan. And then, after that, she would not be released for nine months. And

we then at that time to pay for her to go home. And this is happening so many times. And in overcrowded hospitals this does not make things better.

So I really want to ask you that this policy should be reviewed. Should – maybe we do away with it, and this is why I brought a bill in parliament of the national social health insurance so that we have a scheme where even the poor can pay a little when they are not sick. And when they get sick we can with the resources that we have from government, and the resources that we get from the donors ensure that people can be treated. I think this can work, and should be supported so that we can give (INAUDIBLE) to those (INAUDIBLE).

And finally, may I also say about the (INAUDIBLE) health workers, that it was decided again that we cannot employ extra civil servants. And I think this have hurt the health services much more than any other because of the burden, the disease burden that we have (INAUDIBLE). I think this, again, needs to be reviewed so that we have more health workers. Four thousand nurses are trained in Kenya. But instead of working in Kenya, they are working out in the USA. They are working in Canada and Britain and other places. I really think this needs to be reviewed. And I thank you very much for acknowledging. Thank you.

MICHAEL ELLIOTT: Very good.

PAUL WOLFOWITZ: Some of that doesn't make any sense at all and if in fact it's being imposed by the World Bank I will do everything I can to stop it. The dilemma about the total size of civil service, at least I can understand that it's a dilemma but it certainly seems, I share total sympathetic to your extinct that it's being solved the wrong way. But as I said, I promise I'll find out what we're doing about it at least.

MICHAEL ELLIOTT: Terrific. Good. Gentlemen here at the front, placard number, I don't know quite what this placard is, two.

ENRIQUE FIGUEROA (ph): Enrique Figueroa (ph) from the Pan American Health and Education Foundation. This addresses your third C, this conditionality. How feasible is it Mr. Wolfowitz for a condition of you investing in a country is predicated on the fact that that country needs to shift either one percent or five percent or 10 percent of their defense budgets, directly into the health sector budget.

PAUL WOLFOWITZ: I think it depends on the country you're talking about, frankly. It's – on the whole we're trying to get away from trying to impose conditions on countries, but rather to find where they have programs that are working, and invest in programs that are working. And have countries have ownership of their own programs. I think frankly there's been too much historically of people from outside, and I think the Minister from Kenya is dealing with it, coming in and telling a country what their priorities are, how they should deal with their problems and trying to impose solutions.

And, you know, I'm sure there are quite a few countries that are spending jillions on defense that shouldn't be. But there are quite a few African countries where the biggest challenge to development is the lack of discipline, well paid security forces that can provide the conditions for secure development. So I don't think there's a one size fits all. I do think that how well a country does is definitely partly a function of how they allocate their resources. But I was really struck many years ago, I was the American Ambassador to Indonesia for – in the 1980s, and the Indonesian economic team which was quite impressive actually, told me how dismayed they had been when their colleagues in Manila who were quite capable came and told them how pleased they were that the IMF had imposed a reform program on Marcos (ph). And this is exactly the reform program the Philippines needed. And my Indonesian friend said anything that had to be imposed on Marcos (ph) by the IMF was going to be undone by Marcos (ph). They said we put a lot of effort into persuading our leadership who were mostly generals, that it's in the interest of the country including their own interest to have a rational allocation of resources. And because they belief in it, the program sticks over time.

So this whole issue of imposition from the outside is, I would say, at the very least a very tricky one. But I'd have no embarrassment. If we were dealing with a country that had a gross misallocation of resources,

to use our persuasive powers to the best we could, to get them to understand that. But it's not – there's not a single simple formula along the lines of what you're saying, at least I don't think so.

NILS DAULAIRE: Maybe we could start that here.

PAUL WOLFOWITZ: There are a lot of places to find money if we want to spend money. And the impression in the general public, the 10 percent of the Federal budget goes to foreign aid is one of our challenges. I mean it's no where close to that. But we could spend less on lipstick. We could spend less on fast cars. Most of all, if you want to ask me, we could spend less on agricultural subsidies.

I don't think – look – I don't think the challenge in this country is that it's hard to find the amounts of money we're looking for. It is, I think, most of all persuading people that we can really get a result for that money.

MICHAEL ELLIOTT: Right. Placard two, again.

TAMMY HOLTMAN (ph): I'm Tammy Holtman (ph) from AllAfrica.com. Everywhere I travel in Africa, everyone says from Prime Ministers, Ministers of Health, Presidents, to grass roots activists, people living with AIDS, that donors introduce a problem by duplication of effort and a failure to coordinate. Nobody, certainly not host country governments and not donors themselves, know who's doing what where. What do you any of you see as a solution to that difficulty, (INAUDIBLE) scarce resources.

MICHAEL ELLIOTT: Rajat, have a good. You're the consultant.

RAJAT GUPTA: No, well – you know, I see the beginnings of a lot more coordination amongst the major donors. I see on the field, attempts to make sure that there's an active dialogue. We were – a skateboard (ph) as it's called now, it's called three ones or something like that program which is, you know, reasonably promising in terms of its intent. Obviously you've got to understand that, you know, everybody has their own agendas and it's difficult to do. But I think the best would be if we give the accountability to actually be a community that's doing it and they take the responsibility for coordination in the fundamental way and leadership of the program.

MICHAEL ELLIOTT: So they take direction.

RAJAT GUPTA: They should provide the leadership. I mean the assumption that people from outside will come in and tell them what to do and so on, instead of saying you figure out here are the resources and that can happen at many levels. You've got to have it at the community level, where actually the programs are being implemented. You also have to have it at maybe a district level, and a country level. So – but it has to be they taking the leadership or coordination more than, you know, anybody else.

NILS DAULAIRE: I have a first step. Having implemented and managed programs in developing countries for many years, I think a critical first step is just to get the reporting simplified. If all of the different donors can get together and agree on here are the basic things you need to report instead of having 18 different reports with overlapping periods in various standards which takes up an ordinate amount of time, if you get it simplified that's a great start.

PAUL WOLFOWITZ: We're trying to do that exactly on malaria. And I'll tell you, just to do it for one institution is harder than it ought to be. We can write reams of words about our long-term strategy, but actually measuring where we are is harder than it ought to be, it seems to me. And I agree with you, if we just all measure ourselves on the same piece of paper, we'd say wait a minute too many of us are working on this subject in this country, and here's a whole that somebody ought to cover.

MICHAEL ELLIOTT: Placard five.

ANNE STARS (ph): My name is Anne Stars (ph). I work with Family Care International. I wanted to share a statistic that I think is very relevant to the discussion we've just been having about the need to

invest in health systems. In Africa, accounts for sub Saharan Africa accounts for 14 percent of the world's population. It accounts for about 25 percent of the world's maternal debts. It accounts for 1.3 percent of the world health workers. I think that says a lot right there. And there's been a lot of discussion and a number of questions about this. So I don't want to beat, it's not a dead horse, but a horse that's all ready been well beaten in the discussion this morning. But I wanted to ask the panelists with their access to decision makers at the highest levels in developing country governments, what are the arguments that you think can be a effective at getting policy makers to make these adjustments and what they allocate resources for and getting some of those shifts from defense, from agricultural subsidies to health systems and in particular health worker training.

MICHAEL ELLIOTT: Who wants to go for that?

PAUL WOLFOWITZ: I mean I think what we're trying to do in terms of processes is work through these poverty reduction strategy programs with countries where there is – we're trying to get more widespread participation by civil society as well as government in laying out these plans, where priorities are put on the table in a fairly transparent way and people can debate them.

I think frankly we need to, as a development community, try to start focusing on a small number of countries, and try to get it done. Again, one of the challenges in Africa, is there are so many countries, and they are so different. And if you approach the subcontinent as one big mass, I think you sort of miss the issues at the decision points where these kinds of allocations can be made.

MICHAEL ELLIOTT: Jeff Sachs (ph).

JEFF SACHS (ph): I think there's a big misunderstanding about where the problem lies. Just a little arithmetic. If you're a $200 per capita country, it's likely that your government revenues are between 10 and 15 percent of GNP, no more. Two hundred dollars per capita, as Malawi is, for example, means that your total government budget out of your domestic revenues is 20 to $30 per person per year. Twenty to $30 to pay for your public administration, your parliament, your president, all of the ministries, your roads, your schools, your ports, your airports, your health, your policy, your army.

The idea that this is a problem of misallocation within the poorest countries is a huge misunderstanding. Ladies and gentlemen, this is as much about us as it is about them. We'll have time to talk more, but there's now way to get blood from a stone. You can't fund a healthcare system in Kenya or Malawi or Ghana or Ethiopia no matter how spectacularly well it's run. No matter how brilliant the minister of health is, we have two of the great health leaders in the world here. They can't do it with the budget that they have, because it doesn't exist within the countries. So this is not a spectator sport for us. And it's not a matter of to blame, why don't you get your priorities right.

It's a matter of where are we going to find the resources to help keep people alive, and help get places unstuck from poverty. It's a big difference.

MICHAEL ELLIOTT: Any responses here?

NILS DAULAIRE: I completely agree. This – I've been so frustrated when I worked out in the field and people said well how are you going to make this self sustaining in the next five years, a childhood pneumonia program? Well the answer is we're not. There's no way that they can afford in this community to pay a $1 per person, per year, even for the next three years. This has to be supported externally until the economic development that Paul and Rajat are talking about comes to the level where there's enough internally generated resources. We have a responsibility. And I think that's why we're all here.

MICHAEL ELLIOTT: Rajat.

RAJAT GUPTA: Let's go thinking out loud on the question of human resources and health workers and so on. And firstly, I think that we, you know, could take a look at the solution overall in a global sense, and see if we are training enough people around.

I mean I think coming from a very populous country like India, and with its robust education system, I mean there has to be a way where we do move resources around to help, even if we start today, we're not going to build up enough health workers as we are talking about that are needed in sub Saharan Africa. So there is no reason why just by – not just shipping money but we could also move – transfer human resources around that can happen. And a lot of it actually can happen, as technology moves forward, can happen in a very remote sense also. So it's not – I'm just saying there ought to be different solutions we ought to explore, and not just say there is one solution to take care of this, you know, capacity problem.

MICHAEL ELLIOTT: I'm getting flashed the wrap sign. And there's yet more to come before we close the conference at lunch time today. So let me ask you to thank Nils Daulaire, Rajat Gupta and Paul Wolfowitz for your questions.

Paul your staffers tell me that you're going to be press availability after this, I don't know whether you know that.

PAUL WOLFOWITZ: I do.

MICHAEL ELLIOTT: That's what they told me. And my last duty on this session is to hand over, I think to my old friend Charlie Rose who is going to appear from a – around – somewhere on the stage.

END

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