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**ONE'S 2010 DATA REPORT:
BUILDING ON PROGRESS MADE AND LESSONS LEARNED SINCE
GLENEAGLES TO MEET THE MILLENNIUM DEVELOPMENT GOALS**

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H. ANDREW SCHWARTZ: Good morning. Good morning and welcome to the Center for Strategic International Studies. I'm Andrew Schwartz. I'm our vice president for external relations and I'm pleased to see all of you here and I hope you enjoy some of the t-shirts and the reports – and the t-shirt we made up was for this series, specifically, and we're going to be continuing – the series is an ongoing series, partnership – in partnership with the University of Miami Knight Center for International Media.

And I'd like to welcome you all to CSIS and the Knight Center. We have a terrific panel today. We're going to be talking about the ONE report, obviously. And I think that, you know, this series has really brought a lot of the Millennium Development Goals out for people to examine it, in a sense, and see where they are.

We're going to be – this will probably be our last session for – before the summer and then we're going to start up again in the fall. So I hope to see some of you here for that. With this, I'd like to turn it to my colleague, Richard Downie, who is a senior fellow in our Africa program and has graciously agreed to moderate this. With that, Richard, take it away.

RICHARD DOWNIE: Thanks very much, Andrew, and as Andrew just explained, the theme of this series is to look at issues surrounding the U.N. developments – Millennium Development Goals. And this morning, we're going to be looking at the important role that the richest countries in the world have been playing in helping the poorest ones to meet those challenging targets by 2015 – targets such as achieving universal primary education, eradicating extreme poverty and hunger and six other very ambitious targets as well.

So back in 2005, representatives from the G-8 group of leading economies met in Gleneagles in the U.K. and made a series of big commitments to Africa. These commitments were meant to go a long way towards helping African countries achieve – meet the MDGs. They included a collective pledge to more than double by 2010 the amounts of official development assistance given to Africa, also to cancel the outstanding debts of the poorest countries.

And they weren't just monetary pledges. They were also commitments to boost, not just the quantity, but the quality, of aid given and also to free up barriers to trade with Africa. Well, this year, 2010's the deadline for meeting those ambitious Gleneagles commitments and a good time to reflect on the progress made.

While the ONE organization has been helping us to do that, ONE is an advocacy and campaigning group working to combat global poverty and preventable disease, as most of you probably know, has more than 2 million members worldwide and it's been at the forefront efforts to hold the richest nations to account on the promises they made back in 2005.

It's got a newly released report which many of you will see – a big chunky report – DATA report – and it's a comprehensive attempt to put the G-8 and the other donor countries

under the microscope and see whether they've been willing to put their money where their mouth is. So we're very grateful, this morning, to have, as our main speaker, David Lane.

He's the president and CEO of ONE; prior – long, illustrious career before ONE – was previously director of public policy and external affairs and director of the East Coast office for the Bill & Melinda Gates Foundation; and previous to that, held a number of senior positions in federal government, including executive director of the National Economic Council at White House and also chief of staff of the U.S. Department of Commerce.

Mr. Lane holds a master of public affairs degree from the Woodrow Wilson Center at Princeton and also an undergraduate degree from the University of Virginia. In addition, he's also a member of the Council on Foreign Relations and vice chair of the board of Transparency International-USA.

So Mr. Lane's going to give us a snapshot of the DATA report's main findings. And then we're going to broaden the discussion out and I'll bring in our other panelists who I'll introduce properly later. But Joshua Bolten on my right and Pearl-Alice Marsh on my left. So anyway, over to you. Thanks, David.

DAVID LANE: Thank you, Richard. That was completely unnecessary. (Laughter.) And I'm not going to stand up. I think I'll just do this sitting. I know most of what I think I need to say and I want to thank Andrew Schwartz for bringing us together, CSIS and University of Miami, you, Richard.

And I'm really honored to be sitting here with Pearl-Alice and Josh, who's also my board member, so I'll be on my best behavior. One last thank you. Erin Thornton is over here and she is the guru of this report for us at ONE and has been doing so for years and she did a great job. And if it gets really technical or you want to ask about methodology, we'll bring Erin up here.

Let me just say a word about ONE – what ONE is. We're a global anti-poverty advocacy organization. We work with lots of you. I recognize a lot of people here in town. We're co-conspirators with many of you. Focus mostly on – as Richard said – the rich countries and their commitments to Africa, where we have offices in London and Berlin, now Brussels and Paris.

And we kind of work the G-8 circuit because that's the framework that we thought was – provided the greatest opportunity to increase – to change policy – improve policy and increase the flow of resources to Africa. I should say about – we had a trip to Africa in March. Josh was part of it. One of our founders, Bono, was part of it.

At the end of the trip, he scratched his head and said, you know, I wonder if we've been misnamed all along? Maybe we shouldn't be ONE, maybe we should've only been ONE-half because we're focused on the rich countries but look at all the stuff that's going on down here where we ought to be engaging more fully with African voices in terms of their leadership and supporting their leadership.

And to be honest with you, as an organization, we're wrestling with that right now and trying to find better ways to engage more directly with countries in Africa, though we do have staff there already. The DATA report is our annual effort to hold the G-7 in this case, accountable for the commitments they made in Gleneagles.

DATA is the original name; it's the name of the predecessor organization: Debt, AIDS, Trade, Africa, democracy, accountability, transparency in Africa, which was always meant and you probably know that organization. That's the organization that used to lobby Josh when he was both chief of staff and director of OMB at the White House.

And I think it was a very effective policy and lobby outfit. And then we merged with ONE to become more of a grassroots organization so that we bring all the tools sort of in one place to mobilize support for development. This report is the final one because it's the final year of the Gleneagles commitments. It may live on in some other form.

We're thinking about ways that it should reflect new accountability metrics going forward. But we actually launched it two weeks ago. We launched it in London, in Paris, Brussels, Berlin and in Canada, where we're trying to put some pressure on the Canadians as they lead this year's G-8 and to get them to focus on accountability.

I should say, at the same time, the Africa Progress Panel also released its report in Cape Town that was very important to us because we have always believed this is a two-way street and their report said that African countries themselves need to be mobilizing more resources to fight poverty, focus on health and education and many of the things that we're focused on and said that in fact, there are resources there that can be mobilized much more effectively. And I think that's important and I want to convey that message as well.

So the headlines of the report. We clearly believe that the last five years – the period since Gleneagles have seen historic increases in aid flows and in debt cancellation to Africa and that there's a lot to show for it. You can focus on disappointments and I can highlight some of those, but in fact, by the year 2009, the G-7 have delivered on 44 percent of the commitments made to double assistance to Africa. I think it was actually costed out at \$22.7 billion or something like that would be the doubling.

By the end of 2010, our projections – and we think they're pretty sophisticated. Erin and her team have done a nice job of sort of projecting what the 2010 numbers will be. We believe they will have delivered on 61 percent of the commitment. That's disappointment in some particular cases and 61 percent is a little more than half full, but by any measure, \$13.7 billion, which is the number that has been delivered over this period is pretty dramatic.

It's more than double the rate of increase in the five years leading up to Gleneagles. If you were – and I'm not playing a game – but if you were to take out the bogus Italian commitment, which was to meet .7 (percent) where they have, in fact, not grown, at all but in fact shrunk by 6 percent since that time, the other G-6 would have delivered on 75 percent of their commitment. I think that's a fairly impressive picture.

All of you know that dollars only matter to the extent that they have yielded results and I think it's very important that we always focus on actual results. And again, I think the record of this last decade – it has been a decade of development. We've seen 42 million more kids in Africa in primary school as a result of – as a result of debt relief from 50,000 people on ARVs in 2002 to more than 3 million today in sub-Saharan Africa.

More than 200 million bed nets as a direct result of the Gleneagles commitment. And again, bed nets are not an ultimate outcome, but malaria deaths cut in half in a number of countries – Zambia, Ethiopia, Rwanda; there's a lot to be said for that. Vaccination. I think 257 million more kids vaccinated as a result of – largely – the Global Alliance for Vaccines and Immunizations, which I think they can accurately pinpoint 5.4 million lives saved as a result of effective immunization. So I really – our organization believes there's a lot to show for these dramatic increases in foreign assistance.

Debt forgiveness – just to remind everybody – and the report lays this out. Gleneagles was not just about money. But there were debt-cancellation commitments as well. They were met early – right out of the gate. There was a lot of action on bilateral and multilateral debt, though our report issues a bit of a warning on there that there's some backsliding – countries converting from grants back to loans because it's an easier way to leverage their bigger resources, countries borrowing more and we're concerned about that trend.

I should also point out that there were commitments made and not at all kept on trade and investment, probably a lot of – in one sense, the commitments were vague. They were about making trade work for Africa. When you make a vague commitment – (chuckles) – it's hard to know whether you've measured up, but I think nobody with a straight face would claim that that commitment has been delivered on.

There was probably a lot of stock placed in Doha and everybody knows the frustrations with Doha. So that's a disappointing area and we believe, as an organization, there's much more that can be done in that area and Josh, as my board member, that was another one of our insights from Africa. It's an area that we, as an organization, need to be focused on to a much greater extent.

The U.S. piece of the picture. The way we've been characterizing the seven performances are that some countries aimed high. One country aimed really high and didn't deliver at all – that's Italy. France and Germany aimed high and have had a hard time delivering. They're at the 25 percent of their commitment.

Canada – we've been comfortable saying Canada, Japan and the U.S. made modest commitments and exceeded them. I'll get back to the U.S. in a second and that the U.K., I think, really is a superstar. They made really bold commitments. They're committed to spending .7 (percent) of their GDP by the year 2013 and they're damn close to doing it.

When you say the U.S. made a modest commitment, I think that's usually a characterization of development assistance relative to GDP. In absolute terms, of the \$13.7 billion that we talked about, \$5.4 (billion), I think, is the U.S. increase in aid to Africa. President

Bush, at the time of Gleneagles, said we have doubled it so far and we're going to double it again. That was the commitment – to get to \$8.8 (billion) and the U.S. will have exceeded that – it actually exceeded in 2009 and the 2010 projection means we exceeded by healthy degree – I think 158 percent is the number that we've calculated.

I should point out – so that this report – and I'm not saying this because Josh is here. That is largely a Bush administration achievement. It was a Bush administration commitment and the delivery, if you look at the pipeline and how numbers flow, that is delivering on the Bush commitments and Bush performance.

We will also say that I think President Obama has pivoted in a way that builds on that and so has announced a global health initiative of \$63 billion through the security initiative, I think \$3.5 billion of new money in three years. The path continues for the U.S. and President Obama has committed to doubling U.S. foreign assistance without a specific number on Africa, which is something we, as an organization, are looking for.

But the U.S. has had a strong performance and we believe is a leader in health and some of these other sectoral areas. And we, as advocates, need to continue the momentum in that area. And that the U.S. has an important leadership role to play going forward. So the last few things I'll say is about going forward.

One of the lessons of this, for us, I just want to restate that results matter and we think there have been substantial results, especially in the health areas over the last few years and that's important. As advocates, it's always important that you let people know that what they've advocated for has made a difference. But I think we can all say that with confidence.

The second finding, I guess, for us is a response to the question, does the G-8 or does collective – do collective commitments matter? And we would say they do. As disappointing as it is that a country would only deliver on 25 percent of what it said it would do, I don't think many people believe that \$13.7 billion would have flowed to Africa from the G-7 without the mutual pressure that the G-8 commitment yielded. And I think that's a good thing and we want to find ways, as an organization, to replicate – not exactly the same way – but to garner additional, shared commitments with some greater specificity.

There's a real lesson here about accountability. We've embraced something we call the TRACK principles, which is that commitments need to be transparent, results-oriented, you need to know, they need to be specific about additionality, about conditionality, and you need to be able to measure, at the end of the day, whether they were kept. That's something we think is very important.

Probably, we wish that at the G-8 last year on the l'Aquila food commitments, that somebody had followed those practices because they were a little squishy and it's hard to know how the G-8 is doing on its commitments from last year. The Canadians – the good news is the Canadians are deeply committed at this G-8 to publishing an accountability matrix to look at what the G-8 has done in the past to live up to its commitments and that's very, very important.

So the last point I want to make is that even though we've described this as the endpoint, this is the end of the data reports that measure the Gleneagles commitments, we really just believe it's a turning point. This is a step along the way. We really are counting on the G-8 even though this is a tough time to put forward a bold maternal and child health initiative, to get much more specific about how to hold themselves accountable going forward.

And we believe that's a key moment as we head towards September, where if you were paying attention last September when President Bush – I'm sorry – President Obama went to the U.N. General Assembly, he made a very bold statement about this year's U.N. General Assembly. We call them the 36 words.

I don't think he thinks it – I don't think anybody in the White House thinks of them as the 36 words, but Bono said so in The New York Times and we're trying to make it real. That by the time we come back this year in September, we want to see a global plan to get the MDGs on track and that he really believes that extreme poverty can be eliminated in our time.

So we have yet to see the administration's plan. We want to see a national development strategy, but we think an MDG plan will be an expression of that. We're eager to see that soon because they don't have a whole lot of time to then take it and multilateralize it and then try to sell it as more of a – as a global approach.

We believe that's very important and we're going to be spending most of our energy between now and September as an advocacy organization pushing for that. I think I exceeded my limits. I hope I gave the basic findings of the report and we'll be happy to elaborate or call on Erin later. Thanks, Richard.

MR. DOWNIE: Thanks very much, David. Well, there are plenty of strands to pick up there, material for a good discussion now and to help us get into the details, I want to bring in our other panelists and introduce them. You have their biographies in front of you, so I won't go into all the details.

But just – pleased to have on – on my right here, Joshua Bolten, who's on the board of directors at ONE and as David mentioned, former White House chief of staff under George W. Bush, President Bush, from 2006 to January, 2009. On my left, joined by – oh, and I should mention Natalie's update that you're now teaching at Woodrow Wilson Center as well. So alumnus there.

And on my left, we have Pearl-Alice Marsh, who's the majority professional staff member in the House Committee on Foreign Affairs. In that role, Dr. Marsh is responsible to the chairman for oversight of foreign assistance and legislation relating to Africa and global health as well. So it'd be keen to bring in her perspective.

So anyway, let's kick off with some questions and maybe I should start with you, Joshua. You are deeply involved in the process. You were serving in the White House at the time when these Gleneagles commitments were made. And you know, let's just reflect a little bit and how – you know, David mentioned the size of the ambitions made by respective nations. How would

you, yourself, judge the size of the U.S. ambition and how it went about achieving them and reflect on success from your perspective?

JOSHUA BOLTEN: Richard, thank you and thank you to CSIS and the University of Miami and to ONE for putting out this excellent report. I do serve on the board of ONE, but I deserve no credit for the good work that they do. So I feel comfortable complimenting what I think is a terrific report, year-on-year, because what it reflects is accountability, which I think is the most important word and concept that can be applied these days in the world of development assistance.

In this case, it's accountability for the nations that have made commitments to help the poorest, but ONE also is well focused on accountability among those who are the recipients of the commitment and there needs to be accountability on both ends if we are to – to see a world in which the developed world is helping the developed world move out of extreme poverty.

I was around for Gleneagles. I was in the administration. In a way, even more important for these purposes than my post as chief of staff, which I didn't take until early 2006 was the post I held when Gleneagles was underway, which was – I was the budget director. So I wasn't at Gleneagles. Nobody likes to have the budget director with them. (Laughter.)

So I didn't – I never got to travel with the president when I had that job. But I was involved in the process of agreeing to – to generating and agreeing to the commitments that were made. And we came at it with an appreciation that once you make a commitment like doubling foreign assistance over the term of – over President Bush's term, or in the case of the Gleneagles commitment, doubling assistance between 2005 and 2010 to sub-Saharan Africa, that the United States really has to live up to its commitment if it's to have any credibility in this world.

So while David correctly pointed out that the U.S. commitment is sometimes criticized as being modest, it was a commitment that we felt was at the extreme end of what we would be able to meet. And the truth is, it was a pretty big commitment. Doubling your assistance to a country in the midst of what was then a pretty constrained budget environment – not as constrained as it is today, but still pretty constrained, was a big commitment.

And Bono and the ONE organization had a lot to do with helping move the Bush administration toward doing that by persuading President Bush and senior folks in his administration that this was money well spent, that we could make additional commitments to aid in Africa, to the relief of the AIDS crisis, to address the malaria crisis, to promote economic development and be confident that the money would be well spent.

And I think what the report reflects and what the record reflects is that that's all turned out to be true, so – and my own perspective on the Gleneagles commitment is first, commitment met. More importantly, commitment met in a way that really is helping people in Africa overcome extreme poverty and in a way in which the American people should be proud of how their tax dollars are being spent.

MR. DOWNIE: Thank you, David. You know, we've talked about quantity of aid, but quality as well quantity of aid as being important. Pearl-Alice, can I bring you in here and ask you – and perhaps the others can contribute as well, is, in terms of improving quality of aid – and in your report, it does highlight that the U.S. has been less effective in terms of the quality of aid it's provided, how does the congressional perspective – how does Congress move forward and work harder at improving quality rather than just mere quantity?

PEARL-ALICE MARSH: Well, I do want to thank the University of Miami, CSIS and ONE for inviting me. As a matter of fact, I am not fond of public speaking. (Laughter.) And only CSIS and ONE could get me out this morning. (Laughter.) And I also want to thank all of you for coming.

When I look out at all of your young faces, it makes me think back on my own young years, when I was sitting in those chairs and you know, taking on the responsibility of both developing intellectual rigors to understand the world but then taking on the moral challenge and the political challenge of helping to address all the things that need correcting in the world was an important part of my life and has been an important part of my life. So I want to congratulate all of you for your commitment for the same thing.

Maybe we'll just put this down here. You want to talk – wanted to know about the quality of U.S. foreign assistance and right now, we're in the midst of rewriting the Foreign Assistance Act. Chairman Berman has been committed to rewriting the Foreign Assistance Act and making it more relevant to the challenges that we face today. I do want to – I'm a hardcore partisan, but I have to tell you –

MR. BOLTEN: As am I. (Laughter.)

MS. MARSH: I have to take my hat off to President Bush for one, the investments that he committed this country to, to combat HIV/AIDS, tuberculosis and malaria. When I first started going to Africa during the upswing of the AIDS epidemic, we used to go from village to village and just watch people die. Literally.

I'm not saying that, you know, just in terms of numbers. You go into a compound and by the time you'd make it back to the city or by the time we left the country, that person had died. And more – after PEPFAR started and we started getting drugs out to people, I remember going to meet with a gentleman in Namibia and his complaint was that he was feeling really good because of his ARVs and he needed a job.

And that was a story. People were living again. And the second thing is the experiment of the Millennium Challenge Account that had some rough spots taking off but I think has given us some insight into how mobilized – how we can mobilize aid more effectively. It's a whole conversation about how you really do it more broadly than just the Millennium Challenge Account but I think it did give us some insight.

I guess I would say two things in how we can make our aid more effective and improve the quality. One, we're focusing a lot more on giving our agencies flexibility. Congress – we

love to earmark and we love to file reports – require reports – and we just love to tinker around with what everyone is doing. That’s how you convince your constituents at home that you’re working hard.

And what it does is it hamstring our development partners and our agencies. So Chairman Berman is very committed to making the aid much more flexible so that it can be more responsive to what’s happening on the ground. The second thing is that we all have our – I guess what I would call a Bono moment when you realize, gee, maybe the Africans do have something to say about what we’re doing with our aid.

A good portion of why our aid may not have been more effective is it wasn’t driven by what was happening or what was desired or what was needed in the country. It was driven by what we thought we needed or some constituents of ours thought was needed. And I remember when I went to South Africa in 1979, the bad old days, to start my doctoral research and I was going to write it on what the superpowers could do to resolve the apartheid, you know, problem in South Africa.

And when I got there in 1979, there was a very robust movement in the townships and there were – in Cape Town, the Food and Canning Worker Union were on strike and I had that moment that, hmm, the South Africans are going to break the back of apartheid. What we need to do is support them.

So I think we do have to figure out the other part of the equation. And that is how do we support Africans in solving their own problems? The Africans have said they are capable and want to and have the responsibility to solve their own problems. President Obama said Africans should solve their own problems and hopefully, we and our legislation will facilitate that, how we can help Africans solve their own problems.

MR. DOWNIE: Thanks very much. Well, let’s pick up on that last point and also George, you’ve recently visited – you did a four-country trip in Africa with ONE, I thought, just recently, to sort of garner those African voices and try to introduce African perspectives more into, you know, your work going forward. So what did you hear from people on that visit?

MR. LANE: Exactly what Pearl-Alice just said. And that is – I mean I had two big takeaways from our visit. I was on the portion that was in Ghana and Mozambique and Kenya. And the two big takeaways I had were one, the assistance we are giving is effective, that we’re getting good value for the dollar.

People’s lives are being saved. We saw the same people, Pearl-Alice, that you saw in Namibia. We saw the same people who were ready to work. The second thing that we noticed persistently everywhere we went was that Africans don’t want to be treated like a basket-case because in most places, they are not.

They are people ready to work, competent, able to enter the global economy. And what we – having putting a lot of effort, now, into stemming a pandemic in AIDS and dealing with malaria and tuberculosis, I think Pearl-Alice is exactly right. I don’t want to horrify people that

there suddenly needs to be an aid – (laughter) – across the partisan divide in Washington, but Pearl-Alice is exactly right that where we need to focus our aid going forward is how do we best support Africans in achieving their own economic development and becoming active participants in a regional and global trading system, in receiving and making good use of foreign investment, in creating jobs on their own?

And that, I think, is the big challenge for foreign assistance, recognizing that we still have an important role to play in just paying for drugs, as we are to deal with the AIDS pandemic. The most important thing we can do for Africans now, and what they are demanding, is help us promote our own economic development.

MR. LANE: Can I pick up on the foreign assistance? This, again, may sound like an inside Washington thing, but on the aid effectiveness and what can be done now, we're at a really critical moment. And we're excited – our organization is very excited that Pearl-Alice and her colleagues are ready to reauthorize the Foreign Assistance Act. I would say once every 50 years is probably necessary to rethink how we deliver foreign assistance.

Even as I said the last decade might be characterized as a decade of development, in terms of how we deliver it, it's been a decade of incredible frustration. And I think, in 2008, as people looked toward a new president, there was a lot of energy in town about how to redesign and rethink this work. Noam, you probably are the one who created that chart that's made its way around Washington of all the arrows and boxes of how we try to deliver foreign assistance. It's really a disaster and I don't think anybody disputes that.

And that's certainly not a criticism of the Bush administration. What they, in fact, did – they were so results-oriented – was when they would see a system that they were suspicious was not going to be able to deliver is just design a work-around. I mean, that's at least my view of PEPFAR and some of the vehicles that were created to deliver assistance effectively.

MR. BOLTEN: And Millennium Challenge.

MR. LANE: And Millennium Challenge were work-arounds because the system that we have in place does not work. So all of these things have been coming to a head. Those who watch what goes on in Washington know the president may or may not have – I think he does now have a presidential study directive – it's PST number seven, that's a rethinking of development and how we want to approach development.

The State Department has its own, which may be problematic that we have these different documents – but the QDDR that is all coming together. We have the House and Senate both very eager to reauthorize this, so – I'm bringing this up because those of you who are advocates, now is the time. You should be telling the White House that we really want a national development strategy that kind of lays out where we're headed.

And they want some clarity so that these goals that Pearl-Alice has, sort of, laid out can be more easily delivered on and communicated to the public. As an advocate, I have to say we get a very hard time getting our members worked up about foreign-aid reform, about moving

boxes, or whether there's a department of development, or how they relate to the State Department.

That is really not of interest. And it probably shouldn't be. They want to know that lives are being saved, that more kids are in school and that sort of thing. And it's up to us to try to communicate how the system is an impediment to doing that as well as we can. So I think we're at a really critical moment.

MR. DOWNIE: Let's look – we're obviously focusing, and rightly so, on the commitments that the richer countries made in Gleneagles. Let's talk a little bit about the commitments of African governments themselves. They've also made a series of commitments, going back to 2000 and 2001, on spending specific amounts of their budget on health, on agriculture, and so on. Would you, sort of, give a quick report card on how their doing, or how African governments are living up to their commitments? There's obviously a huge disparity –

MR. LANE: Yeah. So the one we focused on when we were in Mozambique, I think, was agriculture. And we were traveling with a great – Mo Ibrahim was one of our hosts. He's quite a – as Bono says, he's the rock star in Africa. And he pointed out to us that, you know, I guess it was in Maputo – Africans, I guess, you were gathering probably six or seven years ago, committed to spending 10 percent of their national budgets on agricultural development. And only a handful have done so.

So they're lagging. And if you saw the very painful New York Times story a few weeks ago on aid spending and the fight against AIDS and, perhaps, the setbacks that we're seeing right now, they pointed at the rich countries and living – fully funding PEPFAR and the Global Fund, but they also pointed out that in Uganda they were acquiring very expensive military jets and underinvesting in global health. They were, in fact, diverting resources.

And I think all of us who believe in foreign aid, if we thought that our assistance was letting governments off the hook to fund their own initiatives, we would rethink and we should rethink the role that we play. And that's not a Western perspective. I'll tell you, one of the things that – Joshua, also we traveled to Ghana and Ethiopia the year before and we had this very powerful dinner, where entrepreneurs got together and said, you know, what bothers us is sometimes our government is more responsive to the World Bank country director than it is to us and our needs and what we say we want.

And that is very powerful, it's very powerful. And so I think we need to do things that bolster good governance, civil society, responsiveness to their people. But I think it goes too far to act like no leaders are living up to their own commitments. There are some very powerful examples of countries that have boosted education spending and accountability – teachers showing up – boosted funding for health.

And in fact, I have a White House friend who went to Rwanda as part of their consultation and she came back and she said, you know, the era of donors and recipients is over. We met with the health minister and the development minister and they have a powerful vision for Rwanda. And it's up to us to either, kind of, get behind it or be left behind. And I think that

is more the trend. And I think maybe what we ought to be doing is trying to reinforce the success stories of strong leadership, where they have prioritized the things that we care about.

MS. MARSH: Can I respond to that?

MR. DOWNIE: Yeah, please.

MS. MARSH: I'd like to respond to that because that's one of the things that I'm – as, you know, the staffer who's rewriting the Foreign Assistance Act draft is grappling with – and one of the things that becomes pretty clear and we've known this for ages – you're on the, what is it?

MR. LANE: Transparency International.

MS. MARSH: The Transparency International board. But there's a lot of waste and abuse in Africa. And I've come to a conclusion that we can only get so far by treating it just as a moral issue. I mean, we can wag our fingers as much as we want. But we also have to treat it as a managerial, technical and legal issue.

On the technical side, I look at the example of Zambia, where we have our Office of Technical Assistance from the Treasury Department working to try and help weed our corruption, but strengthen financial-governance systems for that country. When the advisor got there, Zambia had at least – 1500, I think, is the number – different checking accounts across all the ministries.

The finance minister had no mechanism for finding out and tracking what was happening with all of those accounts. Well, you don't have to spin your imagination too far to figure out what was happening to a lot of those accounts. So our Treasury Department is helping them build a new, single cash-management system. I think that's just an example of how we can help Africans – not only give the vision, or follow the vision that they have for their countries, but help them strengthen the capacities of their own government to make those visions happen.

I'm really concerned that, while the investment that we're making in human life, through health, education and so forth, is very important, that we're creating a bubble – that these countries, unless they get a handle on how they manage their own finances, are not going to be able to pick up as we start going, well, it's kind of time for you to pick up, you know, this responsibility.

And I just want to share one – off my crib sheet, here – one thing that we have to recognize and our African friends have to recognize. This was a study by the Global Financial Institute that found between 1970 and 2009, \$854 billion of illicit financial flows left Africa. In the 1970s, it was \$57 billion. From 2000 to 2008, it was \$437 billion. And then there's this correlation that, as the economies are growing – and we see, in most of the economies, they're growing now anywhere between 4, 5, 6, 7 percent, that as the economies grow these illicit outflows grow.

Well, I think, on the one hand, we can wag our finger. But I think it's more important that we really sit down and work with the governments on how do they control their financial flows. And not only how do they control it in their countries, but what's our responsibility on our side?

You're only getting that kind of money out of the country if you have some partner in the developed world who's willing to receive it and hide it for you. So building the financial-governance systems, I think, is the next major piece of our partnership that we're developing with our African host governments.

MR. DOWNIE: Thank you. Can we just have a quick word on – we're moving from this, sort of, G-8 – we're in a sort of transition phase to a much wider group of economies, now, in the G-20. Many of them have made a huge impact in Africa – China and the other BRIC countries.

Some of them have a very different view of the development and it may be less condition-based and aid-based and more on a strictly, sort of, business relationship. Could you say something about whether you think that's the way forward, a more mature approach to Africa? Or how do we incorporate these emerging nations into our approach?

MR. LANE: Are you looking to me?

MR. DOWNIE: I'm looking at whoever wants to answer.

MR. LANE: Because there's the G-8 – maybe what is, divide and conquer – let me just say, on the G-8, G-20 thing because that's where I thought you were heading, we're a very pragmatic organization in terms of forum. There was reason to think the G-20 would be a natural forum for these issues because it would be a better representative and it doesn't have, you know, a lot of poor countries, but it does have South Africa there.

And I think others had high hopes. We met with Angela Merkel in Germany a month ago and she gave her view that she was a big booster of the G-20 as the forum, but has found that it's an extremely stilted forum. And in fact, they have not prioritized these issues.

So to the extent that was raised by your question, we're going to keep pounding away at the G-8 until we find a better forum, even knowing that that may be an archaic institution. We're very practical. And we're just – finding the place where we can have the greatest leverage is where we'll kind of keep working. In terms of the – Josh, do you want to talk about the BRICs?

MR. BOLTEN: Let me just follow up on that last remark for a second and say that I'm not sure how archaic the G-7 really are at this point. I mean, it's been – it's practically been buried in the commentary, in the press, and it is certainly true that the G-20 have taken over the G-7 or G-8's former role as being the executive committee of the world economy. And that's an important recognition that needed to be made. That transition is underway, so that the big players in the world economy are all at the table when those issues are discussed.

But I think the G-7 still has an important role to play because the G-7 is a smaller collection of countries with relatively similar positions, with a great commonality of interest. So for purposes of issues like these, I think it's a forum that still has a role to play.

Our experience, when I served in government, was that the G-7 or G-8 meetings would usually come around just at a time of some world crisis and that the meeting itself would be hijacked to become an opportunity for some of the world leaders to come together and how they would address the crisis. There was Lebanon, there was Georgia, I think, at one point.

MR. LANE: Yeah.

MR. BOLTEN: And a pretty good role for the G-7. You hate to have a meeting in anticipation that that's when a global crisis is going to occur, but not a bad role for the G-7. But also a good role, in the context of development assistance, for like-minded countries who are trying, roughly, to push in the same direction, to try to come together – and, in the way that one is doing, hold each other accountable. So I'm not ready to write off the G-7 and I think they continue to have an important role to play that I doubt – for the reasons that David just said, I doubt whether the G-20 is going to be successful in playing.

MR. DOWNIE: Thanks. Well, we've got just a few more minutes and I'm keen to open the floor to some questions. So if you have a question, please come up and stand, direct your question to the microphone. And please say who you are and your organization. And so we have as many people as possible, please keep it as brief as you can. Thank you.

Q: I'm Mitzi Wertheim with the Cebrowski Institute, which is a part of the Naval Postgraduate School. I'd like to ask a holistic question. In 1960, I spent five months in Nigeria. I was part of Crossroads Africa and then went on to be the 20th person hired by the Peace Corps, before it was announced. So I've been playing in this world, if not all the time, but certainly intellectually.

I'm now focusing in on the planet, which is about energy and climate. And when I started, I talked to this amazing geologist who said, Mitzi, there's a topic no one will discuss. And I said, what's that? And he said, it's population. He said, we don't have the resources on the planet anymore to support this expanding population.

Let's assume you get everybody healthy. I think Pearl-Alice has raised the right question. Where are the jobs? We've worked so hard at getting productivity in the creation of jobs. There aren't jobs for people. And if creating jobs was easy, we wouldn't have 8 million people out of work. So I'd like you to think about it from a holistic, rather than just taking a piece of it, in terms of solving that problem.

MS. MARSH: Well, we have, what, an hour here, so we can't delve into any and every issue, but clearly creating jobs and building strong market-based economies in Africa is important. And that means a robust private sector. It means a government that can enable that private sector not only to flourish within country, but to compete regionally and globally.

That's what the Africa Growth and Opportunity Act was designed to do. It's not come through, to be honest with you. I think it's 85 or 90 percent of what's accounted for under a goal is petroleum products. That's not what it was designed for.

When you walk through the streets of Africa and see all those young men, usually, selling, you know, all that plastic stuff – those little gadgets and trinkets from – they're probably made in China somewhere – it just breaks my heart. Those young men should have the same kinds of jobs that all of you are training out there to be.

So enabling those economies, working with them in partnership, to build job-creating – you know, build job-creating mechanisms is important. Agriculture in Africa is key. I think coastal fishing is key, if you look at how Africa's not exploiting that – 34,000, is it – miles of coastline for serious commercial fishing. There are lots of those, kind of, basic sectors where we can build jobs and build economy in Africa.

MR. DOWNIE: We'll take another question next.

Q: I'm Judith Kaufmann. I'm an independent consultant, but a former diplomat with the State Department. I've also worked on AIDS issues, malaria issues. And I want to thank all the panelists. This has been interesting and I particularly appreciated Pearl-Alice's surfacing some of the issues on financial-regulation transparency. And it points to – and I'd like to hear the panelists' views on where is the balance between African-led and perceptions, then, from civil society and others, on what's important?

One can go back and look at slow leadership on AIDS. Without international pushing on the issue, I'm not sure we would be where we are today. African governments committed to reducing taxes and tariffs on malaria goods, but that's a source of income – both licit and illicit – so very little has been done. The MCC put emphasis and one of the criteria is doing good, so that may be a lesson learned on how can do that. But I'd like to hear more about how one balances those needs – financial regulation – with what we're really – what's happening in the field.

MR. LANE: Maybe I'll take a stab. Yeah, to say African-led is not just simply to say that experts don't have opinion, medical professionals don't have insights that need to be applied. We love the Millennium Challenge initiative and actually we'd like to see it expressed through all our foreign aid – the principles of MCC, as you said, to have greater currency in all of our foreign aid.

The key insight there is that there was greater freedom to lead development, to spend funds and set your own priorities, after a certain set of gating requirements were met in terms of good governance and investing in your people. And in many ways, it acknowledges that success in development does require good governance, which includes tax and budget systems and all of those things.

So we actually believe, and I think we're going to see this in the Presidential Study Directive, that governance is a key part. In fact, I would say heading into September and this

MDG summit, with five years to go, if they missed something in the first round of the MDGs, it was probably underemphasizing the importance of governance, checks and balances, civil society, strong institutions.

Which is not a patronizing view, to say African countries should develop the capacity to take charge of these things themselves. I think that's really critical to what we do. So I don't know if my other panelists want to add to that – I agree with the importance of local leadership, but it doesn't just mean deferring, you know, without principle, to local leadership.

MR. BOLTEN: I'd just add that it's what we heard from the Africans themselves, which is that consistently, Africans would tell us – especially those who were in the private sector – saying the most important thing we can do is put in place good mechanisms of governance that make it possible for us to operate in a rule-of-law environment, in an economic environment where we can flourish.

And for that purpose, I think it's very important that aid increasingly – not less so, but increasingly be focused on providing support to those countries that are showing that they are committed to good governance and in a way that promotes good governance. And I think that's part of the challenge of foreign assistance going forward.

The cool thing about the Millennium Challenge concept is – which has been underfunded from the way, from the plans that the Bush administration originally had for it. We had grandiose plans of 5 billion a year, or something like that, and we're barely at a billion a year, I think, which is a bit of a disappointment. But the model is proving successful. And what I think is really cool about it is that that concept, I think, is likely to spread to all of our foreign-assistance undertakings, in a way that Pearl-Alice described in her first set of remarks.

MS. MARSH: I'd like to say, though, that we need to take a deep breath and realize that we can trust Africans. We were slow on the uptake in this country around AIDS, if you remember. We were in denial mode for a long time and scapegoating and everything else. What's important to overcome what you've described as, you know, a challenge, really is making partnership real – that in real partnership with African countries, we teach and we learn. And that's a two-way street. They teach us as well and learn from us.

African countries want these changes. As you've just described, our Treasury Department is working on financial governance, I think, in 13 different countries. It's not well-funded, the OTA program, but the African countries want it. We have a generation – or two generations, by now – of Africans who want to see that continent thrive and do well. So we have to redefine how we engage, relax a little bit, trust Africans that they know what's best for them and support them in that quest.

MR. DOWNIE: Let's take one more question.

Q: Just a quick – Jennifer Cook, with CSIS. Just building on that last point, I think it's a bit of a dilemma, I think, for the advocacy community and for Congress – the idea of turning to African-led objectives. Part of the success of PEPFAR and, I think, the Gleneagles was the

sense of urgency, the quick results that access to ARVs provided – kind of the Lazarus effect and so forth.

Now we're moving to a stage when we're thinking we've got to get past these kinds of emergency responses. We have to build long-term capacities, investments in research and training and systems and so forth. That's very hard to measure over the long term.

It's hard to put in a brochure, you know, that the impact – and I think for one, and for Congress, too, how do you convince people to make these long-term investments that don't pay off in five years or two years, but maybe in 10 years, but are going to be the that counts for sustainability, for African ownership and so forth, down the line? And that will be – that's it.

MR. LANE: I share your burden. Our leader, or cofounder, calls this the search for the melody line. It was not hard to say, as 2000 approached, there's a jubilee year. I mean, most of you know the impetus for debt relief. There was a time-limited effort. And then it was two pills can save a life. There's an emergency going on in Africa, that was the AIDS crisis.

I don't know if I should say we're searching for the next one because I just don't know if it's realistic or honest to try to tell people that there's some magic bullet they need to rally around that's going to get this all solved. And that is the challenge to all of us in the advocacy community. This is complicated. And it's not just about aid. It's about leadership within those countries. It's about – none of us believe we can get where we want to go without private-sector capital and job creation.

Everybody knows that it's all of these things coming together. It's a complicated story to tell. But I think there is something in there of an Africa rising and leading its own way, this impatient generation of young Africans who are really hungry to take charge of their own future, frustrated with a lot of the – frustrated, in some cases, with foreign aid, frustrated with their own leaders. And I think there's a very positive story to tell about us responding to that and supporting that.

And of course, as advocates, you always need to let people know that progress is being made. And it is. And it is one of the – I mean, just the last thing I'll say on that is, Bill Gates got so frustrated with this. You know, the Gates Foundation has poured a lot of money into global health and they see dramatic results, in terms of child survival – under-five survival, which was – 20 million kids under five lost their lives in 1960, then it made it's way, gradually, slowly, but in the '80s, made its way towards 10. Last year it got to nine. Last October, it was 8.8.

Bill Gates believes if we keep funding the Global Fund and GAVI, it's going to be 5 million a year by 2020. That's a dramatic story and people don't even seem to know it. And it's up to us to kind of be conveying, conveying those stories of progress and success.

MS. MARSH: I would add to that, that in addition to kind of quantifying and measuring the successes that we're having, that we have to remind our constituents that Africa matters to us. But what matters more even than Africa is our values in the world matter.

And if we retreat from Africa – I don't want to China-bash, but if we retreat from Africa, there are other global interests that will have long-term influence, not just on how African economies develop or underdevelop again, but also what kind of governing systems they have. You know, what will be the liberties that the people in Africa enjoy, if they do? Will there be religious freedom? I mean, there are lots of ways to cut it on why we should continue to press an agenda in Africa.

And also remind people that, you know, it's not a huge amount of our money that's going to Africa. When you say it's billions, you express it in billions, or you know, you give these big numbers – it's not a huge amount of money. So we have to do an effective job of really, really educating our population on, one, why Africa matters. One, if we believe in our own national values, why expressing those values in Africa matter and that it's really not costing us much.

MR. DOWNIE: Great. Well, we're basically out of time, but perhaps I'll give David the last word on this and just say – you said at the outset, 2010 is your last report so far.

MR. LANE: Yeah.

MR. DOWNIE: So are you supposed to be back next year with another one?

MR. LANE: Well, let me say on that, if we are – Aaron's probably saying, please no, please no. It will reflect an evolving way of seeing the world. Like, I wouldn't mind – I'm making this up – if we started a report that focused on African countries' own ability to marshal domestic resources or – and Kagame has even talked about this in Rwanda. They want to hold themselves accountable for declining levels of aid dependence.

I think there are lots of different ways to express progress and I'm absolutely proud of the Gleneagles commitment and our – my organization's, my predecessors' role in trying to hold the G-7 accountable. But I don't think just measuring flows is what we ought to limit ourselves to, in terms of accountability, going forward. So stay tuned and we'd welcome your ideas for how we ought to be measuring progress.

MR. DOWNIE: Great. Well, we'll have to end it there, I'm afraid. But thank you all for coming and I'm sure you'll join me in thanking our guests here today for a really stimulating discussion. David Lane, Joshua Bolten and Pearl-Alice Marsh, thank you. (Applause.)

(END)