

THE BROOKINGS INSTITUTION
CREATING OPPORTUNITY:
FROM THE LOCAL TO THE NATIONAL TO THE GLOBAL

Washington, D.C.
Tuesday, February 8, 2011

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Keynote Address:

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P R O C E E D I N G S

MR. ANTHOLIS: Good morning. Thank you for joining us here at Brookings for this special event, which is a forum on creating opportunity in the United States and abroad. This is the second in a series of events that we're doing on issue clusters that cut across the country -- as my colleague Bruce Katz likes to say, that go from the local to the national to the global -- and we call them all Brookings priorities. And they're really all-American and all-world priorities, and we're delighted to have a great audience and some great panelists today to talk about them with you.

Nearly two centuries ago, Alexis de Tocqueville visited the United States and marveled at its unique climate of individual opportunity and economic mobility. The rigid class structures of feudal Europe were absent in America, a land where individuals could hope for a better future if they -- and for de Tocqueville's America that meant exclusively white men -- worked hard and developed skills. From Andrew Carnegie to Oprah Winfrey and Bill Gates, Americans have amazed the world with their entrepreneurial spirit and, on top of that, philanthropic achievement.

In recent decades politicians from humble backgrounds, such as Ronald Reagan and Newt Gingrich on the right to Bill Clinton and

Barack Obama on the left, have not only lived that dream, but have made it a central part of their political careers and rhetoric. And so two weeks ago, when President Obama urged the nation to renew that spirit in the new century, calling on individuals to take risks and reinvent themselves to succeed in the global economy, he returned to a time-honored theme in American politics. And Paul Ryan in the Republican response echoed that theme and that challenge to Americans, declaring that the spirit of initiative determines who succeeds in America.

Members of both parties insist that America's still an exceptional nation, ready to win the future despite a host of challenges. For individual citizens the challenges are familiar: declining home prices, a weak labor market, and sky-high health care costs. For public officials the debt and deficit hang over any and all of these policy decisions. Yet despite these troubling realities there is still a widely held belief that with education and hard work it is possible to succeed in America, and the statistics bear that out. College graduates are four times more likely to be employed than those with no college education. And economists at Brookings and elsewhere have shown that employment opportunities only increase with advanced degrees.

America remains home to the world's greatest universities

and our graduates are the most productive in the world. But our high schools and elementary schools are failing often to prepare our students for the rigors of higher education, and the cost of college tuition is forcing even our brightest to take on greater debt to continue their studies.

Our crisis is not unique. Around the world nations are struggling to provide opportunities for gainful employment and education for all their citizens. In the past, with programs such as the Marshall Plan and through the support of international institutions like the World Bank, the U.S. has helped support development goals abroad and on a global scale. But foreign assistance has a mixed record, as demonstrated by Egypt and others, where a broad development community has improved millions of lives, but often countries have not developed as many had hoped. So as we consider reform at home, we must also continue to perfect our strategies for promoting opportunity abroad as well for those who still struggle to advance.

Now in Washington we're at a period where we're moving from soaring rhetoric to budget proposals. And the question for many Americans is whether we are still the land of opportunity and a beacon of hope for others. So to discuss these issues, we are really delighted today to have a great keynote speaker and two terrific panels.

Our keynote speaker is Ms. Sylvia Mathews Burwell. I always still trip over the Burwell since we've known her as Sylvia Mathews around here. Sylvia grew up in a small town: Hinton, West Virginia; population 2,880 as of today. I don't know what it was when Sylvia was there. The granddaughter of Greek immigrants, she went on to be educated at Harvard and Oxford, won a Rhodes scholarship. And as I did the math the other day, as a fairly young woman and still a pretty young woman started at the White House as the staff director at the National Economic Council, chief of staff at the Treasury Department, deputy chief of staff at the White House, and then deputy director of the Office of Management and Budget -- a legendary career at a very early age.

And for the last 10 years -- and it's amazing that it's been that long -- Sylvia has been a guiding force at the Bill and Melinda Gates Foundation, an organization dedicated to providing every person "with the chance to live a healthy, productive life." Sylvia has served as executive vice president and as chief operating officer and executive director of the entire Foundation.

The Gates Foundation is perhaps best known for its work on global health, fighting against infectious disease and other health maladies in the developing world. But the Foundation also has two other divisions:

the United States Division, with a primary focus on reducing college dropout rates and improving the performance of American schools; and then also the Global Development Division, which Sylvia is now president of. Global Development seeks to provide opportunities for the 2-1/2 billion people who live on less than \$2 a day and the more than 1 billion people who suffer from chronic hunger. They do that by focusing on agricultural development, financial services, water sanitation and hygiene, and policy and advocacy.

So whether it's in Sylvia's division or in the other two Gates programs, which she helped to conceive and direct, creating opportunity is an all-Gates priority, if not an all-Burwell priority, just as it is here at Brookings. So, we're delighted to have Sylvia lead off today.

Before I pull her up on the stage, I just wanted to give you a quick sketch of what will come after her. To explore the challenges that sit between last week's soaring rhetoric and next week's federal budget we will have two panel discussions led by Brookings scholars and featuring some terrific guests.

The first will be led by Karen Dynan, who is our vice president for Economic Studies and co-director of that program, which will consider America's domestic challenges and feature Brookings scholars

Ron Haskins, who is the co-director of our Center on Children and Families, and Russ Whitehurst, who is the director of our Brown Center on Education. And we'll have a special guest of Pamela Egan, who is the executive director of Nevada Partners, an extraordinary public-private partnership that provides a host of opportunity-oriented services for one of the most severely impacted areas in the nation, southern Nevada.

The second panel will be led by Homi Kharas, and it will feature Brookings scholars Rebecca Winthrop, who's the director of the Brookings Center for Universal Education. And they will also be joined by two guests: Bill Lane, the director of Intergovernmental Affairs at Caterpillar; and Carol Lancaster, the dean of the Georgetown School of Foreign Service.

So, it's a terrific and full day. We are pleased to have you all and I'm pleased to welcome Sylvia to our stage. (Applause)

MS. BURWELL: Good morning. And thank you, Bill.

It's great to be a part of today's timely event. I want to thank Strobe and Bill and Kemal -- all friends -- for their leadership here at Brookings, also for having me come today, as well as their commitment to global development.

We're here today to talk about creating opportunity and upward mobility, both at home and abroad. And we're here to talk about it as budget season gets fully underway, and in the midst of a challenging economic recovery, one that will certainly inform the funding battles that loom on the horizon.

I think I've been asked to kick off this conversation for a couple of reasons. First -- as those of you who already know me -- I'm a budget nerd. During the Clinton Administration I had the honor of serving as Deputy Director of the Office of Management and Budget. And I enjoyed every minute of it. Well, not every minute. (Laughter.) And second, as Bill reflected, for the past decade I've been privileged to work at the Bill and Melinda Gates Foundation, whose work is very much aligned with the spirit of this effort today.

Bill and Melinda Gates started the Foundation because they believed that every person should have the opportunity to lead a healthy and productive life. That core concept -- the chance to live a healthy and productive life -- is the way we talk and think about creating opportunity at home and abroad.

More than a decade ago, Bill and Melinda read an article about the millions of poor children dying each year from diseases that

most people in the United States don't have to worry about. One disease in particular caught their attention -- rotavirus, which was killing half a million children every year. They didn't even know what rotavirus was. At first they thought it was a typo. And they wondered, how is it that routinely we read about plane crashes, freak accidents in the headlines, yet there was a preventable disease killing half a million children a year, and this was the first time that they -- two educated people -- had ever heard of it.

Our world today is filled with inequities like this, inequities that burden people from the moment they're born, often simply because of the circumstances or environment where they are born. Bill and Melinda wanted their foundation to address these kinds of injustices.

But to be successful, they knew they would have to focus the efforts. Our resources may seem large in the universe of philanthropic efforts, but they're very small when considered against the magnitude of the problems that we work on.

So to guide our work, we always start by asking two basic questions. What affects the people with the most urgent needs? And where do we think we can make the greatest impact?

Today, half the Foundation's resources go to our work in global health, which aims to harness advances in science and technology

to save lives in developing countries. For example, we invest heavily in vaccines in the hope that by 2025 90 percent of all children will be immunized against diseases like measles, pneumococcal pneumonia and, yes, rotavirus.

Another quarter of our resources go to our United States program, which focuses on improving U.S. high school and post-secondary education, bolstering access to information, and supporting stable housing.

And a quarter of our resources go to the program that I now lead, our Global Development Program, which is what I want to spend the rest of my time discussing here today -- first, on how the Bill and Melinda Gates Foundation endeavors to promote opportunity and advancement in the developing world, and then second, on some of the challenges we face as a Foundation, and as a global development community, as an effort to stimulate what might be part of the conversation that follows today.

The Global development Program began as an effort to investigate what we call "strategic opportunities." I was tasked with thinking about potential ways we can invest in things beyond our health and, at that time, U.S. high school investments. What guided this process

was an intense study to find the most effective ways to make real our beliefs that every person should have the opportunity to lead a healthy and productive life.

In 2006, with Warren Buffett's monumental, humbling and inspiring gift, these skunk-works became what we now call the Global Development Program. We adopted the mission of increasing opportunities for people in developing countries to lift themselves out of hunger and poverty. And we embraced a few key principles.

First, we recognized that philanthropy plays an important -- but limited -- role. We can take risks, move quickly, and help catalyze change. But large-scale, lasting change is ultimately driven and sustained by markets and governments. Our work must therefore strengthen and complement those forces, not compete with or replace them.

Second, we focus our work on benefitting individuals. There are, of course, many effective ways to approach and quantify development but individual people are the lens through which we view and measure success. I have a picture in my office of a little Senegalese girl named Inday, and she's 18 months old. As you can see -- you can kind of see the bucket that she's sitting in. She's sitting in a little blue bucket with her head just peeking over.

And I give a copy of this picture to every employee that starts in the Global Development Program. And I send them a note and I say, "This is your boss." Most people think they're coming to work for Bill and Melinda Gates, but "This is your boss," and I mean it. Every action we take should be for her benefit. She's the one that we really work for.

Third -- as with the Foundation's work overall -- we believe we can have the greatest impact by focusing on a limited number of issues for key sustainable and scalable development. And when we say "scale," we mean that the project must be able to grow exponentially. The needs are too great for us to be content with solutions that might reach 100, or 100,000, or even a million people. We're aiming for solutions that can ultimately lift 100 million people's lives.

In applying those principles, our Global Development Program arrived in three areas of focus.

Our largest area of focus is agriculture development. History shows that almost no country has managed a rapid rise from poverty without increasing its agricultural productivity. Today, a majority of the more than 1 billion who survive on less than a dollar per day rely on agriculture for their food and incomes. And in Sub-Saharan Africa, agriculture represents two-thirds of employment, and about a third of

GDP. If the goal is to help the poorest people get enough to eat and increase their incomes, then agricultural development is a very good bet.

We made our first grants in 2006, and we have committed \$1.6 billion to date, to help small-holder farmers boost their productivity, increase their incomes and improve their lives.

To give an example, we're funding a program called "Stress Tolerant Rice for Africa and South Asia," STRASA -- every good project has a good acronym -- to help develop new varieties of rice that can withstand extreme weather, poor soils and floods. STRASA has made great strides in India where, with strong support from the Indian government, we've been able to quickly release and disseminate stress-tolerant varieties to small-holder farmers. By the end of last year, more than 400,000 farmers had planted this stress-resistant rice. And by 2017, we hope we'll reach 20 million farmers. Yes, 20 million is the goal.

A second example of our agricultural development work starts with a towel from Macy's. I was going to bring it in my suitcase, but that would have meant I had to check instead of carry on, so you don't get to see the actual towel. But it looks like any other towel on the shelf. But the story behind it represents a better life for 265,000 farm families in Africa. Together with partners in Germany, we're funding a project to help

cotton farmers across six African nations grow higher quality, higher yield cotton.

But the Global Program doesn't stop there. It also helps these farmers link to global markets through partnerships with private-sector retailers like Macy's and Puma -- and as well as cotton processors, who have helped these farmers turn the "Cotton Made in Africa" label into a seal of quality. We're weaving a stronger fabric of prosperity that benefits every actor who contributes.

Our second area of focus is financial services for the poor, where we focus on savings, tools that help people cope with crisis and take advantage of opportunities for progress.

Most of us probably opened our first bank account

when we were still in grade school. Yet only 10 percent of the world's poor currently have access to these kinds of services and tools -- which hinders the way they deal with challenges and opportunities.

Our foundation is funding innovation in technological design and delivery that lower costs and increase the value of delivering savings accounts. And what's most exciting is that many of the breakthroughs are occurring in the developing countries themselves. In fact, many of you probably have one of the most powerful solutions in your pocket or your pocketbook right now. It's not your wallet; it's your cell phone.

In Kenya, a mobile money service called M-PESA allows customers to deposit and withdraw cash with the same agents that sell air time minutes for their phones. In little more than three years, 70 percent of all Kenyan households, including half of all poor households, use this beneficial service -- 70 percent in three years -- giving them a powerful tool to improve their lives.

Our foundation believes these amazing results can be adapted by building in savings accounts and spreads to other countries. Take Haiti, for example, where the earthquake destroyed more than one-third of the country's bank branches, ATMs and money-transfer stations. Without that infrastructure, ordinary Haitians have struggled to get access to cash.

We've worked in partnership with USAID to create a \$10 million incentive fund in Haiti to jump-start financial services by mobile phone, and expedite the delivery of cash assistance to earthquake victims -- while laying the groundwork for millions of Haitians to improve their lives through easy access to money and, hopefully other financial services. I'm please to report that just last month we made the first award of \$2.5 million to a Haitian mobile operator called Digicel, which created a mobile money service that allows users to deposit and withdraw money from retail outlets through their cell phones. Eventually its services will include bill paying, payment for government services, and international remittance transfers. It puts a whole new twist on dialing-for-dollars.

The third area of focus in our Global Development Program is water, sanitation and hygiene. Yes -- latrines. My mother says, "That's not table talk." But the fact is half the population of the developing world lacks safe access to sanitation -- which is one of the reasons why more than 1 million children every year die of diarrhea. We're working with a wide range of partners to improve safe sanitation, especially in Asia and Africa, which will yield profound economic, educational and social benefits as well.

Part of the challenge is stimulating demand for safe, sustainable sanitation in communities that practice open defecation. You

can't just give away taps and toilets. Often they don't get used as intended. They get taken apart, they get used as storage. Sometimes they get used as chicken coops.

But if you can win a community's support, that's when progress can start to take hold. So we're supporting efforts that will build local buy-in and demand. We're inspired by the experience in Haryana State in northern India, where more than 1 million latrines have been installed in recent years -- in part, thanks to a public service campaign that linked sanitation to marriage. It was called the "No Toilet, No Bride" campaign. The radio jingle said, "No loo, no I do." (Laughter.) As you can imagine, it's been seen as a great leap forward by women across the region.

So these are three areas of focus, and some of work underway. As Bill and Melinda like to say, "We're impatient optimists." We want change to happen faster and reach farther and go further. Our experience with many of our projects so far reinforces our confidence that smart investments can and will bring real results.

Yet, paradoxically, one of the challenges we face is the ability to think beyond great projects. Because successful projects are incredibly appealing. They provide great stories -- like the towel. But in celebrating projects, we can't lose sight of our goal of systemic change.

We still have to ask, "Can this project be scaled? Can it drive transformative change?"

The answers matter because, ultimately, development needs to be about ending the need for assistance in the first place.

As I said at the outset, we look at our progress through the prism of individual lives. So we take a program like cotton in Africa, and it's reaching hundreds of thousands of farming families -- which is wonderful. But the cost per farmer is actually high. And cotton is a cash crop -- which isn't suitable for every place. We're going to help a huge number of people with that project, and it's very important. But the real question is will we be able to scale it to tens of millions? We're counting on places like Brookings to keep insisting on intellectual rigor, to ask the hard questions, and make sure development resources stay focused on more expanded, long-term change.

A second challenge is ensuring we're acting in the needs and desires of those we serve. It sounds obvious, but given how far away we are in Seattle -- and here in D.C. -- it's easy to lose this connection. Successful businesses actually devote resources to getting to know their customers. *Fortune* magazine recently had an article about Proctor and Gamble researchers spending weeks -- quote -- "-- in the jungles of Brazil, the slums of India and the farms and villages in rural China --" --

visiting people in their homes, learning about their daily routines, asking about their aspirations, gaining clearer understanding of their needs. P&G aims to serve what they call the “\$2 a day customer.”

We’re in a very different line of work, of course, but there’s a lot that we can learn from that approach. If we want our program to have big impact, we need to know our customers, too -- to seek their input, be open to their insights, and to listen and learn from them. When we do that, it can lead us in promising directions that we’ve never anticipated.

In our work with financial services for the poor, at first when we started, we focused on credit. But then, in a couple of our grants, we were teaming savings services, too. And we were surprised to see that the demand for savings was actually higher than the demand for credit.

So we dug deeper. We funded research on how poor people manage their money, asking families to keep financial diaries over a period of time. And what we learned was that the very poor live incredibly complex financial lives -- often relying on a multiple of approaches, from sending money to relatives for safekeeping, to paying a money-guard to hold their cash. As a result, we’re focusing on savings tools, like the mobile money technology I referred to.

Listening carefully helped us -- indeed, forced us -- to question our own assumptions, and opened a new opportunity to spark improvements in millions of people's lives.

Another challenge, and perhaps the most acute here in Washington, D.C., today, is development funding. The question of ensuring funding is adequate, and that funding goes against effective work is a problem that is front-and-center for us at the Foundation, and all of us who work on these issues.

The problem is actually a complicated one. When I joined the Foundation 10 years ago and began our advocacy work, I made a rule. When speaking about funding, no one at the Foundation should ever say "more funding" without saying the phrase "more effective funding." And I think that's even more important today.

The challenge of defining and measuring -- quote -- "good" development is a hard one. We often see a debate that's polarized by simple news-catching approaches, even by people who have deep expertise in the field.

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MR. WEAVER: Matthew Weaver. On that same note the incentive on the 2-1/2 million for -- is that possible to run for a sustainable

and secure program? Is it possible to run it with UniBank and local banks or is there other financial oversight required?

MS. BURWELL: They select. The telcos generally select the banks that they will work with and right now because it's mobile money, the one thing about this is you've got to move from mobile money to actual banking so that you have to get these telcos to connect to the banks and that is what the hope is, and the one place we've seen it is in PESA, the effort in Kenya that I mentioned. They have now joined with Equity Bank so that the two strongest brand names in all of Kenya, Safaricom, that's the telco that does it, and Equity Bank have joined together. There are some issues because they're fighting over the branding a little, but you want it to connect to the formal mechanisms and you want it to connect with the banks on the ground. Generally speaking it is the banks on the ground that want to play, not the large multinationals yet in terms of what we've seen but it is in a very, very nascent place.

MR. UNGER: Noam Unger from Brookings. You mentioned a number of areas of collaboration with the U.S. government, the Ethiopia example, the Incentive Fund in Haiti, and the Gates Foundation has done incredible work on agricultural development and that has caught on now in the development space where we have an International Food Security and Hunger Initiative, we have Feed the Future, the U.S. initiative. What will

be the impact strategically and programmatically to the Gates Foundation's work in agricultural development if those initiatives don't take off? They're at a tenuous place right now in terms of funding. Food security is a major initiative of President Obama, but if he can't get the funding from Congress it's not going to be nearly as robust as envisioned. Does that have an impact on your own work strategically?

MS. BURWELL: It is something we spend a lot of time talking about in terms of thinking through what are the necessities, where are the places we believe the funding really must be there. Some of the core things that I think we think it would be very, very bad to lose, one is Noam just referred to what we affectionately call the GAFSP, but it's the Global Agricultural and Security Food Program. It's a multi-donor trust fund and it is an example of the kinds of things that we will see a cost if that is not funded in terms of right now there are at least I think 10 applications that are sitting that are qualified to meet the standards and we put our technical people on the committees that do the selections. The Bill and Melinda Gates Foundation invested \$30 million in this fund and it is a multi-donor fund that is led by countries' own proposals. The proposals we've seen that come through are of a very high quality so that that's the type of thing.

The funding for the countries in Feed the Future, what it will do is it will stall out. At a critical point in terms of economic growth around the world right now, much of the growth and the places that are growing at a higher rate are in the developing world. You still see African economies with higher growth rates than many other places. By not supporting agriculture which as we heard is one-third of GDP you're going to at a critical point stop the progress in growth that's occurring.

It's also at a critical time. At the time that I've worked in these 10 years on my visits, there is a difference on the ground. When you talk to heads of state, agriculture as they think about their priorities and changing the dynamic for their country is front and center. The question is once one has a lost opportunity because you lose the funding right now, when will you see the opportunity again? The problem is also that we believe that the U.S. dynamic drives others around the world. Having recently met with Mr. Sarkozy, this is one thing we spend our time on is advocacy and we us the co-chairs', Bill and Melinda's voices, at Davos. You meet with all the G-8 heads of state to talk to them about these issues. What will happen is if there are large cuts in the U.S., the pressure will be off the French and the Germans.

With the European community when you add it all together is over 50 percent of all development assistance. It's not just what happens

with our dollars, it's how we influence the other dollars. The other thing is it could undermine. The British have made a great commitment. Prime Minister Cameron has made a great commitment to development but will the British public turn on him when they see cuts in the United States? They're receiving cuts in all of their domestic programs in the U.S., he's maintained protection for both domestic health and development in the U.K. and will that affect his ability to hold? I think the question is it will stall out. There are particular programs where we think it's very important, the GAFSP and the Alliance for a Green Revolution in Africa. Another example is the Consultative Group for International Agricultural Research. That's what started that STRASA research with stress-tolerant rice many years ago. Those kinds of things will make a difference both in the short and long term and then the U.S. impact on others we think could be great.

MR. ARONSON: Matt Aronson. I'm curious in that you've talked a lot today about productivity and particularly about immediate needs and I'm interested in a perceived challenge I have between immediate needs and things that are individual versus systemic needs. For example, caloric intake for an individual or income for an individual versus something like long-term water stable stability or versus long-term ecological or nutrient stability. I know that you're not country focused, but how do you deal with the difference between what might be termed as

short-term versus these long-term benefits for local or a national community?

MS. BURWELL: The question of long term versus short term, by changing productivity, that is the long-term change. By enhancing productivity when you look at the history of the world and changes in how economies move in terms of that transition to become developed economies, it is an increase in agricultural productivity that leads to the long-term shift in terms of you'll increase productivity, you'll change incomes, you'll change hunger. So by focusing on productivity itself we are focusing on what we believe is the long-term play and the play that we've seen historically have impacts both on the individual as well as price impacts for those in urban areas by reducing costs so that that's in terms of that.

With regard to the question, there were two questions I think embedded in the next part of your question, one has to do with nutrition and the other has to do with sustainability broadly defined. With regard to nutrition, it is something that in our agriculture have an entire area in our health team that's focused on nutrition. We tend to focus on zero to 2 in terms of nutrition whether that's breast feeding or health of the mother. We also focus on micronutrients in food. There's an organization called the Global Alliance for Improved Nutrition Gain that does put nutrients in

processed food but that's not enough because many of the people we're talking about don't get processed food.

The other thing that we're doing is we breed. What we do is we breed. Vitamin A is one of the most important micronutrients that is missing for many people in the world. We've done breeding to breed vitamin A into sweet potatoes. Right now over 500,000 of these sweet potato plants have been taken up. The nutrition aspect, when we think of it in our agricultural work, we think about two things. We do the breeding because the breeding expertise sits with us so that we breed for healthier foods. The second thing that we do is when we do our work such as this was a cotton project that I talked about, but our cocoa project is part of the extension where people are trained in nutrition.

The second part of the question had to do with sustainability. When we think about sustainability we think about sustainability as economic, environmental and social. For our work to be successful when we say scale and sustainability you have to have both. Without healthy soils the increased productivity will not last very long. We focus on things like integrated soil health management that helps keep the soil healthy over time. We focus on different types of irrigation that are perhaps more efficient with regard to water use because agriculture is one of the largest users of water in the world. We've funded efforts on drip irrigation which

are much more efficient approaches. It was one of the problems with the Green Revolution. The Green Revolution we believe was a fabulous thing and saved millions of people's lives. It was a very important thing, but there were some critical problems with the Green Revolution. One is environmental, two is it didn't focus on small holders as much so that the question of the benefits going to the poorest of the poor didn't always occur, but at the same time there were many, many benefits. As we do our work we try and focus on things that didn't go as well and think about it and you've raised in your question two or three of them at once. Thanks.

MR. YONEYAMA: Yoneyama, Japanese investment firm. You talked about the G-8 and the European contribution but how about the Japanese contribution, not just monetary but Japan's main food is rice and I think they have GMO or high -- rice technology as well as water purification and so forth. How do you see their contribution at this moment?

MS. BURWELL: We are big fans of JICA. JICA is the Japanese aid agency and have worked very closely with Madam Ogata and others throughout the Japanese government both on our health work and our agricultural work. The Japanese are great players all around the world in both of those areas. You mentioned rice. The Japanese are big supporters of the International Rice and Research Institute where much of

that breeding occurs and we do tend to work with them. As a matter of fact, JICA is a partner of the Alliance for a Green Revolution in Africa. AGRA, the Alliance for a Green Revolution in Africa, is an entity that we and Rockefeller funded that we created outside of our foundations on the ground and they're working very directly with them. So they are a very important partner that we work with directly in the developing world as well as for funding things.

MS. TEASE: Thanks, Sylvia. Molly Tease from the State Department. You had mentioned the importance of Gates's advocacy for your work and if our funding is reduced, U.S. government funding is reduced; it can affect funding from other countries. I'm curious to know if in your domestic education program there is any advocacy for curriculum work to build global understanding, a global mind-set because if our students don't have that kind of an understanding then they're less able to drive our own economy to be internationally competitive.

MS. BURWELL: With regard to the specific of funding curriculum work in the U.S., we don't because our U.S. program doesn't focus on curriculum development in terms of student curriculum development so it's not an area of focus for what we do. I think we think and we're very hopeful that much of our work and our advocacy when we think about it hopefully will impact how students think about things even if

we don't do it directly. Every year Bill does a school tour, a college school tour. He and Melinda visit the schools for young people but goes on a college tour and often speaks about these issues. We do try and use those kinds of opportunities but we do not directly fund the curriculum issue.

There are a number of organizations that we do fund that do whether we fund them directly for that or for other things. For instance, the Council on Foreign Relations does quite a bit of curriculum development in this particular area and while we don't fund them for that, we fund them for other things so that there are some of our partners who do that work but we don't do it directly. I'll take one more question.

MR. SCHNEIDER: Good morning. My name is Dave Schneider from the American Insurance Association. Thank you for your work and your presentation. In terms of financial services, our member companies are doing a lot of interesting work on microinsurance and resilience against natural and man-made catastrophes and I wondered if you were doing some work in that area and was there an opportunity for cooperation. Then one final question. In terms of your advocacy, are you supporting things like the Doha Development Round and trade agreements in order to open markets and maybe support some of the work that you're doing? Thank you.

MS. BURWELL: As for insurance issues, we do fund some microinsurance efforts. One of the things that becomes difficult is figuring out the economics of insurance. If you have to see that the crop is destroyed, sending agents out to do that becomes an economically very difficult thing. We've tried and experimented with weather insurance so that you have satellite measures of rainfall and does that work? We've experimented with it. It also takes a large group, as you know, the pooling risk issues in insurance. We've done some investments and are looking at different types of things. As weather capability gets built on the continent we think that that may be an opportunity on the Continent of Africa for more ability to do insurance. The insurance work occurs in our Financial Services for the Poor work and do some work in that space.

We haven't seen the thing that we think is the knock-out punch. The other thing that has to happen is generally speaking reinsurers. That's also one of the things whether it's Swiss Re or others who we've had conversations with who will be the reinsurers because that's the other part of getting the insurance value chain to work is figuring out the economics as well as that reinsurance component. We're in conversations but haven't come up with the thing. We'll continue to work on it because for the poor farmer, one of the most important things is risk

management and risk mitigation. That's how they become resilient. The second part was?

MR. SCHNEIDER: Trade.

MS. BURWELL: As to the issue of trade in the Doha Round, we support the opening of markets and we support the reduction of subsidies from the developed which is an important part of what would make a Doha Round work. At the same time, where we put most of our emphasis right now is on opening and connecting markets in the developing world. On the Continent of Africa, interregional trade can do a great deal to promote demand for product if you increase productivity. So while we support it, our advocacy is a little more focused on doing the work on the continent using the African Union as well as what are called the Comprehensive Agricultural Development Plans, CADPs, for the countries and that's the place where we spend a little more of our time and attention.

Thank you all so much. Thanks for the opportunity to be here today. Thank you.

MR. ANTHOLIS: Thank you so much, Sylvia.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

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Expires: November 30, 2012