# THE BROOKINGS INSTITUTION

## MAPPING PROGRESS: EVIDENCE FOR A NEW DEVELOPMENT OUTLOOK

Washington, D.C. Friday, October 7, 2011

#### PARTICIPANTS:

#### Presenter:

LIESBET STEER Research Associate and Project Director, Development Progress Overseas Development Institute

### Moderator:

HOMI KHARAS Senior Fellow and Deputy Director, Global Economy and Development The Brookings Institution

## Panelists:

MARK SUZMAN Director of Policy and Advocacy Bill & Melinda Gates Foundation

CHARLES KENNY Senior Fellow Center for Global Development

RENOSI MOKATE Executive Director, Angola, Nigeria & South Africa The World Bank

\* \* \* \* \* \*

#### PROCEEDINGS

MR. KHARAS: Good afternoon, everybody. Thank you all for coming to join us on a sunny Friday afternoon just before a long weekend. It's much appreciated.

We are going to have a conversation this afternoon about development success stories and it's going to be led by Liesbet Steer, who I will introduce in a second, but she is the project director of the Development Progress Project, which is a broader project with case studies of 22 countries, I think, across the world.

I think it's fair to say that when you look across these case studies, the message that comes out in a very powerful way, I think, is that aid really works in the right circumstances and the key questions we should be asking ourselves is, well, what are those right circumstances and Liesbet provides a frame, I think, for trying to draw out the lessons from those studies. And the stories that are told in the cases are what I would call stories about new aid, this is really how aid is working in the 21st century, and I think it's important to remember that because there's been so much discussion of the history of aid and all the mistakes of the past and, you know, in many ways there's a lot of gloom and doom about the aid story. Those of you who were here a couple of weeks ago to listen to Brian Atwood, the chair of the DAC saying that only 1 of 13 Paris indicators for the improvement of aid quality had actually been met. I mean, there was one panelist who said, you know, this is just a -- I forget whether he said a tragedy or a disaster, but you get my drift. I mean, there was this sense that, you know, there's something not going well in the aid world and I think that what these case studies do really try to challenge that position.

And I think that when you look at some of the macro numbers, and we've been doing some work at Brookings on global poverty estimates, in the 21st century, the world is probably on track for reducing the numbers of people in poverty by about 500 million, between 2000 and 2015. So if you take that as being, you know, the most

dramatic -- that would be the most dramatic, most successful period for poverty reduction ever. And we somehow have to take that, we somehow have to be able to tell more tangible stories about, well, okay, that's some aggregate number, but how is it actually working in the field to improve people's lives in order to be able to counter all of these other narratives about how aid isn't working, et cetera. And at least for me, that's the real importance of these case studies and of the framing which is put around them.

So, briefly, the presenter is Liesbet Steer. She's the project director of the Development Progress Project. She is a research associate of the Overseas Development Institute, which is based in London, although she is based in Washington. She has spent much of her career in aid actually in the field in Indonesia and in Vietnam. And she has just been doing a tour, even though we are saying that this is the launch of this overview project, it's actually the fifth launch of this project, I just heard, following Rwanda, Ghana, London, Brussels, and now here. Perhaps this says something about where the real cutting edge on the debate on aid is actually happening in the world and maybe it's starting now in Africa rather than in Washington.

In her overview, Liesbet identifies smart friends as a key ingredient of aid success. I would just like to say that I think this also applies to our own relationships as well, so I'm privileged to count Liesbet as one of my smart friends. So, Liesbet, please.

MS. STEER: Thank you very much. Thank you, Homi, for this very nice introduction, and thank you for the privilege of being your smart friend.

Welcome to everyone. Today I would like to give you a brief overview of the key findings of the work we've been doing on development progress. This work has been financed by the Gates Foundation and has reached the end of its first phase; it started in 2009. We are currently actually starting a second phase, which will run over the next four years.

The synthesis report that you have and that was distributed, presents

some broad findings. More detailed information, and I really encourage you to look at that, can be found in the case studies, which are presented in like little four pages and also background reports, which are available on our website.

So, today I'd like to talk about three things. First of all, what do we mean by development progress and what do we -- how do we measure it? What did we find in terms of stories of progress? And, thirdly, how did it happen? What were the drivers of progress?

So, what do we mean by development progress? There's now broad agreement that development progress is more than just progress in material well-beings. If we look at the MDGs they include health, education, the environment. We actually went a little further than that and also included governance and social protection as part of progress and progress and well-being.

We looked for progress rather than success. Success implies that you reach a certain ideal level. We actually were looking for countries that progressed strongly or rapidly in the right direction, but they may not have reached the target, the ideal target. They may have started from a very low base and may have made remarkable progress, but that doesn't mean that they necessarily have reached development targets.

I'd like to make three points about measuring progress. These are, at one level, obvious, but they have been neglected. First, the MDGs have led to Afropessimism. The reason is simple: MDGs mainly measure progress relative to a target or relative to the distance to the target and limited attention is paid to absolute measures of progress. So, while many African countries have been unable to meet the goals, and this was actually almost impossible to start with, they have still made remarkable progress.

In your little handout that you should have there are a couple of figures to illustrate this. The first figure shows the under-five mortality for two countries, Thailand

and Malawi. When we use a relative measure of progress we see that Thailand records a relative reduction of 77 percent in its under-5 mortality. If you look at Malawi, they've done reasonably well, but only a 44 percent reduction. So we say, Thailand, well done, you've reached the MDGs, perfect performance. Malawi we're not so sure about. But if we actually look at the absolute progress, we see that Malawi has saved four times as many lives. They've reduced it by much greater numbers.

So, the point here is let's not only focus on the MDGs, let's look at complementary measures of progress to try and get the full picture, which is what we've tried to do in this project.

Second, being good at one thing doesn't mean you're good at everything. The multicolored matrix in your handouts illustrates this and this is a table of randomly chosen African countries, a number of African countries, and their progress on the MDGs. The dark green cells show countries that have made above average progress on the MDG indicators. Light green indicates below average progress and then the pink and red cells are regressions. What you can see is that obviously there's a lot of variation across -- between countries, but then if you look closely, within countries there's also a lot of variation in terms of progress made in different sectors. Some countries are scoring A-pluses in certain sectors and doing very badly in other sectors, so there's a lot of variation.

The case studies that we've looked at represent progress in particular sectors recognizing that not all good things come together.

Finally, not all progress is good for the poor. And again, referring to the handout, we have two examples there, Vietnam, brilliant progress on reductions in underfive mortality, but that's in the aggregate. If we look at the disaggregated numbers, we actually see that that progress hasn't benefitted the poor as much as we would like to. Again, compared to Malawi, we see a much more equal distribution of the reduction in

those under-five mortality rates.

So, what we tried to do in our project also is to try and identify countries that have made progress in an equitable way. What did we find? Using different measures of progress we came across 24 countries across Africa, Asia, and Latin America that have progressed strongly in one or more sectors. We found that progress is happening and it's happening in many shapes and forms. To give a little bit of a flavor to what that precisely looks like, we divided the countries up in four groups. The first group we call the star performers. Those are countries where there's no doubt about the progress. It has been sustained over a long period of time, and it's been, in many cases, broad-based. Economic progress in Vietnam and Mauritius and agricultural progress in Thailand and Ghana are examples of these star performers. And in each of those cases, the progress and the growth has also coincided with huge reductions in poverty.

The surprises are the second category. Those are the countries where progress represents, in one way, an amazing recovery from conflict. If we think about Cambodia's progress in education, Rwanda's progress in health, are remarkable examples of that kind of progress, or where progress has happened in countries that overall haven't been doing very well, you'd say, wow, that's an amazing thing. Think about Somaliland as one of the cases, progress in governance and Eritrea, progress in -- huge progress in health.

Then we have the potentials, those are the countries where lots of progress has happened, but we're not quite sure yet whether it will be sustained. Malawi's recent progress in economic -- in the economic area, Benin's remarkable progress in education are an example of that. And finally, we had a category which we called the conundrums, and those are countries that made huge progress in certain sectors, but there was something odd about them. If we think, for example, of progress in agriculture in Egypt, huge increases in productivity in the agriculture sector generally,

but very little impact on poverty reduction. And we have another couple of cases like that as well where we just can't really get our heads around why the impacts have not played out the way we thought they would.

So, how did it all happen? What are the drivers? We identified four drivers. They are smart leadership, smart policies, smart delivery, and smart friends. First of all, smart leadership is an important driver of development progress, but it comes in many shapes and forms in the economy and society. We have great examples of political leadership, but also very innovative leadership at the grassroots, for example, in civil society. Civil society leadership in India and Benin played a critical role in progress and social protection and education in those countries. Smart leaders provide vision and drive for unpopular reforms. They were found to enhance national cohesion. They promoted ownership and were responsive to the needs of the poor. In many cases, and that actually is illustrated in many of the case studies, they found and provided space for innovation and experimentation with often unconventional policies.

Ethiopia's local language instruction, Bangladesh's health care delivery through NGOs, and Malawi's input subsidy program are examples of these unconventional approaches.

Secondly, we have the smart policies as a driver and there's a lot of material in the report on what that means and the types of policies that we found in the different cases, but let me give you a few points that stood out for us. First of all, gradual change seems to work, in many cases, better. Successful governments have transitioned generally from controlling and often distorting economic activities to facilitating and enabling it but the base at which this happens differs in all cases.

Some countries, like Mauritius and Vietnam, have successful applied dual track approaches where they combine protectionist and export oriented policies at the same time, so there's a transition, but that transition happens gradually.

Second, governments need to move -- need to sometimes intervene while they move out of the way. So, we find public investments in transportation, irrigation and agriculture research, interventions in the credit markets important for progress in agriculture in our three agriculture case studies. Investments in capacity of local governments and local communities were instrumental in initiating successful conservation programs in Costa Rica and Namibia.

A third thing that came out is the importance of demand in addition to supply, very clearly in the social services areas, education and health, we found that the demand side needs to get as much attention as the supply side, so constructions of schools and teacher training needs to go hand-in-hand with strong awareness campaigns, school feeding programs, fee abolition, that's when things really work out in terms of progress in education. Demand for health services in Rwanda, for example, was very strongly impacted by community based insurance and awareness programs.

Finally, the way policies emerge is as important as what they do. Some countries, such as Mauritius and Benin used extensive consultations. Others used pilots and experiments that were then scaled up. If you look at Vietnam, for example, this experimentation was called fence breaking. It involved -- often involved, violating existing rules and regulations, but when it was found that things worked, they were scaled up.

The third factor that drives progress is delivery. Many countries, planning, implementation and monitoring of delivery has moved much closer to the people, that's the general finding there, and one way in which this is done is through decentralization. Decentralization, when done well, can be a strong driver of progress. Newly empowered local institutions drove Uganda's progress in water, Ethiopia's progress in education, and Namibia's progress in natural resource management, just to name a few.

Involving communities is critical. If you look at the incredible role that

community health workers played in the progress cases in Bangladesh, Eritrea, and Rwanda, the role that parent-teachers and mothers associations played in progress in education in Benin, for example. Grassroots organizations have been incredibly important in finding innovations and this is particularly important in a post-conflict context where approaches have to be adapted to the local context.

Third, linking delivery to results has produced powerful results and the case where this is probably illustrated the strongest is Rwanda where performance-based contracting was developed and led to incredible improvement of both the quality and the quantity of delivery of health services which then led to an increased uptake of these services and an improvement in the health status of the population.

The institutions and the delivery mechanisms in progress countries are often built on traditional and existing systems or institutions and values. If we look at Somaliland, for example, we found that homegrown kinship based institutions were incorporated in the governance reform. This facilitated power-sharing among the main clans and provided a temporary organization prior to the development of multi party elections, and there are other examples out there that show how traditional values and systems were incorporated in the change and the progress.

Finally, explicit targeting of poor people and women, often, is needed to achieve progress. The poorest are often very hard to reach, so policies are needed to -- need to be designed to overcome the barriers they face. We have also a lot of examples including the programs that were targeted at girls in Benin, in the education story. We have examples of health programs, such as the oral rehydration therapy applied in Bangladesh, which really made a difference to the progress in health in that country.

Then finally, our final driver is the smart friends. Successful countries have new and smarter partnerships with the international community. The relationship is empowered by countries taking ownership and leadership of their own development

agenda and this is often anchored in very strong national and sectoral strategies.

This ownership has actually, in some cases, led to serious disagreements between those countries and the international community. Reforms in Vietnam, for example, proceeded much slower than the international community would have wanted, and proposals for local language instruction in Ethiopia were also initially rejected by donor, but the point is that the cases illustrate there is no recipe for success, but the best outcomes are achieved with serious dialogue and when the countries are in the driver's seat.

Partnerships are about much more than aid and that needs to be stressed as well and is illustrated in our work. In addition to financial assistance, countries have benefitted from transfers of knowledge and ideas. International knowledge around management of major diseases was instrumental in progress in health in Rwanda. New technologies were also instrumental in increasing agriculture productivity in Ghana and Vietnam. Trade agreements and investment have played a role as well as diplomacy and the latter one is controversial, but we found that in a number of cases, the international community played a role in negotiating alliances and settling political disputes in El Salvador, which is one of our case studies, is an example of that.

Traditional donors are obviously only part of the picture. The stories illustrate how South-South relationships are becoming increasingly important and play a strong role in progress. Sharing research on cassava varieties in Nigeria benefitted agricultural progress in Ghana, and Namibia drew lessons from natural resource management from Zimbabwe.

The Diaspora has played a significant role in progress in Eritrea and Somaliland.

The aid architecture is changing rapidly with FDI now overtaking ODA

and many nontraditional donors entering the field. The question of various forms of international support and their role in progress will be addressed in much more detail in the next phase of the project. There's already some good material in the current report, but we want to actually dig deeper into that particular aspect.

So, in conclusion, progress is happening and it is happening in many shapes and forms and it's driven by smart leadership, smart policies, smart delivery, and smart friends.

Thank you very much. (Applause)

MR. KHARAS: So, let me invite our panel to come to the stage and take their seats and as they're doing that, I will introduce them.

Furthest on my right is Charles Kenny. Charles is a senior fellow at the Center for Global Development. He is working on the demand side of development, the role of technology in quality of life improvements, governance, and anti corruption. He's a contributing editor at *Foreign Policy* magazine and a Schwartz Fellow at the New America Foundation, previously at the World Bank. But I think here, for this panel, Charles' most impressive qualification is that he's the author of a book entitled *Getting Better*. I advise you to take a look at that as well as the report if you haven't already. No, just take a look. But actually Charles is probably one of the people who has been talking for the longest period of time and most consistently about the fact that actually we do -- we have had enormous progress in development, especially on the social indicators.

Sitting next to him is Dr. Renosi Mokate. Dr. Mokate was appointed as the executive director of the World Bank Africa Group in 2010. She is from South Africa and before coming to the bank she was the deputy governor of the South African Reserve Bank from 2005 to 2010. Before that, she was the CEO and chairperson of the Financial and Fiscal Commission and was also the executive director of the Central Energy Fund, which is the holding company for the South African government's interest

in oil, gas, coal, and renewable energy.

Mark Suzman, our third panelist, is the director of policy, advocacy, and special initiatives for the Global Development Program at the Bill and Melinda Gates Foundation. In that capacity he oversees the foundation's global development policy priorities, their cross-cutting grant-making initiatives, and relationships with key governments and partners to increase awareness, action, and resources related to global development. I think what all of that means is that Mark is actually the point person for the Bill and Melinda Gates Foundation, certainly for some of these big international events including the G-20 and the Busan High Level Forum on Aid Effectiveness that we've discussed on previous occasions in this hall. And as the funders of the Development Progress Project, I think the Bill and Melinda Gates Foundation has been very instrumental in understanding how necessary it is to address this issue of making sure that the narrative on aid is as compelling as we can make it.

With that, what we're going to do is first give each of the panelists a few minutes to present some reactions and remarks to what they've just heard, then we'll have a small Q&A amongst ourselves on what do we really draw out from this discussion, and then at about half past 3:00, I'll open up to the floor for Q&A. And then for those of you who remain until the very end, you are also invited to join us for a small reception, which will be held outside to celebrate the launch of this report.

So, reactions and, Dr. Mokate, let me start with you.

DR. MOKATE: Well, first, thank you very much for this invitation and I'd like to start by congratulating Liesbet on this very important report. In my view the report is important for several reasons. First of all, I think that the idea of highlight progress and what might be best practice in development is critical, not only for the aid narrative, but I think for people in developing countries themselves, because I think it's easy to become quite despondent about the development process. It's not an easy one, it's non-linear,

you make progress, you regress, and so to have a very clear statement that talks about all these different successes is important.

I think it's also important for -- the other aspects, let me say that I found quite compelling is this idea of a dual approach, heterodoxy and orthodoxy, and allowing the space for countries to experiment and to learn by doing, because I think there was a time when if you went or seemed to be, you know, stepping out of line as a country you wouldn't get support. The new narrative that allows that space, and where the relationship between countries and donors is not one that is dictatorial but allows people to experiment, I think, will allow us to -- enable us to make much more progress.

I would have liked to see a little bit more in the report on the aspects relating to implementation because, you know, as I look at South Africa's experience as an example, and many others, there has been a lot of effort put into designing policies, you know, correctly, but we often falter, as well, on implementation. And I think there's a lot more that we could look at with respect to how do you build sustainable institutions and sustainable human resource capacity in very fragile, you know, sociopolitical environments and avoid a lot of the turmoil that occurs as politics becomes a key driver and the public service becomes a source of patronage as opposed to, you know, a driver for delivery.

I think I'll stop there. There's more I could say, but I'll stop there.

MR. KHARAS: Thank you so much. And I think your last point, it is all about implementation and very different environments, I think, is particularly pertinent.

Charles, let me just move down to you.

MR. KENNY: Thank you. And an honor to be in this company and it's great to be talking about this report, which really is a nice report partly -- it's just great news that life expectancy has doubled in Rwanda over the last 16 years, and this is a fact that should be more widely known. And it is great news that Eritrea is going to reach all

the health MDGs, you know, that means, what, two-thirds for child mortality and threequarters for maternal mortality. That is fantastic. That is a lot of people who aren't dead. You know, I think, we really have to focus on this good news.

One reason it's important to talk about success, and I think one reason that this report is important, is because I think there is still a sort of state of depression in the global aid business writ large, if you will, people who think about development, and partly we've brought it on ourselves that we have this interpretation of what matters now, that, you know, it used to be all about investment in factories and then it was all about investment in people and then it was all about policies and now it's all about institutions. Oh, no, by the way, the thing we know about institutions is you can't change them, that, you know, Douglass North says it's all about whether you had a Magna Carta or not. Bill Eastly says it's institutions, you know, are related to whether you have magnetic compasses and ocean going ships in 1500. This is all a bit depressing, right? If it all is based on things that you really can't change very fast and, you know, poor countries, less developed countries, have bad institutions and institutions are all that matters, we might as well go home, right?

This report tells you that that story has got to be over simple because we are seeing huge progress and I think it -- you know, it sort of says two things. There's been a push sort of hard on the institutions can actually change front, and, by the way, I think that's true and very important. I would also say that, you know, the fact is, you can get change despite awful institutions, and that's good news as well, that you can see real progress even in places that are just appalling run by kleptocrats. You know, you still see vaccination programs rolling out even in those places is, you know, a testament to something good. You know, I would also, on a day when we're seeing Ellen Johnson Sirleaf getting the Nobel Prize, I think the point about leadership is also a relief. Leadership, even in really bad situations, can lead to quite dramatic change.

And all of that matters, especially sort of sitting in Washington, because when you ask people their feelings about foreign aid, well, the first thing you get is, you know, they don't know how much we spend, but leave that aside for a moment. I think it is a bit of a side point and it doesn't really matter. Ask them if they feel they have a moral obligation to help people in poor countries. Ninety percent of them say yes. Ninety percent of them say yes in the United States. Ninety percent in the UK, hugely strong majorities in favor of that statement. Then you ask them, you know, what do you think about aid, and they say, well, it doesn't work, does it? And you say, why not, you know, what percentage of it do you think actually gets through to the people you're trying to help? They say 10 percent and the rest is lost to the kleptocrats.

Two things. One, I think it's pretty sure a lot of it is lost to the kleptocrats, but a lot of it still gets through, and the stuff that gets through makes a huge difference and it can make a huge difference even in kleptocratic countries. There's a lot of evidence in this report that says pretty much that. It can make a huge difference in helping to create the environment that allows leaders to improve institutions and to function even where institutions are weak. So, there's a really important role for aid in this story.

So, you know, because this report, I think, provides a lot of evidence for a much more hopeful and, by the way, much more accurate depiction of what's going on in the world, I think it's just a great thing. So, thanks very much.

MR. KHARAS: Thanks very much. Mark?

MR. SUZMAN: Well, thank you. Just building a little bit on what Charles said, one of the interesting things the Gates Foundation, when I first got there nearly five years ago now, and with a brief of how do you get basically more understanding and action around -- it's said a little cumbersomely in the biography Homi read, but basically, how do you energize and get people to be supportive of putting resources against

change in development that helps poor people? And one of the senses I had without a huge amount of deep knowledge was that actually there was a huge amount of progress underway that wasn't widely understood and internalized. And to the extent that there was understanding that perhaps there had been some major strides in poverty reduction, other things, everyone would go, well, that's just China, isn't it? It's the big Chinese engine. (inaudible) said, well, no, it isn't. (inaudible) I'd been at the UN before that that felt there were lots of good examples (inaudible) through their lags in data, there are other issues, but that there was a narrative of change across a wide range of countries, very different shapes, sizes, backgrounds, levels of development, and in very different sectors across the MDGs and beyond where real progress was happening. And we wanted to try and find some way to sort of capture that and uncover that.

And as a sort of side observation, we basically were going out trying to look for partners to help us do this. The Gates Foundation doesn't do this directly and we did actually talk to a number of people before we ended up talking with ODI and Liesbet around this. And it was interesting how difficult it was to find people to actually undertake the work, just as a side observation, that there's a lot of -- there's not really enough deep primary research, I need to pick one country and go really deep and spend three years and come back and do a paper, or, you know, I'm just unsure about causality and exactly which contribution might have lead to that attribution. I was going, we don't care. We just want to know are things really improving and are they improving (inaudible)? And let's go and look at the numbers first and try and pick and find these examples and then try and think through in broad brush terms, well, what do we think has helped change that, and we don't have to be absolutely definitive. What we can do is draw some broad themes into it. And I think that's exactly what this report has done in a really good way, and it's exactly what books like Charles' are doing in the same way, is helping to shift and change that narrative and basing it in very clear facts. Because it is, as Homi was saying

at the beginning, probably the most remarkable decade of progress and development in human history in terms of absolute numbers of people effected.

And that's the other great thing about this report is pulling out that balance between absolute and relative. I think we sometimes get a bit caught up in the relative progress and there are all sorts of statistical reasons for that, but the point is absolute numbers of people have had dramatic improvements across a wide range of health and development indicators and those improvements didn't just happen accidentally. They happened because of a range of actions and activities, including welltargeted support from outside and including a range of intervention from inside and technology (inaudible) and a whole complex set of array of things. But really the important starting point and the encouraging one and the one that I hope really drives and continue to help drive some action activity and fight back against some of the perceptions that change doesn't happen and development doesn't work, is these are examples that we want to accelerate, scale, replicate, all those other phrases, and it's eminently possible to do that. And that, I think, is the big encouraging takeaway of the book for us.

MR. KHARAS: Thanks, Mark. Well, let's start -- Liesbet, let me, you know -- here, I think, and perhaps in the audience, certainly on the panel, we're all people who are committed to aid and development. We believe these stories, we take it at face value, but really we're not the audience that you need to persuade. You've now done this in many different circles and settings. Tell us a little bit about the skeptics. What are the skeptics saying to you and how are you able to use this evidence to try to change their minds?

MS. STEER: Yes. Well, what has been interesting is that although we're all agreeing there's plenty of skeptics amongst ourselves and in the northern hemisphere, we actually found quite a few skeptics in the South as well, so when we

went and presented our report in Africa, I'll take the Ghana case, for example. We -- if you look at the facts, huge progress has been made in agriculture there. We went out, presented it, and -- but still there were quite a lot of people who actually didn't want to believe this, so I was actually thrown into a debate with someone from the farmer's union and they were just vehemently opposing the idea that Ghana could make progress.

So, I think we all have to change our mind from looking at the glass half empty to looking at it half full, and so we hope that with this work it actually provides some ammunition for governments in the South as well to convince that actually things are working and to -- for them to take it to other places to share experiences. That has also been one of the requests we've been getting from people we've interacted with in the South, that this material is really useful to spread around and to provide a basis for sharing experiences.

So, that was a little bit of a surprise to me that there was that opposition in some parts of Africa on this subject.

MR. KHARAS: So, Mark, of course it wouldn't be surprising to you to find that same kind of opposition on -- let's say, on Capitol Hill, in this town. I mean, I suppose there is a bit of a sense that, you know, here we might be winning the battle but losing the war in terms of the, you know, the story that development is actually working. Do you want to say a little bit about whether -- I mean, is this enough? Are there other things that the Foundation is doing? Do you see this kind of material actually being able to convince people who otherwise seem to not actually be persuaded too much by facts? I mean, facts --

MR. SUZMAN: No, there is a wider challenge about when facts can't persuade others, but at least a starting point of changing a factual narrative can be helpful and by and large, I think, across most wealthy countries, including the U.S, where the 2000s was a decade of, broadly speaking, increasing resources being put into

various forms of aid and development, some of it to face new challenges like HIV/AIDS, some of it more broad, but it came at a time of sort of broad economic growth, and so it was perhaps a little less noticed even among some of the people who might have felt pain. That's clearly not the case right now. This is a moment of extreme fiscal crisis and pain across all major traditional donors and so vast arrays of domestic programs as well as international ones are under scrutiny and foreign aid is particularly vulnerable, it just always is. But the line against foreign aid tends to be, well, exactly Charles' point, it just doesn't work. Of course we'd be more supportive if it did work. And what research like this does is it just undercuts that notion, broadly speaking.

Absolutely, there are vast improvements that can be made in aid delivery and they are being made all the time and there are vast inefficiencies that still need to be tackled and there is a much better understanding of where the highest impact interventions are going to be, and that needs to absolutely happen in parallel. And the scrutiny should be tougher than ever and that's something that the entire aid community and development community should be working clearly together in supporting nationally driven efforts around it.

None of that can or should be a real excuse for cutting back simply on the grounds that it doesn't work or isn't making progress because actually these are relatively cheap interventions, particularly when you drive it to a per capita level of the numbers of individual people, children and men and women, who have been helped. And I think that's the story. And, in large, I mean, in discussions we have people are receptive there's a surprise factor still. People aren't really aware of it. It does change in raw conceptions. There definitely are then hardcore groups who no matter what won't change their opinions, will say, well, even if that's true, that marginal dollar should be spent at home no matter what against a domestic intervention. And that's fine, that's a legitimate point of view. What we're really just trying to do is take away the things that

are saying progress is impossible and aid doesn't work. And we're saying, well, there can be room -- there can be improvements in domestic expenditure, too. No one claims the Pentagon is the most efficient machine out there in terms of dollar used per output, but it still generates and gets a lot of resources.

So, it's absolutely a challenge. It's a challenge that's going to be with us for the next 5, 10 years. We are going to need to be able to do more and better with less in terms of the aid resources. But there's a matching, I think, support and responsiveness from developing countries, which has been encouraging. And as the report makes clear, a lot of the change has been driven primarily by domestic actions. And I think that's going to be -- monitoring that balance and making sure that we don't lose those really strong core stories and can build on them is the absolute challenge for the next one to 5 and then 10 years.

MR. KHARAS: Thanks. Renosi, I'd like to pick up on Liesbet's point that, you know, there are also people in the South who now feel that aid, you know, is not working and hasn't worked. And actually if you look at some of the polling data on the Middle Eastern countries, the Arab Spring countries, there's a very strong sense that aid helped to support regimes that ended up being, you know, oppressive rather than prodevelopment. What's your sense on this? Is the mood in the South -- is the mood in Africa becoming more pro-aid? Are people persuaded and impressed by the accomplishments that they see on the ground? Or are they concerned about the leakages that they also see?

DR. MOKATE: I think you would have a mixed picture in the sense that there's a bit of truth in all the things that you have said. But I think what is important about this report, for me, even more so than whether or not it convinces donor countries to provide more money, is what it says to countries in the South themselves, particularly if you are able to disseminate the information widely to people for whom -- who are actually

grappling directly with some of these problems. And that's where, I think, also aid can play an important role in matching South-South actors who can learn from each other as far as, you know, the various examples that have been given.

Also importantly, this idea of smart friends and smart ways of befriending, in my view, opens another window for how we look at aid and how aid is used. Because what one is sensing is a greater ownership from countries in the South, a greater motivation to be innovative, and as long as you have that critical mass within each country that's willing to go along their trajectory, then I think we will succeed. And there will always be people that are opposed, but I don't think that should, you know, prevent us from seeing what the overall, you know, trend is and building on that.

MR. KHARAS: Charles, let's stay on this theme for a second. I mean, when you talk and write about these issues, which is the audience which is really, you know, most important? Is it the audience of the South who are eager to know about how they're doing compared to others and what they can learn, et cetera? Or is it the audience of the North who ultimately are some of the biggest actual providers of money? Or is that just a false distinction?

MR. KENNY: Going on book sales -- no, I wouldn't go on book sales. I mean, I think there -- the important message here is a message for developing countries, right? I mean, the important message is, here are lots of cases where things went well, go do them, and aid is always going to be a marginal player and increasingly a marginal player. Even if aid budgets keep on going up sort of with the size of Western economies, Western economies are a smaller and smaller part of the global economy. So, you know, all else equal, budget -- aid budgets are going to matter less and less to your average developing country over time. They already matter less than they used to and they will matter even less tomorrow. So, I think the point that aid more and more has to become something that facilitates something that is southern, I think, is really important.

Just to the smart friends point, something that doesn't come under the U.S. aid budget is the Fulbright Scholarships and, frankly, you know, I would take -- excuse me if there's anybody from the USAID in the room -- I would take 2 or \$3 in cuts from USAID for every \$1 I could keep in Fulbright. And the reason is, that is a massively powerful program in terms of, you know, moving people from place A to place B, that's what it does. And all of the evidence is that that leads to, you know, remittances, it leads to FDI transfer, it leads to more trade, you know, all sorts of great things follow just from having people move around the planet for bits of time.

And so, focusing more on the sort of, if you will, moving people is moving knowledge, the knowledge transfer writ large, I think, is a really important role that aid can continue to play and, indeed, can play more.

MR. KHARAS: Thanks. Well, Liesbet, you're going to take this message to Busan, to the high level forum on aid effectiveness. Do you hope to institutionalize this in some fashion? Can we expect knowledge-sharing platforms to emerge out of Busan? Is this the leading edge for something like that?

Maybe this is a question that I should be posing to you, Mark, about whether you're going to be funding something grander. But, you know, it does seem to me that if this is useful now, it's just a start. We have lots of development experiences and if we're going to, you know, share and have a conversation like this, we need to be sharing both successes and failures.

MS. STEER: Would you like --

MR. KHARAS: Let me start with you.

MS. STEER: Okay. Good. I very much agree with you and we're very glad that the foundation has decided to continue this work with us, and I think I agree with Charles that we need to get smarter about how we share our knowledge. I mean, we have a report, but what we want to do in the next phase is think hard about how can we

transmit this message as effectively as possible and to think innovatively about what tools we use so that's really something we'll be working on. We are going to Busan. We are trying to use all possible fora to distribute this. But one of the things we want to focus on in the second phase is also really working hard on facilitating the exchange of this information in the South and between countries, so ways to stimulate learning, working with other great projects who are also -- we've had some good conversations with colleagues in the room how we can really work together to share what we are learning in the most effective way.

MR. KHARAS: Mark, I mean, if one takes the lessons from this, the report talks about smart leadership, it talks about smart policies, I have to say, you know, usually when I think about the kinds of development activities that the Gates Foundation is engaged in, it's much more about bringing cutting-edge technologies, it's about, you know, doing things, and to some extent, you haven't really played, up until now, a really central role in the policy advocacy area. So, what are the things that you're learning from this report and how might it change the activities of the foundation?

MR. SUZMAN: Well, it's -- I mean, Bill and Melinda Gates themselves are very open about saying when they first started the foundation -- and it's still not that long ago; I mean, it was really only around 2000 -- that they thought that the foundation could step in and fund basically market failures where global public goods, whether it's research into medicines that would prevent diseases that disproportionately affect the poor or types of drought resistant seeds for crops that affect the poor, but things that there weren't natural investments going in that there should be and that we could come in as a public good and then the system, whatever it is, would take care of dissemination, delivery, making sure that poor people actually received it. And it didn't take that long to realize that there is no system or to the extent there is a system, it's rather dysfunctional and varies heavily from country to country. And within that, the lack of the system and

> ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

23

the lack of that sense of -- creates a certain skepticism with a rich country supporting it and often skepticism within poorer countries themselves, to the Ghana example, about where the progress is actually happening. And so there's no thought that the Gates Foundation as an organization that sits in Seattle is ever going to be a primary implementer actor that's able to help deliver this kind of progress across Latin America, Africa, or Asia. That has to be driven within the countries.

And so I think there is the thing is how do we help encourage, you know, other partners and actors to work in the area to understand that change is possible and to get the public support in the broader in a sense that they need the space to operate. So, I think a lot of the change that has taken over -- over this last weekend I was in Mexico at a meeting of a group called the Alliance for Financial Inclusion, which is a relatively new group which had been set up, actually, with support from the Gates Foundation, which brings together developing country financial regulators to share best practice experience about how to expand financial services to the poor. And this is a cutting-edge thing because how cell phone banking works or remittance transfers or something that -- you know, Kenya is, today, the world's best example of mobile money transfers by cell phone. You know, how has that example changed? How can others learn from it? What works? What doesn't? A lot of this is about basically peer assessment and learning and study, and so I think to answer both your initial question (inaudible) and the subsequent one about the (inaudible), but our hope is to actually help disseminate and generate that kind of discussion and real time information-sharing.

These kind of examples, it's not really for us or even ODI, ultimately, to be able to disseminate. It's about applied policymakers and other decision-makers learning about, encouraging, trying to find out more, asking their counterparts, figuring out what works better in their countries.

Again, it will be a slightly messy process, that's the nature of policy

change, but the fundamental point is to show that undertaking that can lead to very concrete outcomes in relatively short periods of time that have dramatic impact. And that's fundamentally what the foundation is hoping to facilitate and support, and that's why we work in the policy and advocacy area as well as still continuing to put significant investments into these other areas where we still feel there is significant under investment that we can help support.

MR. KHARAS: Thank you. Renosi, I mean, the -- you're now on the board of the World Bank. The World Bank is the largest development agency. They must have any number of stories of successful development, both of their own projects and of other projects, et cetera. Is it surprising to you that this is being done by outside groups and advocates rather than coming out of the World Bank? Or are there lots of these stories in the World Bank that are being publicized? Why don't we hear more about this kind of thing? Why is it that Charles is saying these are facts and statistics that should be much more widely known across the world? Should we be doing a much bigger educational campaign?

DR. MOKATE: Well, I would agree that you should be doing a much more bigger educational campaign, but my sense is that there are parallel efforts of this kind that are going on, so within the Bank itself, there's a lot of discussion about knowledge sharing and South-South, you know, collaboration and a concerted effort to figure out, particularly when you look at middle-income countries and what is the Bank's role -- you know, should the Bank's role be with respect to that and where does this knowledge sharing come in?

The Africa Region recently did a report, which also tries to map out success stories on the African continent. So, perhaps it's a question that all these, you know, various efforts need to collaborate more. And in my view, even if they don't collaborate that much more, you know, they are each reaching, you know, particular

> ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

25

audiences and as long as the message is being disseminated and more and more people are hearing the story, I think, that's what's important.

MR. KENNY: Can I just jump in on that? One, that the piece Shanta Devarajan's work on African success stories wonderful and ought to be very widely read, so I think the Bank, sort of in its defense, is doing more of this. I would say there's been a bit of a change, and I think it's a welcome change, in a number of the large aid agencies about what the best strategy is for making money, getting money. It used to be crying crisis and I think there is a growing realization that if every year you go back to your political masters and say, there's a crisis of development, at some point they're going to say, yeah, we've been funding you for 50 years, why is there still a crisis of development, and that a better way of getting money might be to say, there are all these successes out there, some of them have got something to do with us, if you give us more money, we can help make more of them. And, again, I think that is actually a better marketing technique and I think people -- marketing technique -- people are beginning to realize that.

MR. KHARAS: Okay, well, let's throw it open to the floor for the few remaining minutes. This gentleman on the end. Mr. Shaka, there's a microphone coming.

MR. SHAKA: Hi, Alex Shaka. Liesbet, it's a terrific report and I really enjoyed leafing through it before, too, and then listening to your presentation. There are a lot of skeptics out there, though, and my question is really to ask a little bit more about the other 76 that you didn't look at and whether you could describe a little bit how you arrived at these 24 and whether a skeptic might say, well, these 24 are the only ones that really work and the other 76 you rejected because they were full of weaknesses and showed the disasters and other things that skeptics are always taking about? So a little bit more about the process of how you whittled it down and whether the next 76 would

show some of these same results if you had a chance to look at them in the same way.

MR. KHARAS: Why don't we take a couple and then -- if you can -- there was a gentleman in the front. Yeah.

MR. REPOOMBA: My name is Ibrahim Repoomba from Tanzania. I'm now at the Nation Endowment of Democracies (inaudible) there.

My question will be related to the sustainability of the success stories. There is an example, which I've given of Malawi. When you talk to Malawians, they don't believe the success story there and of course this is one of the area where you said that it's not so certain that this is going to succeed and as of now it is falling down. And the other thing is, in terms of the skepticism of mainly Africans, the tendency sometimes to use these results politically that we have succeeded -- for example, Rwanda has succeeded because we are following the particular political system, we are strong, and what have you, and others may say that autocratic and democratic and, therefore, the undemocratic part is being explained as one of the causes of being able to implement these particular policies.

And the third issue is, because there are sector -- successes --

MR. KHARAS: We've got a lot of hands, so two issues might be enough, if you don't mind.

MR. REPOOMBA: Oh, okay. Thank you.

MR. KHARAS: Thank you. There was a lady right next to you, I think, who was --

SPEAKER: Hi. Good afternoon. I attended an event night featuring Elizabeth Broadingham discussing the China model and the Beijing Consensus and my question would be what role, if any, has the aid development policies had as a reflection of China's policies, and in response to what that model is?

MR. KHARAS: Thank you. Shall we take those first and then go for

another round? Liesbet, would you like to start?

MS. STEER: Yes. First on the process of selection and the other 76, actually the long list we had all present stories of progress, so we could have chosen other ones, so there are -- there's still a list out there that we can tap into.

In terms of why we arrived at those 24 and not some other ones from the list of 76 is we used a few criteria to do this. One was we tried to find countries where progress had happened at the largest scales, we looked at numbers of people affected. We also tried to look for this equitability and the distribution of progress across the population. We also looked at the sustainability aspect, which of those countries have really maintained this over the longest period. We also tried to get regional variation, find some in Latin America, some in Asia, some in Africa. And then we, as a fifth criterion, we had an element of surprise, what we really tried to do is find countries and highlight countries that haven't been highlighted so much. So, for example, as you can see, there is no China in the set and that was a deliberate decision. There's lots of reasons why China could be included, and there are other countries that we could have included, but we didn't for those reasons.

So, those 5 criteria were used to whittle it down to the 24. We also had an excellent external review panel that was part of the process of selecting those stories.

We're very much hoping, moving forward now into the next phase, that we will be going back to our list of 76 and look at more stories of progress and bring those out.

> Should I tap quickly into the other questions? MR. KHARAS: If you would like to.

MS. STEER: I think, maybe quickly on the sustainability issue, I very much agree with you. It's something we've tried to bring into the studies. We did choose some countries deliberately that had made more recent progress, and of course there are

some question marks out there. One of the countries in the potential set is, for example, Indonesia, in terms of governance. Having lived there myself for a long time, Indonesia has done incredible things in terms of putting in place certain mechanisms to improve governance now. It's a bit too early to really see how that has impacted although there are already some things going really well, but we thought it was still useful to highlight that even though that may be the full picture, because it takes so long to really see the full picture, it hasn't come out yet.

Maybe I'll leave it over to the other --

MR. KHARAS: Renosi, maybe I can ask you to take on the China question.

DR. MOKATE: In my view, it doesn't really matter who the donor is, I mean, on one level, whether it's China or whoever. I think what really matters is -- are some of the things that this report highlights -- country ownership and how you engage, you know, with that -- you know, with the donor, and which says to me that as we move forward -- I mean, the report refers to new non-conventional -- new donors. I think for countries in the South is what have we learned from past experiences with engagement with donors and how do we take this forward, how do we shape the way that we -- you know, we interact, you know, going forward, and I don't think that it's going to be healthy for countries not to reflect on their relationships in that manner. And what we do see is that in some of the countries that have been, you know, relating with China, that those relationships are also evolving as they learn more about the nature of the relationships: what's good, what's working, and what isn't working.

So, for me, that's far more important for countries in the South to really focus on.

MR. KHARAS: Mark, do you want to take the question on the risks that when you label something a success, when you do assessments, that it can be politicized

> ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

29

and used for other purposes as well?

MR. SUZMAN: Yeah. So, let me also actually partially answer the China question in that context or just one view because I think there are some models in, for example, China agricultural research and small holder-driven farmer productivity, which have deep relevance for a number of African countries and there can be some very specific things. Rather than thinking there's an uber model, I think a lot of the stuff which we're starting, and certainly is the Foundation's (inaudible), are there specific things which are adaptable and takeable and can you then think about how it applies in a particular sector, in this case agriculture, that are successful? And that maybe leads into the answer to the question about politicization is, of course, to a degree that's inevitable in any political climate that, you know, governments will always want to take credit for successes even if they're not directly attributable to their action. And they'll try to pretend why failures are not their faults and will find somewhere in between to do that. And I don't think, speaking just personally, there's any problem with that provided we're getting more success. If that's helping incentivize a greater drive to get the right policy to actually get the success, then that's great. What we want to make sure is that it's a real success, that you're not actually messing with the data and the numbers, that what's actually happening is real change. And that maybe goes a little bit also to the sort of skepticism, again, which (inaudible), but, you know, many countries in the South, you used the Malawi example, is stuff actually getting better? Is it sustainable? Now, Malawi, in this case, is undergoing a little bit of a political crisis right now, but there's no question that in terms of some broad-brush indicators from hunger to maternal mortality and child mortality over the last decade, it has made tremendous progress.

Now, there are real risks put in place by current political situation and other things, but is the progress real over that time period? Absolutely. Is it sustainable to the original question? We don't know. A lot of those will be political answers, but

hopefully it will actually be part of a vibrant political debate about who is best placed to actually drive forward a second set of -- decade of great progress.

MR. KHARAS: Okay, if we can have the --

MS. GILLIES: Thank you. Alexandra Gillies, Revenue Watch Institute. I'm interested in where the good policies and the good institutions come from, and I heard in your presentation, Liesbet, that in some cases, at least, demand dynamics, demand from citizens or civil society played an important role. And I'm interested in your view and maybe other people on the panel about what the implications of that are for international actors and whether support should be channeled to those demand side players, especially when we have sustainability concerns.

MR. KHARAS: Thank you.

MR. PALACIOS: Hi. Alex Palacios with the GAVI Alliance. Just be interested in knowing what perspective you might have -- I didn't see it in the report -regarding some of the new actors in development, the public/private health partnerships, the GAVI's global fund, and so forth.

MR. KHARAS: There's a lady all the way at the end.

SPEAKER: Hi, I'm Becky from the ONE Campaign and my question is, with the increasing population rates, especially in sub-Saharan Africa, how do the sustainability -- what is the sustainability of these programs when there are so many less people dying, which is a great thing of maternal and child health and preventable diseases and HIV/AIDS, so how does this affect the sustainability of projects that there are so many more people that we have to reach? And if the solution would be to lower birth rates, how do we educate the people, especially in sub-Saharan Africa, that they should be having fewer children?

MR. KHARAS: Thank you. And I saw one more gentleman here in the front.

MR. HERSHEY: I'm Bob Hershey. I'm a consultant. To what extent are you able to use the Internet and get transparency in some of the data we've been talking about and get participation of the local people and the donors together in a transparent manner?

MR. KHARAS: Thank you. And there was one -- yes, the lady.

MS. FOSTER: My name is Gillian Foster. I'm a consultant as well. I just had a question about kind of the divide that I've experienced when I've worked abroad between a growing generation of youth that are more globally aware, more aware of what's going on in neighboring nations as well as their own, and an older generation that is less aware, and how development work is really working with that and do you think that's a positive? A negative? What are you thoughts around that?

MR. KHARAS: Thank you. Okay, so let's take that -- Liesbet, I think you're probably the only one who can talk about the youth divide here. Is it time for --

MS. STEER: Shall I address -- which question?

MR. KHARAS: Well, why don't you start with that one and if there are others that you would like to intervene on, feel free.

MS. STEER: In terms of the -- yeah, I think, there is generally -- your point is right and I think the fact that there is a generation that is more globally aware and the fact that there is an Internet there and people are connected is a good thing. We've seen with recent events in the Middle East, we have to adapt and get used to this reality and governments have to get used to this reality as well, and I think it's a good thing. But there are still some people out there that aren't maybe -- or haven't caught up with this. I mean, I don't personally see a problem with that so much, but I don't know whether other people would like to comment on this.

I would like to go back to the point on good policies and institutions coming from civil society and grassroots because I think that is a -- is something that

comes out very strongly in the case studies. If we look at the Bangladesh case study in health where NGOs played a huge role in progress in that sector, in India, also, the social protection program was really pushed by civil society, I think having those actors engaged is a very good thing. I think it remains in the hands of the government also to take leadership there. And I think the case of Bangladesh is a very good one here because the government really recognized that they had some weaknesses in their implementation and their capacity to bring health services to the population and it was their decision to engage civil society in this process and then donors came along and supported this as well.

So, I think it's very important, as we've said before, that also that recognition comes from governments themselves.

Then in terms of the new actors in development I would say, definitely, there are some good examples in the cases as well, and that question in particular is one we would like to answer a little better moving forward. The next phase will focus much on the financing side of progress. Who are the actors both domestically and also internationally? But we have some examples in there, for example, the Rwanda case, where vertical funds have actually been integrated very well in the whole health system and the provision of international support to the improvement of that system.

So, I think there are some examples in the cases already.

MR. KHARAS: Thanks. Charles, do you want to pick up on the -especially on the demand side driver of good policies?

MR. KENNY: Sure. Can I -- I just briefly want to discuss the population issue, if I may? All else equal, more people are nice because, you know, we all like having friends, family, and stuff. Population growth rates in Africa are declining and they're declining faster and faster and it's, you know, part of a process that involves better health and better health is, you know, an important part of the reason why parents

have fewer kids is because if they know their kids are going to survive, they don't have as many. It's also to do with, you know, gender equality within the household and a whole load of issues which do have a huge demand side issue, you know, back to the demand side point.

Just on the sustainability issue in particular, worrying about African population because of sustainability, the poorest 650 million people on the planet, most of whom live in Africa, live on 1 percent of the income of the richest 650 million people on the planet. If you are worried about unsustainable consumption, we're the problem, not them. So, if you're going to sterilize anybody, sterilize us.

On the demand side, I think, it's hugely important, and not just when it comes to sort of directly thinking about governance, that -- so, for example, the fact that very many incredibly poor countries now have 100 percent enrollment rates, yes, it's to do with building schools and putting teachers into schools, but it's also to do with a whole load of parents deciding something that 50 years ago they didn't think. Fifty years ago loads of parents thought, nah, sending kids to school is a waste of time, rather have them doing work, and in particular, sending girls to school? Why the hell would I send a girl -- my girls to school? And now they are sending their children. In particular, you know, more and more, they're sending their girls to school and that is a demand side story. Again, when it comes to the quality of education, decentralizing to the school level doesn't do anything to test scores unless you also publish test scores, because you need that short rate of accountability, you need parents to be able to go, oh, what, you mean my kid isn't actually learning anything in this school? Right. I want to do something about it.

So, you know, strengthening the demand side matters in schooling and it does matter in governance. One thing I'm terribly keen on pushing at the moment, and partially it's thanks to the Internet that this is possible, is publish what you buy.

Governments should publish every contract they enter into, with some obvious exceptions to do with defense and so on and so forth, but by and large, they should publish every contract they enter into. You can do that on the Internet, it's almost free.

It's not that very many people are going to troll through 300 page contracts on, you know, a road construction project, but if one person trolls through and realizes the price being paid was 14 times what it should be, that one person is enough. And so I think, you know, the Internet and all these youth out there who understand the Internet, you know, could be a terribly powerful force for improving government outcomes if we focus more on the demand side.

DR. MOKATE: I would very much concur with you on the Internet and the question of data transparency. It really is about, you know, that one or two -- you know, two people and civil society working together with academics and so forth. If you've got access to the data you can have a very different conversation from when the data is not available.

The youth divide that you were talking about, I think, as well is an asset because the youth don't just talk to themselves, they talk to their parents, they live in communities, so whatever information that they have is very, you know, is very helpful.

The other experience from South Africa that I've seen is that it's not just about the youth, it's also about the nature of the technology. I've been quite amazed at the way that cell phone technology is used where the little old lady in some small rural village has a cell phone and is able to use it for exactly what it is that they need it for, whether it's, you know, having money transferred, whether it's sending that urgent message to their child who is in the urban area, and so forth. So, I have seen that it really is about the nature of the technology, how accessible -- and the extent to which it responds to the -- to people's needs, and then that divide is not that huge when you can use technology in that manner.

> ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

35

MR. KHARAS: Thank you very much. Mark, maybe on GAVI in particular since you're --

MR. SUZMAN: Sure. Well, obviously, we're big direct supporters of public/private partnerships like GAVI and I think the lens to look at them through is those are very important contributing vehicles. For those not familiar with it, that's -- funds vaccinations and the massive increase in vaccinations over the last decade across the world, and that increase in vaccinations is a big part of why the global picture has improved so much on issues like child mortality. And this study is deliberately picking and looking at national level examples of success, partly because it is -- people tend to think through national lenses. That's the nature. We live in a multinational world. They want to know how their country's doing. And we're looking to how we drive change and driving change tends to happen by understanding, well, we should be doing better in this country. We've got ways of doing it and, unfortunately or fortunately, depending on your perspective, we don't really drive change globally. We can come to shared commitments and goals, such as the Millennium Development Goals, globally, but actual action to tackle them tends to be at national level. But there are vehicles, GAVI is one of them and there are many others, that do bring together multiple players that are able to operate across multiple geographies and put a lot of these things into practice, and I think that is an incredibly powerful tool that's one of the big advances over the last decade. And last, but not least, they're broadly responsive to national level policies and priorities, and that also helps reinforce it in a very positive way.

MR. KHARAS: Thank you. Well, we've come to the end of our allotted time, so please join me in thanking, I think, a fabulous panel. (Applause)

Please join us for some refreshments outside. Thank you.

\* \* \* \* \*

## 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

Notary Public in and for the Commonwealth of Virginia Commission No. 351998 Expires: November 30, 2012