

**Opening:
Urgent Issues & Innovative Solutions
2006 Clinton Global Initiative Annual Meeting
September 20, 2006**

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

ANNOUNCER: Ladies and gentlemen, please welcome our panelists. His Excellency Álvaro Uribe Vélez, the President of the Republic of Colombia [applause], Her Excellency Ellen Johnson-Sirleaf, President of the Republic of Liberia [applause], His Excellency Pervez Musharraf, President of the Islamic Republic of Pakistan [applause], and the Honorable Dr. Javier Solana, Secretary General of the Council of the European Union and high representative for the Common, Foreign and Security Policy. [Applause] And our moderator, Mr. Thomas Friedman, foreign affairs columnist, *New York Times*, and author of *The World is Flat*. [Applause]

THOMAS FRIEDMAN: Ladies and gentlemen, I want to welcome you all to our first panel. My name is Thomas Friedman. I'm the foreign affairs columnist for the *New York Times*. We have a terrific panel, I think, to open the conference and really give us a chance to explore, in a very nitty-gritty way, the intersection between economic development, environmental issues and also security issues.

And I want to get right down to business. We don't have a lot of time. And we're going to do this, I'm told, by UN rules of alphabetical order. And President Uribe, because your country starts with a C, you get to go first.

I'd like to begin, if I could, by asking you about the challenge you face in Colombia right now. You've got farmers

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

under enormous economic pressure. And you also have the terrible challenge of illicit farmers, who are despoiling the environment. It's a very unique challenge, Mr. President, and I wonder if you could share with us a little, the kinds of strategies you're implementing to take on that challenge.

ÁLVARO URIBE: Thank you, Mr. Friedman. I want to say, to express our gratitude to President Clinton again, because during his term, he began Plan Colombia. Plan Colombia is the most practical initiative the world wide has implemented to help Colombia, not with the speeches, but with realities, with facts. Thank you, President Clinton. You did it with my predecessor, President Pastrana. President Bush has continued it with all determination. Thank you to President Bush, through Mrs. Bush.

We are in the middle of a battle to restore security in Colombia. When my administration began, Colombia had 70 homicides per every 100,000 inhabitants. Last year, we had an enormous amount, 39. But we have seen a decrease; the same in kidnapping.

Our vision is to build in Colombia a modern democracy where democratic security, freedoms, transparency, social cohesion and independent institutions. We are going with security and social cohesion hand in hand. In social cohesion, our aim is to overcome poverty. In the year 2002, Colombia had 60-percent of the population under the line of poverty. Last

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

year, 49; for the year 2010, our proposal is to reduce it up to 35. One strategy—we have many elements. Our aims are [inaudible] in basic education, in health, access to formal financial institutions for the poorest people, and many other elements.

I want to refer to one, to give concrete answer to your question, our program that is known with the name of Forest Rangers Families. Colombia is one of the most important countries in biodiversity. It's the second in salt water availability. The illicit crops have destroyed in Colombia a vast portion of our Amazon jungle, two million hectares. Therefore, we have implemented a strategy with peasant families. My government has made agreements with 43 peasant families. They were in illicit crops. Now they have abandoned illicit crops. They have assumed obligation to supervise the jungle recovery. It is very important. And they have to add productive products to assure sustainable income.

The government pays \$1.5 thousand dollars, a tiny sum, amount, to every family per year. United Nations monitors the program. In the last report, United Nations says that the program has been a case of success. These families supervise two million hectares. Eighty-percent of these hectares are free from illicit crops. It is very important. These families have bought 32,000 productive land. It has been a very important agrarian reform for them.

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

And now, many of these families have added very important productive projects. A very important percentage of these families are involved in ecotourism. The United Nations said that the government of Colombia has paid \$38 million per year for the program, but the United Nation thinks that it is important to expand the program from 43,000 families to 120,000. It needs to grow from \$38 million to \$100 million per year.

It is very cheap to overcome the problem of illicit drugs in Colombia. Illicit drugs are the main obstacle for Colombia to overcome the problem of terror. If we get rid of illicit drugs in Colombia, Colombia will live in peace and won't export drugs to the world.

THOMAS FRIEDMAN: President Uribe, this is a summit that's organized around action. President Clinton, he's a genie. He's going to give you one wish. Lots of NGOs out there, lots of investors, lots of initiatives could come out of here that would help your country. What is the one initiative, if President Clinton can grant you one wish you'd like to see come out of this meeting?

ÁLVARO URIBE: Okay. I have tried to describe one. If President Clinton likes this one, we are very happy to receive his help. If he dislikes this one, we are ready to show others. [Laughter]

THOMAS FRIEDMAN: So, your first wish is you want two

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

more wishes. Okay. Okay. Thank you very much.

President Johnson-Sirleaf, I think the main question I have for you, and the incredible challenge that you've inherited, is where do you start? Where do you start to try to alleviate poverty in a kind of post conflict environment that you've inherited? And is there something more than money that you need first?

ELLEN JOHNSON-SIRLEAF: Let me first thank President Clinton for the Initiative and all the great work that's going on in Africa. I also can't say enough for the Clean Water Initiative that was just launched by First Lady Laura Bush. That is one of our major, major impediments to being able to move our developing agenda, just getting our children to have better health through clean water. So I thank all of those who have contributed to that.

If we were trying to attack poverty, and we're in a post conflict environment, the first thing we need to do is to address the needs of the 1,000 plus young people who were forced into combat, forced to deny themselves a future because they weren't able to go to school. And so, we want to get them back into their villages, get them back into productive endeavor, make sure that their vulnerabilities are reduced, and that there would be nobody who would recruit them, that would take us back to conflict. So, getting them into schools, getting skills training programs, getting our vocational

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

institutions rehabilitated, so they have a place they can go to school, and then after that, the interventions that will lead to jobs, so that when they have the skills, they can put them to work.

You're absolutely right. Most times, money is not the issue. In our post conflict condition, one of our biggest problems is capacity, those who are going to carry out the programs, carry out the projects that money would support. We need—and to do that, we get right back to the interrelated intervention of trying to get the skills.

We need also to have the quality of projects or interventions that will address poverty. And most times, priority setting can be a bit faulty, because it can be determined externally. We need for those who are involved, those who are the beneficiaries of these programs, to actually have a say in what the priorities are.

THOMAS FRIEDMAN: Elaborate on that a little bit.
That's an interesting point.

ELLEN JOHNSON-SIRLEAF: Well, we need for people to work in the communities, in the villages, to help them to respond to their own identified needs. For example, a village with which we have, say, returning displaced population or refugee population, may well determine that the best thing they want to do is to get systems and farming tools and seeds to be able to go back to producing the food, so that they can be

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

secure in their ability to feed themselves. The community may determine that rebuilding their housing, so that they have shelter, is more important to them.

And so, many times interventions determine externally, will determine what they need. They may determine schools, and indeed, schools are important, or clinics. But we need to have that participation by those who will benefit, because that way the ownership in these programs are in hands. That way, they feel like it is theirs, and that way sustainability is assured, because once the external help has gone, we have to make sure that we have the capacity to continue to carry out, to maintain those interventions, to expand upon them.

And so, in a way, fighting poverty goes beyond money. It has to do with participation. It has to do with the capacity to implement programs. It has to do with priority setting on the basis of needs that are determined by beneficiaries themselves. All of those are some of what is being addressed today, in the new methods and with the new paradigms that we're trying to promote, to lead to sustainability and effort, particularly in post conflict countries, and where the situation is so complex, the chances of returning to war are so profound. So one needs to be very careful in trying to put together the money, that we take into account some of these things that I've just mentioned.

[Applause]

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

THOMAS FRIEDMAN: You know, the best anti-poverty program we know is a good job. There are many investors out here, also people from the NGO community, but many investors. If you were to identify a couple of sectors where they could come to Liberia and do good, and at the same time, enrich their shareholders, to create sustainable jobs, what would it be? Let's talk a little business, not just aid for a second.

ELLEN JOHNSON-SIRLEAF: I would want us to revive our agriculture sector. I'd like to see one come in. Let's talk about how we can get tools and seeds to displaced farmers who are returning to their villages. Help them to move one layer from subsistence production to where there's a surplus, because that's where they begin to get an income.

And then I'd talk about the second thing, if I may [inaudible] my colleague and not stay with just one desire; move on to the second one. We're talking about getting our young people with skills, because we need that to attract private capital and private investment. And the skills we're talking about, skills training are linked in our context to infrastructure rehabilitation through labor intensive methods. And so once we do that, then that also creates jobs. And that enables us to create an environment to attract some of the investment potential that may be out there. [Applause]

THOMAS FRIEDMAN: Thank you.

President Musharraf, once again, these past few weeks,

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

the issue of Islam and the west, Islam and modernity, has been thrown into the news with tension over comments His Holiness the Pope made. Clearly, something you've talked about before, this question of a kind of war of ideas within Islam, between those who want to meld Islam with modernity and those who don't, remains really front and center. What have you learned from your own experience in Pakistan about how we can manage this issue? And what advice could you give right now to those of us outside who want to play a constructive role in that war of ideas, so the progressives and the modernists can win? What can the rest of us do?

PERVEZ MUSHARRAF: Thank you very much. I would like to start by thanking President Clinton to this Initiative and making me a part of this panel. At the same time, I would urge the president to come to south Asia also when he's talking of clean drinking water and doing a lot in Africa. I think we deserve the attention also. And when you come to south Asia, please look at Pakistan also. [Applause]

We are doing a lot in the area of clean drinking water. Now that we have revived the economy of Pakistan, we are trying to transmit the economic gains to the people of Pakistan. And in fact, we are trying to improve the quality of their lives through provision of electricity, gas and safe drinking water. So, therefore, that is an initiative that the government is already taking, and we would like to be helped in that, also.

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

However, now, coming to the main issue of whatever is happening in the Islamic world, and particularly in our region, yes, indeed, the remarks of His Holiness the Pope has caused a lot of tension in the Muslim world. And I personally think that it's at this critical moment these were most unwarranted.

Now, when we look at the issue of terrorism and as it affects Pakistan, I would like to give for this audience what we have, what Pakistan has gone through historically and how we are now. I would like to just clear certain misconceptions that everyone has about Pakistan as I go along. Pakistan, during the Cold War period, was strategically aligned to the west. We were always a part of the west. In fact, they say we were the most allied ally. The turmoil started in 1979 with the invasion of Afghanistan by the Soviet Union. We got in the eye of the storm since 1979. And today, 27 years on, we remain in the eye of the storm.

Pakistan was very much a very moderate, very peaceful country. But beyond 1979, there was this contribution of Pakistan joining the coalition and the west to fight the Soviet expansionism in the lead role. I would not be overstating if I said that Pakistan was the main contributor to the victory in the Cold War, to the defeat of the Soviet Union, to the unification of Germany. Pakistan was the main contributor.

Now, we suffer from the fallout of whatever we did for ten years in Afghanistan. We fought a war there, but then

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

because of geostrategic compulsion in that period, we were left high and dry after 1989 with the defeat of the Soviet Union. And we were left to fend for ourselves in Pakistan and in Afghanistan, with four million refugees in Pakistan and no assistance to us. We have about 20- to 30,000 mujahideen who we brought into the region, trained them, equipped them to fight the Soviets, right there. They are the ones who coalesced into Al-Qaeda.

And then, because we had no assistance, no support from anyone, from the west or from United States, and we were to look after four million refugees, and with the mujahideen coalescing into Al-Qaeda, then emerged the Taliban in 1995. And we had the fallout of all that into Pakistan. And then we know what happened after 9/11, and the military action in Afghanistan. Similarly, simultaneously, there was the Kashmir struggle, freedom struggle, on our eastern side.

So all this, what I want to say is, had its fallout on Pakistan. From 1979 onward, for 27 years, we have suffered the fallout of militancy on our east and west, with no assistance whatsoever. Our national fabric has been destroyed. Now we are in the process of repairing that national fabric. And that we are doing through an understanding of the realities of terrorism. And if I will just to touch on them. This is a complicated thing. We have to understand what is, in its detail, terrorism, the environment, and then to address it in a

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

strategic manner. First, understand the environment, and then strategize, and then get into the implementation of implementation tactics.

So the environment, basically, when we are talking of terrorism, we should not be talking of terrorism alone. We are to be talking of terrorism and extremism. Extremism has to be dealt with in a totally different strategy. You cannot deal with extremism militarily.

Then, the environment further changed. From Al-Qaeda, the focus has now shifted to Taliban. So we are to be talking of Al-Qaeda and Taliban, and seeing the reality of the Taliban, which is a very dangerous phenomenon, because they have roots in the people, whereas Al-Qaeda didn't have roots in the people. One group recognized Al-Qaeda because they were non-locals. They were non-Afghan and non-Pakistanis. The Taliban are locals, and they are different to recognize, and different [inaudible]. So we have to understand that, also.

And when we are talking of Taliban, we ought to be dealing with Taliban and Talibanization. Talibanization, really, is a mindset. It's a very obscure mindset of rejecting music or rejecting televisions, forcing people to sport beards. So this Talibanization has also to be curbed.

But what I want to say is that we have to strategize in detail in its immediate context. We have to fight Taliban or Al-Qaeda or any terrorist militarily. But then, we need to see

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

extremism and strategize how to deal with that. And then we need to see the element of Talibanization in the society, and we need to counter that also. So this is the complexity of the whole issue which we are trying to face in Pakistan.

I would end by saying that maybe Pakistan is the only country which has strategized, which has understood in detail what are the problems involved, and strategized on each aspect of this problem. I would urge the world to understand realities in our region, to understand the environment correctly, and then see what strategy we ought to be adopting.

THOMAS FRIEDMAN: Well, let me just follow up with a quick question. Our genie, President Clinton, is a very generous genie. He's ready to grant you one wish, too, that would come out of this Global Initiative. What is the one investment, NGO initiative, that you can wish for right now that would have a scalable impact inside Pakistan?

PERVEZ MUSHARRAF: I would go for market access into United States [applause], because that is going to contribute towards the increase in trade, expansion of industry, creation of jobs, therefore unemployment reduction, therefore poverty alleviation, therefore striking at the root of extremism and terrorism, in fact. So while I've always believed we need trade and not aid anymore, because we have managed our economy well. Give us market access into United States.

I wonder whether President Clinton will be able to do

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

it. But with the Initiative he is taking, I would go for education or health, one of these two areas. So I'm sorry I'm giving you three alternatives.

THOMAS FRIEDMAN: You want three wishes, too!

[Laughter] Okay. It's all right.

Javier, Mr. Secretary General. Javier is one of my email pen pals, and every few months I get an email from him from some obscure spot in the world. You have more frequent flier miles than me. I'm very jealous of you.

What have you learned in all your travels, Javier, about this relationship between development and security? Which comes first?

JAVIER SOLANA: Well, thank you. Thank you very much. Thank you very much, President Clinton, old friends from many battles.

The question, I think, it shouldn't be, if I allow Tom to say that, formulated like that, what is first. I think both things should come together. But it's true that we are beginning to realize more and more that without security it is impossible to have development. And therefore all the efforts that have to be done to guarantee security are absolutely fundamental to have the possibility of having the development.

We have plenty of examples. We have examples in Africa. We have examples in Latin America. We have examples in Asia. But I would like, to go through this point, to be an

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

example, and example which is in the hearts of all of us today. If you go to Africa, and you go to Sudan, we analyze what is going on there. It's clear that a rich country, with possibilities, with [inaudible], that it could not get, take a long time to get agreement between the north and the south. And now we are trying to get an agreement between the east and the west, politically and with also security guarantees. And we are failing. And it's very interesting to sort of underline that military effort to guarantee the security in that country has been done by the Africans themselves. For the first time, the Africans have assumed their own responsibility, with cooperation with more rich countries to sustain their finance. But the real effort has been from the ownership of the Africans, and the African Union has done this splendid work.

Now, can we continue like that? We cannot continue like that. Why? Because the African Union is beginning to be [inaudible]. And we have, the rich people here, who are here, we have agreed, and we have agreed in the last united summit of the United Nations, that we have a responsibility to protect. And we have agreed on that. But we are not doing what we agreed. And all of us, we have agreed responsibility to protect.

And when I listen to President Clinton, my good friend, saying there, from the podium, that there may be genocide taking place there, if you use that word, be sure what is the

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

consequences of using that word. We are all, by law, by international law, to stop genocide. Therefore, we have to take a lesson in what we say. Now, we cannot do more at this point in time. The Africans are doing an extraordinary effort. It has the moment to put all the effort of the rest of the international community to make it possible that the United Nations may take care of this situation.

But to go back to the issue, without peace, without the society which is stable, it's impossible to imagine that it's going to be developed. Therefore, we have to put that in our agenda, that the people, that the country which has more responsibility, and we have a lot of responsibility. Giving the ownership to the African Union in Africa, who are other regions [inaudible] of countries. But we have really to get very serious and the responsibility to protect, guarantee the security. Otherwise, it will not be valid. And the money that is going to development currently is money that will not be used as it could be, because we don't have security.

But as the president himself says, when you go to Kinsas [misspelled?]-I come from Kinsas-and you see the number of kids with weapons on the streets, the number of kids without jobs, and therefore, I don't know how they're getting work. What we said the other day, let's get Kinsas a city free of weapons. This is the type of thing we have to do if we're going to really to move the country towards development. And

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

if we don't do it, we will not get development, and we'll have a lot of suffering. Thank you very much. [Applause]

THOMAS FRIEDMAN: Javier, thank you. Let me follow up with you. Javier, you get big changes when big players do the right things, sometimes for the right reasons, sometimes for the wrong reasons. President Clinton told me to give you two wishes. And these are the two. What is the single policy change that the United States could take on right now, and the European Union could take on right now, that you think would have the biggest impact in helping the development and security of our panelist countries here and others like them?

JAVIER SOLANA: Okay, one very clear on that front—

THOMAS FRIEDMAN: One from the United States; one from the EU.

JAVIER SOLANA: This is for both of us, and both are for both of us. On security, as you have mentioned, Tom, I think we have to continue working together. We worked together to get the Abuja talks, the agreement. We have to get together now to mobilize forces to guarantee security and to prevent that people suffer a dilemma that they're suffering there. Number one.

Number two, on economics, I think that we have to talk about a word that has not been mentioned yet. But it should be here most important word that we're going to hear, which is Doha.

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

THOMAS FRIEDMAN: Doha.

JAVIER SOLANA: Doha. And in Doha, the United States and the European had a responsibility to get the first—the first—development—how you call it? The incentive for development and trade. The first time that the word trade and development is formally written, formally written. It's a shame if we are not able to do it and to move it forward. We don't have much time. So Americans and Europeans have to do it together. [Applause] Mr. President, the markets of the United States has to be open to you. The markets of Europe have to be opened to you, too. [Applause]

THOMAS FRIEDMAN: Thank you.

President Uribe, Warren Buffett is here in the audience. He recently made his first foreign investment in Israel. He told me he's looking around for more foreign investments. What would you tell him why he should come to Colombia? What would be the opportunity? And when he says to you, "But what about the security issues? How do I manage that?" what would you say to him on that? What's the opportunity, and what would you do to guarantee that he could—or any of the investors here—make a successful investment in your country?

ÁLVARO URIBE: Forty years ago, my country received \$700 million dollars of foreign [inaudible] investments. Another year, over ten billion. The international community

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

have uncovered all the confidence in Colombia. Congress approved a law allowing my government to sign agreements of [inaudible] with private investors.

In the field of security, we are winning. But we haven't won yet. What I want to say to the international investors is that we have the determination to overcome this problem. And in the short and in the middle term, determination is even more important than results. And Colombia has introduced many bills to be [inaudible] great investment country.

THOMAS FRIEDMAN: What areas, in specific?

ÁLVARO URIBE: For instance, four years ago our fiscal deficit was over 4.2. Last year, we were almost in equilibrium, in balance. The public indebtedness was over 54-percent.

THOMAS FRIEDMAN: But I don't want to buy your debt. I want some real economic opportunities in your country. Where do I go?

ÁLVARO URIBE: Okay. For the poorest, let me explain something about the Bank of Opportunities. Another problem my country has had is that poor people have had little access to the formal financial market. They have depend on the black market, on using it with enormous interest rates. My government is promoting the Bank of Opportunities. It is not a new bank. It is a net of lenders, a chain of older public and

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

private financial institutions, with the objective to provide the poorest people with credit. The government regulator is promoter, and in some cases, guarantor. We have a public fund for guarantees. And we provide guarantees in between 50- and 80-percent.

Now, in my first term, we reach 1.8 million families with these loans. In the coming years, our aim is to reach five million families, to help them to overcome poverty. In my first term, we multiply by four times the total amount of money lent to the poorest people. Now we made international and national [inaudible] to go there, to accompany the families, to train them for them to become entrepreneurs, to succeed in their small business. The companion to the families is the best way for them to have opportunity to pay the loan back. It is very important to go there and to [inaudible].

Colombians pay on time. Our poorest people are the best payers. In this sector, you do not find concerns about delays. It is very important. And we administer the resources with transparency, and with lowest bureaucratic costs.

The president of Pakistan referred to the free trade agreement. Colombia has closed a deal with the United States about the free trade agreement. In the coming weeks, we expect to sign it with President Bush. And of course, agreement will go to Congress. One petition I bring to President Clinton is his help in Congress to get this agreement done. [Applause]

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

It is very important for us to overcome poverty.

THOMAS FRIEDMAN: Right. Thank you very much.

President Johnson-Sirleaf, your country, I think the last time I checked, had foreign debts that were about 600-percent of your GDP. How do you overcome that? And what, if anything, could your partners here do to help you overcome that?

ELLEN JOHNSON-SIRLEAF: Gee, I was hoping for other question so I could make my sales pitch on the investment potential.

THOMAS FRIEDMAN: Well, you can do that, too.

ELLEN JOHNSON-SIRLEAF: We've just started a program, supported by the International Monetary Fund, a [inaudible] monitoring program that will enable us to move toward the Heavily Indebted Poor Countries Initiative, in which substantial debt relief is possible. We expect to follow the lead of so many other African countries that have enjoyed substantial debt relief as a result of continuity and sound economic policies. And so we hope, by the middle of next year, we can have this debt waiver of at least the multilateral debt that has to be covered through bilateral arrangements. And we're working with the United States and other bilateral partners to see that they bridge the settlement of the multilateral debt, thereby enabling us to access normal multilateral loan sources, and then qualify for debt relief.

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

So we're well on that track.

But if I might just make my sales pitch.

THOMAS FRIEDMAN: Please, absolutely.

ELLEN JOHNSON-SIRLEAF: Even though we talk about the soft things, about getting our people back on the farms and producing again, but I just want many people here to know that Liberia is a rich country. Mineral resources, we have gold, we have diamonds, we have iron ore. We're a major producer of iron ore. We have rubber, the largest rubber plantation in the world. Our forestry sector still maintains a large part of the world's forest reserves. And we've just had the sanctions lifted by the United Nations Security Council, and now we have a new forestry law that will enable us to give our forest concessions in a different regime with much more equity and much more benefits to the communities in which those forests are found. So there's a great potential there. And we just would—as a matter of fact, the chairman of Natel [misspelled?] Steel is probably in this room, and he knows that we're renegotiating his concession agreement, so we can see that operation start as quickly as possible.

So for many of the investors in this room, now that we have peace, that was our major constraint on being able to exploit our resources. With the peace we have now, we invite them to come, and let's talk and let's negotiate. We think there can be mutual benefits. They should be able to make

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

profits, and we should be able to get some resources to promote our development agenda.

THOMAS FRIEDMAN: Thank you. [Applause]

President Musharraf, in this country, you know, there's been a lot of contentious division over the Iraq War. But the invasion of Afghanistan and the effort to promote democratization, there has been a consensus issue, pretty much, in the United States. Yet, in the last three, four months, one is really struck at the mounting pessimism about that effort. You're right next door. What's going wrong in Afghanistan right now, in terms of this effort? And how, from your perspective, can we put this crucial democratization effort right again?

PERVEZ MUSHARRAF: I think whatever the path we have taken in Afghanistan is very correct. We are trying to introduce democracy there. But obviously, the environment is not really very conducive to democracy at the moment. We have to keep the effort on, and change the environment, so that democracy does become sustainable.

But, however, the root problem is to address the problem of terrorism. That denies any kind of progress in any other direction. The triple direction that we have to take is fight terrorism and extremism.

THOMAS FRIEDMAN: But what does that mean? How do you fight extremism?

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

PERVEZ MUSHARRAF: Now, frankly, the focus, we were fighting Al-Qaeda in the past. And the bias of Al-Qaeda was more on the Pakistan side. I would say we succeeded in the battle against Al-Qaeda, because they were in all our cities, and we apprehended more than 600 of them. And I think they are no more in our cities.

Then we attacked them in the mountains. We eliminated them in their sanctuaries in South Waziristan, one of the seven agencies from the valleys of South Waziristan, where they had their command infrastructure, their logistic infrastructure, their propaganda bases. Then they moved on to the mountains of North Waziristan. At the moment, they are there in North Waziristan, but in smaller packets. Where they used to be in the hundreds, in South Waziristan, in the valleys, now they are in single figures. And we are still attacking them, and we will keep attacking them, wherever they are.

But the focus now has shifted to the Taliban from Al-Qaeda. Now, the question is, who are the Taliban and where are they and how to deal with them? The Taliban, quite clearly, who's leading the Taliban? Quite clearly, the Taliban are being led by Mullah Omar, who was their leader in the past.

THOMAS FRIEDMAN: Still? Mullah Omar still is leading them?

PERVEZ MUSHARRAF: Yes, indeed. Now, where is Mullah Omar, and where is his command echelon is the question. Now, a

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

lot of misperceptions have been created on terrorism having its base in Pakistan. Yes, indeed, there are people who are abetting, who are supporting the terrorists in the tribal agencies of Pakistan. As I said, Al-Qaeda had its base there. More bias in Pakistan, less in Afghanistan. But Taliban, the command is strong. The control is Mullah Omar is in the southern provinces of Afghanistan, in Kandahar region and below.

Mullah Omar has never come into Pakistan ever since 1995, when he initiated this Taliban movement in Afghanistan. He stepped across Afghanistan in about a year or year and a half, 1995 onwards. By 1997, I think he controlled 90-percent of Afghanistan. Now, who were those Taliban who did that? Who were they? Did they go from Pakistan? No, sir. Indeed, they were the locals of Afghanistan, and they were supported by people from Pakistan. There is no doubt about that. So therefore, while the command echelon of Taliban are in the southern regions of Afghanistan, they are supported by Taliban from Pakistan, sir.

THOMAS FRIEDMAN: But why are we losing? Why are they coming back?

PERVEZ MUSHARRAF: No. They are coming back because of the presence of foreign troops there, and—

THOMAS FRIEDMAN: Our presence?

PERVEZ MUSHARRAF: Yes. Certainly, the Afghan society

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

and on our side in the tribal agencies of Pakistan, there's certainly an antipathy against foreign presence in Afghanistan or anywhere. So therefore, while they were dormant and Al-Qaeda was in the lead role, now the Taliban has taken over again the lead role.

THOMAS FRIEDMAN: So we're part of the solution and part of the problem.

PERVEZ MUSHARRAF: No, part of the problem, of course [laughter, applause] is the Taliban themselves. We have to tackle Taliban. We have to tackle the Talibanization and we need to go on multi-pronged approach of military action against the militant Taliban. But then we have to understand that all the poctoons [misspelled?] in the region are not Taliban.

Now the problem arises. With Al-Qaeda, as it said, it was easy, because they were all foreigners. They were mainly Arabs, Uzbeks, and we could recognize them. Taliban are locals. So it is not easy to recognize. So, while on one side we need to act against them militarily, but then we need to wean away the population from them, from getting onto the side of the Taliban, which the Taliban are trying. So we must make sure that the population, in the Afghan side or on the Pakistan side, does not gravitate towards the Taliban. That would be the most serious thing, because Taliban do have roots in the people, in the people of Afghanistan, in the people of Pakistan on the tribal agency side. So we need to wean them away.

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

And we have strategized that. So we need to take the tribal elders who have influence in the tribal regions and take them on our side, join them with the civil administration, reinvigorate them with force and have the military to back them up. And that is their entire force, which will then oppose the Taliban and also get the population onto the better side. Together with this, we need to go for a massive reconstruction effort. And this is the overall strategy that we are implementing on our side.

The latest apprehension that are being caused around the world about our having a peace deal. Now, a lot of people here, the media, are saying that we are having a peace deal with the Taliban. No, there's no peace deal with the Taliban. The peace deal is through a grand jirga. Now, a jirga is supposed to be a meeting of tribal elders. So we have reached in one of the seven agencies, the North Waziristan agency, a deal with the tribal elders. Now, the bottom line that we had within this deal are three. Number one, there will be no Al-Qaeda activity on our side or across the border. Number two, there will be no Taliban activity, no militant Taliban activity on our side of the border or across the border. And number three, there will be no spread of Taliban ideas and culture on our side of the border. They have accepted all these demands, and they have signed on a treaty.

Now, it will be a tribal honor, that when they sign

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

something and they say something, they have a certain kind of honor, that they abide by it. And if anyone opposes or goes against the agreement we reached, they will fight against them and be on our side. And the physical manifestation of this, ladies and gentlemen, took place just yesterday. I was yesterday informed there was an action across North Waziristan in Afghanistan. And there Taliban ran across our side of the border into North Waziristan. And we were informed by the coalition forces on that side. We have total communication integration at the strategic and operational level between coalition forces and our forces acting this side. And we told this tribal jirga, who had reached an agreement with us, that there are Taliban who have come across. And for the information of this house, they have gone and they arrested ten of them, and they have handed them over to us.

Now, this is the agreement with the locals, taking the non-Taliban poctoons onto our side, so that the Taliban get isolated. And these people do not gravitate toward the Taliban. This is the best strategy that we've employed. And now we are going to hopefully spread that on to South Waziristan agency. And maybe, I feel, if we succeed in this, this has seeds of success, if you were to emulate the same thing across in Afghanistan. Let me show this house that military action against Al-Qaeda or Taliban, militant Taliban, continues, and Pakistan has not withdrawn a single soldier from

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

there. The military remains there, will continue with the military action.

But we have to go on a more prudent course of taking the population away from the Taliban, and also going for massive reconstruction, for which we have asked for \$150 million every year from the US government. And that is what we are looking for. I think this is the correct strategy to be employed to counter Taliban and Al-Qaeda in the region.

THOMAS FRIEDMAN: Thank you for that answer, Mr. President. [Applause]

Javier, I'm going to ask you to wrap up. We have a few minutes left. You were intimately involved in the efforts, EU efforts, to diffuse the whole Danish cartoon affair over the depiction of the prophet Muhammad. What did you learn from that, Javier? And what were the lessons you took away from that that could apply in the future to trying to diffuse this "clash of civilizations?"

JAVIER SOLANA: That's a very, very, very difficult question to be responded in minutes. But I'll try to be as [inaudible] as possible. The first thing I learned is that a divide that exists in the world is more profound than what we think, and we better be aware of that. And it's a divide that is not getting shorter, it's not getting closer, but it's increasing. And therefore, we have to put all our attention, leaders, civil society, politicians, religious leaders, in

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

order to see how we can close this gap, which is, as I said, growing; not getting smaller but growing. We have seen in the last days. In the last days, we have seen not a complete repetition of the effects of the cartoons, but something that could have been the same level.

Number two: I think that on our side, on the Western world, I think we have to be extremely prudent at how we use terms, how we use expressions, how we use technology that for us may not be offensive, but for many, many millions of people in the world, it would be very offensive.

THOMAS FRIEDMAN: Is one of those terms Islamic fascism?

JAVIER SOLANA: Sure. And I don't think we have the right to provoke just for the sake of provoking, and that sometimes we understand that our freedom of speech and our freedom of the press, which is something which is sacred for all of us, our democracy is that. But you don't have to use that right to offend others. And it's not necessary to do. You can exert your right with speech, right with freedom of press, without the need to offend others. And others get offended. That's the second thing.

The third thing, it seems to me that the governments, they can do something but not a lot. I think it's something that has to be much more linked to the civil societies, that have to create this relationship, much more profound, in order

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

to understand this situation. But saying that, my great concern is that this is growing, that it's not getting smaller [inaudible]. I think it's growing. And when you see the streets of the countries of the Arab world, Islamic world, you see the younger generation, the younger generation. And the demography is growing at the rhythm, which is not the speed of light, but all the democracy in all these kids, which have been born, have been born in a situation which is not a situation of trying to make this divide get closer but to make it even larger.

I mean, I have to my left the President of Pakistan. We have spoken at length about this issue. I mean, with the cartoons, the events came out, I talked to him. I couldn't understand how in Pakistan the cartoons could created killing people, killing people. And I think that there's a moral, at the end of the day, begin to be something that may have—

THOMAS FRIEDMAN: We're almost out of time, but I know President Musharraf wants to say a few words. But before he does, maybe just to set it up. So, you've talked about what we need to do from our side, think about our freedom of speech and how we exercise it. What did you learn about what the other side needs to do?

JAVIER SOLANA: Well, the other side has to do a lot, also, no doubt about that. And it has to be done by the leaders, and the leaders have probably more responsibility, the

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

leaders of the civil society. I have had a very good connection I want to maintain with the Organization of Islamic Countries. I think they are doing a fantastic job, and I think we have to create as many channels of communications as possible. But of course, they have responsibilities to do, because what is really difficult to understand is how a moral issue can be the origin of a confrontation which may be fought. This is something that is—the moral issues should be developed through dialogue, through talking and not through violence.

But, I mean, I would like to appeal to you. I have been very much engaged in this. I will continue to be engaged. I think we have a problem that we have to be aware of. The divide is growing. And I think some of the problems that are happening, for instance, in the Middle East, they are not the fundamental cause. But it contributes. It contributes, no doubt about that. President Clinton has said from the podium that some of the problems that are still with us in the Middle East we were unable to resolve. Many of these things can be resolved alone. And I like to say that being here, President Clinton, and talking about the Middle East, that is still the Clinton parameters are probably the best solution that we can have. [Applause]

THOMAS FRIEDMAN: President Musharraf, we're basically out of time. President Clinton said if I go over he's going to do physical harm to me, so just, in one quick minute, if you

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

could give your response.

PERVEZ MUSHARRAF: I personally feel, ladies and gentlemen, this is a time to build bridges and not burn bridges. It's a time for interfaith harmony through an interfaith dialogue. So therefore, I would say as far as things like already, if you see the Islamic world, if you see the world, all political disputes, each and every one of them involves the Muslims. And over and above that, the situation gets worsened when you see the Muslim world being affected by poverty and illiteracy. And then, putting salt in the wound, if in this situation they are feeling totally alienated, there is a sense of hopelessness. There is a sense of deprivation in the entire Muslim world. We come out with things like blasphemous cartoons or remarks against the prophet, our prophet. I don't think anyone has a right, whether it is freedom of speech or anything, to hurt anybody else's feelings, least of all at this time when there is so much tension because of that.

I would say that the whole world needs to understand that there's a double problem. While in the Islamic world, because of all this turmoil, we think, the Muslims think, that Islam is being targeted by the world. The world thinks that Islam, as a religion, is a religion of militancy, is a religion of intolerance and extremism, which is not the case. The world thinks that we don't believe in democracy. We don't believe in

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

modernization. We don't believe in secularism. Let me assure this house that Islam in theory believes in all of them. I don't want to get into the details. But there's a double dilemma, and the obscurantist groups who are the fringe in the Muslim world are reinforcing this impression because of their really obscurantist views, who think that modernization is westernization.

While our culture is different, we need to retain our culture. We want to modernize, and Islam preaches modernization. Islam preaches equal rights to the minorities. Therefore it is secular, inherently. And also, it believes in democracy and developing or making decisions through consensus. So all these things, elements, are there in Islam.

At this moment, this is a time I would say that we need to sit down and get to the core issues. We must resolve political disputes. And when I say resolution of political dispute, we cannot put the cart before the horse by going for Iraq or Lebanon or Afghanistan without solving the Palestinian dispute. [Applause] I think Palestinian dispute lies at the core. It lies at the core of everything. It lies at the core of terrorism and extremism in Pakistan and in Afghanistan. It lies at the core of whatever is happening in Iraq. It lies at the core of whatever is happening in Lebanon. So let's go to the solution of the Palestinian dispute. Other things will themselves fall in line. And then respect. We must not open

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

new fronts. We must start closing fronts. And that is what our entire effort of the world community should be directed towards. [Applause]

THOMAS FRIEDMAN: Mr. President, so your wish from the genie is that he come back to diplomacy.

PERVEZ MUSHARRAF: Yes. Yes, indeed.

THOMAS FRIEDMAN: Ladies and gentlemen, thank you very much. Thank our panelists. [Applause]

ANNOUNCER: Ladies and gentlemen, please welcome back former President Clinton.

BILL CLINTON: Ladies and gentlemen, we are going to announce four more commitments, and then we will break and go about the regular schedule. We're pretty much staying on time, and I think we should give our panelists and Tom Friedman another round of applause. I think they did a great job.

[Applause]

Okay, now, I have the following commitments, and would like to ask those involved to come up. A long time friend of mine is here, John Doerr from Kleiner, Perkins, Caulfield & Byers in northern California. They are pledging a three part commitment to support new eco-friendly technologies and to improve global health. The company will double its commitment to global green tech innovation with an additional hundred million dollars over the next two years. They're already backing 11 ventures in biofuel, solar cells, fuel cells,

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

conservation and more. They will also introduce a prize for green tech policy innovators, awarding \$50,000 in prize money to recognize outstanding entrepreneurs. And finally, they have announced that its \$200 million pandemic preparedness fund will fund four new projects to combat global infectious diseases. So let's give them a big round of applause and ask John Doerr to come up here. [Applause] That's great.

You have to sign, and then you can have your. . .

JOHN DOERR: I'm accustomed to President Clinton signing the laws, not this document, but it's an honor.

BILL CLINTON: Bless you. Thank you. [Applause]
Thanks, John.

The next commitment, and I'd like to invite him to the stage, is from F. H. Abed, the founder and chair of the Bangladesh Rural Advancement Committee, or BRAC. Their commitment involves the promotion of health and fighting poverty in Africa with interventions and help, microfinance, education and agriculture. This organization is based in Bangladesh and is bringing its multi-pronged attack on disease and poverty to Tanzania, Uganda, Sudan, Kenya and Nigeria. It understands that people must be healthy to escape poverty, and therefore the program will tackle the interrelated problems of poverty together, distributing bed nets to prevent malaria, stimulating entrepreneurship through savings programs, and giving new and better seeds to farmers.

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

If the program is successful in these five countries, BRAC will scale up the project to help millions of other Africans. This project is worth \$250 million over the next ten years. So I'd like to ask Mr. Abed to come up and get his certificate. Thank you. [Applause] Sign here.

He just reminded me that I visited his school in Bangladesh. Now, I can visit your school anywhere in the world. [Applause] Thank you.

FAZLE H. ABED: Thank you very much.

BILL CLINTON: Bless you.

The next commitment is extended by the First American Corporation, and I'd like to invite Craig DeRoy, the president, up here. It involves empowering people in underdeveloped countries with legal title to their land, developing a template for creating and maintaining land records systems. As I'm sure most of you know, this has been a virtual lifetime cause for Hernando de Soto, and I am particularly grateful for this, having had a lot of experience in my work in South Asia with the tsunami relief and the destruction of land records, and dealing with the land disputes in areas where there never were any legal titles.

The First American Corporation will provide funding and in kind contributions, including resources and licensed technology, to develop a template for land records. It will then be possible to record record systems cheaply in country

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

and developing nations. Land record systems clearly open the doors for the expansion of wealth building and financial literacy, providing current and future land owners with legal rights. Where there is uncertainty about land ownership rights, people have reduced incentives and capacity to acquire and develop wealth. It hinders the development of credit services, savings and government tax bases. Developed nations have lower levels of corruption, higher levels of ownership and income levels in nations that are nearly 30 times higher than those in underdeveloped nations.

And it all begins with the ability to have some collateral. Mr. de Soto has estimated that as many as 85-percent of the land parcels in urban areas in the developing world are still in the informal sector. In Asia, Latin America, sub-Saharan Africa and the Arab States, between 25- and 70-percent of the urban population lives on property that is untitled. In Tanzania, for example, studies show that 89-percent of all properties are held extra-legally. Almost a million and a half are urban properties. According to Hernando de Soto's studies in Egypt, 92-percent of all the buildings and land are owned outside the legal property system, not primarily because people are trying to avoid paying taxes, but primarily because of the lack of availability of affordable, timely ways of establishing land title.

There are now over five trillion dollars in assets—let

¹ kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

me say this again—over five trillion dollars in assets owned by poor people in poor countries that cannot be converted into collateral for a loan; wealth locked up and locked down, keeping people in grinding poverty instead of being an asset that can lift them up. So, anything anybody does in this area will earn my everlasting gratitude. But I'd like to particularly thank now Craig DeRoy and ask him to come forward on behalf of the First American Corporation to sign the commitment and wish him well in his endeavors. [Applause]

Thank you. Bless you.

CRAIG DERROY: Thank you very much.

BILL CLINTON: Thank you. [Applause]

Well, this concludes our first session. We'll now go to our break-up sessions, and more work for all of you. I hope you have a great time. Thank you, and bless you. Let's go.

[Applause]

ANNOUNCER: Ladies and gentlemen, please remain at your seats and allow our distinguished guests and heads of state to depart the room. Thank you.