

2006 Clinton Global Initiative Annual Meeting: September 20-22, 2006

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Poverty Alleviation: Transforming Agriculture to Empower the Poor 2006 Global Clinton Initiative Annual Meeting September 20, 2006

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[START RECORDING - PART 1]

ANNOUNCER: Ladies and gentlemen, please welcome our working Chairperson Gail E. Smith, Center for American Progress.

[Applause]

GAIL E. SMITH: Thank you all and if I can ask people to please take your seats, we have some wonderful panelists here today and, again, I want to welcome you and thank you for joining our Poverty Alleviation session. What we're hoping to do in this first session is really grapple with one of the major issues of our times. I think we are all disappointed that the Dothan round of trade talks has not yielded results, but I think we feel equally that until we are able to establish a trade paradigm that serves the world's poor and the world's people all over this earth, we need to do as much as we can to increase the power of the producer and to focus on the World's poorest, not as objects of our charity, but as the potential for power and equity. Now, those of you who were here last time know that this is not your usual conference. This runs a little bit differently, so what we would like to do at the top is just a brief run through of how this will work. I would like to ask my colleague, Steve Brigham, from America Speaks to walk you through the process and then we will be turning over very swiftly to our moderator and our panelists. So, Steve.

STEVE BRIGHAM: Thank you, Gail. Good afternoon.

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Actually I'd just like to do a quick check. How many people were actually here last year. So, a good number of you and then, obviously, the rest of you are here new. So it looks like we really have a great mix. You're really in for a really wonderful conference and America Speaks is honored to be here for the second year in a row. The reason why this is unique is because of the role that you as members play over the course of the conference. Let me explain how this works. This track has six sessions over the course of today and tomorrow and in each of these six session it's divided up into three segment. In the first segment the moderator and the panelists will discuss the key issues related to the theme. In the second segment, about a half hour in, you at the tables get a chance to deal with and talk about the session specific question and give us your thoughts and ideas and perspectives. Then in the third segment, the panelists and the moderator will come back up and they will respond to questions that you've submitted over course of the first part of the session and they will also respond to brief summaries of the discussions that you've had at the table. So this means that you'll be doing this six times. You'll have an opportunity to give input six times over the course of the next couple of days. The way we do this is at each one of your tables there is a table facilitator, who is responsible for engaging you in the conversation, capturing the key points on the computers that you see at your table, and

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submitting them to a theme team that is located in the back corner of the room. What the theme team does is they will be reviewing all of the submitted comments, they will be themeing [misspelled?] them for you in real time, they'll be putting together power point slides that Gail will come back up and she will share you the themes from the discussions that you've had at your tables. So, these table discussions are real critical element of every single session that we're going to do here and we need to hear your views, your perspectives, and your new ideas about giving us a better understanding of what can and should be done about these important issues that we're talking about. So last year we did a very similar kind of thing. We had some amazing conversations at the table, so we have high expectations of what you're going to be doing at the tables. I know you guys can reach that bar. I think one of the important things you need to think about for this year is that, what we learned last year is that people learned so much from what was going with the panelists and the moderator, but earned equally as much at the tables. So the expertise that is really resident throughout this room and one of the ways that works is that everyone at your table during the conversation has a real opportunity to speak, a real opportunity to listen and a real opportunity to contribute and that's the job of your table facilitator. During the first thirty minute segment when the panelists and the moderator are talking, if you have any

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questions in response to what their saying, write it down on a sheet of paper on your table, hand it to your table facilitator, they'll tap it into the computer, submit it to the theme team and when we come back after the discussions, the panelists and moderator will have a brief chance to address a few, but certainly not all, of your questions directly at the end of the session. So please prepare in this session and the sessions to come to roll up your sleeves, to listen, to participate and give us your best and creative thinking as being a part of this years CGI Annual Meeting. Thank you very much.

[Applause]

ANNOUNCER: Ladies and gentlemen, please welcome our panelists for this afternoon. His Excellency President Paul Kagame, Republic of Rwanda; Jim Donald, Chief Executive Officer of Starbucks; Fabio Rosa, Executive Director, Institute for the Development of Natural Energy and Sustainability.

[Applause]

And our Moderator this afternoon is Dr. Judith Rodin, President, The Rockefeller Foundation.

[Applause]

JUDITH RODIN, PhD: I want to thank Gail and her team for putting all this together. It's been incredible hard work and you've been terrific to work with. Welcome to everyone to the Poverty Alleviation Working Group. It's inspiring to see

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so many of you here to discuss and, much more importantly, to do something about one of the greatest moral challenges of our times. I think there's agreement that there at least two things that are critical to ending poverty. One is expanding the capacity of the poorest of the poor to feed themselves and their family; to participate when it is possible in local trade and to ultimately participate in global trade so that further inequities don't develop. And, second, that we must tailor these efforts very, very specifically, giving particular focus to the rural producers who comprise the majority of the world's poor. I feel your energy here today. We're here to do a lot of good work. If this room were the world's population, half of you in this room would be living on \$2.00 a day or less. That's the daily challenge of over three billion people around the globe. The vast majority of those people are small scale farmers, they lack the necessities of daily life, they lack the resilience to withstand natural and man-made disasters. This afternoon in our first session with these distinguished panelists we will look at how to generate income from agriculture, which most of the world's poor depend on to survive; how to tap the transformative power of new and affordable technologies; how to create new and innovative financing mechanisms to expand access to capital and promote development; and the policies that are required to support these efforts. The heartbreaking report in *The New York Times*

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yesterday of the suicide of the Indian farmer reminds us vividly that even in countries with rapid growth, explicit pro-poor policies are needed to help direct the benefits of growth to the poor and the underserved. We at The Rockefeller Foundation are committed to addressing these critical issues. Just last week we announced an alliance with the Bill and Melinda Gates Foundation to spur a green revolution in Africa, that will dramatically increase the productive of small farms; significantly reduce hunger for about 30 Million people; and move about 15 Million people out of poverty if these efforts are successful. Our alliance committed an initial \$150 Million to this effort over the next five years and I'd like to signal and introduce the World's great innovator in philanthropist, our partner Bill Gates.

[Applause]

We believe that with our combined financial and human resources and our shared passion for partnering with local populations, we can succeed in helping to reduce poverty in Africa. And now let me turn to our distinguished panel to focus on what can be done; what is being done to invest in the power and the potential of local producers. May I start with you Mr. President? Rwanda is home to some of the poorest farmers in the world, with limited access to global markets. I know that you've worked with Starbucks, you've worked with other companies to develop new niche markets and to increase

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the income of your farming communities. Can you tell us what you've been able to achieve and how you've been able to do it?

PAUL KAGAME: Thank you very much. First of all, realizing that many of the whole subset of Africa and, particularly, Rwanda, up to 90-percent of these local traditions leave in Africa. We have tried to see how agriculture can benefit them and one will starting to see how they can benefit is by organizing them so that they can pool their sources and knowing that they'd leave on small pieces of land, particularly like anyone, helped them form cooperative associations, to be able to walk together. For example, in terms of coffee producers, the farmers involved in this of the organizing the cooperatives and have been assisted, given money, different money, which they can use by micro finances or other organizations. In a particular case, there has been support coming in, for example, from another site like the USAID has helped some farmers organize themselves, put up coffee washing station, the collect their, they wash it, they clean it, and they are able to set it at the higher price than was the case before and this has gone on to cover about 40,000 families in Rwanda, who are benefiting from funding and getting poverty with the coffee and with coffee washing stations and so on and so forth. In other areas there have been organizers and they are able to benefit from supplies of fertilizer to improve their pieces of land. In many cases, pieces of land that are

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really very small and we have tried to see how these pieces of land can be more productive than they have been before, through simple technologies and are also using the variable techniques of irrigation so that throughout there they are able to produce different crops. Same combination of these factors organization, provision of inputs, funding these associations add value to what they produce and then government partnering with them at different intervals to fund markets for what they produce apart from what they produce for their own consumption we also look at what they can produce for exports. And in terms of coffee, it has been very successful where Starbucks has also been extremely helpful in connecting with these families.

JUDITH RODIN, PhD: Fabio, let me turn to you next, if I may. How your organization is focused on bringing services to producers and making sure that the infrastructure needed for trade is also available to the very poorest of communities. Tell us how you're doing this in Brazil and what lessons we can learn.

FABIO ROSA: We are doing it in Brazil in the South of Brazil nearby Argentina and Uruguay and in the center of Brazil, in the Northeast and now in the North. When working in the field it's possible to meet small farmers and they are very interested in improving their income generation, but at first when we go to this communities they are doubting. We don't

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have access to electricity. We don't have access to phone and the communications. We would like to improve all production, but we would like to improve our life conditions. Then we developed some models to introduce this service to the people and when they are receiving very, very fast service and very fast solutions to improve their life conditions and the athlete we introduce these new moment to improve the income generation. Sometimes we have problems with the government and the bureaucracy and the banks because they are interested only in income generation, but poor people at first they are interested in results that can improve their conditions of life. I have developed a team using psychologists and anthropologists and, at first, to understand what this sites needs, what is their movement and economy in this sites and after understanding these movements, we introduce technical progress and the solutions. We are working in the '80s I develop very, very cheap electrification model using the steel, using more transforms and community organization. The price in Brazil was \$8,000 to bring the electricity to a farm and I did the same in the place and the price as \$400. This is only a model and after and at this moment this nation is a standard, but this is not enough to serve our all of people that lives in remote areas because in Amazonia we have people in very, very remote areas where it's not possible to built and to put great extension. After I started this community and these

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communities and I, we have new information. These poor communities they have some kinds of economic movement and it is necessary to understand. For instance, they pay some money monthly to have lights, using kerosene or oil, and they like to listen to the radio and their monthly payment is from \$5 to \$15 monthly. Then we changed the concept of the business. The business is not to sell solar panels, but to install energy service as more company will provide the panels and the service because people are interested in energy, then this is working. But ineptly after this process we are understanding how can people use this energy to improve the income generation. Okay, this is the way and it is working in Brazil.

JUDITH RODIN, PhD: Wonderful and we'll have more time to go back to this. We have great representatives from government, from NGOs and, of course, from the private sector. Jim, Starbucks is doing an extraordinary amount today as a company to tackle poverty in a number of countries that wasn't always so. Perhaps you can tell us what made the company decide to do it and how you are going about it.

JIM DONALD: Thank you, Judith. I'd first like to say, Mr. President, we are very pleased with our Rwanda Blue Bourbon. It is one of our most successful black apron and exclusive coffees that we have had.

[Applause]

And I had the President in our cupping room just six

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months ago and it was kind of interesting how he favored the African coffees versus some of the Latin America coffees, but we love it.

I heard last year the term "Black Gold" and the term was defined for me as, if it truly is Black Gold, why are our farmers the poorest in the countries that they live in. I think it's something that needs to be addressed. We like to think that we are. We have developed, just over the last two or three years, and enhanced, I should say, what we used to call a preferred supplier program through our Café Practices. The Café Practices is a way of giving back to the farmer and creating sustainability for the environment, the social needs as well as for the economic needs. We're finding that by giving back to the farmers it's important to create sustainability for them, for their families, for their communities, as well as for their coffee. And as we sit here today with 12,250 stores, our goal, and we had said that we want to get to 30,000 stores, that's probably a little bit light, but we want to make sure we have the coffee and the relationships to do that. By just being a procurer of coffee it doesn't necessarily make sense. As I sat here last year, with probably about 30-percent of our coffee purchases going through Café Practices, I'm proud to say today that we are far north of that number. We exceeded our commitment that we made to President Clinton last year and the end result is that our

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farmers are able to do things that they have never done before. A great story and I'll just be brief about this was in Costa Rica, where the Martinez family was deciding or not whether to get out of the coffee business. Mr. Martinez, fifth generation farmer, didn't know whether he should put food on the table or reinvest in his coffee crops. Through Café Practices, not only is the crop thriving, not only has he made the decision to do both, but Sylvia Martinez, his granddaughter, is the first Martinez to go to college. When you see these kinds of impacts that you can make by giving back, when you see the relationships that exceed far beyond the next ten years for both the coffee farmer and for Starbucks, it's definitely a win-win.

JUDITH RODIN, PhD: Wonderful. Thank you. Mr. President, you've been successful in attracting investors to Rwanda and clearly their must be government policies, among others, that are making that a success. How do you link those policies with other of your policies that ensure that there continues to be pro-poor investment and pro-poor growth to help the most vulnerable of your population.

PAUL KAGAME: Well the government is very mindful of the fact that the rural population forms the majority of our population and we cannot afford to have economic activities where you're going by a very few leaving them out of these activities and that's why we focus on looking at what they can

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do best given the different limitations in the situation they live in. That's why, for example, when we are looking for investments in agriculture we are looking at investments in agri-processing so that they can link up with these families for what they produce and in that process the farmers have where to send their products and then be able to benefit from that. But the government also has it's own role to play as we encourage the poor people to work and to give them this kind of support. We get involved in putting up the agriculture infrastructure. We help them establish that. They can get 30 hours of irrigation as I talking about. Like in research and development in terms of looking at the suitable varieties for different seeds whether it's coffee, or rice, or maize and so on and so forth. We work with them in terms of how they can access fertilizers. All these comes from the policies the government puts in place, working to attract investments that will build on the variable potential or the possibilities that these majority of our people can benefit from and realize and I think the interaction that was with the government policies with the environment we put in place for the investors were attracted to come to come to Rwanda, we have created peace and security in the country, we have money to put in policy conducive corner-making environment we encourage people to get involved in investing in 80 hours of expert and with what is going into exports they don't meet any taxes that would

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otherwise hinder them to participate in that and so on and so forth.

JUDITH RODIN, PhD: Thank you. Most impressive. Fabio, sometimes NGOs complain that they don't interact well with or that they can't get the responsiveness with of government and private sector and that sometimes it is a contentious relationship as these efforts to alleviate poverty move forward. But you're known as somebody and your organization that's been very successful in having people in the room and then mobilizing them for collective action, collaboratively. Tell us how you've accomplished that, specifically and what you think the challenges are.

FABIO ROSA: This is a hard work and it'll take lot of time. This is necessary to understand, the unique way. I am used to hear histories from companies that I investing, in social service or doing investments in water service, energy service, but they don't have sure about their investments is out of risk, because we need very clear public policy and legal framework. Then sometimes I am using to talk I am market developer, or the individuals are market developers because we work with innovation and we do the innovation and we prove that the innovation works well. At second, when we met with people off the government, when we are introducing the innovation they are talking I don't know if this will work in this KU, I don't know if this is possible. I don't know where we studied, but

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we are interested in bringing solution to the people. Then from once side I work creating solutions in the fields in proving that this is possible. To the other side, I am use it to go to Brasilia, the federal capital and I am working like an ambassador and I talk part of my time with people in the bureaucracy and the government and to the congress and introducing the new question, is it necessary to change it's necessary to change the developmentation and the public policy. Sometimes this will take two years or three years and when you are successful the government will change and we will have new governors. This is risky, but in my mind, this is the unique to improve the innovation and to improve solutions to the people and to the poor people. This is what we are doing in Brazil. I did the first phase and I did a national we was getting up locals to electrification on wheat using electrification and now we are trying to introduce renewable energy in remote areas to complement this first phase.

JUDITH RODIN, PhD: Great, thank you. Jim, I think there is still skepticism in the private sector, so tell us whether you really can incorporate poverty alleviation into your business models and still make money.

JIM DONALD: I think you have to look at this as both a balance and a blend. You have to balance the, believe it or not, it's kind of something that's going on right at Starbucks, it's work-life balance and there's also work-life blend, so I'm

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trying to get through to my organization that you can't really balance something, but you got to blend it in to get it done. And so when you balance the needs for the communities that we operate in for our farmers, for all of our supplier community, and you balance the needs of our shareholders and the needs to continue to ramp up, you have to blend in your activities and make it all flow towards the same direction. It's easy to say that we could be out there looking for the absolute best cost and we're going to take this right to the bottom line and we're going to drive our EPS up, but it doesn't balance the needs of our farmers or any of our other suppliers and it also doesn't blend in with putting out what you're long-term growth patterns are. So when we look at Starbucks and we look at, if it was a rocket ship with just two components, one is all of the needs for the communities to give back to those communities to earn the right to grow and the other is knowing that that's fueling that rocket, that booster, if you will, is fueling that rocket as much as the financial results that you're able to produce. So we're finding that to create a sustainable model it is a blend of both.

JUDITH RODIN, PhD: Thanks. Well, our panel will return in a half an hour. It's now your turn for conversation. But join me in saying thank you.

[Applause]

[END RECORDING - PART 1]

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[START RECORDING - PART 2]

ANNOUNCER: Ladies and gentlemen, there are five minutes remaining, five minutes remaining for our table discussion.

Ladies and gentlemen, please direct your attention to the stage, Dr. Judith Rodin.

JUDITH RODIN, PhD: Ladies and gentleman, we will now be taking the next 10 minutes, I hate to break into this. As a former university president, I'm well schooled in breaking into people's conversations around the table. If I can have your attention, we have time while our reporters are taking the discussions from each table and integrating them. In about 10 minutes we'll hear the results of all of your conversations and given the discussions, I know they are going to be full of terrific ideas. We have another round of questions for our panelists that I think will also add to the debate and dialog as we go forward. Let me you start with you, Jim, and ask more explicitly, what are some of the powerful initiatives that could bring greater income to producers at the bottom end of the chain and how do you create this kind of virtuous cycle where everyone wins?

JIM DONALD: From where we sit at Starbucks, I would tell you that the most powerful initiative or initiatives that we can do is share the information that we have, the support

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that and the sustainability that we are helping our farmers develop with other buyers of coffee, and at the end of the day we buy the world's best quality coffee, and we pay a premium price for our coffee and through Café Practices, even more so. But I think to really answer that question, I'll go back 18 months ago to Costa Rica at a dinner that was hosted by one of the directors of one of the co-ops. He said, "I want to tell you about the Starbucks effect," and he said, "The Starbucks effect over the last three years, excluding Starbucks purchase of coffee was \$60 Million. The halo that you created caused other companies to understand what a premium price does for them and for us." He went on further to say "If that \$60 Million could feed everybody in Costa Rica for a year, it could build 6,000 homes for the workers." So when you look at the effect that you can do by just letting people know the good that you are creating and also the type of product that you're getting, I think is a great step.

JUDITH RODIN, PhD: Other industries, other products, ideas that are generalizable.

JIM DONALD: Well, I'd have to think about. I just got out of a board meeting so I am kind of thinking about Starbucks, Starbucks, Starbucks.

[Laughing]

Let me think through that.

JUDITH RODIN, PhD: Great. Fabio, you're working on

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low cost electricity. Taking that experience and let me ask you a more generalizable question, if I can. There's so many new innovations in science and technology coming. How are we going to tilt those new innovations towards the poor and vulnerable? How are we going to make sure over and over again, that that happens?

FABIO ROSA: I think the new technologies are only part of the business. When I think in improved quality of life of people in these isolated areas and poor people, I am thinking some alternatives in economic democracy and large number of small entrepreneurs, social entrepreneurs, associations or organizations and business. I am thinking improve the implementation and public policy and like training center in schools for replication and training and capacity building in business models, management models, legal framing work, technology and financing. At this moment we have a lot of good experience, the question is how to replicate it and then it's necessary to create new entrepreneurs and social entrepreneurs.

JUDITH RODIN, PhD: A difficult one. Mr. President, how can women in particular be empowered to provide opportunities for income generation in rural communities? We know that throughout Africa many of the farmers are women and yet many will argue that they are not empowered in ways that allow them to hold that income and use it in ways that benefit their families and certainly that stimulate growth. Are there

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things government can do, are there things civil society should be doing? How can we move that agenda that seems to be lagging forward?

PAUL KAGAME: That's a very good question. In the case of Rwanda, 52-percent of our population are females, women, and we realize this is a very huge section of our population. Leaving them out of economic activities in any way or out of education like has been the case in the past or is the case of many countries is a big mistake. We have, therefore, in our case, tried to involve women at different levels. We have provided for women education now without any dissertation. In the past, the way our government was not involved like it is today. For example, in the provision of universal primary education. The rule for families where there is little income, they would provide if they have two children, one is a boy and the other is a girl, it may be a choice to be the girl to stay behind and it may be a struggle to take the boy to school. But, what we do today is to take all of them to school. That one is extremely important. Number two, with the education, therefore, covering women as it should, we should also look to the laws that have been in place for a long time that in matter of fact does empower women directly and most of these laws have been changed to accommodate the needs of women and to be able empower them. Like, for example, their own inheritance. In Rwanda women could not inherit anything from the families and

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this is an old law that was in place that's linked with the perennial times and we have since changed that and women can be able to inherit. And with education, with the laws changed like that, women can also have land titles, they can have land to do different productive activities, with women encouraged to participate at different levels of government, at their local administration level, at the central administration, at different levels and being encouraged to also become entrepreneurs and having similar access to opportunities that are there, this has raised the status of women and has given them the opportunities they desire to have and in the end the mission has benefited so it's something, like you said, today our own parliament has near 49-percent women representatives. Women are representing directly as they are today has benefited the country very visibly. It wouldn't have been the case if they hadn't been involved and if different efforts have not been taken as we have.

JUDITH RODIN, PhD: That parliamentary equality is a world-wide model. Gene Spurling mentioned at our table that we are to be thinking about building more entrepreneurship into the agricultural efforts. We've been supporting efforts to train women in rural villages to become, what we call, agro-dealers. Women who sold soda and crackers in their local villages and now have been become trained to sell seeds and fertilizer, to advise and educate the local farmers and are

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developing the kind of entrepreneurial role that we think really will benefit and continue to lift people out of poverty and I know that you've been developing also a terrific model for entrepreneurship, particularly among women, baskets, we know, many products, being developed for the world market in Rwanda that focus on women and their opportunities. Maybe one more question for anyone on the panel. There's a lot of focus and so much attention on microfinance in this whole formula and not as much conversation about micro insurance and yet when you think about the natural and man-made disasters, the kinds of environmental and weather related issues, health related issues, is it going to be necessary to be as creative on the insurance side as it has been on the finance side to lift the poorest of the poor? Yes if you could.

PAUL KAGAME: I think that would be very necessary on the part of insurance and, for example in Rwanda what we have tried to encourage that, especially in the specific area as of health insurance, that tends to cover all mutuals, tending to cover the ordinary people, to be insured in terms of their own health. Certainly for us that is the starting point, as well as combined with those possibilities of provisions of microfinances for them to be able to engage in certain activities, cover their own health costs and while the government has been sharing and contributing more in terms of education. We think that combines well to our [inaudible]

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living standards to the majority of our people.

JUDITH RODIN, PhD: Any other thoughts on this?

JIM DONALD: I agree with the President, wholeheartedly. It's also a relationship that your building and by creating a sustainable environment, a instainable social needs, your building schools, your creating and a great example is when Hurricane Stan went through Guatemala they didn't have any type of insurance. But, through Café Practices, we actually stabilized the property, stabilized the crops, the coffee was in tact, and we were able to help them through building of bridges and infrastructure, but the product itself was just in great shape. It is definitely something that we need to look at as well as with micro financing.

JUDITH RODIN, PhD: Any insurance practices that you've seen in your communities organizing around electrical needs?

FABIO ROSA: Yes, I think we are talking about the same thing. In Brazil at this moment we are starting a public fund, where the connected people pay a monthly value for the electricity services, we'll send ten cents of dollar to this fund that we will finance the electricity access to 24 Million of people of access to electricity. This is important to them. When we are talking about this we are talking about the security of the production because you can lost in one year what we did in the last ten year. This, I think, is necessary

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to develop a mechanism and in this situation, the government and the public policy is very important, very clear. I think other sectors of this society can help in this fund, but this is very important and this is if when we are talking developing a microfinance and micro security.

JUDITH RODIN, PhD: Gail you are ready, so I will turn this over to you.

GAIL E. SMITH: Thank and thanks again to our panel.

[Applause]

GAIL E. SMITH: We are going to keep our panel with us for some reactions to this. You'll see up on the board shortly our synthesis of what some of the table discussions have been. These look quite good. Let me also inform you that we have some people in the back taking copious and we have not too creative notes and so we will be able to capture a lot of the discussion that may not be covered in exact detail in these so we can continue through the course of the year to pull out some of the best ideas.

I think in terms of commonalities in the discussions, people pointed to three things that are necessary ingredients for success in getting to the poorest producers: education; access, whether it's access to finance or technology; and fundamental rights, particularly legal rights and the rights to prove their ownership of poverty.

There was a lot of discussion for the need of a fairer

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trading system and to expand the breadth of fair trade products, but also to look for efficiencies all along the supply chain, to look for real results and I think, importantly, to listen to the producers themselves.

We had a couple of initiatives that we pulled that we thought were interesting to share with the group. One is the notion of creating and selling long-term bonds to support local finance infrastructure. And the second is something called Frequent Farmer Points, which I have to say I like the sound of quite a bit, of applying creative consumer incentives to developing world products. Which is a really interesting idea, if you think about it.

Now, what will happen next, I'm going to turn back over to Judith for some final remarks for our panelists and we're then going to move to some commitment announcements and our second session, but I thank you all for your feedback. We'll continue to work with it. Judith the microphone is yours again.

JUDITH RODIN, PhD: Thank you. Let me ask our panelists then to react these lists of recommendations, of comments, of interesting points of view with regard to what's next, what's important. Which of these sparks your interest and your willingness to comment?

JIM DONALD: It's a lot of read in two minutes. But I got to tell you, as I go through, all of these are extremely

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powerful and as I just went through the second page, we don't hear enough about the good stuff that's being created out there and I think one tends to follow examples and as I see some of things we're doing and some of things we as a company are looking at doing, following some of the leaders in the industry, I think that bringing these stories together actually helps create results. By telling more success stories than telling what the issues are and you have to address the issues as well, I think you create some positive momentum.

JUDITH RODIN, PhD: Other comments?

PAUL KAGAME: I agree, I think a number of issues that have been raised here are extremely important. For the rule for the majority apart from these, I think they will benefit from an environment of good governance that has to be established in every country and governments have to play a big role in this while they play that more as enablers of all these things to happen are providing the environment in which these activities would happen to benefit those majority of our people. I think those of you will find in every situation I hope if you look at tall these we are talking about people and we are talking about their nations a lot of people pushed together and certainly issues of governance were allow most of this to happen and if governance issues is bad or if governance is bad then all these things would go wrong. So governance to different levels and involvement of these people would make

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most of these activities happen if the governance is good.

JUDITH RODIN, PhD: Fabio?

FABIO ROSA: I think this suggestions they are right, fully. But I think, too, in the self-emisary we put subsidies. This is a very important difference. When we are talking about the self atmosphere, at first we are talking about being sustainable. Sometimes we have profits, this is a very important difference. It means this waste or organic greek tour and very develop it technology on environmental technology. Second, it's necessary to consider how to survive without the government because sometimes we don't have public policy in agriculture. This is important, too. And then I think it's important to organize these bottles and to improve and doing this killing up technology and business models and to organize the society and sometimes doing partnerships with the government and the big enterprise.

JUDITH RODIN, PhD: Thank you. If I can summarize then a very rich and full discussion, let me say that what we've heard is that it begins with great ideas and great opportunities. Without these kinds of fertile ideas and the opportunity structure, nothing will happen. It then requires capacity building for sustainability. None of this really will succeed without building in the kinds of capacity that in one way or another we're all trying to promote and we've been talking about. Third, it requires working all along the chain

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from access to communication to the development of markets. And, fourth, most importantly, to the right kinds of governmental policies. We've talk about good governance, that tends to be a catch-all phrase. These are very nuanced and sophisticated policies that need to come from the governments themselves, from agreements among governments that ultimately will provide the kind of opportunity for people and allow millions and millions of people to lifted from poverty. Thank you for your great ideas and thanks for being here. Thanks to the panel.

[Applause]

GAIL E. SMITH: Thank you again to our panel and to Judith. In between sessions now, we want to recognize some of the extraordinary work that you as CGI members have done and are doing, by recognizing some of this year's new commitments. In introducing our sponsor at lunch I said there are sponsors and there are sponsors. It is also true that there are bosses and there are bosses. My former boss is a boss, a colleague, a friend, an advisor. He is been a champion of the Clinton Global Initiative, an inspiration and a guide to all of us working on this team, both this year and last year. So it is my honor to present our colleague and my friend Sandy Berger to present our commitments for the Poverty Alleviation track.

[Applause]

SANDY BERGER: Thank you, Gail. This initiative is

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about creative thinking and attentive listening, which we have been doing for the last hour and will be doing throughout the next two days. But, at its heart it's about the concrete steps that each of us undertake to realize these goals. We want to single out four of those commitments at this point and we will do so at various points during the next two days. I'd like William Abrams, the President of Triplehoff Program to come up on stage.

William, the Triplehoff Program commitment is to assist promising entrepreneurs through a second steps financing and training program, to raise income and create jobs and strengthen poorer communities. We estimate the value of this commitment to be a million dollars over three years. Triplehoff is creating second steps to help entrepreneurs who have been particularly successful in the organizations core program offered in Africa, Asia, Latin America, which provides seed grants to emerging business people. Second Steps participants will receive additional access to credit and advanced borrower business training developed specifically for people below literacy. To be eligible, participants must demonstrate that they have a clear path for business expansion and that additional growth will improve the lives of children or others in the community. This assures that whole regions can benefit from the poverty reduction program. Bill, thank you very, very much.

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[Applause]

SANDY BERGER: Gail, do we want people to sign these certificates? Come here and sign, I want to make sure.

[Laughing]

SANDY BERGER: I got a pen, right here. I'm not taking any chances here. Thank you. Thanks again.

[Laughing]

SANDY BERGER: All right. Now were ready. Thank you. The second commitment I want to highlight, and I'd like to have Dana Freyer, Co-Chairman of the Board of Directors of the Global Partnership for Afghanistan to come up to the stage.

Thank you Dana. The commitment of the Global Partnership for Afghanistan is to develop successful small farm orchards and wood lot business to reduce poverty, provide sustainability to livelihoods and to protect the environment in Afghanistan and this is a commitment that should be valued at about \$800,000 over two years. GPFA will partner with farmers to launch a hundred commercially viable orchard and wood lot businesses, each projected to generate enough income to sustain a family of eight. The partnership will develop an appropriate microfinance package to assist farmers and financing the cost of trees and other inputs and will facilitate the formation of farmer associations to enhance cooperation among producers. Altogether, GPFA plans that project participants will plant one million fruit and poplar trees. GPFA will promote the sale of

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high value crops to earn farmers a profit beginning after the first year. Dana, thank you very much. I'm going to let you sign this. This way I'm going to have you sign it so you can't renege. Thank you very much. Let's put this up here. Thank you very much.

[Applause]

SANDY BERGER: Can I ask Jeanne Bourgault, who is the COO of Internews Network. We heard from Jim earlier about how you communicate, how the news gets out of good works. This commitment ensures that poor and people in crisis get the information they need to stay safe by building local language news and information capacity around the world. It's valued at \$2.2 Million over the next three years. Specifically, Internews Network's new humanitarian media assistance program will conduct workshops around the world in impoverished areas and conflict zones to bolster local media's ability to respond to emergency. The organization will maintain the stock of communications equipment and a group of humanitarian journalists that can rapidly be deployed to regions in strife. The organization will also help repair local media infrastructure during and following crises. Jeanne, thank you very much for that commitment and I will get you to sign this. You can sign Hernando DeSoto, but for you to sign it yourself. Thank you so much.

[Applause]

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SANDY BERGER: And if I can invite one of the world's great fight hers for the cause of helping poor and disadvantaged, Hernando DeSoto to come up. Of course, we know Hernando's leadership in the UNDP. This particular commitment involves the commission on legal empowerment of the poor. It involves drafting and implementing practical reforms to help entrepreneurs in developing countries establish, operate and expand their businesses with legal rights. A \$315,000 project over 21 months. The commission that Hernando has agreed to establish will form working groups that bring together practitioners and experts in property rights, entrepreneurship, access to justice and labor rights. The groups will pinpoint impediments to legal business entry, operation, expansion and exit. It will then draft recommendations on how to overcome the impediments, increasing entrepreneurs access to credit, limited liability, contracts and information systems. The commission will organize conferences and consultation process across East Africa, South Asia and Latin America. Mr. DeSoto, thank you very much.

[Applause]

SANDY BERGER: If you could sign that.

[Applause]

SANDY BERGER: The last thing I would say is that many of you have already determined what your commitment is going to be going forward for next year, but one of the reasons, some of

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you are still in the process of thinking about what that commitment ought to be and one of the reasons why we have chosen a few of these commitments to be highlighted is so that you can be thinking as you listen to those about whether these programs are ones that you want to participate in and amplify what these groups have agreed to do by your own participation. I hope that you have listened to those kind of commitments, both with gratitude for the people who are making the commitment and with potential interest on your own part. Thank you.

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