

American

NEWS & VIEWS

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Large World Economies Agree to Boost Growth, Tackle Crisis

Leaders vow to cooperate, call for revival of Doha trade negotiations

By Andrzej Zwanecki
Staff Writer

Washington — Leaders of 20 of the world's largest economies vowed to reform the global financial system and take action against the economic slowdown.

While they refrained from planning coordinated fiscal action, they vowed to cooperate closely as they individually pursue efforts to boost growth in their respective countries. "There was a common understanding by all of us that we should take pro-growth economic policies," President Bush said after the meeting.

"We are determined to enhance our cooperation and work together to restore global growth and achieve needed reforms in the world's financial systems," said the final declaration from the Group of 20 (G-20), which comprises developed and emerging market countries.

G-20 members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, the United States, plus the European Union.

The leaders met November 14-15 in Washington at what they are calling the first in a series of meetings to discuss measures to strengthen economic growth, deal with the financial crisis and lay the foundation for reform of the financial system to prevent a catastrophic crisis in the future.

An action plan approved by the participants calls on finance ministers to reform practices and financial markets that have exacerbated the crisis. For instance, the plan calls for boosting transparency in the sale of often-murky, complex financial products and for revising compensation and risk-taking practices. The G-20 further agreed that finance ministers must evaluate global accounting norms and the financing needs of international institutions as well as find a way to include large, emerging markets into the Financial Stability Forum, a standard-setting body established by the Group of Seven industrialized countries in the late 1990s.

By April 30, 2009, the date the leaders have chosen to meet again, finance ministers must compile a list of financial institutions whose collapse might imperil the global

financial system.

To increase chances of successful outcomes of the reforms, the G-20 leaders vowed to abide by free-market principles in their pursuits. Specifically, they pledged to give the stalled Doha round of World Trade Organization negotiations another try after several earlier, unsuccessful attempts to revive them. They also pledged to refrain from imposing new trade or investment barriers for the next 12 months.

Before a November 15 plenary session, President Bush said: "One of the dangers during a crisis such as this is that people will start implementing protectionist policies."

According to many experts, protectionist policies of the United States and other countries in the 1930s made economic and financial crises so much worse that they turned into the Great Depression.

According to the latest economic forecasts from the Organisation for Economic Co-operation and Development and the International Monetary Fund, economies of the developed world will contract and fast-growing emerging market economic, such as those in China and India, will slow in 2009.

The leaders pledged to ensure that sufficient resources are available at multinational financial institutions to assist developing countries harmed by the crisis.

The meeting — cast by some countries as a platform for launching a far-reaching overhaul of the global financial architecture — settled for a more cautious, gradual approach to improving the regulation and functioning of financial markets. Key principles that were agreed upon include strengthening transparency in financial transactions, accountability and regulation; harmonizing national regulations; promoting integrity and regulatory cooperation; and providing the International Monetary Fund with capabilities to set up a financial early-warning system and to play a bigger role in crisis response.

Before the summit, France's president, Nicolas Sarkozy, called for financial regulation that applies across national borders. Despite some G-20 leaders having envisioned at least some regulatory convergence, the meeting consensus was that regulation remains a domain of national authorities, which "constitute the first line of defense against market instability."

Transitioning to the Next American Presidency

Podcast on challenges President-elect Obama will face

After the final results were counted in the November 4th U.S. presidential election, work has begun on the transition to the next American presidency.

Barack Obama will not take the oath of office until January 20, 2009. On that day, he will officially become America's 44th president. But already, work has begun to address the many challenges that wait for him and his team of department leaders and advisers.

As the presidential campaigns are shut down, and staff members across the country clean out their offices, a transition team begins its work to ensure that the Obama administration is ready to handle the major foreign policy and economic challenges facing the United States.

The transition team includes experts on every major policy issue. Their job is to prepare recommendations for the next president and help him select the heads of the various executive agencies, also known as Cabinet members. Once appointed to their positions, these Cabinet members are confirmed by the new Congress after public hearings.

The peaceful transfer of power from one presidential administration to the next is a hallmark of American democracy. The Bush administration has made clear it is committed to assisting with a smooth and effective transfer. That effort has been under way for months, as federal agencies and White House offices have prepared briefings on significant policy issues for the president-elect's transition team.

Obama faces many challenges related to foreign policy. He will become commander in chief of U.S. military operations in Iraq and Afghanistan. The wars were a major topic on the campaign trail, and both candidates supported increasing troop levels in Afghanistan. But they differed on Iraq. Obama has criticized the Iraq war since its beginning and has pledged to begin withdrawing troops. His goal is to have most troops out of Iraq within 16 months.

In addition to the wars in Iraq and Afghanistan, the Obama administration will have to address Iran's drive for nuclear capabilities. Plus, the new administration must decide whether to engage diplomatically on the Arab-Israeli front. The Middle East has been a central focus of the Bush administration's foreign policy, and it is likely to be a central focus for Obama's as well.

Throughout his campaign, Obama called for a multilateral

approach to foreign policy in which the United States would work closer with its allies. One area that may see increased cooperation is climate change. Some experts say they expect Obama will reopen negotiations with the European Union and other nations, including Russia and China, on climate change.

Experts also caution that statements made during a campaign are not reliable indicators of how an administration will conduct its foreign policy. Events often intervene and limit the choices a president can make.

The 2008 campaign, especially in the final three months, was dominated by economic issues. Most Americans expect the economy will be Obama's top concern when he takes office. Experts say that Obama will become president at a time when America is facing an enormous fiscal crisis and very large deficits.

Throughout his campaign, Obama promised to lower taxes for those earning \$250,000 a year or less. He has also promoted his plans to provide new options for affordable health care, as well as investing in educational and energy systems. Experts say that the poor condition of the economy will limit his options, and the administration will have to choose priorities. Also, measures requiring new spending can come into force only if the next Congress passes new legislation.

The current economic challenges are global rather than national. And addressing them will have a foreign policy dimension. Today's financial markets are interconnected and global in nature, and cooperation with allies across the financial world is crucial.

[This podcast is produced by the U.S. Department of State's Bureau of International Information Programs. Links to other Internet sites or opinions expressed should not be considered an endorsement of other content and views.]

Laura Bush on Terrorist Attack Against Schoolgirls in Afghanistan

U.S., international community condemn these cowardly acts, says first lady

THE WHITE HOUSE
OFFICE OF THE FIRST LADY
November 13, 2008

STATEMENT BY MRS. LAURA BUSH

Yesterday, a group of young women on their way to school in southern Afghanistan were assaulted. The attackers

threw acid on the girls' faces, and three were seriously injured. My heart goes out to the victims and their families as they recover from this cruel attack.

The Taliban's continued terror attacks threaten the progress that has been made in Afghanistan. Today, Afghan women are attending school, running for political office, and serving as police officers. Afghanistan has more than 60 female judges and 400 female journalists. Women make up 28 percent of Afghanistan's parliament, and more than six million children – including two million girls – are now in school.

The United States and our Allies are working with the Government of Afghanistan to build more schools where children can learn, open additional roads so that commerce can grow, and provide basic healthcare for the Afghan people.

These cowardly and shameful acts are condemned by honorable people in the United States and around the world.

Global Health Leaders Urge Continued Aid During Financial Turmoil

Spending cuts could undermine investment in AIDS, tuberculosis, malaria

By Cheryl Pellerin
Staff Writer

Washington – Less than a month after officials from countries around the world traveled to Washington to attend the October 21 White House Summit on International Development, another group of leaders will meet to discuss the financial turmoil that could derail critical progress made to date on diseases that threaten global health and security.

The Group of Twenty (G20) finance ministers and central bank governors from 19 industrial and emerging-market countries and the European Union, plus officials of the World Bank and the International Monetary Fund, will address the current crisis and lay the foundation for reforms in meetings November 14-15.

As global financial and economic difficulties deepen, those most involved in promoting the buildup of health systems in developing nations and fighting deadly diseases like HIV/AIDS, tuberculosis and malaria are urging governments to keep up their investments in the health sector.

"When times are hard, as they are now, every nation is

focused on protecting its own interests," Secretary of State Condoleezza Rice said October 21. "That is entirely legitimate and it is to be expected. But what we cannot do – what we must not do – is to allow our generosity and our concern for others to fall victim to today's crisis. Reneging on our commitments to the world's poor cannot be an austerity measure."

PROTECTING THE POOR

The United States, whose own financial turbulence has evolved into an increasingly far-reaching economic crisis affecting countries around the world, is a leading contributor to a range of disease-fighting initiatives in the poorest nations.

Since 2001, the United States has pledged more than \$4 billion to the Global Fund to Fight AIDS, Tuberculosis and Malaria, a partnership among governments, civil society, the private sector and affected communities that was created to attract, manage and disburse resources to fight these diseases.

In Africa, treatable, preventable malaria kills one child every 30 seconds. In 2005, President Bush launched a five-year, \$1.2 billion initiative to help cut in half the number of malaria-related deaths in 15 African nations. The initiative has reached 25 million people and the numbers of those sick or dying from malaria have dropped dramatically in Zambia, Ethiopia, Rwanda, Tanzania and elsewhere in the region.

The President's Emergency Plan for AIDS Relief (PEPFAR), which targets HIV/AIDS, tuberculosis and malaria, is helping turn the tide against HIV/AIDS. Bush in July signed into law a five-year extension of the program, which was launched in 2003 as a five-year, \$15 billion multifaceted approach to fighting the worldwide disease.

The new legislation increased the U.S. financial commitment, authorizing up to \$48 billion from 2009 to 2013 – the largest commitment by any nation to fight a single disease.

"It is quite rare in international development that you can measure the impact of actions," Dr. Peter Piot, executive director of the Joint U.N. Programme on HIV/AIDS, said during an October 28 speech at the Center for Strategic and International Studies in Washington. "This has been the case when it comes to PEPFAR. It is unprecedented in international development and has saved and is still saving millions of lives."

ENDURING PRIORITY

Today, the United States supports treatment for nearly 1.7 million people in Africa and tens of thousands more around the world, from Asia to the Caribbean to Eastern Europe. PEPFAR has supported care for more than 6.6 million people worldwide.

At the Summit on International Development, Bush urged both parties in Congress to ensure that such development efforts remain an enduring U.S. priority, and called on other nations, other Global Fund contributors, corporations, foundations and faith-based groups to continue their generosity toward nations in need.

At the World Health Organization, Director-General Margaret Chan said November 12 that the consequences of the severe financial crisis are global and called for nations to counter the period of economic downturn by increasing investments in health and the social sector.

Such action, she said, would protect the poor, promote economic recovery and social stability, generate efficiency and build security.

“A world that is greatly out of balance in health is neither stable nor secure,” Chan said. “Robust health systems are essential to maintain surveillance and response capacity in the face of pandemic threats. The lack of investment in sub-Saharan African health systems in the 1980s meant they were tragically unprepared for the HIV/AIDS pandemic in the decade that followed.”

THE U.S. PRESIDENTIAL TRANSITION

In the United States, responsibility for international health assistance soon will shift with the peaceful transfer of power from one presidential administration to the next. On January 20, 2009, Barack Obama will become the nation’s 44th president.

“We are in great hands at the moment, particularly from an HIV perspective and from a broader development perspective,” Ambassador Mark Dybul, U.S. global AIDS coordinator, said during a November 12 briefing at the Center for Strategic and International Studies.

“President-elect Obama was a co-sponsor of PEPFAR reauthorization – one of the people who signed on to the bill,” he said. “And I’ll always think of Vice President-elect Biden as Chairman Biden because of his extraordinary role in [international] development for 35 years, pushing the agendas that so many of us in this room care about.” Biden

a longtime member of the Senate Foreign Relations Committee, chaired the panel from 2001 to 2003 and has chaired it again since 2006.

On their transition Web site, Obama and Biden say they will take the lead at the next G8 meeting of major industrial nations to launch Health Infrastructure 2020, a global effort to work with developing countries to invest in the full range of infrastructure needed to improve and protect U.S. and global health.

“We should never give up on America’s leadership,” Piot said. “This is absolutely vital and it must continue. That’s what I expect from the next administration because it means so clearly the difference between life and death.”

United States Provides \$2.5 Million in Relief Aid to Pakistan

Humanitarian assistance helps needy in southwest earthquake zone

By Jacquelyn S. Porth
Staff Writer

Washington — In the wake of a series of four earthquakes measuring over 6 points on the Richter Scale and the dozens of aftershocks that rocked Balochistan, in southwestern Pakistan, the U.S. Agency for International Development (USAID) moved swiftly to send money and aid to help people in the area.

Transitional shelters have been flown in to help people who have lost their homes and are facing sub-zero temperatures. So far, USAID has provided \$2.5 million to international and nongovernmental partners working in the earthquake-damaged zone. In some remote locations, the earthquakes triggered landslides, which further complicated delivery of relief supplies.

Trucks carrying plastic sheeting to be used for temporary shelters first began arriving in the provincial capital of Quetta November 3. The sheeting has since been distributed to the hardest hit villages in the district of Ziarat, which is 60 kilometers (37 miles) to the north.

The estimated number of Pakistanis killed in the earthquakes of October 29 ranges from 200 to 500, with another 500 reported injured and more than 100,000 now homeless. USAID director Henrietta Fore expressed sympathy for Pakistan and responded quickly to U.S. Ambassador Anne Patterson’s request for aid.

USAID already had members of a Disaster Assistance Response Team in Pakistan and dispatched it to the

earthquake region, where the immediate damage included the collapse of more than 4,000 mud and wood houses.

INTERNATIONAL COMMUNITY RALLIES TO PAKISTAN'S AID

The International Committee of the Red Cross (ICRC) – one of the organizations through which the United States is channeling aid – estimated that between 20,000 and 30,000 Pakistanis were affected by the October quakes. The U.S. Embassy in Islamabad said the ICRC provided emergency health care, water and sanitation supplies to those in the earthquake zone.

Balochi governor Nawab Zulfiqar Magsi requested blankets and winter clothing for earthquake survivors, some of whom have become ill with pneumonia.

The ICRC has answered that specific request and has also distributed tents, antibiotics, painkillers and treatments to fight skin infections.

AmeriCare sent medicines to the affected area and has offered water purification tablets.

The World Food Programme sent medicines and dry food rations, including wheat flour and salt, to 15,000 people in Ziarat and 5,000 in Pishin. It also provided vegetable oil and ready-to-eat biscuits in Ziarat.

The World Health Organization determined that 10 of 38 health facilities in Ziarat were damaged and another three were destroyed.

Pakistan's air force has flown in doctors, tents, sleeping bags and mats, quilts and blankets, and food for those in need. China, Saudi Arabia, Turkey, Iran and Japan are involved in the relief effort.

UNICEF has been active providing clean drinking water.

These earthquakes occurred just three years after the devastating earthquake of 2005 that hit northern Pakistan, killing more than 75,000 people. Since then, the United States has provided \$2 billion in emergency aid to help improve health and education in Pakistan and to stimulate economic growth and democratic governance.

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