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Mr. President,  
Ladies and Gentlemen Ambassadors,  
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I would first like to thank Mr. Ambassador Morten Wetland for his invitation and tell him how much I have always appreciated the interest he and his country have had in Innovative Financing for Development. In 2008, the Prime Ministers of Netherlands and Norway along with the President of Tanzania published an article in the Lancet stating that one child was still dying every 3 seconds and one woman every minute from a preventable cause or curable disease and that the time has come to take action.

Yes, it is time to act.

It is time to act by creating new sources of Financing.

The Millennium Development Goals linked to Health have been the first to benefit from Innovative Financing with increasingly remarkable results.

These Financings aim to respond to 5 challenges:

- How to resolve the issue of demand (“the molecules are in the North, the sick are in the South”)?
- How to resolve the issue of research (example of the development of new vaccines or of pediatric medication)
- How to insure regular and predictable financial flow?
- How to accelerate aid withdrawal (“frontloading”)?
- How to work with market prices?

To answer these challenges we must act in two directions:

- First, it is time to enlarge the innovative mechanisms that are in action today. We must develop the existing mechanisms like that of the IFFim, which have already raised 1 Billion US\$ allowing for the success of GAVI as well as UNITAID, by prompting the as many countries as possible to establish a micro contribution of solidarity, completely innocuous, on plane tickets. In 3 and a half years, UNITAID will have collected 1.5 billion US\$ and will have treated through its partners 3 out of 4 children already treated for AIDS.

Next, we must change the scale of Innovative Financing on 3 points:

- o First, on the nature of the finances
- o Next, on the ways of spending them
- o Finally on the way of Governing, in which the public-private partnership becomes key

We must first change the scale on the nature of the finances that are mobilized. To do this, we must establish micro-contributions of solidarity linked to economic activities that have profited from globalization, whether these are tourism with plane tickets, cell phone usage, the internet, or even financial markets.

On this subject, as the President of the French Republic and the German Chancellor have underlined during the last G20 in Toronto, a tax on interbank transactions of exchange is today a great opportunity due to its technical, economic and political feasibility.

First, technical feasibility: Take the Euro for example. The regulation of all interbank transactions of exchange goes through only one chamber of compensation, and we know that it is possible to digitally withdraw on these operations.

Economic feasibility next: it acts like an invisible micro-withdrawal. Knowing that 97% of transactions are of speculative nature, there will be no consequence on the real economy.

Finally, there is a political opportunity by giving Heads of States the possibility to achieve the MDGs.

Paid to the four most exchanged currencies, the micro-tax of 0.01% on interbank transaction exchanges would raise 40 billion dollars per year.

In a manner parallel to that of taxes, we must also change the scale of voluntary micro-contributions of solidarity.

Thanks to the internet, we can now propose these contributions to hundreds of millions of consumers, just as we do for the Millenium Foundation and Massivegood, allowing each traveler to donate 2 US\$ for the MDGs linked to Health.

We must then change the scale in terms of how we spend these new finances.

For example, access to medication.

Nearly 60% people living with HIV still do not have access to treatment. Newer, safer drugs recommended by the World Health Organization cost twice as much as older regimens.

History must not repeat itself where newer drugs are only affordable by people in the north while the people in the south need it most.

It is the reason why UNITAID has launched the innovative Medicines Patent Pool initiative.

The Medicines Patent Pool will work as follows: patent holders voluntarily offer the

intellectual property related to their AIDS medicines to the patent pool. Any company that wants to use the intellectual property to produce the drugs competitively can do so in exchange for a royalty payment.

By harnessing the power of competition in medicines markets, the Patent Pool could save as much as a billion dollars over five years.

Next week, as the International AIDS Conference convenes in Vienna, we should not forget how far we have come - nor how we got here. Now is the time for daring new thinking: if the companies will do their part, we can transform the AIDS medicine market and ease the impending treatment crisis while creating benefits for all. Medicine patent holders will be compensated for the use of their technology. Generic pharmaceutical companies will more easily be able to produce affordable new medicines. Donors and developing country governments will be able to stretch their budgets farther to treat many more people. And, most importantly, patients will gain faster access to better quality life-saving treatments.

This is the first example. Its success will bring forth others. In the sectors of child and maternal health, in that of food, and even climate change. In other words, modifying capitalism to provide Global Public Goods to the poorest populations is the only guaranty to avoid grave conflicts in the 21<sup>st</sup> century.

Thank you for your attention,