

Center for Strategic and International Studies

TRANSCRIPT
Press Briefing

“Previewing the G20 Rome Summit and COP26”

DATE
Monday, October 25, 2021, at 9:00 a.m. EDT

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Paige Montfort: Thank you very much, Operator. Colleagues, members of the press, supporters of CSIS, and other esteemed guests, thank you very much for joining me here today. As our operator has stated, my name is Paige Montfort. I'm the media relations coordinator here at the Center for Strategic and International Studies. Thank you very much for joining us today for a very timely conversation. We'll be previewing both the G-20 summit in Rome and the U.N. climate change conference in Glasgow, which are very soon approaching. I've brought together five fantastic experts from across the center with a range of expertise to brief you on and answer your questions regarding some of the key elements of these meetings and topics likely to be covered. And we have very much to cover, so without further ado I'm going to introduce our experts in the order of their opening remarks. First, we'll have Matthew P. Goodman. He is the senior vice president for economics. He also holds the Simon Chair in Political Economy at CSIS. From there, we are going to have Heather A. Conley. She is the senior vice president for Europe, Eurasia, and the Arctic, and director of our Europe, Russia, and Eurasia Program. Then we'll have Dr. Joseph Majkut. He's the director of our Energy Security and Climate Change Program. Next, we'll hear from Ryan C. Berg, senior fellow with the Americas Program and also head of the Future of Venezuela Initiative here at CSIS. And finally, we'll have Dr. Steve Morrison. He is senior vice president and director of the Global Health Policy Center here at CSIS. Each of our experts will provide approximately four to five minutes of opening remarks and analysis, and then we will open the queue to your questions. The queuing instructions will be given following these opening remarks by our moderator. And so with that, I'd like to turn it over to Matt Goodman to start us off today.

Matthew P. Goodman: OK. Thank you, Paige. And good morning, everyone. Thanks for joining us. So as folks know, President Biden will be departing for Rome on Thursday. He's going to be doing meetings at the Vatican on Friday, and then the annual G-20 summit on Saturday and Sunday in Rome, and then going on to Glasgow for the COP26 climate summit on November 1 too. I'm just going to cover the G-20 part of this, and then colleagues will cover other parts of the trip, including bilateral meetings and so forth. So, the president's going to the G-20. Presidents have been going to the G-20 since 2008, during the global financial crisis, when we, the U.S., elevated the forum to a leader-level forum from a previously just finance minister track process. The G-20 is misnamed. It's actually about 52 countries, because there are 19 individual countries plus the European Union gets a seat. So they represent 27 more. And then there are usually five or six guest countries invited, including regulars like Spain and Singapore, and then associations from Africa, Latin America, and Asia. And the group represents about 85 percent of global GDP, so it's substantially but not all of the global economy. And I usually talk about the G-20 as addressing kind of three objectives, and I'll talk about this summit in those terms. The first is crisis management. So the forum was, you know, founded, as I mentioned, during the global financial crisis. And it still is focused on global growth. It has four adjectives it attaches to growth – strong, sustainable, inclusive, and balanced growth. So those are still the objectives of the G-20, and that's sort of a framing element of the summit. Financially stability is also, you know, at the core. Obviously right now the

crisis is – well, the dual crises that lie on top of the pure economic issues are the COVID-19 pandemic and then, of course, climate change. So those will feature very heavily in the summit. And I think because I have colleagues who can cover the individual health and climate elements, I won't spend much time on those, and will spend a little more time on just the economic/financial pieces. And I'll do that by talking about the second objective of the G-20, which is driving a global for critical global issues. And so the issues I mentioned fit into that, but if you look at the tax – the global minimum tax deal that was achieved among, you know, substantially all of the world's major economies, this will be celebrated at the G-20. But it, you know, was really driven by there being a G-20 that was an action-forcing event. So that's one way to think about the G-20 as driving the global agenda. It also – you'll hear talk and celebration of the allocation of special drawing rights from the IMF, which was agreed as a part of helping address the economic dislocations of the pandemic, and reallocating some of those SDRs to – you know, to countries that are really in need, low-income countries. So, in this vein there will, I think, be a focus on the debt challenges of emerging markets that have been sort of hit by the pandemic, and climate change, and food insecurity, and a bunch of other things that are piling on top of their debt challenges. And so I think you should expect the G-20 leaders to say something about a couple of initiatives that they've already been working on for the past year, 18 months even. One is the debt suspension – excuse me – Debt Service Suspension Initiative, or DSSI. That's been extended once through the end of this year, but I would be looking for whether that's going to be extended again. It probably will be, but there is some opposition in the group. And then there's something called the common framework for debt resolution, which is getting more into actually restructuring debt, not just suspending debt payments – or, service payments. And there are questions around whether China is going to be willing to – it's agreed to participate in the common framework, but whether it's, in practical terms, going to sort of reveal all of its outstanding loans to countries that are in debt and participate in a common response, so that's going to be a big issue. I'd say on the economic side also, questions of whether there will be additional announcements on fiscal policy – the G-20's already spent 15 trillion – that's 1-5, trillion with a T – dollars collectively so far in pandemic response, unlikely to be large, new numbers, but that's something to kind of keep an eye on. I would say, then, in terms of driving the agenda, I'm still sort of on this second point. This, going forward, is going to be seen, this G-20 summit, as an opportunity to drive, of course, into the COP26 summit. And, again, I'll let Joe just talk more about that, you know, particularly the coal and methane and other pledges trying to use the G-20 to drive more countries to agree to those international pledges. And then trade as well is another sort of agenda item. There's a WTO ministerial at the end of the year in late November, early December and a question whether the G-20 will say much about that; so far the signs are not great that they're going to be saying much beyond sort of platitudes about improving the dispute settlement mechanism in the WTO, but there are a couple of negotiations out there that they could give a shove to in the G-20, a helpful shove, I think: the fisheries negotiations and environmental goods negotiations. So, I'm sort of watching for those. The third and final area the

G-20 is useful for building habits of cooperation among, you know, leaders of, you know, substantially all the global economies. And, you know, it sounds not that important but it's actually quite important to have a venue where leaders can actually get together, particularly in person now, to talk about common challenges and solutions and simply to get to know each other better. In that context, one problem this year is that it looks like neither President Xi Jinping of China nor Russian President Putin are going to go to the summit, the G-20 summit, and so there's going to be not the opportunity to have conversations with them, either around the table or on the sidelines, so that's a big challenge here. A final point is that I'd say that President Biden I think is really hoping to get – the reason you're hearing so much about the desire to get the fiscal packages, the infrastructure and other package, passed this week are that I think Biden wants to go into this meeting saying, the U.S. is making the investments it needs to at home to build back better and we want others to join us, particularly the climate-related provisions in those packages, which I think he wants to take into COP26 through the G-20. So I think I will stop there and pass it over to Heather, I think, on bilaterals.

Heather A. Conley: Thank you, Matt. Good morning, everyone. Well, you know, it's amazing what four and a half months' difference can make. When President Biden – his first trip to Europe in June, it was a real celebration, "America is back." It was a real celebration of multilateralism and working hand in hand with our allies and partners. Four and a half months later we've gone from "America is back" to America is stabbing France in the back, and this is going to be a very different trip. Our European partners very much thought that the Biden administration would be a stabilizing presence after the tumultuous years of the Trump administration, and they need America to be that stabilizing force because Europe itself is unstable and increasingly fragile. And so this backdrop is very different from when President Biden went to the G-7 in Cornwall and then went to the NATO-EU summits and then the U.S.-Russia summit in Geneva. So part of the stab in the back, clearly there is a massive effort by the Biden administration to repair the damage done to the U.S.-French relationship following the AUKUS announcement. You have Secretary Blinken, National Security Adviser Sullivan; they've just announced that Vice President Harris will be going to Paris in November. And, of course, we will be looking very closely at the bilateral meeting between President Macron and President Biden on the margins of the G-20. What we'll be looking for in that meeting is whether the U.S. and France can, in fact, turn the page over this controversy or whether we're going to be stuck in this phase for a little while. I will be watching for in this bilateral meeting, obviously, the statements that President Macron makes. He has played sort of the good cop throughout this crisis in U.S.-French bilateral relations. It has been others, like French Foreign Minister Le Drian. He has been sort of the one – the very emotional response. But President Macron has tried to manage this. But we'll be looking to see how much the United States has to give France to try to repair these damages, looking for, perhaps, much more, you know, accommodative language about a European defense identity, something that the U.S. has always been a little prickly about

because it is concerned that it will pull away strength from NATO. I think you may see some – you know, more firm commitments of U.S. force posture and support to the French military posture in the Sahel. I think, in particular, though, and, hopefully, there'll be an elevation of French participation in the Indo-Pacific, something that, unfortunately, how the AUKUS announcement was unfolded did really not allow us to give France an important role in the Indo-Pacific. So those will be areas that I'm, certainly, looking for. Of course, President Biden's meeting with Pope Francis is, obviously, an important meeting for the Bidens personally but, again, Pope Francis is very outspoken, whether it's on climate or migration, and this is, certainly, something that looking for those clues on sort of that moral leadership will be very important. We had heard from Ankara from Turkish President Erdoğan that there might be a bilateral meeting between Presidents Erdoğan and Biden. The White House never confirmed that and, of course, events over the weekend make that increasingly unlikely with President Erdoğan declaring 10 ambassador's persona non grata for writing a letter encouraging the release of Osman Kavala or at least the respect of a series of judicial decisions to free him. It's unclear. Certainly, Turkish markets are responding very poorly to that, but it does underscore, again, this fragility. The U.S.-Turkish relationship has been very fraught. President Biden had a very different approach to President Erdoğan, one that kept him at arm's length, and the differences continue to mount. President Erdoğan has suggested he might buy a second S-400 missile defense system from Russia. He, again, just last week was very strident about U.S. support to Syrian Kurds. So, this relationship is tremendously difficult. So we will continue to watch pace and see if that meeting does or does not happen. Again, I very much doubt it. After President Biden leaves Rome on to Glasgow and, of course, climate, and this is where, again, the Europeans have always assumed with great pride their leadership on climate policies, and they'll wish to, certainly, project that sense of leadership at Glasgow. But, obviously, this comes against a backdrop of Europe really grappling with high energy prices and not able to come to any meaningful conclusion about how to manage these high energy prices. And, of course, looming large is how much Russia will leverage European dependency on Russian gas over the next few months, which puts in stark relief the Biden administration's decision to proceed with – to allow the Nord Stream 2 pipeline to continue. Again, it's unclear as a German government is in the formation process how much Germany will do to support other EU countries and EU partner countries. Moldova is already feeling the crisis right now. This could replicate itself across many European colleagues and partners. So this is going to be, you know, a very big backdrop as we go into Glasgow. The final point on Glasgow is, obviously, this, again, highlights Europe's fragility. You know, we – the EU and the U.K. continue to have a very tumultuous relationship. It's unclear whether the United Kingdom will continue to implement the Northern Ireland protocol. This week we'll have a series of meetings. So that issue is unresolved, making Northern Ireland certainly a point of division within the United Kingdom. And of course, Scotland itself also a potential pressure point with the Scottish National Party certainly pushing for a second independence referendum. Of course, Prime Minister Boris Johnson wanting Glasgow COP26 to be a crowning moment in his

achievement in global Britain. The AUKUS agreement was certainly a steadying moment after the U.S. and NATO withdrawal from Afghanistan. So there are really – where Europe wants to see this leadership role – whether it's climate, whether it's the U.K. presenting a global face – it really also points to that fragility. The question mark of the future of the United Kingdom and really European unity as Poland is directly challenging the European Union judicially, and the European Union backed off considerably at the end of last week for punishing Poland. You have migration issues. You have illiberalism, high energy prices, China's challenge growing large. So this is a very difficult moment, and again, where Europe needs a very stable Biden administration. It sees, however, that the Biden administration is struggling domestically. It fears that the instincts that brought President Trump to power are back again and that it's not sure that America can be a partner that it can rely upon. So, with that, I'll pass that over to Joe.

Joseph Majkut:

Good morning, colleagues. Thank you for joining us today. As we look toward the climate parts of President Biden's trip, we expect that climate will be a part of the conversation at the G-20 as well as at the – obviously, the main – (laughs) – affair at COP. When we look at where we stand globally, it's fairly clear that this COP is going to be a reality check for global ambition on climate. At Paris, countries agreed to limit global warming to below two degrees C. There's now a lot of tension between nations in the G-20 as well as between developed and developing countries around how far below two C that we may be able to accomplish or should aim for. If we look at the group of countries that have either mapped out, committed to, or at least begun discussing net zero emissions targets, which is a precondition for limiting warming to two C, we are – we're looking at about 72 percent of global emissions. We might see that number go up a little bit in the runup to COP as more countries make larger or more ambitious statements. You know, if those countries were to accomplish that, modeling shows that we should expect warming at two-and-a-half degrees C or thereabouts. So we already know that for – in terms of the Paris agreement targets, we're operating behind the ball. The big questions we then face at COP are the extent to which countries are willing to make further commitments toward net zero – achieving net zero this century and how quickly they're willing to realize those commitments. It's important as we are watching countries make these commitments that net zero goals don't become an excuse to punt on near-term progress, because the thing that will make a huge difference in terms of climate outcomes in a world where most emissions are governed by net zero commitments or on the path to net zero is how quickly large emitters are able to take the top off of their – of their current greenhouse gas emissions. A good example here is China, where – and that question is largely driven by what countries want to do domestically. A good example here is China. Their commitment as it stands or they've hinted at would be more ambitious than what they offered previously, peaking emissions before 2030. But the huge question is: Does that peak come in 2029 with a lot of growth in the meantime, or are we near peak today and we're looking at a plateau and then a reduction as the – as that country reduces its greenhouse gas intensity? You could look across other countries – the EU's a great example – where the plans being offered are actually much more ambitious.

They've ramped up their 2030 target from 40 percent emissions reduction to a 55 percent emissions target. So, the extent to which countries are – have agreed to build back better, so to say, is a little up in the air. I think, again, we're expecting to see some developments between now and COP. Less on the frontend, in the near-term emissions reductions, more countries maybe looking at net zero. When we look at the U.S. and what President Biden can offer, he is standing on slightly shaky ground. The commitments made by President Biden to – or, the aims submitted by President Biden are to reduce emissions 50 percent by 2030 against our baseline value is completely in line with a – with the climate targets embraced under the Paris agreement. But whether or not we can accomplish that is an open question. The president's own build back better plan is getting winnowed away in Congress. It's lost key provisions on the climate and clean energy front. Recent research shows that the country's then probably unlikely to meet its emissions targets as those – as those fall away. So this will become a test, I think to the extent to which U.S. leadership on climate is really going to drive other countries to emissions reductions, or if they're going to be making emissions reductions commitments out of their own self-interest, the desire to capture markets for clean energy, or even to usurp leadership roles from the United States. Two other things to watch at the COP, where President Biden has made some moves and we expect the U.S. to be highlighting a lot of its efforts. We're going to see the rise of what I would call sectoral approaches, aims to reduce emissions from methane, particularly oil and gas production. The U.S. and EU have been leading this effort, the Global Methane Pledge, aiming to reduce methane emissions 30 percent this decade. Big producers have signed on – the U.S., Canada, even Saudi Arabia as part of its emissions commitments that were announced last week. But there are also reluctant countries. Russia is a good example there. We're also expecting to see the announcement of various coalitions relying on groups of private companies, perhaps with some government support, committing to reducing emissions from so-called hard to abate sectors. That might be heavy-emitting – might be heavy-emitting industries like steel, shipping, aviation. The extent to which those groups are able to ensure long-run emissions reductions, we'll have to wait and see. It depends on how large those coalitions can be built. And of course, voluntary actions from the private sector are not as necessarily robust as government commitments. The last piece we need to watch is the extent to which climate finance governs the conversations at COP. A large part of the discussion is the planned phase out of traditional coal technologies, one of the largest emitting sectors. And this is a challenge for developing nations. They've made very clear that that's a hard thing to do without a significant amount of finance support from developed countries. The developed countries have previously been – missed targets. There was 100 billion (dollars) promised – 100 billion (dollars) per year promised at Paris. We're still under that. Developing countries are asking for more, and it's not clear to the extent to which the developed countries are able to make firm commitments for climate finance. These are the key things that I'll be watching over the next week before the COP and looking for outcomes. Thank you kindly for your attention, and welcome questions at the end.

Ms. Montfort: Thank you, Joseph. We'll turn it over now to Ryan Berg, and then finally to Steve Morrison. And then we'll go to Q&A.

Ryan Berg: Thanks very much, Paige. And good morning, everyone. Thank you very much for spending your Monday morning with us here at CSIS. It's a pleasure to be with you. First thing I'll do is just touch briefly on what I think will be a rather limited participation of Latin America in the G-20. For those who don't know, Mexico, Brazil and Argentina are expected to have some – certain participation in the event. In terms of the agenda on the table from the Latin American perspective, I think Brazil would like to highlight its post-pandemic – its post-pandemic economic growth as well as its – gain some support for its new cash transfer welfare program, which domestically speaking actually breaches its constitutional spending ceiling. And so I think it will be looking for some sort of support there from fellow members to be slightly wayward in terms of its spending in an effort to prevent the poorest in Brazil's society, which we've seen over the course of the pandemic slip into poverty, from slipping even further into poverty. I think Brazil is also going to highlight at the G-20, as well as at COP, its green investments; the fact that it gets about 79 percent of its energy as of 2018, if I'm not mistaken, from renewable sources, mostly hydro. It's also notable that this week in Brazil's Congress the speaker of the house, Arthur Lira, is planning to bring forward a very large bill to regulate carbon markets in the country as an important signal before the G-20, but especially before COP. In terms of Mexico and Argentina, I don't think I've seen much in terms of what they are looking to get out of any sort of participation in G-20. But in the past, Mexico has highlighted the shift under López Obrador to a focus of Mexican society on the poorest and most vulnerable, especially in the post-pandemic economic situation. Argentina in past G-20s brought up a whole number of issues: the future of work, infrastructure and development, sustainable food. Argentina's always kind of a wildcard. But shifting to the COP26, I think we're going to see participation in person from Colombian President Iván Duque as well as Argentine President Alberto Fernández. We're not expecting too much participation from Latin America. From what I've heard, Bolsonaro and his vice president, Hamilton Mourão, from Brazil, they're not going to be in attendance. López Obrador from Mexico is not expected to be in attendance. And something that I really wanted to highlight in the remaining few minutes here is the fact that nobody from Venezuela will be in attendance, neither from the Maduro regime's perspective nor from the Venezuela opposition's perspective. Here, in this case, we would expect there to be if any participation at all probably from the Maduro regime's perspective since the United Nations, unlike other international organizations, still recognizes the Maduro regime. But so far the regime has really said nothing about the COP26 conference. They've not confirmed that anyone will be in attendance. But I think that there's a really important environmental story that's going on here in Venezuela that's not highlighted enough, and perhaps a clear reason why the Maduro regime does not want to send anyone to the COP. I think when we talk environmental issues, especially in the Amazon, we always want to talk about Brazil. But with COP26 on the horizon, I think that there needs to be some discussion – and I hope that there's some discussion – of Venezuela because, despite paying lip

service to the so-called eco-socialism policy in Venezuela, those who pay attention to the environment in Venezuela will tell you that degradation in the country is nearing a point of no return. And that really has consequences not just for Venezuela, but for the Amazon, the region, and likely for the world. This is a country that is part of the top 10 most biodiverse countries in the world, and in the past, it has had excellent economic stewardship. In the '70s and the '80s and even into the '90s, Venezuela was an environmental leader, a real model within the hemisphere for declaring environmentally protected areas and really taking good care of them. And we've seen under the Chavez administration, now the Maduro regime, over the last 20 years we've really seen Venezuela take an environmental tailspin. And it's not just commonplace, this environmental degradation, but the most concerning part is that it's state sponsored. There is – there are significant elements of Venezuela's environmental degradation that are state-sponsored and state-complicit, and I'll bring a couple examples here. First is, in 2016, the Maduro regime designated an area of the Amazon called the Orinoco Mining Arc. It's roughly the size of Portugal and the territory cuts really straight through the Amazon portion of Venezuela. As some of you have covered in the media, in this part of the country there's no law enforcement. There's no governance. There is a lot of transnational organized crime activity, particularly illegal gold mining, illegal deforestation, wildlife trafficking. It is an illicit market in the worst sense of that term. And the regime is complicit in much of this because it's making money through allowing these activities in the protected mining arc. Another thing that I'll mention is that Venezuela has an epidemic of oil spills at the moment, and between 2010 and 2016, there were estimated 50,000 oil spills in Venezuela – 50,000. State-owned oil companies – Petróleos de Venezuela, PDVSA – changed its policy in 2016 to one where it no longer reports any oil spills. And since then, they've not just failed to report spills, but they've also failed to make much of an effort when it comes to cleanup. So, I think that when we see how the regime has blocked NGO access to oil spill sites, for cleanup operations, and it – really, we only know about spills because of satellite technology and NGO groups, intrepid NGO groups on the ground that are willing to risk their safety. I think we have an environmental crisis in Venezuela that I'll be looking for to see if it's highlighted by anyone at the COP26 because it affects the Amazon in the same way that Brazil does. And so, Brazil will get much of the attention, of course; much of the Amazon is in Brazil. But we have an environmental actor, in my opinion, that is operating quite outside of the international framework. It doesn't plan to send anyone to COP26, to the best of my knowledge, and because of its unique position within the Amazon and on one of the main tributaries of the Amazon River, actions in Venezuela I think have the potential to echo downstream. And so, I'll be looking to see if anyone highlights the activity of environmental actors that are not there at the conference, and particularly countries like Venezuela that are really operating outside of international norms when it comes to environmental policy. So, thank you for that, and I look forward to your questions.

Ms. Montfort:

Thank you, Ryan. And finally, we have Dr. Steve Morrison, who will touch on the ongoing COVID-19 crisis before we move into our Q&A.

J. Stephen Morrison: Thank you. Thanks, Paige, for organizing this. And thanks to everyone who's joining us this morning. I'm going to speak mostly to the issues pertaining to the pandemic that are going to be taken up at the G-20. As a point of background, President Biden at the G-7 back in June committed 500 million doses of Pfizer to the COVAX facility and announced that the U.S. was going to take a lead role in providing the arsenal for the world, and it marked a moment of high diplomacy and greater engagement by the United States. The response of others at that G-7 meeting was fairly tepid, just about 123 million doses pledged by others at that meeting. And then on September 22nd, on the margins of the U.N. General Assembly, the United States called together the Global COVID Summit and signaled that it was getting quite serious about leading the effort on a financial intermediation fund, a pandemic preparedness financing mechanism, and it got support from Italy, from the EU, from Vietnam, India, Indonesia, and that was – and made – the U.S. at the same time made an announcement of a second 500-million-dose Pfizer commitment towards the COVAX facility. So going into the G-20, the U.S. has laid down these markers and also signaled that Secretary Blinken will be holding a ministerial follow-up meeting before the end of the calendar year and that President Biden will be calling another summit in the first quarter of 2022. I would say that what we saw in September and what we're likely to see at the G-20 summit is a lot of expression of dissent of – coming from many of the members in terms of patience running out, in terms of the closing of the gap of – which has only widened in terms of the poorest countries in the world not being able to get access in a reliable and affordable way to vaccines, a call for capacity versus charity, and that means tech transfer and manufacturing capacity. Supplies are ramping up very rapidly but we're not – and we're seeing some gains in the wealthier and more powerful and well-endowed lower-middle income countries, but we're also seeing the turn towards boosters and a dread that the drive towards boosters is going to lead to another cycle in which the wealthiest and most powerful countries consume most of the vaccines and hoard those and hold back. There's a nervousness also that we're not out of the worst of this. We're seeing the discussion around Delta Plus in the U.K. We're seeing that the poorest of the poor countries – that we're seeing less than 4 percent vaccine coverage and there's an awareness that we're really on a kind of two-speed recovery right now in which the poorer countries of the world – there's almost a hundred countries that are under 20 percent coverage and a very large pool of the poorest in Africa and South Asia that are well under 4 percent. So, it's against that backdrop that we're coming to the G-20. The High Level Independent Panel that the G-20 put together, chaired by former Secretary Lawrence – Secretary of the Treasury Lawrence Summers, former Deputy Prime Minister and Minister of Health Tharman Shanmugaratnam from Singapore and then Ngozi Okonjo-Iweala, head of the WTO, that independent panel came forward in July with a proposal for a \$10 billion per year new Financing Intermediation Fund focused on surveillance, resilience, supply, and delivery capacity. It's been now advocating and trying to build traction toward that hoping that there would be a burst of support, an endorsement, and some concrete commitments made at the G-

20 Summit. There was also a discussion of putting together a health and finance ministerial threats council that would begin to bring regular high-level diplomatic interventions around the response. What we're seeing right now is that the negotiations are continuing this week as we head towards the G-20 in the hopes of being able to endorse this Financial Intermediation Fund. I think the expectations are reasonably low that there will be big concrete commitments. I think it's reasonable to expect there will be some form of an endorsement. The board will, I believe, make some progress. We'll see exactly what that means. It's a positive step. The United States has been carrying on parallel talks at the U.N. with the Norwegians along a similar track of trying to build support there around launching over the course of the next year this Financial Intermediation Fund. So, what does this mean? What I think we should take away as we go into the G-20 is a certain reality check, as Joe mentioned here. There's a lot of support for these recommendations in the High Level Independent Panel among advocates, and they're very mobilized and very loud. But I think we are going to see some progress but not nearly as much as is needed and not nearly as much as what's called for by the advocates. I would put emphasis on a couple of things. One is the emergency still dominates. Money is very short. Nationalism still prevails. The private sector, the major manufacturers of the mRNA vaccines, in particular, are still able to chase the high-value markets and there's a great absence of transparency and accountability in that marketplace. We have big demands looming on the horizon in meeting the current needs. We have the replenishment of the Global Fund later this – in September of next year. We have a replenishment next year of the Coalition for Epidemic Preparedness Innovation – CEPI – and GAVI will continue as the major institution in carrying forward the COVAX facility, which has had a very, very rough year. It's not even at 400 million doses circulated. It had a target of 2 billion this year. It's saying that it may get to 1.4 billion by the end of the year but very – the target of 40 percent coverage by the end of the year is not going to be realized. The U.S. credibility in leading this is on the table a little bit as well. The U.S. has 250 million (dollars) in its pocket to commit to such an entity and has pledged that it would seek an additional 850 billion (sic; million) (dollars), to come to a 1.1 billion (dollar) down payment for launching this intermediation fund. But it hasn't secured that, as best I know. The other things I'd say is the U.S.-China confrontation, the drift into an inexorable, it seems, Cold War with China, of course puts a huge block on global health security cooperation. As we've heard, President Xi and President Putin, Obrador will not be there. Germany, of course, is in a holding pattern. The EU is very committed to trying to move the high-level independent panel, but it is experiencing frustration in trying to build support. So, I would say, stay tuned. And we will see some progress, but it will be far less than what is required, and far less than what advocates are suggesting. Thank you.

Ms. Montfort:

Thank you so much, Steve. And thank you to all five of our experts for your insight and analysis. At this time, I'm turning it back over to our moderator who will open up the call to our questions. And they will share the queuing instructions. And we'll try to get through as many of your questions as

possible. So, experts and members of the press, if we can keep both questions and answers as concise as possible. I will turn it back over.

Operator: (Gives queuing instructions.) Our first question will come from the line of George Condon of the National Journal. Please go ahead.

Q: Great. Thanks for doing this. Two questions. One, how much does it matter to the other leaders if the president goes there without having passed either of his two bills? Does that weaken him with them? And then secondly, sort of a follow to Heather's comments, is it the reconsideration of President Biden – is it more than just the Australian submarine deal? I'm thinking of the – not lifting the Trump tariffs, the slowness on the travel ban, Afghanistan, and concern by them that Trump may be back in three years.

Mr. Goodman: Heather, you want to do that?

Ms. Conley: Sure. I'm happy to take that. Hey, George. Thank you so much for the question. So, as I said, this has been a sobering four and a half months for our European partners. And I think they have now come to the realization, to the acknowledgement, that there is much more continuity in U.S. policy than they thought. Tactical differences, of course, but continuity. And that very much gets to your question on the broader trade attentions between the United States and Europe – whether it was the Airbus agreement which did not resolve but postponed for five years. There will be an important decision that will have to be taken. I think things look more positive, George, on that front in relationship to steel and aluminum. Probably going to some sort of a compromise that will sort of look like a quota system, without being acknowledged as a quota system. But yes, you know, the allies, to be honest with you, have been shaken not stirred. Afghanistan certainly was that. And the challenge that, you know, potential migration flows from Afghanistan to Europe – we've already seen where Belarusian President Alexander Lukashenko has weaponized the – you know, migrants from – whether it be Afghanistan or Iraq to push into Europe. And the European Union is, once again, having a very difficult time finding a comprehensive solution to that. I will say, George, the one positive, if there was a positive, coming out of the AUKUS announcement was it actually, I think, did compel the Biden administration to lift the visas. I don't think that was going anywhere, which was a great frustration with our European partners. And yes indeed, just to reflect on your first question, as I mentioned, I mean, European leaders as well as citizens are great consumers of American press and news. They are seeing where the president is bogged down in his domestic agenda. They witnessed the surprise announcements. They want us to be successful, but they are increasingly cautious that not only is this perhaps not going to be successful, but they have to prepare themselves for, you know, an alternative where the U.S. is not going to be the stabilizing presence they so need right now. So, you know, they need us to be successful but they're very concerned that we can't be. I'll let others respond to the first part of the question.

Mr. Goodman: I suggest we maybe get some other questions that we could answer, unless anybody else wants to jump in.

Ms. Montfort: Yeah. I think that would be great, Matt. Let's move onto the next question.

Operator: Our next question will come from the line of Andrea Shalal of Reuters. Please go ahead.

Q: Thank you so much for doing this. Really appreciate all these insights. I have a question that has to do with the kind of overlapping demands on the international community in terms of donations. So, you know, there is an IDA replenishment that is being pushed through by the World Bank. There's great concern about debt. There's going to be – you know, there's the need for probably pretty significant debt restructuring. Then there's all this – you know, these asks in terms of the fight against COVID. And of course, the climate stuff. Has any one of you sort of calculated how much advanced economies are being asked to put out? And, you know, is it just sort of a numbers game of, like, you know, there's just not that much money to go around? And just on the point about Biden heading into this – you know, to the COP26 talks, do you – do you see a – kind a pivot or a shift? Is there any other force or group that can kind of grab the momentum there? Or is this really just going to be sort of a disappointment?

Mr. Goodman: This is Matt Goodman. I can take a first crack, but I'm sure Steve and Joseph have other thoughts. I mean, look, it's not a question of lack of resources. I mean, we're – the U.S. is a \$20 trillion economy. You know, collectively the advanced world has, you know, a lot of potential resources to address these really – you know, each of these are really, you know, critical issues. The question is, you know, the political will to – you know, to get support for, you know, all of these initiatives. And, you know, your question – sort of the skepticism in your question is, I think, well-placed in terms of actually being able to persuade, you know, political forces within, you know, our country and others to – you know, to support all of these initiatives. I think, you know, there is a big question about that. And I think – you know, I think that this is why sort of collective action is important. Because, you know, if we can be seen to be working with partners and, you know, even in some cases, you know, for some of these initiatives we need China and other large emerging markets to – you know, to chip in, that can – that can, you know, create, you know, sort of a force multiplier, as they say, for addressing these issues. So – and, you know, the IDA, for example, you know, using an international pooled, you know, set of resources like that, you know, really delivers. And there's been lots of analyses that have shown, you know, the multiplier effect of, you know, each dollar spent through, you know, a channel like IDA. I personally have not added all this up, but as I say, I don't think it's a question of lack of resources. It's a question of political will.

Mr. Majkut: Yeah, if I may, this is Joseph speaking. I also don't have a number for you, though research assistants through CSIS have recoiled at your question. I think that the – (laughter) – you know, is there somebody that can step into

the gap, is – at least on the climate side – you know, that – the right way to think about the way Paris set the climate agenda for the next decades is that different countries are going to start emphasizing their strengths. You know, the president – yeah, of course he's in a weaker place because his domestic agenda is stalling. That that's been highlighted by countries reluctant to embrace deeper emissions cuts sooner, as an example of the sort of unfairness that permeates – the historical unfairness that permeates the climate challenge. But you know, oftentimes those countries are dealing with profound domestic problems themselves relating to wanting – having entrenched coal industries, being very reliant on emitting sectors to fuel growing economies. And there, the U.S. and its international partners can take a piece-by-piece approach over the – over the coming decades and be particularly helpful. You know, an example would be if we're trying to find ways that coal can be retired early or coal plants throughout the – throughout the world can be retired early and there's some sort of international commitments to a phaseout, then, you know, bilateral agreements, technical assistance, and to some extent financing can all play a role. And the U.S. has opportunities to link private capital markets to the finance challenge as well. So, it's not to say that all is lost. It's just that as this agenda globally matures, there are going to be problem spots that arise and have to be dealt with on a case-by-case basis.

Dr. Morrison:

This is Steve Morrison. I'd like to add a few remarks to the second question there. First of all, the DSSI and the Common Framework, there's been a lot of writing in the last week on that. It's pretty clear that debt levels continue to become untenably high, and that neither of these mechanisms have accomplished a whole lot in terms of bringing a solution forward. On the question of financing, the United States has done more than any other country with the exception of what China has done in terms of its sales of vaccines. But the U.S. has spent about 16 billion (dollars) on the COVID response, all through emergency funding measures, but it has also been constrained in two major respects. One is finding partners that are ready to work with the United States on a strategy of addressing both the vaccine gaps, the manufacturing gaps, but also the need for oxygen, PPE, testing, and longer-term solutions. And the current reality is there's just not a whole lot there in terms of willing and able and committed partners, and that puts a real strain, I think, on the U.S. motivation to get out there more. The other factor that is – has been holding this administration back is the continued struggle domestically with the response. And that's been a function of the Delta variant, the resistance and hesitancy within our own population. That has postponed the pivot to feeling confident and able to project more. And so what we're seeing in terms of the U.S. international engagement is pretty ad hoc. And there's no clear structure guiding this in the executive, either State or the White House on the international side, and there's not been a very clear articulation of strategy and budget towards that. And I don't think we're likely to see either of those two problems fixed for another six months or more. Thank you.

Ms. Montfort:

Thank you all. And I think let's try to get in one more question before 10 a.m. here. I will turn it over to the next asked.

Operator: Nick Wadhams of Bloomberg News, please go ahead.

Q: Hi. Thanks very much. I was hoping you folks could speak a little bit about the mismatch of expectations on the U.S. from a slightly higher altitude, whether there is one or not. You know, obviously, there's been lots of discussion about "America's back." That's been a central foreign policy element – messaging element for the Biden administration. But then you have AUKUS. You have Afghanistan. You have the visa restrictions, which, as Heather mentioned, were only recently lifted. You have this – as you're talking about, the COVID vaccine, the sort of disappointment that the U.S. is not helping out anymore. It feels from the outside like there had been this hope and expectation that Biden would return to the pre-Trump paradigm on foreign policy when he took over, but in some ways that really has not happened. Could you talk to the sense of whether that is a feeling among countries at the G-20 and whether there – whether President Biden will be treated with some wariness or disappointment that he's not turning out to be the president he indicated he would be, at least on the foreign policy front? Thanks.

Ms. Conley: Nick, this is Heather. I'm happy just to jump in very briefly and let my other colleagues join in. I mean, I think we do have to recall there was certainly disappointment with the Obama administration. I'm thinking of Syria and the red lines and the real collateral damage obviously of a civil war that led to, you know, nearly 2 million migrants coming to Europe. So, I think there is always hope and expectation because the role of the United States is so important. But I think there's an acknowledgment, I would say, as well as a recognition, that over the last decade-plus the United States has been retrenching. It has – turning inward, consumed by political polarization and domestic issues. So it sort of has its one foot in, you know, very much countries wanting the United States to behave as it always had, but it's a "can't live with it, can't live without it" type of feeling, but the fact that the United States, in my view, is, though, retrenching, is turning inward and it's sort of – its caught in the middle of this, quite frankly. So, we did have great expectations from our European colleagues. And certainly, President Biden worked to enhance those expectations with his interventions in Europe and his strong support on allies. But the decisions that the administration has taken, very much and consistent with the domestic mood and polarization, have left them quite disappointed. I think the question for me is, moving forward, has the administration understood that these decisions have profoundly challenged and questioned our allies as far as our credibility? Can we restore that trust? Are they making decisions now that they'll be working independently of the U.S. and, in some instances, against the United States, or has this administration – you know, first years are always tough; it's an administration that is not fully staffed because of political polarization? Will it even out and will, you know, that trust and credibility be restored? I think that's the inflection point we are at right now, and I think it will be interesting to watch President Biden in these large, important multilateral forums whether we can see the beginning of the restoration of trust and credibility after a very bumpy nine months or, you know, we're going to be in this transitional phase for a longer period of time.

Mr. Goodman: Can I just – this is Matt – just very quickly just say, I think, you know, Heather’s basically captured, you know, the mood and the sentiment. I would say, just on a – I think just to amplify on a slightly more positive side of the ledger, I mean, it’s – you know, I think the rest of the world is going to be relieved that, you know, that, you know, it’s not Donald Trump at the table, frankly. I mean, I think that that – he was considered a very disruptive force, and so I think, by comparison, Biden’s going to be well received in that sense. And you know, having been in these rooms, I think, you know, whenever – whoever the U.S. president is they do, like EF Hutton, get listened to. And so if Biden has something, President Biden has something useful to say on any of the issues we’ve talked about, I think people will take that seriously. I think the – you know, the other point that I wanted to amplify is it is early. You know, I know everybody’s impatient, but it’s only been nine months, and in the U.S. system, that’s still relatively early in terms of getting people in place, getting issues fleshed out and strategies adopted. And the focus has understandably been on domestic, economic recovery. And you know, that’s to me the biggest gap in what they’re bringing to the table is if they don’t bring, if Biden does not bring, you know, the domestic packages with him in his pocket, it’s going to be much harder for him to make the case, you know, the U.S. is back. But you know, if and when those things get passed and he, you know, is able to then get his team in place and they can start laying out some of their strategies, I still think, you know, there’s time for, you know, for the U.S. to kind of reassert its leadership in the world. I think it’s important to have that perspective still, despite everything.

Ms. Montfort: Thank you so much, Matt. And I’ll turn it over to Steve Morrison for a final comment.

Dr. Morrison: Thank you. Thank you, Paige. I want to just emphasize, you know, when you’re thinking about the U.S. role in the world, whether it’s on the pandemic or other matters, this is not 2002 or 2003 when PEPFAR was launched, and the Global Fund was launched with lots of support coming from our G-7 partners and many others. Today, we’re dealing with a drift into a cold war confrontation with China, and that puts a – puts a twist in the perceptions of what the U.S. motivations are in all of these spheres. We’re in a situation where our deep polarization at home and the dominance of our own nationalist outlook is coloring our approaches, and we’re dealing with a world that’s of frayed alliances and brutally abused multilateral institutions and fragmentation. So I think we need to really put those things front and center in thinking about what the strategy is. In terms of the pandemic response, I would keep the eye on what happens after the G-20 in terms of the U.S.-Norway dialogue started at the U.N., and what happens in terms of this ministerial that Blinken – Secretary Blinken’s going to hold, and the U.S. staying in the game of the president calling summits. So, let’s take a longer view, but let’s also be very eyes-wide-open in terms of the realities that dominate calculations these days. Thank you.

Ms. Montfort:

Thank you. Thank you all for your time, for your questions. And colleagues, members of the press, others who have joined us today, thank you for taking the time to listen in. We will be posting the transcript of this call on CSIS.org and blasting it out to our mailing list within just a few hours today. For those of you whose questions you were not able to ask, please do not hesitate to reach out to me, Paige Montfort, or to our chief communications officer, Andrew Schwartz. We are always more than happy to set up an outside conversation with any of our experts, including, of course, the five excellent folks here with us today. So thank you all once again for a few extra moments, for joining our call, and a special thank you to our experts for your time and your insight and expertise. Have a wonderful day, everyone.