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Thank you, Jérôme. My role is Head of Global Public and Government Relations in Novartis. That means I try to develop strategies for government relations globally. To prepare for this conference, I was thinking about what I contribute from my experience of managing a global business and what conclusions can be drawn about how global governance in health could be improved. I would like to structure my remarks in two fields - one is the need for global governance in the face of sovereignty in health and healthcare, and the second piece concerns some approaches to how we can promote the uptake of global health governance.

If we look at the first piece about health and healthcare, it is clear that it is largely a sovereign matter. Jérôme gave a few examples about global initiatives, but in essence, health is still a sovereign matter and the main justification we repeatedly hear for this is that governments alone are competent to decide how taxpayers' money is going to be spent. That is also the key reason why even in European Union treaties, health remains a sovereign matter.

Why do we then think we need more global governance in health and healthcare? Certainly, we are starting to look at some transnational issues, such as the pandemics, cross-border pollution, mobility, inequities leading to ill health, the global spread of healthcare information. There are also some local issues that governments do not seem to tackle, such as rising healthcare costs. Certainly, some benchmarking and sharing of best practices can be helpful. If this is not addressed, this will negatively affect a nation's health and also have an impact on political stability and the business climate.

There is another reason why I think global governance in healthcare is needed, and that is something that has been mentioned today, which is the partiality of national governments. You can argue that the government that has been elected democratically and wants to be re-elected inevitably involves itself in short-term policies. In healthcare, that means we still see that glitzy new hospitals are more common that long-term public health programmes, particularly prevention programmes, since these do not bear fruit in the short term. That is one of the reasons why these types of programmes are broadly neglected.

What are the negative consequences of health sovereignty for nations? The most obvious, of course, is a lack of progress in health issues, but there may also be failures from a healthcare industry perspective, and these failures impact our ability to produce and continue producing medicine that make a difference in patients' lives. On a broad scale, countries have been unable to develop sustainable healthcare systems that are capable of coping with the challenges we are seeing, such as the aging population, the rise in chronic diseases, and increased demand from an informed and educated public. Over the last 50 years, if you look at the figures, healthcare spending has outpaced economic growth of every single OECD country that has been reporting these figures.

The most prominent tool to deal with the increasing demand is still short-term cost cutting. We might think that an increase in productivity would be much more beneficial in addressing these rising costs. We have done a study and the savings potential from increasing productivity in healthcare is actually tremendous. We studied six diseases in three pilot countries and we found differences in productivity of a factor of up to 23, so there are very different ways of approaching this.

What does this mean for us? If you look at our business model, creating innovation in pharmaceuticals, medical devices or other high tech health products requires a high upfront investment, but later the actual cost of providing the good is marginal. Currently we are faced with a situation where every country would like a free ride on the research and investment of the others. Every country wants to pay the lowest price.

While this is a good way of increasing static efficiency because you immediately get more access to the medicines, it is not a good way to increase dynamic efficiency. Who will provide the incentives for future research and how do we play this on a global scale? Currently innovation has been mainly financed by the developer. How do we give this a broader basis and what should be the role of each player?

The second element of the lack of global governance is in the trade area. We still see a lot of surrogate forms of protectionism. Countries close their borders. They say that the products that come in put people's health at risk, but very often it is actually a cover to promote the local industry. We see many discriminatory hurdles if we want patient access on a global scale. This actually inhibits the efficiency gained by the globalisation of this industry.

For example, like Sanofi, Novartis produces a malaria medicine on a not for profit basis. We are repeatedly being asked to produce this locally, but if you really want to provide a cheap product and if you want to have the best deal for the donor money, then the most efficient way economically is what we currently do - we produce it in the one factory 24/7 around the world and this is the cheapest and best way to move forward.

These are the challenges. If you run a global business, then you have to deal with many nation states. We are being asked to think up solutions, so how do we approach global governance in health? If you think about it, at first glance, it might look appealing to have a WHO with beefed-up powers, but there are a couple of drawbacks. I do not think this will happen because typically, nation states fear that centrally run bodies of governance would concentrate power and be distanced from people and their everyday concerns. It is probably still legitimate to say that healthcare systems vary enormously worldwide, so a very centralised global governance system is probably not the right thing to do.

Is there an alternate solution? I have three principles for discussion. Firstly, think about introducing a concept of a global health citizenship that would be accepted by all players in healthcare, both global and national. This could actually help to rally people behind a common goal. We heard other examples this morning of global corporate citizenship. We talked about responsibility and other things. If the bodies of global governance set up global health standards of practice and conduct, through a process of communication and consensus, this could be a pretty good tool to drive a common approach.

Based on our own experience in running a business, we could take these global standards and implement them in a decentralised way so that every nation has signed up to common goals and codes of practice, and would then be allowed to apply your own locally relevant interpretation of these universal rules.

The third recommendation is to have an integrated approach involving all stakeholders. In some discussions, health stakeholders are already involved, including industry, but I believe we need to also involve the disadvantaged population for a more complete consultation. If you look at the model, there are some examples that we believe have been working pretty well. One is the Millennium Development Goals. They have helped to rally people behind a common objective. In our field, it is the harmonisation of the market access rules in Europe. We have the European Medicines Agency with common standards across a couple of countries for the market authorisation of medicines. In Europe, for example, we also have the EU directive for healthcare, where the rights of patients and access to healthcare are codified.

If you look at such a system, the last question is, 'How do I enforce it?' That is the $100 million question and the first session this morning discussed this. Mary Robinson received most questions about actually implementing it. The one model I thought of was what we see as the Global Reporting Initiative. I do not know if you are aware of this. The Global Reporting Initiative tries to give the same solidity to social responsibility reporting as to financial reporting. It is a multi-stakeholder process, where the standards and indicators are being negotiated and then companies sign up to it. It is then widely published. It works because companies do not want to be last in the league table. A global health citizenship index for all players to sign up to could be a good way of bringing more transparency and how we move forward in dealing with health issues.

In conclusion, I think realistically health will always be a sovereign matter, but there is more than can be done. The need for global governance in health is clear. If we were to have a common set of principles and values, as potentially

defined in the Global Health Citizenship Framework, this could help align all people and all national players behind what really matters, and that is finally to improve the health of everyone.

These are my thoughts. Thank you.