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Fact Sheet WORLD ECONOMIC FORUM GLOBAL GOVERNANCE INITIATIVE From Aspiration to Action

The World Economic Forum's Global Governance Initiative (GGI) has released the executive summary of its first annual report, which concludes that in 2003 the world engaged in barely one-third of the effort and cooperation necessary to achieve the goals it has set for itself through the United Nations Millennium Declaration. The report represents a year-long independent analysis by seven groups of some of the world's leading experts in the areas of peace and security, poverty, hunger, education, health, environment and human rights. The independent watchdog effort involves 50 experts from around the world overseen by a distinguished Steering Committee of eminent persons.

The report points to the need for greater effort by and cooperation among governments, international organizations, the private sector and civil society in order to reach the goals endorsed in 2000 by 189 countries. It also highlights the positive results of numerous innovative programmes from all sectors that provide reason to be cautiously optimistic about our ability to overcome these problems.

The Goals: The starting point for this assessment is the Millennium Declaration, endorsed by the leaders of 189 nations at the United Nations Millennium Summit in September 2000. The Millennium Declaration represents a broad consensus on a global agenda, bringing together the whole range of issues the world confronts, from poverty to environmental degradation to the scourge of war. In several cases, however, the international community has since made significant progress in refining pieces of that global agenda through such fora as the Millennium Development Goals (MDGs), the Monterrey meeting and the Johannesburg conference. Where appropriate, the project has used the goals espoused in later documents as the benchmark against which to evaluate global efforts. But in all cases, the goals we are examining are those set by humanity's official representatives in the form of national governments, which have almost universally adopted the goals. *This project assesses not what humanity should be trying to do, but whether it is in fact making a sufficient effort to do what it claims it wants to achieve.* The specific goals against which effort and cooperation were measured are:

- <u>Education</u>: ensure universal primary education and gender parity in primary and secondary schooling by 2015
- <u>Environment</u>: stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, implement conventions related to the conservation of biodiversity and halve the proportions of people without access to water and sanitation by 2015
- <u>Health</u>: stop and begin to reverse the spread of HIV/AIDS and malaria, and reduce by two-thirds the under-five mortality rate and by three-quarters the maternal mortality ratio by 2015
- <u>Human Rights</u>: uphold international human rights standards, with particular attention to the prevention of torture and ill-treatment, protection of the rights of migrants, employment and labour rights, and the rule of law and access to information
- <u>Hunger</u>: halve the number of people suffering from hunger by 2015
- <u>Peace and Security</u>: free all peoples from the scourge of war, both within and between states, seek to eliminate the dangers posed by weapons of mass destruction, take concerted action against international terrorism and end illicit traffic in small arms
- <u>Poverty</u>: halve the proportion of people living in poverty by 2015

Methodology: To carry out this project, over the past year seven groups of some of the world's leading experts gathered to assess how hard the world is trying. They evaluated how much progress the international community has been making towards some of the key goals it has assumed and whether the individual and cooperative efforts being expended by the key actors (governments, international organizations, business and civil society) are commensurate with what is needed to achieve these goals. In most cases, they consulted with a wide range of experts from around the world to gather a broad set of perspectives on the events of 2003. Their assessment has been reviewed by an international Steering Committee, in whose name this Global Governance Report is released.

The assessment takes the form of a numerical grade on a zero to ten scale, backed up by an explanatory narrative that describes key trends and initiatives and spotlights dramatic successes and failures. Zero represents retrogression: the activities of the international community during the calendar year actually made the problem worse. One represents little or no meaningful effort, five indicates that the world is doing roughly half of what it should have done in 2003 if it were serious about achieving the goal, and 10 indicates that the world did essentially everything it needed to do to be on track to reach the goal.

Expanding Our Concept of Global Governance: The Global Governance Initiative is unique in evaluating the contributions of the private sector and civil society as well as those of governmental actors towards achieving the goals. Most such efforts involving civil society groups and especially corporations are so recent that it is not yet possible to judge their long-term effectiveness. It is not clear whether they represent a permanent shift in how humanity will try to solve its problems, or whether they are merely a set of stopgap measures undertaken in desperation in the face of inadequate governmental action. Whatever the future holds in this respect, it is clear that the promise of broader multistakeholder cooperation is stretching our traditional understanding of global governance as the product of official, intergovernmental arrangements, adding a hopeful new dimension to the concept and conduct of multilateralism.

Breakdown of Findings: For 2003, the Global Governance Initiative found that in no single area did the international community warrant more than a score of 4 on a scale of 0 to 10:

•	Peace and Security	3
•	Poverty	4
•	Hunger	3
•	Education	3
•	Health	4
•	Environment	3
•	Human Rights	3

Below is a summary of the principal analysis of the Initiative's seven expert groups, and the score given to the international community (on a scale of 0-10) for 2003.

Peace and Security – Score: 3 Contrary to popular perception, there was positive news in 2003: no new civil wars broke out and conflicts in the Democratic Republic of Congo, Liberia and Sudan seemed on their way to resolution. The conflict prevention capabilities of governments and international organizations, as well as civil society and the private sector, have clearly been strengthened. However, the international community failed to prevent or sanction war in Iraq, hostilities continue in Afghanistan, relations between Ethiopia and Eritrea and between India and Pakistan remain fragile, and the Israel-Palestine conflict remains dangerously unresolved. Thus, far more needs to be done to consolidate the trend towards declining inter-state war. Additionally, great security threats persist such as the growth of international terrorist networks as well as the existence of many fragile and collapsed states. Only very modest gains have been made in reducing the availability of small arms and light weapons, and stockpiles of landmines remain enormous as China, Russia and the United States have refused to sign the Land Mines Treaty. Though the year ended on a positive note with Libya freezing its nuclear programme, the revelations concerning Iran and North Korea's nuclear weapons programmes pose a serious challenge to non-proliferation.

Poverty – Score: 4 Whereas global efforts on poverty reduction stalled in 2003, strong domestic policy and local, private initiatives proved increasingly successful in improving the lives of millions of the world's poor. The failure of the World Trade Organization's Cancun negotiations to open rich country markets to agricultural products from the developing world, and the continuation of large subsidies to rich country farmers, left the world's poorest unable to compete internationally. And despite pledges by OECD countries to significantly increase foreign aid, US commitments at the Monterrey conference and through its Millennium Challenge Account and AIDS initiative have not been fully matched with resources. The World Bank–International Monetary Fund Poverty Reduction Strategy Process for least-developed countries helped increase government spending on poverty reduction in very poor countries, but too few of those strategies achieve the stated aim of involving governments and citizens in a far-reaching consensus on how to tackle poverty effectively. Trade liberalization through the US Africa Growth and Opportunity Act and the self-assessment mechanism of the New Partnership for Africa's Development are both positive steps towards focusing African countries on poverty reduction. The

Chinese government has significantly reduced poverty ratios by leveraging fast economic growth to increase fiscal spending for poverty reduction, upgrading infrastructure and sponsoring loan, grant and food-for-work programmes. Though social spending has increased in Latin America, continued financial crises have left extreme poverty numbers unchanged since 1997. In South Asia, innovative civil society efforts such as self-help foundations have trained micro-credit aid recipients and provided banking, insurance, healthcare, legal aid and other services to the poor, particularly women.

Hunger – Score: 3 Evidence from 2003 suggests that although several major regions are making progress, vast swaths of humanity will face increasing hunger unless international trade policies are changed, national policies focus on hunger and successful local efforts are multiplied. Of 34 countries which represent more than 90% of the world's undernourished people, China has already cut the proportion of hungry people in half from 1990 levels, and East Asia as a whole and Latin America are likely to reach the goal of halving hunger by 2015. However, in the Middle East, sub-Saharan Africa and South Asia, the proportion of hungry people is likely to increase. The failure to liberalize trade in agricultural commodities at Cancun continued the discrimination against poor farmers' market access and kept investment in boosting developing country agricultural productivity low. Chinese policies related to land reform, irrigation, agricultural research, disaster relief and transportation infrastructure have been significant. Brazil has launched a promising Zero Hunger programme targeting 11 million poor families for cash payments, school programmes, vaccinations and job training. The UN Food and Agriculture Organization's Anti-Hunger Programme is making steps to balance increased agricultural productivity with resource conservation. The civil society-led Harvest Plus programme is researching how to increase the content of iron, vitamin A and zinc in staple foods consumed by low-income people, which could have a major impact.

Education - Score: 3 Though overall progress in recent years towards universal primary education and gender parity has been impressive, at least 96 countries have not reached the target of universal primary education, and 104 million school aged children are not enrolled in primary school. Prioritizing education, particularly for girls, has proven instrumental for economic growth, but investment still lags far behind needs. South and West Asia, the Arab States and North Africa, and Latin America and the Caribbean have witnessed rapid growth in primary enrolments, but educational quality, particularly in Latin America, is so low that fundamental changes are still needed for the majority of children to have access to meaningful education. Whereas most countries have achieved gender parity in primary education, China and India are not on track to meet the goal. Kenya and India have, however, joined many other countries in eliminating school fees, making education affordable particularly for girls and making education mandatory. In parts of Africa, AIDS is killing teachers faster than they can be replaced. An additional US\$ 5.6 billion (from the current US\$ 1.5 billion) in development assistance is needed annually to support education for girls and in war-torn countries. The World Bank-designed Fast Track Initiative has promised to reward countries who prioritize education with substantial financial and technical assistance, but financial donors have fallen short in providing the US\$ 300 million necessary to sustain its commitments to only 18 countries. The civil society-led Global Campaign for Education is placing education high on electoral agendas, but private sector initiatives remain confined to philanthropy and one-off projects.

Health - Score: 4 Many new and promising initiatives were launched in 2003 with respect to AIDS and other health challenges. If promises are fulfilled, with a bit more effort it may be possible to get the world on track towards reversing the spread of AIDS and malaria and drastically reducing infant and maternal mortality. At the present trajectory, there may be as many as 45 million new HIV/AIDS infections worldwide by 2010, up from the current estimated 40 million. Treatment initiatives and education campaigns in South Africa and China could lead to significant breakthroughs in curbing the spread of AIDS. The Global Fund to Fight AIDS, Tuberculosis and Malaria, created in 2002, brings together national governments, non-governmental organizations, communities, corporations, foundations and international organizations in a partnership, and has awarded over US\$ 2 billion in over 100 countries. The Roll Back Malaria campaign has helped to more than triple international spending on malaria control to US\$ 200 million. Dramatic improvements in health are readily achievable by more extensive use of proven, cost-effective technologies and greater investment in deploying the basic health infrastructure for their delivery. Personnel training, evaluation systems and service delivery remain large gaps around the world, however. Furthermore, the prioritization of AIDS cannot come at the expense of child immunizations, as has been the case in Brazil. Government investment has lagged, allowing immunization to drop below rates from the 1980s. Consequently, child and maternal mortality rates also remain high in Africa and South-East Asia.

Environment – Score: 3 The environmental picture is largely bleak. There was little evidence in 2003 that the international community is even thinking seriously enough about how to get the world on track to stabilize greenhouse gas emissions, conserve biodiversity and improve access to safe drinking water and sanitation. The longer-term consequences of unabated greenhouse gas emissions are likely to include detrimental effects on agricultural production, water supply, forests, vector-borne diseases and overall human development. From the Framework Convention on Climate Change to the Kyoto Protocol, international efforts have largely failed to reduce greenhouse gas emissions. But there are glimmers of hope. The European Union has stabilized absolute emissions to 1990 levels, and is developing emissions trading schemes and energy taxation policies to encourage conservation. Also, corporations such as BP, Shell and DuPont have reduced their emissions. The Convention on Biological Diversity has had little effect since 1993, with species loss occurring at perhaps 1,000 times the rate of any previous era. Forest certification schemes cover at most 1% of the global forest, and less than 1% of the marine environment is protected. Most spending on protected areas occurs in North America, yet amounts to only one-fourth of the US\$ 30 billion required annually. One and a half billion people still lack access to safe drinking water or basic sanitation. Teaching of sanitary practices such as hand-washing has increased, and in India private companies have provided water taps to the public to reduce the waiting time in water lines.

Human Rights - Score: 3 2003 was very mixed for human rights. Though almost all states have ratified some or all of the existing international human rights conventions and treaties, the international prohibition against torture has been perceived to soften since the terrorist attacks of 11 September 2001, with numerous countries undermining civil liberties in the name of national security. A new Protocol to the Torture Convention will create a panel of independent inspectors with authority to visit places of detention and strengthen the protection of detainees, Rwanda, Serbia and Sierra Leone have brought to trial or made accountable military and civilian officials who have been responsible for torture and murder. Increasing migration in all its forms has raised major labour related rights issues where they are being woefully neglected. The legal status of the increasing number of migrants and trafficked or smuggled persons remains unclear, yet these people are often exploited and deprived of legal rights. The European Union has criminalized such migration without controlling it through the Palermo Protocols. Not a single industrialized country has ratified the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, which finally entered into force on 1 July 2003. Through the new Extractive Industries' Transparency Initiative and other codes, some companies have acknowledged their operational human rights responsibilities, but the vast majority have not. The rights of workers in the world's vast informal economies are hardly considered by global discussion. Building on the efforts of Transparency International, the World Bank and UNDP have increased assistance towards capacity building and anti-corruption activities, while enhancing non-governmental participation in government reform, but progress has been minimal to date.

Complementary Initiatives: The Global Governance Initiative is intended to complement efforts under way elsewhere to promote progress toward global goals. For the most part, these other efforts focus on the Millennium Development Goals, which are a subset of the Millennium Declaration's broad agenda addressing poverty, health, hunger and education. The United Nations has launched several initiatives related to the MDGs. The Millennium Project, under the direction of UN Special Adviser and Columbia University Professor Jeffrey Sachs, is convening ten task forces over the course of three years to recommend strategies for achieving the goals. UN Secretary-General Kofi Annan has appointed former Netherlands Development Minister Eveline Herfkens as Executive Coordinator of a Millennium Campaign to mobilize political support for the MDGs. The UN Development Programme is monitoring country-level progress towards achievement of the MDGs. All are laudable undertakings, and the Global Governance Initiative has benefited from consultations with them.

The Global Governance Initiative benefits from the partnership support of the Swiss Agency for Development and Cooperation and the Center for International Governance Innovation.

The full Executive Summary will be released in London on 15 January and at the Annual Meeting of the World Economic Forum in Davos which takes place from 21 to 25 January. The text can be downloaded at www.weforum.org/globalgovernance

For additional information, please contact Richard Samans, Managing Director, World Economic Forum, at richard.samans@weforum.org, or Project Director Ann Florini, Senior Fellow at the Brookings Institution, at aflorini@brookings.edu