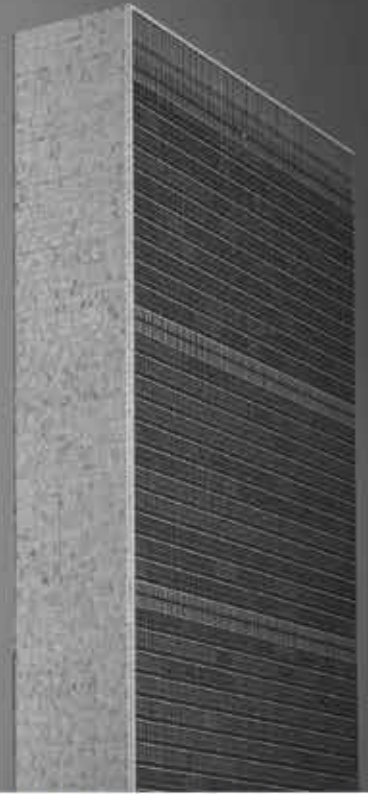


Talal Abu-Ghazaleh

A World Leader in Business
Serving Humanity through
the United Nations

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A World Leader in Business
Serving Humanity through
the United Nations

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Preface

This book is a paean - a labor of love, respect and admiration for a world leader like no other.

During my 44 year service at the United Nations, I was given the opportunity to work on a wide range of political, economic, social and technological issues of our times.

In the course of my work, I have had the privilege and good fortune of meeting and working with leaders from all parts of the world and from all walks of life. These include Presidents, Prime Ministers, Ministers, Ambassadors, Diplomats, Nobel Prize laureates, leading academics, scientists and inventors, musicians, writers, actors and entertainers, civil society leaders, founders and CEOs of multinational corporations, as well as just ordinary people from around the world.

If I saw one thing in common in this multicolored kaleidoscope of humanity, it was their shared aspirations for world peace and progress. They look at the United Nations as the manifestation of their aspirations.

For most people and even for most leaders, however, these aspirations remain just aspirations: ephemeral, transient and secondary to their everyday life, not something that required immediate or urgent attention.

Not so with Dr. Talal Abu-Ghazaleh, a world business leader who I had the privilege and pleasure of working with for many years when he served as the Co- Chairman of the UN ICT Task Force and

the Chairman of the United Nations Global Alliance for ICT and Development (UNGAID).

I found that for Dr. Abu-Ghazaleh, there is nothing more important, more urgent, and more worthy of his attention, than serving humanity through the United Nations.

He has made a life-long commitment to support and contribute to the United Nations goals of advancing world peace and progress.

He firmly believes in multilateral cooperation, with United Nations at its center, for addressing global challenges.

There are those like Bill Gates and Ted Turner, who have set up large foundations in cooperation with the United Nations to fight poverty and advance human development.

But, Dr. Abu-Ghazaleh has devoted all his life, in addition to his resources, to UN causes.

In this regard, to my knowledge, there is no other leader like him.

This book gives an overview of his manifold and wide-ranging services to the United Nations and its agencies. It is my small and humble way of saying thank you to him, on behalf of his numerous friends, fans and admirers at the United Nations.

Sarbuland Khan



*“I have been called a dreamer.
But, I am not fazed by this.
We need to dream.*

*But not just the pie-in-the-sky variety,
we talk about the morning after with our family over
breakfast. But measurable, realistic dreams.*

Dreams that come from visions.

Visions that serve to move societies forward.

*Visions which champion the cause of improving
the quality of life for all of mankind.*

Visions which have the force of altering destinies.”

- Talal Abu-Ghazaleh

Contents

Chapter 1: A Rendezvous with History	11
Chapter 2: United Nations beckons the World to a New Dawn	19
I. United Nations Millennium Summit 2000	20
II. UN ICT Task Force	22
a. Global multi-stakeholder consultations leading to the setting up of the UN ICT Task Force	22
b. Leadership and composition of the UN ICT Task Force	23
c. Launch of the UN ICT Task Force	24
d. UN ICT Task Force: ‘Unity in Diversity’	25
e. Creating a Global Forum for ICT and Development, Partnerships, and Networks for Action	26
f. National e-Strategies, Human Resources and Capacity-Building	28
g. Global e-Schools and Communities Initiative (GESCI)	29
h. Public-Private-People’s Partnerships	32
i. Creation of the United Nations Working Group on Internet Governance	33
j. Exchange of Experience, Knowledge Sharing and Lessons Learnt	36
III. United Nations Global Alliance for ICT and Development (UNGAID)	38

IV. Patronage of Secretary-General Ban Ki-Moon for UNGAID	42
V. Major UNGAID Events	43
VI. UNGAID Communities of Expertise (COEs)	43
VII. Major ICTD Initiatives of UNGAID	44
a. The Connect Africa Summit	44
b. MDG e-Enabler	47
c. Computers for Schools Program	49
d. Global Initiative for Inclusive ICT (G3ICT)	49
e. Consortium for Sustainable Urbanization (CSU)	51
VIII. Secretary-General Ban Ki-Moon pays tribute to Dr. Abu-Ghazaleh	53
Chapter 3: Sustainable Business to Fight Climate Change and Save the Planet	55
I. United Nations Global Compact	56
II. Environmental Accounting Standards for Enterprises	63
Chapter 4: TAG.Global’s Cooperation and Partnerships with United Nations Agencies	67
I. World Trade Organization (WTO)	70
II. Dr. Abu-Ghazaleh’s Contributions to other UN Agencies and Programmes	74
Postscript	78
Photos: Talal Abu-Ghazaleh with Sarbuland Khan	80
Photos: Talal Abu-Ghazaleh at the United Nations	83

Appendix 1: ECOSOC Ministerial Declaration 2000	115
Appendix 2: United Nations Millennium Declaration 2000	121
Appendix 3: UN ICT Task Force Membership	131
Appendix 4: Report of the Working Group on Internet Governance	135
Appendix 5: Principles and Elements of UNGAID	163
Appendix 6: MOU UN Global Compact and UNGAID	171
Appendix 7: Report of Expert Group on Principles and Guidelines for Environmental Accounting and Financial Accounting	175
Appendix 8: Dr. Talal Abu-Ghazaleh's Profile	295
Appendix 9: WTO at the Crossroad: A Report on the Imperative of a WTO Reform Agenda	313

List of Acronyms

AI	Artificial Intelligence
CEO	Chief Executive Officer
CIAA	US Computer and Communication Association
COE	Communities of Expertise
CSR	Corporate Social Responsibility
CSU	Consortium for Sustainable Urbanization
DARPA	Defense Advanced Research Projects Agency
DNS	Domain Name System
DOT	Digital Opportunity Taskforce
ECOSOC	Economic and Social Council
G3ICT	Global Initiative for Inclusive ICT
GC	Global Compact
GESCI	Global e-Schools and Communities Initiative
HP	Hewlett Packard
ICANN	International Consortium for Domain Names and Numbers
ICT	Information and Communication Technology
ICT4D	ICT for Development
ICTD	Information and Communication Technology and Development
IDEA	International Digital Economy Alliance
ILO	International Labor Organization
ISAR	International Standards of Accounting and Reporting
ISO	International Organization for Standardization

IT	Information Technology
ITU	International Telecommunications Union
MDGs	Millennium Development Goals
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
PPPP	Public Private Peoples Partnership
SDGs	Sustainable Development Goals
TAG	Talal Abu-Ghazaleh
TLDs	Top-Level Domains
UCLG	United Cities and Local Governments
UN	United Nations
UN-HABITAT	United Nations Human Settlements Programme
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESCWA	United Nations Economic and Social Commission for Western Asia
UNGAID	United Nations Global Alliance for ICT and Development
UNWTO	United Nation World Tourism Organization
WIPO	World Intellectual Property Organization
WSIS	World Summit on the Information Society
WTO	World Trade Organization

Chapter 1: A Rendezvous with History

The year was 1997. Mr. Kofi Annan had assumed his high office as the Secretary-General of the United Nations, having been elected by the General Assembly at the recommendation of the Security Council.

Among the first delegations to visit the new Secretary-General to congratulate him on his election was that of the International Chambers of Commerce. With globalization and its tensions creating waves of protests and pressures on the world stage, the private sector was looking for an opportunity to woo the world organization for its support.

As a member of the delegation, Dr. Talal Abu-Ghazaleh, a highly respected and very successful business leader from the Arab World, suggested to the Secretary-General to make it his legacy to build a new relationship between the United Nations and the private sector in order to take full advantage of the information revolution, and the new digital technologies that were beginning to transform the world economy and society.

At the end of the meeting, Mr. Kofi Annan took Dr. Abu-Ghazaleh aside and asked him “Where can we find you?” Evidently, his cutting-edge idea had struck a chord with the new Secretary-General.

Mr. Annan had come to his office determined to reform and revitalize the world organization. He was looking for fresh ideas. Dr. Abu-Ghazaleh had always seen the United Nations as the moral conscience of mankind and a noble organization that provided the most effective and universal platform for development and technical assistance to developing countries. The two leaders, thus, saw in each other a potential partner in a joint enterprise aimed at mobilizing the creative power, technical knowledge and financial resources of the private sector, with the moral authority and neutral platform of the United Nations, to meet the pressing challenges of globalization, sustainable

development, poverty eradication and climate change, by tapping into the potential of digital technologies for breakthrough solutions. They could see a common cause and a shared goal in working to build a more just and prosperous future for mankind.

Thus began a new chapter in the history of the relationship between the United Nations and the private sector, and between Mr. Kofi Annan and Dr. Talal Abu-Ghazaleh.



Dr. Talal Abu-Ghazaleh with Kofi Annan at the UN.



Dr. Talal Abu-Ghazaleh with Kofi Annan at the UN.

Mr. Annan came to lead the United Nations with some unique advantages. Firstly, he had deep knowledge of the world organization, having spent his career at the organization as a staff member. Secondly, as the first Secretary-General from Africa, he had universal support of Member States. But above all, he had the vision to see an opportunity for the United Nations to capitalize on a unique moment of optimism in world affairs created by the end of the cold war, the advent of the ICT revolution and a more open and dynamic world economy fueled by globalization and ICT technologies. He immediately recognized that in this digital age, partnership with the private sector was key to addressing the challenges of development and poverty eradication. By harnessing the new technologies with private sector investments and partnerships, developing countries could leapfrog and integrate into the world economy as equal partners.

He thus lost no time in launching a comprehensive program of reform of the world organization, aimed at revitalizing its institutional capacity and making it more responsive to the rapidly changing international environment. One of his main objectives was to adopt an open-door policy of forging partnerships with the private sector, civil society and other players such as regional organizations and philanthropic foundations.

Member States welcomed the new wave of reforms set in motion by the incoming Secretary-General. They responded in kind by taking initiatives aimed at strengthening international cooperation on new, more equal foundations. President Suharto of Indonesia, as the Chairman of the Non-Aligned Group of 122 member countries, proposed at the 1998 high-level session of the General Assembly, to build a new partnership between developed and developing countries based on ‘shared interests and mutual benefits’ aimed at creating a more level playing field for globalization.

This new approach resonated well with the thinking of Dr. Talal Abu-Ghazaleh, as if it had been taken from his book. All his life, in his speeches and writings, Dr. Abu-Ghazaleh had lamented the unequal relationship between developed and developing countries. He would often describe developing countries graphically as gazelles in the jungle, trying to run ever faster just to keep up in a race between the powerful and the weak, and most of the time falling behind. Meanwhile, he would scoff at developed countries for offering their ‘wisdom’ but little real help. As knowledge and technology gaps are central to this unequal relationship, Dr. Abu-Ghazaleh has made it his life’s work to make knowledge and technology accessible to everyone in the Arab World and other developing nations.

In September 1999, in response to the request contained in General Assembly resolution on the non-aligned initiative, the Secretary-

General submitted a seminal report to the General Assembly on the ‘Role of the United Nations in development in the context of globalization and interdependence’.

In this report, he focused on the all-encompassing nature of globalization and outlined a bold vision of the role that the organization could play as the platform for bringing coherence to policy making by countries and by institutions at the global level to enable countries to seize the opportunities for beneficial integration into the world economic and knowledge networks, and to cope with what the Nobel Laureate Professor Stiglitz, called the ‘discontents’ of globalization.⁽¹⁾

In particular, the Secretary-General noted that the explosive progress in information technology was perhaps the most important factor driving the process of globalization, not just as a catalyst and lubricant, but as an engine of cross-border integration of production processes and information networks leading towards a truly global market. It thus became imperative for countries to have access to IT and the human capacity to use it, in order to integrate into the new knowledge-based global economy.

Taking its cue from the General Assembly, in a timely move, the Economic and Social Council decided to take up at its high level session of 2000 the theme of “Development and International Cooperation in the 21st Century: the role of information technology in the context of a knowledge-based world economy.”

While the theme was highly topical, its full discussion required a departure from the traditional format and type of participation in UN meetings, consisting of primarily government ministers making set-piece speeches. At the instigation of its Secretariat, Council members recognized the constraints of this traditional format and agreed to open its session to leaders of business and IT industry, and of civil society

(1): Stiglitz, Joseph ‘Globalization and its Discontents’, 1997

in an unprecedented manner, allowing them an equal voice at the table with government ministers.

A number of outstanding business leaders, including Dr. Talal Abu-Ghazaleh, as the Chair of the International Chamber of Commerce Working Group on IT, the CEO of Nokia - Mr. Jorma Ollila, the CEO of HP - Ms. Carli Fiorina, a co-founder along with a top scientist of Sun Microsystems - Mr. Vinod Khosla and Mr. John Gage, respective co-inventors of the Internet - Mr. Robert Kahn and Mr. Vint Cerf, and others, were invited to engage in open and free flowing dialogues with government leaders led by President Konare of Mali, who was a passionate advocate of leveraging information technology for development.

Dr. Talal Abu-Ghazaleh and other private sector leaders made a convincing case for a strategic partnership between the United Nations, governments and the private sector to bridge the digital divide, to put IT in the service of a broad-based and more inclusive development for poverty reduction, and provide greater benefit to weak and disadvantaged groups.

These out-of-the-box dialogues created a new dynamic, transforming not only the nature and scope of the proceedings of the Council, making them much more interesting and stimulating, but also produced some innovative ideas and unconventional outcomes. This was reflected in a very powerful Ministerial Declaration which broke important new ground in how to mobilize all sources of support for United Nations development objectives and programs.

The Ministerial Declaration recognized that information and communication technologies are central to the creation of the emerging knowledge-based world economy, and that they could play a key role in accelerating economic growth and promoting sustainable development. While articulating the right to knowledge and information

for all and the need for universal access and connectivity to ICTs, the Declaration also called for increased private sector investments.

As a significant departure from the past, the Declaration called for innovative approaches and meaningful partnerships involving governments, UN institutions, private sector, civil society and other relevant stakeholders to help bridge the digital divide and promote digital opportunities in developing countries.

As a practical way to move forward, the Declaration envisaged the creation of an innovative mechanism - a United Nations ICT Task Force with multi-stakeholder participation. To this end, it mandated the ECOSOC Working Group on Informatics to make recommendations to the Council.⁽²⁾

Based on the recommendations of the Working Group, the Council adopted a historic resolution on the last day of its session by which it requested the Secretary-General to create a high-level ICT Task Force. This would provide overall leadership to the United Nations role in helping to formulate strategies for the development of ICT, as well as forging a strategic partnership between the UN system, private industry and financing trusts and foundations, donors and programme countries and other relevant stakeholders. This was a groundbreaking decision as the Task Force would be the first UN-created body that would be truly multi-stakeholder in its composition and character, with equal representation from public and private sectors.

It is quite remarkable how the seeds of some of the ideas discussed by Dr. Talal Abu-Ghazaleh with Secretary-General Kofi Annan in their first meeting began to bear fruit within a couple of years in the call by ECOSOC to create a truly multi-stakeholder United Nations ICT Task Force.

(2): Appendix 1: ECOSOC Ministerial Declaration

Chapter 2: United Nations beckons the World to a New Dawn

Before we go on to describe how the United Nations ICT Task Force was created and outline its mandate and accomplishments, it would be useful to provide a brief overview of the outcome of the United Nations Millennium Summit held in New York on 25-27 September 2000, as its outcome sets the broader context in which the Task Force was established, and had a direct bearing on its mandate and functioning in the years to follow.

I. United Nations Millennium Summit 2000

The year 2000 was seen at the United Nations not merely as the symbolic start of a new millennium, but as a historic opportunity to beckon the world towards a new era and a better future. Heads of State and governments from 159 Member States, met at the United Nations Millennium Summit on 25-27 September 2000, and made a clarion call for a global effort to finally put an end to the tragedy of over two billion people, or more than a quarter of mankind, living in poverty and suffering in this age of plenty and opportunity, and make our planet a more just, prosperous, safe and sustainable place for all its inhabitants.

To this end, the summit adopted the Millennium Declaration⁽¹⁾ which enunciated a set of key values and principles that all humanity shares and should adhere to. Member States also agreed, for the first time, on eight concrete goals and targets to be achieved by the year 2015. They came to be known as the Millennium Development Goals (MDGs).

In summary, the MDGs called for:

- Eradicating poverty and hunger: reducing the proportion of people living in poverty and suffering from hunger and malnutrition by half, and make safe drinking water and sanitation available to all by 2015

(1): Appendix 2: United Nations Millennium Declaration 2000

- Promoting gender equality and empower women
- Achieving universal primary healthcare by 2015
- Reducing child mortality by three quarters by 2015
- Improving maternal health
- Combating HIV/AIDS, malaria and other diseases
- Ensuring environmental sustainability
- Building a global partnership for development.

In order to measure progress towards the MDGs, quantitative targets and indicators were developed for each goal and agreed to by governments, UN system agencies and bilateral donors.

By specifically including the last goal on building a global partnership as an MDG, the Summit picked up from the lead given by ECOSOC earlier in the year, which had in its Ministerial Declaration articulated the need for multi-stakeholder partnerships as a means of engaging all key stakeholders in the development process.

This important idea that was discussed by Secretary-General Kofi Annan and Dr. Talal Abu-Ghazaleh in their first meeting, had thus been picked up by ECOSOC and then by the Millennium Summit. The global partnership envisaged in Goal 8 had two components: a grand collaboration between developed and developing countries governments, complemented by multi-stakeholder partnerships between public, private and civil society actors as an innovative instrument for engaging the whole society in the implementation of the MDGs.

The same paragraph of the Declaration also reflected the Summit agreement “To ensure that the benefits of new technologies, especially information and communication technologies, in conformity with

recommendations contained in the Ministerial Declaration of ECOSOC 2000, are available to all”. The Declaration also recognized that access to, and use of ICTs, were critical to the achievement of the MDGs.

The outcomes of the Millennium Summit and ECOSOC, thus laid down the multi-stakeholder approach and the use of ICTs for MDGs as the two foundational principles for the new United Nations ICT Task Force.

II. UN ICT Task Force

a. Global multi-stakeholder consultations leading to the setting up of the UN ICT Task Force

In its mandate to the Secretary-General, ECOSOC 2000 requested him to undertake worldwide consultations, including with governments, private industry, civil society organizations, academia and other relevant stakeholders in order to establish the UN ICT Task Force as a truly representative, high-level, multi-stakeholder body.

The Secretary-General tasked the ECOSOC Secretariat to carry out such consultations on his behalf. The Secretariat undertook consultations with governments by direct communications, as well as through the regional commissions of the United Nations. It also sought the views and advice of civil society organizations, foundations, trusts and academic institutions, which had a special focus on digital technologies and development issues.

Dr. Talal Abu-Ghazaleh, in his capacity as the Chair of the International Chamber of Commerce Working Group on Information Technology, was requested to help undertake consultations with the private sector on a worldwide scale. He was instrumental in ensuring that the views of the private sector were adequately reflected in the Task Force

structure and its program of activities. More importantly, he provided invaluable advice and guidance to secure a balanced reflection of the stakeholder representation and interests in the Task Force.

Dr. Abu-Ghazaleh also worked closely with the Executive Director of UNESCWA to seek and consolidate the views of governments, technology leaders and academic centers of excellence in the Arab Region.

b. Leadership and composition of the UN ICT Task Force

The main elements that emerged from the worldwide consultations can be summarized as follows:

- Full support for the multi-stakeholder approach.
- The Task Force should have joint leadership from the public and private sectors.
- It should be small in size and reflect a balance between the key stakeholders.
- The Task Force should function as a ‘network of networks’ linking governments, major ICT players and initiatives, the relevant United Nations and other international organizations and relevant bodies in all the regions of the world.
- The Task Force should mobilize the support of all stakeholders in carrying out the two principal elements of its mandate, namely, promoting universal and affordable access to ICTs and leveraging these technologies to achieve the MDGs.
- The Task Force should have a small budget funded by voluntary contributions.
- The Task Force should have a term of five years.

This international consensus reached through worldwide consultations provided a sound basis for the Secretary-General to set up the Task Force.

When it came time to designate the leaders of the Task Force from the government and private sectors, the Secretary-General turned to two leading personalities: his old friend, Dr. Talal Abu-Ghazaleh as the co-equal Co-Chair representing the private sector, with Mr. Jose Maria Figueres, the former President of Costa Rica, as the Chair representing the government sector. Their designation was welcomed by all stakeholders.

As regards its membership, ten high-level representatives were designated from governments, including major developed and developing countries covering all five regions, ten CEOs and senior executives from the ICT industry, ten civil society leaders active in the ICT field, and ten high officials from United Nations agencies and other relevant international organizations.⁽²⁾

c. Launch of the UN ICT Task Force

The UN ICT Task Force was launched by Secretary-General Kofi Annan on 20 November 2001, in the ECOSOC Chamber at the United Nations Headquarters in New York. The room was packed to capacity with world-renowned personalities including Nobel Prize winners, founders and inventors of the Internet and CEOs of such world-class companies as Microsoft, HP, Cisco Systems, Alcatel, ST Micro-electronics, TAG.Global, Tata, Grameen Bank and others.

This unprecedented gathering at the United Nations heralded the launch of a new kind of global technology initiative tailored to meet the challenges of the new millennium. The event was all the more significant as this was a time of crisis and despondency, especially in New York in the aftermath of the terrorist attacks of 9/11.

(2): Appendix 3: UN ICT Task Force Membership

Many participants noted that by adopting the MDGs and launching the ICT Task Force, the United Nations was helping to lead the world towards a more positive and constructive path to secure a safer and better future for all. It was also noted that that this was the first meeting convened by the United Nations at its Headquarters, after it had remained shut down for over two months following 9/11.

d. UN ICT Task Force: ‘Unity in Diversity’

The leadership choices made by Secretary-General Kofi Annan turned out to be prescient. Dr. Talal Abu-Ghazaleh and President Figueres, as co-leaders worked together as a dynamic duo to develop the networks of the Task Force, its program of activities and moved rapidly to action.

But the two leaders also realized that given the diverse and high-level membership of the Task Force, the wide-ranging interests reflected in it and the pioneering nature of its objectives, they needed to foster a common culture within the Task Force so that it could function as a cohesive and action-oriented group, capable of working on a clear sighted common agenda for action.

They set out immediately to foster ‘unity in diversity’ among Task Force members. Steeped as they were in the arts of diplomacy and totally dedicated to the cause they had committed to serve, they employed subtle yet strong tactics to develop a common culture within the Task Force, making it easier for the Task Force to achieve the unity of purpose needed to deliver results. To their enduring credit, they succeeded in this task beyond measure and in a remarkably short period of time.

Dr. Abu-Ghazaleh in particular, won the hearts and minds of his colleagues, not only by his intellectual leadership and vision, but also by his infectious spirit of simple, down-to-earth camaraderie and by

his generous hospitality, so much so that the high-level personalities from across the world coming from different backgrounds and cultures, came to be on first name, back slapping terms in no time. This has been perhaps the real untold secret behind the remarkable success of the Task Force in producing tangible technology solutions with long-lasting benefits, especially for people living in poverty and in rural and remote areas of the developing world.

Right from the start, Dr. Abu-Ghazaleh also made it his habit to be the first to volunteer for any task that needed to be accomplished, thus demonstrating ‘leadership by example’. He took it upon himself to provide technical support for establishing a powerful, state-of-the-art website for the Task Force. He also helped in forging links with the regional institutions and networks in the Arab Region. He joined hands with Mr. Figueres in leading major fundraising efforts for the Task Force. These are just a few early examples of his activist role in the building out phase of the Task force. The stamp of his leadership and contributions were unmistakable in much of what the Task Force accomplished in the subsequent years of its existence.

e. Creating a Global Forum for ICT and Development, Partnerships, and Networks for Action

To begin with, the Task Force launched a major global outreach effort to connect with different ICT stakeholders and build networks for collaborative actions, explore potential partnership opportunities, and create links with other ICT forums around the world.

Dr. Abu-Ghazaleh took the lead in this effort by travelling around the world and working incessantly to reach out to ICT industry leaders, academic institutions, foundations and others to bring them into the fold of the ‘ICT for development’ networks, which became breeding

grounds for new models of leadership and collaboration, to help bridge the digital divide and foster digital opportunities.

In time, these networks also helped generate new ideas, initiatives and partnerships for actions relating to ICT for the MDGs. One of the breakthrough approaches that emerged was the public, private, people's partnership model or 'PPPP' that was widely praised at the time, and has since been adopted around the world.

In addition to these global outreach and networking efforts, the Task Force organized major multi-stakeholder policy dialogues on a wide range of issues relating to ICT for development. As a result, it soon came to be widely recognized as a global forum where ICT and development communities began to interact as never before in their quest to mobilize worldwide support to attain the MDGs with the strategic use of ICTs.

The wide-ranging conversations and dialogues among key stakeholders convened under the Task Force auspices helped develop a holistic policy framework on 'ICT for development' (ICT4D) which developing countries benefited from in undertaking comprehensive policy reforms, including on how to restructure their legacy, monopolistic telecom institutions and make them more competitive, innovative and efficient.

Thus, for example, the Task Force facilitated the convening of national policy seminars in thirty-five African countries with participation of domestic and international private sector tech and telecom companies, national ICT and development policy makers, multilateral development institutions and civil society representatives in the four years between 2001 and 2005. Such policy forums helped African countries to formulate and realize major policy and institutional reforms in their telecom sectors.

The result was nothing less than a veritable communications revolution in Africa.

If we look back at the history, while it took more than one hundred years following the invention of telephone for traditional landline phones to reach less than 1 percent of the continent's population, it has taken less than twenty years for broadband mobile telephony since its invention to reach well over fifty percent of the people in Africa.

Although the usage of smart phones for access to the Internet remained limited due to high cost and insufficient skill levels, the rapid spread of mobile telephony and, to a lesser but significant extent, the spread of the Internet throughout Africa and other developing regions, helped to accelerate economic growth and better integrate people living in rural and remote areas into the national economy. This resulted in more growth opportunities for the marginalized communities and enhanced overall national development.

f. National e-Strategies, Human Resources and Capacity-Building

A second important strand of policy support that the Task Force provided to developing countries was to help them develop their national e-strategies and integrate ICTs systemically into their national development strategies, plans and programs. Developing countries were encouraged to move beyond a project by project approach, to a more strategic use of ICTs as tools to reinvent development itself.

For developing and implementing their national e-strategies, countries needed to build their ICT infrastructure and cover e-government, e-education, e-health, e-business and e-entrepreneurship, etc. with a view to laying the foundations for a digital economy and a knowledge society capable of succeeding in the 21st century. The challenge

countries faced was to disrupt and modernize their legacy systems and processes with ICT applications, and to help transform their productive and services sectors with manifold gains in efficiency and capacity, making them more competitive in the global economy.

Implementation of national e-strategies and applications, however, required trained manpower and widespread adaptation of ICT applications to the specific needs of various sectors of the national economy. In order to achieve results on a national scale, affordable access to ICTs as well as ICT education, capacity building and training were essential.

Dr. Abu-Ghazaleh played a pioneering role in opening up numerous new avenues for ICT access, education and capacity building, particularly in the Arab Region, and chaired the Task Force Working Group on Human Resources and Capacity Building. In that capacity, he worked closely with UNESCO to develop templates and courses for digital education and training.

He set up, under the auspices of TAG.Global, several hundred knowledge centers that provided free access to the Internet and training as well as capacity building. He also established the TAG Digital University with highly accredited online education programs, as well as other Higher Education institutions and Centers of Excellence in many countries, offering top-quality education and training to tens of thousands of young people from developing countries.

g. Global e-Schools and Communities Initiative (GESCI)

In pursuit of his life-long commitment to and passion for education, Dr. Abu-Ghazaleh took the first opportunity as a leader in the Task Force to foster a global initiative by the Government of Ireland and Accenture, an international consulting firm, on ‘ICTs for education’ in

order to provide strategic support to developing countries’ efforts to improve the quality of their education and training and advancing the educational goals of the MDGs.

To this end, Accenture in cooperation with the government of India, undertook a pioneering pilot project in Kerala for developing an integrated community-based approach that would place ICT as a strategic lever in the service of all aspects of education.

This Global e-Schools and Communities Initiative, or GESCI, was launched by Secretary-General Kofi Annan at the World Summit for Information Society in December 2003 in Geneva, initially, as an international non-profit organization with support from Ireland, Sweden, Switzerland and Finland.

In his inaugural address, Mr. Annan hailed the new initiative saying it, “matches the power of ICT with educational needs and has the potential not only to improve education, but also to empower people, strengthen governance, open up new markets and galvanize our efforts to achieve the MDGs”.



GeSCI was borne out of the work by Dr. Talal Abu-Ghazaleh under the United Nations Information and Communication Technologies Task Force, 2003.

In the years since its establishment, GESCI has grown into a full international organization headquartered in Nairobi, Kenya, with a successful track record in many developing countries of Africa, Asia and Latin America. It has emerged as a respected global thought leader and expert organization in supporting the utilization of new technologies to transform learning, and empower individuals and communities with ICT competencies and skills for inclusive and sustainable development.

GESCI works to help place ICTs as a strategic element into educational systems of countries to advance knowledge and learning as key engines of growth, innovation and socio-economic development, and improve the quality of education as a major pillar of an emerging knowledge society. It works with governments and other partners to develop models of good ICT-based practices for high-quality education and training, building effective ICT leadership abilities among public officials and within knowledge societies across the developing world.

It has undertaken with other partners, successful ICT for education initiatives and training programs in 16 African countries and several Asian and Latin American countries.

GESCI also provides technical and strategic advice to countries for developing and implementing their national e-educational strategies and plans, geared towards building inclusive knowledge societies. It has also earned a reputation for providing quality and cutting-edge policy-driven leadership programs for public officials.

h. Public-Private-People's Partnerships

As noted above, one of the innovative ideas the Task Force promoted, was to encourage developing countries to introduce a strong social component into public-private partnerships for investments in digital development, with representation from civil society and advocacy groups to ensure that investment projects were designed to provide direct benefits to the under-served and marginalized communities.

Under Dr. Abu-Ghazaleh's guidance, the Task Force also worked together with the G-8 Digital Opportunity Task Force and the World Bank to encourage international technology companies to invest in developing countries that were undertaking major policy and institutional reforms, thus creating a favorable investment climate. These companies were also encouraged to include social and community goals in their investment projects.

As countries instituted far-reaching reforms in their telecom sectors and opened them up for domestic and foreign investment, a new wave of large investments began to flow into the developing world. Public-private partnerships with a strong social component were a major vehicle for these new investments. Such investments helped transform the national information and telecommunication landscape of developing countries with a far-reaching impact on economic growth and social inclusion enabling many countries in Asia, Africa and Latin America to make significant progress towards reducing extreme poverty and achieving the MDGs.

Thus, in Africa alone, the reforms promoted by the Task Force and the initiative of the United Nations Global Alliance for ICT and Development (UNGAID), helped generate new investments of over \$50 billion for ICT infrastructure development. For details, please see the section on the 'Connect Africa Summit'.

i. Creation of the United Nations Working Group on Internet Governance

As we know, the Internet was born under the DARPA project of the US Defense Department when a small group of scientists and researchers connected their computers to share information within what was called a local area network. The usefulness of thus sharing information online seamlessly was so obvious that it spread quickly and what we know as the Internet was born. The world thus stumbled into the digital age, almost inadvertently.

A new and young generation of technology gurus, code writers, innovators and investors have helped create free-spirited, open and democratic communities working together to create a highly dynamic ICT sector, which has had a far-reaching and ubiquitous impact on the world economy.

In order to respond to the open and democratic spirit of the IT communities engaged in the development of this new medium, an International Consortium for Domain Names and Numbers (ICANN), affiliated with the US Commerce Department, was founded in September 1998 as a non-profit multi-stakeholder organization for the management of the technical aspects of the Internet. This included coordinating the technical maintenance of its Domain Name System (DNS), policy development for the internationalization of the DNS, introduction of new generic Top-Level Domains (TLDs), operation of the root name servers and management of the of the Internet Protocol Addresses for IPv4 and IPv6.

As the economic, social impact and the geo-political importance of the Internet grew, these arrangements came to be questioned. Calls were made by governments of many developing and European countries and civil society activists around the world for more neutral, open, transparent and participatory Internet governance arrangements.

By the time the UN ICT Task Force came on the scene in 2001, the question of how the Internet was managed and governed had become a hot-button international issue. It was one of the most contentious issues during the preparatory process for the first phase of the World Summit on the Information Society (WSIS) held in Geneva in December 2003. As the Summit itself could not reach a consensus on the matter, it mandated the United Nations Secretary-General to undertake consultations with all stakeholders with a view to setting up a Working Group on Internet Governance and requested the UN ICT Task Force to convene a Global Forum on Internet Governance to assist the Secretary-General in doing so.

Pursuant to his mandate, Secretary-General Kofi Annan asked Dr. Abu-Ghazaleh and President Figueres to convene a United Nations Global Forum on Internet Governance under the auspices of the UN ICT Task Force. The Global Forum, the first of its kind, was held on 25-26 March 2004, at the UN Headquarters in New York.

The forum was inaugurated by the Secretary-General and attended by over 200 participants from key stakeholders, including the President of ICANN, the President of the International Chamber of Commerce, the Global Business Dialogue, the inventors of the Internet, industry leaders, technology gurus, academics and civil society organizations and activists, as well as many government representatives from both developed and developing countries.

The objective of the forum was to consult a broad spectrum of stakeholders and to prepare the ground for the Secretary-General to set up a United Nations Working Group on Internet Governance.

Following the opening statements by the Secretary-General and the Chair of the Task Force, Dr. Abu-Ghazaleh introduced a pioneering and visionary paper prepared by him on Internet governance. This identified the key issues to be addressed, including the need for an agreed definition, and laying out the way forward that would ensure a balance between the need for legitimacy and transparency on the one hand, and innovation and creativity on the other. The paper also suggested the organizational structure, membership criteria and functioning modalities of the proposed Working Group. He called upon all stakeholders to engage in the discussion in a spirit of openness and cooperation.⁽³⁾

The statements made by the Secretary-General and the Task Force leadership set the stage for an open, free-flowing and constructive discussion among different interest groups and produced a positive outcome. Participants recognized that the forum had led to a better understanding of the issues involved, made progress towards a working definition of Internet governance, and helped define the framework for setting up the Working Group on Internet Governance. This framework was largely based on the paper by Dr. Talal Abu-Ghazaleh and built on the successful experience of the UN ICT Task Force. Participants also expressed strong support for and confidence in Secretary-General Kofi Annan as a universally recognized and respected figure to lead the process of setting up the Working Group.

The proceedings of the forum were issued as a Task Force publication entitled “Internet Governance: A Grand Collaboration” which was extensively used in subsequent international discussions on the subject and came to be known as ‘the Bible’ on Internet governance.

(3): Appendix 4: Report of the Working Group on Internet Governance

j. Exchange of Experience, Knowledge Sharing and Lessons Learnt

Dr. Abu-Ghazaleh led and helped the Task Force in undertaking an ambitious and multipronged program of activities to promote knowledge-sharing, exchange experiences, replicate best practice, and share lessons learnt on ICT for development. He helped organize physical and online forums on ICT4D themes, created a web-based knowledge repository of ICT4D, and produced a series of studies and publications. The main purpose of these activities was to mobilize public and stakeholder support for deploying ICT4D to achieve the MDGS. The Task Force publications and forum outcomes are accessible online on the United Nations Digital Library website.

Concluding observations:

By the time the Task Force term came to an end in 2005, it was well recognized internationally as a unique and powerful instrument for helping developing countries and marginalized communities to gain better access to the new digital technologies for improving the lives of the poor and the disadvantaged. Its innovative structure and modes of operation were much admired and replicated widely.

The United Nations General Assembly and ECOSOC adopted resolutions recognizing the positive contribution and value-added of the UN ICT Task Force every year during its term.

The Secretary-General acknowledged the success of the Task Force and its innovative working methods by giving its Secretariat the 2006 “UN 21 Award”, the highest United Nations prize for achievement, innovation and management.

The visionary leadership of Dr. Abu-Ghazaleh and Mr. Figueres and their total dedication to the cause were central to the success of this important United Nations initiative. The support provided by stakeholders and the valuable contributions of all its members were equally important for the Task Force experiment to succeed well beyond expectations.



From left to right: Sergei Kambalov, Talal Abu-Ghazaleh, Jose Maria Figueres, Sarbuland Khan

The Task Force had succeeded in creating new momentum for putting ICT in the service of development and achieving the MDGs. However, this was just the beginning. The Task Force was conceived as a time bound instrument for unlocking obstacles to progress. While it accomplished its mission, much still remains to be done to spread the benefits of the digital revolution throughout the world. Despite significant progress, developing countries still lag behind the developed world in taking full advantage of the ICT revolution. The digital divide is yet to be fully bridged, and many digital opportunities remain out of reach for people living in poverty and other disadvantaged segments of society.

The Task Force made a good start and showed us the way forward. Towards the end of its term, the question on everyone's mind was, what next?

Informal consultations were carried out under the leadership of Dr. Abu-Ghazaleh in the context of the second phase of the World Summit on Information Society held in Tunis in May 2005 to consider what next. In a remarkable show of support for the Task Force and its leadership, all stakeholders, including governments, technology companies, ICT leaders and civil society activists, called for continuing its good work by putting in place appropriate successor arrangements in order to continue and build on what it had accomplished.

III. United Nations Global Alliance for ICT and Development (UNGAID)

As noted above, the UN ICT Task Force had launched several important partnerships and networks for action. It had served as a major global forum for policy debates - including on the key question of Internet governance - facilitated policy and regulatory reforms in developing countries, mainstreamed ICT into the broader UN

development agenda, accomplished concrete results in expanding access and lowering costs by promoting investment, and encouraged collaboration between the public and private sectors, civil society and international organizations.

The innovative, multi-stakeholder and decentralized structure and approach of the Task Force was seen to be as its main advantage in creating new dynamics of cooperation among key stakeholders, which helped to break down barriers to progress and extend the circle of outreach beyond the traditional public sector. As noted earlier, as the Task Force term was nearing its end, its membership and the broader ICT and development communities began to discuss the question of what next?

Around the same time, a related question was being raised in the Preparatory Committee for the Second Phase of the World Summit on the Information Society, which was how to ensure the continued and active engagement of the private sector and civil society in implementing the Summit outcomes?

Taking into account the growing demands of stakeholder groups and the need to build on the momentum created by the Task Force and the World Summit on the Information Society, Secretary-General Kofi Annan in consultation with Dr. Abu-Ghazaleh, took the initiative to ask the Task Force, assisted by its Secretariat, to undertake worldwide consultations with a view to recommending appropriate successor arrangements for continuing and building on its work, which could also serve as the main global multi-stakeholder platform for the WSIS follow up.

The outcome of these consultations was presented to a meeting held in Tunis in the context of the Tunis Summit in December 2005. The

consultations indicated a broad international consensus on the need for a global multi-stakeholder platform and forum under the aegis of the United Nations for policy dialogue, networking and collaborative action on ICT4D - a Global Alliance for ICT and Development - which would also serve to complement to the intergovernmental follow up of the WSIS Summit.

The consultations also identified a set of principles and elements for the Alliance, notably:

- The Alliance should build on the extensive experience and further advance the work of such initiatives as the UN ICT Task Force and the G8 DOT Force.
- Make full use of and cooperate with existing institutions and their forums, and collaborate with and contribute to the WSIS follow up process.
- Function as a decentralized network drawing upon existing institutions, with a small budget based on voluntary contributions.
- Serve as a model of effective and efficient use of digital technologies and a repository of knowledge and lessons learnt on ICT4D policies and practice.
- Significantly expand the circle of participants in the ICT4D policy debates beyond traditional interlocutors by reaching out to young ICT champions, NGOs from developing countries, media, and community leaders of the poor, vulnerable, disadvantaged and marginalized segments of society.
- Help identify priority issues and fill the ‘intellectual gaps’ where they exist, in order to maximize the positive impact of ICT on the achievement of the MDGs.
- Foster and promote action oriented and problem solving partnerships.

- Function as a decentralized network linked to the United Nations, under the authority of the Secretary-General and report annually through him to ECOSOC as the main multi-sectoral ICT4D partnership for achieving the MDGs.⁽⁴⁾

Following upon the positive outcome of the worldwide consultations, Secretary-General Kofi Annan decided to establish the Global Alliance for ICT and Development (UNGAID) in 2006. The Alliance was built on the principles outlined above.

The UNGAID was launched jointly by the Prime Minister of Malaysia and the Deputy Secretary-General of the United Nations on 19 June 2006 in Kuala Lumpur. The inaugural meeting was attended by over 600 participants from across the world representing governments, ICT industry and business, media, civil society organizations, academia, tech gurus and activists.

By creating UNGAID, Mr. Kofi Annan made sure that even after he left office, the United Nations would continue to engage with the private sector and the civil society in promoting the implementation of the United Nations development agenda, including the MDGs. He thus left an enduring legacy of positive cooperation between the United Nations and the private and non-profit sectors to achieve UN objectives, as originally suggested by Dr. Abu-Ghazaleh in his first meeting with him back in 1997.

Dr. Craig Barrett, Chairman of the Board of Intel Corporation and Dr. Abu-Ghazaleh were designated Co-Chairs of the Alliance. They were supported by an 11-member Steering Committee and a 60-member Strategy Council with balanced representation from the public, private and non-profit sectors drawn from all regions of the world and relevant international organizations.

(4): Appendix 5: Principles and Elements of UNGAID

IV. Patronage of Secretary-General Ban Ki-Moon for UNGAID

Mr. Ban Ki-Moon of the Republic of Korea took over as the new Secretary-General of the United Nations at the start of 2007. Dr. Abu-Ghazaleh took the initiative of having a strategic meeting with the new Secretary-General to brief him on UNGAID and sought his guidance and blessings for its success.

Secretary-General Ban Ki-Moon expressed strong support for UNGAID as a cutting edge and innovative instrument of the United Nations for harnessing digital technologies for the implementation of the MDGs. As the meeting was about to end, Dr. Abu-Ghazaleh made a personal request to the Secretary-General to accept to become the Chief Patron of UNGAID. The Secretary-General readily agreed. The personal engagement and support of the Secretary-General as its Chief Patron added new wind to the sails of UNGAID, significantly strengthening its status and capacity for action.



From left to right: Ban Ki-Moon, Talal Abu-Ghazaleh

The mission of UNGAID was essentially the same as that of the UN ICT Task Force, to facilitate and promote the strategic and widespread use of ICT for the achievement of the MDGs, and to provide an open, inclusive, multi-stakeholder forum for cross-sectoral policy dialogues on the issues relating to ICT4D. The difference was in the scale and scope of ambition. UNGAID aimed at having a global impact.

V. Major UNGAID Events

Apart from its annual meetings, the Alliance organized events around the world that addressed critical issues relating to ICT4D and the digital divide. Dr. Abu-Ghazaleh supported and chaired many of these events. These included:

- Special Summit on ICT for MDGs, attended by several Heads of States and governments, top ICT4D leaders, CEOs and Civil Society Organizations, held in the context of the high-level Session of the United Nations General Assembly in September 2010
- A major world conference on “Our Common Humanity” in 2009 at the UN Headquarters in New York
- A World Youth Forum in 2009 in Geneva
- An ICT4D Stakeholders Summit in 2007
- Regular regional meetings on region-specific ICT4D policy issues
- A series of high-level seminars in Arab countries where the MDG e-Enabler, an AI-based IT Engine and tool for formulating ICT4D policies, strategies, plans and projects was presented and discussed (Please see below for a more detailed description of the MDG e-Enabler).

VI. UNGAID Communities of Expertise (COEs)

Under the guidance of Dr. Abu-Ghazaleh, UNGAID expanded and consolidated the Working Groups, regional nodes and other networks that had been set up under the UN ICT Task Force into new Communities of Expertise (COE) covering themes directly related to

the MDGs, which were led by various UN agencies and other existing institutions. They served as online collaborative groups bringing together top-level-experts and leaders from the public and private sectors to address specific problems and develop innovative solutions for countries to apply in their national context. They also helped identify and disseminate best practice based on the latest research.

The themes covered by these COEs included poverty eradication and entrepreneurship, health, education, gender equality, rural development and ICT access and connectivity.

VII. Major ICTD Initiatives of UNGAID

The Alliance launched several major initiatives that had large-scale impact in the areas of connectivity, affordability, inclusive access, education and sustainable urbanization, which included:

a. The Connect Africa Summit

During the first meeting of the UNGAID Steering Committee hosted by Intel Corporation at its Headquarters in Palo Alto, Silicon Valley, Dr. Abu-Ghazaleh suggested that UNGAID should consider launching a major initiative in partnership with other key players that would have large-scale impact on the central issues of connectivity, access, affordability and services. Other members welcomed this idea.

In the ensuing discussion, Mr. Hamadoun Toure, the Secretary-General of ITU, and Dr. Craig Barrett, pointed out that the largest gaps in broadband infrastructure were in Africa. The continent was therefore in the greatest need of help to build out broadband connectivity. In order to achieve a breakthrough, the Steering Committee agreed to convene a “Connect Africa Summit” in partnership with other key players active in Africa and leading multi-national technology companies.

The Summit was co-organized by UNGAID, the World Bank Group, the ITU, and the Government of Rwanda in partnership with the African Development Bank, the African ITU and the Global Solidarity Fund. The Government of Rwanda hosted the Summit in Kigali on 29-30 October 2007.

The Summit attracted some 1036 participants from 54 countries, including several Heads of State and many Ministers, leaders of development banks and bilateral donors, 20 multi-national technology companies, international organizations and other stakeholders. It adopted a set of concrete goals focused on major gaps in ICT infrastructure across the continent, the aim being to support affordable connectivity, applications and services to stimulate economic growth, employment and social development. The Summit agreed on the following five goals:

1. Interconnect all African capitals and major cities with ICT broadband infrastructure and strengthen connectivity to the rest of the world by 2012
2. Connect African villages to broadband IT services and implement such rural initiatives as tele-centers, e-health, e-education and village phones
3. Adopt key regulatory measures that promote affordable and widespread access to a full range of broadband ICT services
4. Support the development of a critical mass of ICT skills required by the knowledge economy by setting up ICT centers of excellence and capacity building and training centers
5. Adopt a national e-strategy, including a cyber-strategy security framework, and deploy at least one flagship e-government service in each country in Africa.

The Summit outcome was a major step forward in addressing the barriers to ICT development in Africa. It generated investment commitments of \$56 billion into broadband infrastructure development, including the laying down and landing of submarine cables around the coast, building out of backbone networks by public investments, and developing innovative last-mile solutions to connect rural and remote areas. Independent assessments of progress towards the five goals show that many of them were realized and significant advances were made on others.

As of 2022, mobile broadband networks coverage has reached 87 percent in East Africa, 84 percent in West Africa and 61 percent in Central Africa. However, while the cost of access and usage has come down by 90 percent in the last few years, it remains too high relative to income levels and as compared to other developing regions. Moreover, there are still some 210 million people in Africa with no access to broadband networks and the usage gap is 53 percent. Clearly, although much progress has been made, much more needs to be done to lower costs, improve access and promote new services and applications.

Still, the remarkable success of the Kigali Summit illustrates the power and potential of public-private-people’s partnerships to develop breakthrough solutions and overcome barriers to progress towards universal and affordable access to ICTD.



Leaders at Connect Africa Summit in Kigali, 2007.

b. MDG e-Enabler

One of the factors hindering the expansion of ICT4D in developing countries is its high cost and the significant rates of failure and waste in ICT4D projects and initiatives. Therefore, a key issue facing developing countries' ICT4D policy makers and practitioners with scarce resources, is how to formulate successful ICT policies and projects which are cost-effective, and have the maximum development impact. In general, most developing countries rely on the expertise and advice of expensive international consultants, who often have their own biases and limited knowledge and understanding of local conditions.

Recognizing the need for developing ICT-based tools to enhance developing countries' own capacity for policy and project formulation, Dr. Abu-Ghazaleh decided to partner with one of the leading experts in this field, Professor Amjad Umar of Pennsylvania University, for the development of such tools. The result was the MDG e-Enabler, an AI driven computer-based ICT engine to assist policy makers and practitioners in formulating and managing ICT4D initiatives. All they had to do was to input relevant data on the objectives being sought and the economic, social and other technical aspects of the initiative into the system, and the MDG e-Enabler could produce complete policy or project documents outlining alternative choices and their results within hours, obviating the need to hire expensive consultants and advisors. The e-Enabler was presented to several expert level meetings and was launched at a special high level Meeting of UNGAID at the UN Headquarters in New York in September 2010.



Special High Level Meeting, MDG E-enabler, UNGAID, 2010.

As of this writing, MDG e-Enabler and its subsequent iterations, have been successfully used in some 75 developing countries and by several international organizations, including the United Nations Office of the High-Representative for the least developed, land-locked and island developing countries.



Dr. Talal Abu-Ghazaleh with UN Secretary-General Ban Ki-Moon, Mr. Sarbuland Khan and others, 2010.

c. Computers for Schools Program

Shortly after Mr. Ban Ki-Moon took office, Dr. Paul Jinn, an ICT activist and a childhood friend of Secretary-General Ban Ki-Moon, approached Dr. Abu-Ghazaleh to work with him and other partners to develop, under UNGAID, a program for supplying free computers to schools in African countries. Dr. Abu-Ghazaleh took on this challenge and worked closely with Dr. Jinn to formulate a ‘Computers for Schools’ program with the goal of providing 500,000 computers to schools in the least developed and land-locked developing countries in Africa. Under this program, Dr. Abu-Ghazaleh’s firm, TAG.Global, delivered thousands of computers together with their use and training modules to schools in many African countries.

d. Global Initiative for Inclusive ICT (G3ICT)

An important and often neglected aspect of barriers to ICT access around the world is the lack of full understanding of how physical and mental disabilities can prevent people from getting access to and making full use of ICTs to improve their lives. It is difficult to ignore this issue if we consider that some 10 percent of the world’s population, that is around 800 million people, live with disabilities of one kind or another. They face more difficult and more complex challenges than other people in getting access to and in making use of ICTs.

The United Nations has recognized that persons living with disabilities face problems of discrimination, lack of protection of their human rights and their dignity, and of sheer neglect from which they suffer. In order to fully protect their human rights and dignity, a ‘Convention on the Rights of Persons with Disabilities’ was adopted by the United Nations in December 2006. By now, most UN Member States are signatories to it.

The Convention in its Article 9(1), calls upon all States to take measures, “to ensure to persons with disabilities access, on an equal basis with others, to the physical environment, transportation, and information and communications, including information and communication technologies and systems.”

Following discussions with the UNGAID leadership, a group of private sector activists took the initiative to address this challenge of worldwide scope, built on the complementary roles of the public and private sectors, by launching the Global Initiative for Inclusive ICTs (G3ICT) in December 2006, with the active involvement and support of UNGAID and endorsed by its leadership.

The G3ICT has since then undertaken, in collaboration with UN agencies, a comprehensive program of events for advocacy, promotion of innovative access solutions by the private sector, development of policy toolkits for governments, and education and training modules which are used extensively in almost every country in the world.

The G3ICT also promotes digital inclusion through ICT procurement policies, standards and technical resources developed in cooperation with UN agencies. It benchmarks progress in implementing inclusive ICT accessibility policies and certification in ICT accessibility, and fosters capacity building through international cooperation among countries and UN agencies. In the span of 15 years since its creation, G3ICT has become the go-to institution for countries, advocacy organizations, as well as private industry, for help on all matters related to inclusive accessibility to ICT.

e. Consortium for Sustainable Urbanization (CSU)

As mentioned above, under the leadership of Dr. Abu-Ghazaleh, UNGAID organized a major global conference on "Our Common Humanity" at the UN Headquarters in New York in 2009. The conference attracted some 600 participants from all walks of life, including many futurologists, scientists, academics, artists, writers, academics, scientists, actors, musicians, dancers and performers, cultural and political leaders, architects, urban designers and planners, mayors and local leaders, youth and community leaders, and so on. It was believed to be one of the largest and most diverse gatherings of its kind at the United Nations in recent years. The proceedings of the conference were issued as a UN publication under the UNGAID series.

A central focus of the debates was the rapid urbanization of our planet and its implications for the future. Today, more than half of the world's population lives in cities, and by 2050, over two thirds of the people in the world are projected to become urban dwellers. Hence, the need for sustainable urbanization has become critical to the fight against climate change. Local and regional leaders, architects, designers and planners, noted the deep concern expressed by other participants about the negative impact of the rapidly spreading urban sprawl on our environment, climate, land-use, water and other natural resources. They were urged to think through how these growing urban centers will affect the future of life on Earth. The need for sustainability in urban development was recognized by all participants as an inescapable necessity for the future of humanity.

Inspired by the discussions at the conference, a leading group of urban planners and architects decided in 2009 to form a global network and platform for policy makers, architects, urban designers and planners, local leaders and academics. It was named the "Consortium for

Sustainable Urbanization (CSU)”. It aimed to promote responsible and sustainable urban planning and resilient design of cities through a cross-sectoral approach. Dr. Abu-Ghazaleh was invited to chair the Advisory Board of the CSU and has continued to lead this important body since its inception.



Dr. Talal Abu-Ghazaleh and members of the Consortium for Sustainable Urbanization in New York during a meeting in which Dr. Abu-Ghazaleh was selected Chairman of the Honorary Council of the Consortium for Sustainable Urbanization (CSU), 2015.

The CSU connects with the United Nations and with global thought leaders and practitioners concerned with urban development issues through high-level meetings, web-based dialogues and seminars, presentations of experiences of cities from around the world, including the identification and dissemination of best practice.

In the decade and a half of its existence, the CSU has made its mark as a worldwide professional organization that generates and disseminates cutting edge ideas for sustainable urban planning and resilient design. It works closely with UNHABITAT, UNDESA and other relevant UN agencies as well as UCLG, to promote the implementation of Goal 11 of the SDGs on Sustainable Urbanization, and the New Urban Agenda adopted by the HABITAT III Conference in Quito, Ecuador in 2015.

VIII. Secretary-General Ban Ki-Moon pays tribute to Dr. Abu-Ghazaleh

Towards the end of 2009, when Dr. Craig Barret was nearing retirement, Secretary-General Ban Ki-Moon invited Dr. Talal Abu-Ghazaleh to assume the chairmanship of the Alliance in the following words:

“I would like to express my appreciation for your strong commitment and important contribution as Co-Chair of UNGAID over the past three years. You have played an outstanding leadership role in advancing the objectives of WSIS and helping to promote a transforming vision for a universal and inclusive information society. I am pleased to invite you to lead the Alliance as Chairman for a one-year term from 1 January 2010 to 31 December 2010, and to chair its Strategy Council and Steering Committee.”

Dr. Abu-Ghazaleh accepted the invitation and took over as Chairman of the Alliance at the start of 2010.

As described above, UNGAID continued to flourish and grow under the dynamic leadership of Dr. Abu-Ghazaleh.

Chapter 3: Sustainable Business to Fight Climate Change and Save the Planet

The policy initiated by Secretary-General Kofi Annan at the turn of the new millennium to engage with all relevant actors in the world economy to advance UN objectives, was not confined to promoting development goals such as the MDGs, or to expanding the frontiers of digital technologies. He posed another big challenge to global business. He invited business to adhere to and promote, the basic universal values of human rights, labor standards, environmental protection and the fight against corruption.

Companies, large and small, were thus challenged to join hands with United Nations to make business as a source of good by assuming their corporate responsibility for human, social and environmental dimensions and reporting on their performance in this regard to the UN.

I. United Nations Global Compact

This challenge was embodied in the initiative of the United Nations Global Compact, announced by Mr. Kofi Annan in his address to the World Economic Forum on 31 January 1999, and officially launched at the United Nations Headquarters in New York on 26 July 2000.

The Global Compact is a voluntary initiative of the United Nations to encourage companies to implement sustainability principles and universal values, and take actions to support and advance internationally agreed United Nations Sustainable Development Goals (SDGs). The aim is to mobilize a global movement of sustainable companies for a secure future for succeeding generations.

The Global Compact supports companies to do business responsibly by aligning their strategies and operations with ten principles on human rights, labor, environment and anti-corruption. It also encourages companies to take strategic actions to help advance broader social goals such as the SDGs, with emphasis on collaboration and innovation.

The ten principles of the Global Compact are derived from the United Nations Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption. These are:

- **Human Rights:**

- » Principle 1: Business should support and respect the protection of internationally proclaimed human rights.
- » Principle 2: Make sure that they are not complicit in human rights abuses.

- **Labor:**

- » Principle 3: Business should uphold the freedom of association and the effective right to collective bargaining.
- » Principle 4: The elimination of all forms of forced and compulsory labor.
- » Principle 5: The effective abolition of child labor.
- » Principle 6: The elimination of discrimination in respect of employment and occupation.

- **Environment:**

- » Principle 7: Business should support a precautionary approach to environmental challenges.
- » Principle 8: Undertake initiatives to promote environmental responsibility.
- » Principle 9: Encourage the development and diffusion of environment friendly technologies.

- **Anti-Corruption:**

- » Principle 10: Business should work against corruption in all its forms including extortion and bribery.

The Global Compact is personally signed by the CEOs of companies who commit themselves to adhere to and advance these principles through their strategies, operations and activities. It is also open to governments, leaders of labor organizations, civil society organizations and other stakeholders. Members are required to submit annual communications of progress to ensure accountability.

Through its Secretariat based at the United Nations in New York, the Global Compact undertakes a wide range of activities to support and advance its objectives and for outreach. Its website provides a collection of resources, guides, analysis of goals, indicators, tools and examples for business, labor, governments, NGOs and institutions. It also regularly organizes Global Compact Leaders' Summits, training programs, discussion groups and seminars with partners and stakeholders.

Dr. Talal Abu-Ghazaleh demonstrated strategic acumen and personal commitment when he embraced the Global Compact in its formative period in 2004, and participated in its first Global Leaders' Summit held at the United Nations Headquarters in New York. Given his long years of invaluable services to the world organization, Mr. Kofi Annan welcomed him as a particularly valuable leadership asset for the Global Compact. He was soon designated as a member of its 20 member Board of Directors composed of top CEOs and leaders from around the world.

As usual, Dr. Abu-Ghazaleh, set to work immediately to promote the Global Compact in the Arab world and beyond, securing the membership of a large number of companies, helping establish Global Compact National Centers and Networks in Arab countries and a Global Compact Regional Arab Center under the sponsorship of the

Secretary-General of the Arab League. These centers and networks have become the hubs of many activities, including training programs, conferences and seminars for public outreach.

Dr. Abu-Ghazaleh took advantage of his leadership positions in the Global Compact and in UNGAID to persuade the Boards of these two major initiatives of the United Nations engaging the private sector to enter into a Memorandum of Understanding to strengthen their mutual cooperation and complementarities to enhance their effectiveness and avoid duplication in their activities.⁽¹⁾

In recognition of his outstanding performance and services, Secretary-General Ban Ki-Moon designated Dr. Abu-Ghazaleh as the Deputy Chairman of the Global Compact Board alongside himself as its Chair.

In his personal letter of 10 April 2007 to Dr. Abu-Ghazaleh, Secretary-General Ban Ki-Moon expressed his appreciation for his services and efforts exerted as a member of the Global Compact Board and praised the ongoing role played by Dr. Abu-Ghazaleh to promote the objectives of the Global Compact worldwide.

The Secretary-General added,

“I also like to thank you for your chairmanship of the Global Compact within your region, within your sector and at the global level. I highly value the strategic and policy guidance you contributed to the Board’s deliberations and your dedication and commitment to the Global Compact and hope that you will continue to support this initiative.”

(1): Appendix 6: MOU between Global Compact and UNGAID



Dr. Talal Abu-Ghazaleh and UN Secretary-General Ban Ki-Moon on the podium of UN Global Compact

Such effusive praise so well earned!

Apart from his personal leadership role and contribution to the Global Compact, Dr. Abu-Ghazaleh ensured that his own company TAG.Global, with its offices and activities around the world as well as its affiliates, supported the Global Compact by implementing and promoting its ten principles. Under his visionary leadership, all his companies have integrated the Global Compact principles in the core aspects of their strategies, operations and activities.

For TAG.Global, good corporate citizenship has been a vital aspect of its business since its founding by Dr. Abu-Ghazaleh in 1972. His companies are well integrated into local, regional and global

communities and serve their needs through their many social initiatives. These range from providing free access to and training in digital technologies through TAG Knowledge Society Centers, high-quality education, including remote learning through the TAG Global Digital University, as well as teaching entrepreneurship and innovation through cutting edge courses and out-of-the-box training modules at the TAG University College of Innovation.

At the request of the Global Compact Board of Directors, TAG.Global has been directly involved in setting up and providing support for the local chapters of the Global Compact and national GC Centers in many countries. TAG-Consultants, a business consulting firm under TAG.Global, was also mandated to represent the Global Compact with ISO in the issuance of the draft ISO standard ISO 26000 on Corporate Social Responsibility (CSR).

Upon joining the Global Compact, TAG.Global reaffirmed its total commitment to the socio-economic development of the Arab World. It has initiated specific and targeted training programs aimed at promoting gender equality, transparency and ethics in business operations and adherence to international standards of human rights.

On labor, TAG.Global has been fully committed to equality in hiring and employment based entirely on merit and performance with equal pay for equal work. It provides a conducive and friendly work environment without discrimination of gender, race, nationality or religion. It has committed without limitations to refrain from child labor and forced or compulsory labor practices.

As regards the environment, TAG.Global has instituted paperless office processes and implemented innovative technologies that have allowed it to digitally transform and become a leading international firm with sustainability at its core. It has taken steps to reduce energy

and water consumption as well as established new services related to sustainable energy use, environmental auditing and accounting.

On anti-corruption, TAG.Global has been since its inception, a strong practitioner and proponent of good corporate governance, elimination of corruption and unethical business behavior. It has also developed and published an anti-money laundering manual, a corporate governance guide, and held countless seminars, workshops and training sessions on good governance over the years.

Concluding Observations:

Over the past two decades, the Global Compact has grown into the world’s largest CSR initiative and network, with over 15,000 companies in 170 countries as signatories.

Given its foundation on the neutral and universal platform of the United Nations and its global reach, the Global Compact has come to exert extensive influence in the business world and in civil society. In its formative years, some activists made some minor criticisms pertaining to the vague formulation of its principles and the lack of an enforcement mechanism. However, the experience of the last two decades has shown that these presumptive drawbacks have worked to its advantage as a source of its moral standing and acceptance in the global business community.

An important result of the rapid growth of the Global Compact is that it has become a crucial conduit for the United Nations and for the international community to the global business sector for securing its buy-in to meet some of the major challenges of our time, such as climate change, poverty eradication, gender equality, human rights and good governance.

The success of the Global Compact initiative was not at all assured in the beginning. It was the vision and personal efforts of its leaders, Mr. Kofi Annan and Mr. Ban Ki-Moon as the Chairs, and the consistent efforts of Dr. Talal Abu-Ghazaleh as the Deputy Chair as well as that of all the members of its Board, that secured the high moral ground and the clout for the Compact that attracted companies from all parts of the world to join it. It is interesting that the Compact has also attracted membership of global civil society leaders in equal measure. The United Nations has thus succeeded in bringing the lions and the lambs together to drink from the same well.

II. Environmental Accounting Standards for Enterprises

Dr. Abu Ghazaleh often refers to one of the first principles of management that says, “what is not measured cannot be managed.” In order to succeed in the fight against the existential challenge of climate change, which is caused primarily by human activities, it is therefore essential to properly measure the impact of these activities on the environment and on natural resources.

Business and industrial enterprises, whether private or public, produce the majority of goods and services consumed by the people in every country. The environmental costs and liabilities associated with the production of these goods and services need to be accounted for and reported in a standardized format for comparability across countries and assessment of the environmental impact of the enterprise.

Business and industry are also major sources of technical knowledge, expertise and innovation which can be used to enhance their eco-efficiency thereby improving their profitability and competitiveness.

Enterprises need to take steps to integrate environmental accounting and reporting into their financial statements and results because:

- Enterprise accounts should reflect the firm's attitude towards the environment and the impact of environmental expenditures, risks and liabilities upon the financial position of the enterprise
- Investors need information on environmental performance and expenditure for making investment decisions
- Environment issues are management issues. Managers need to identify and allocate environmental costs so that products are correctly priced
- Enterprises may be able to exploit a competitive advantage if they are able to show that their products and services are environmentally preferable.

The United Nations Intergovernmental Group of Experts on International Standards of Accounting and Reporting (ISAR) was established by ECOSOC in 1975 to promote the harmonization of financial information and meaningful disclosure by enterprises in all countries.

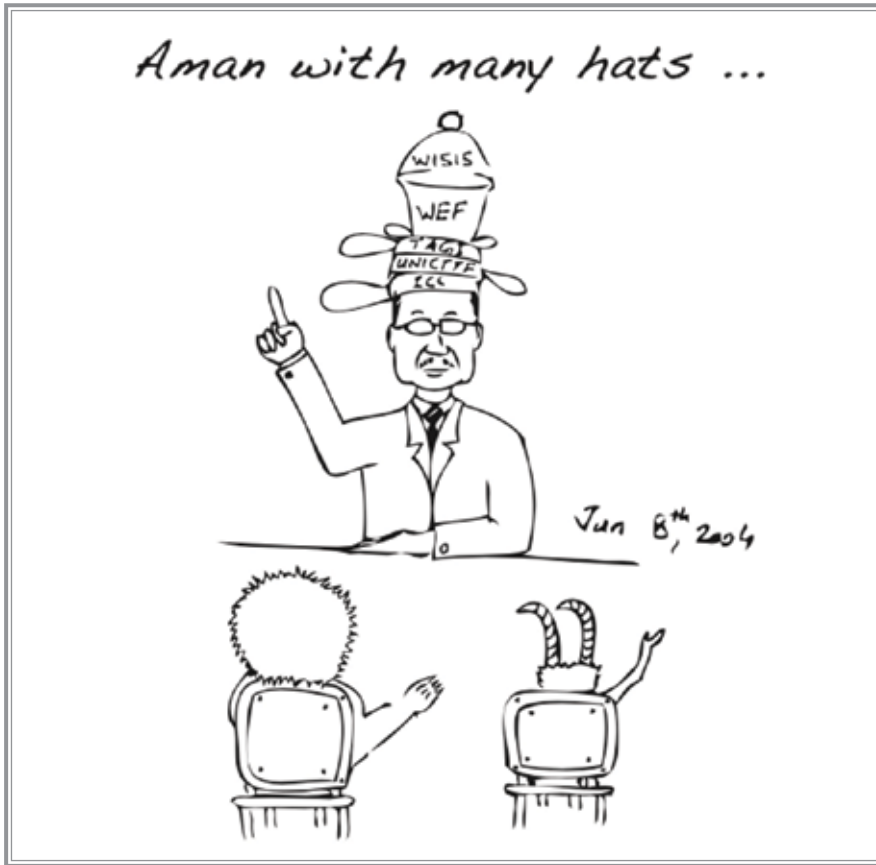
ISAR initiated work on environmental accounting with a world survey in 1989 that showed that there were no national accounting standards specific to environmental information disclosure by enterprises, with some companies believing that environmental information was not necessary for determining the true and fair value of a company's performance, or that it was too difficult to obtain.

However, these attitudes changed dramatically following the first United Nations Earth Summit held in Rio in 1990. The Declaration on Environment and Development Summit placed sustainable development at the forefront of the international agenda. Every country

committed itself to the protection and preservation of the environment and to engaging all stakeholders in society, including the private sector, to play their part in abiding by the principles and imperatives of sustainable development. The United Nations Sustainable Development Commission, set up following the Rio Summit, was charged with monitoring progress of all countries and stakeholders in implementing the Rio sustainable development agenda.

In this new global environment, enterprises realized that environmental accounting and reporting had become an inescapable necessity for them. However, they needed guidance in order to help meet their obligations. To meet this need, ISAR issued its first recommendations for 'Environmental Disclosure in Financial Statements' in 1991. In the ensuing years, national standard-setting authorities undertook studies and analysis of the complex and difficult issues involved in identifying the various links and measuring the financial impacts, risks and liabilities of environmental measures on enterprise performance. By 1998, only two countries had issued comprehensive rules covering environmental accounting and reporting by enterprises.

In that year, as the founder and CEO of the leading accounting firm in the world, Dr. Abu-Ghazaleh was elected as the Chairman of the Intergovernmental Group of Experts on International Standards of Accounting and Reporting (ISAR) for a one-year term. He immediately saw an opportunity and took the bold initiative of convening a high-level Group of Experts drawn from all regions of the world to address the complex issues involved and come up with their recommendations.



The Group produced a seminal report in 1999 identifying the principles and providing guidelines for environmental accounting and reporting by enterprises.⁽²⁾ Although the report could not be approved at that time due to opposition by some Member States, ISAR continued its work on the subject, building on this important breakthrough, and issued a comprehensive framework for environmental accounting and reporting in 2007.

Once again, Dr. Abu-Ghazaleh demonstrated true leadership and vision to achieve a breakthrough on a critical issue of global importance.

(2): Appendix 7: Report of the Expert Group on Principles and Guidelines for Environmental Accounting and Reporting by Enterprises

**Chapter 4:
TAG.Global's Cooperation
and Partnerships with United
Nations Agencies**

TAG.Global was founded by Dr. Abu-Ghazaleh in 1972, at a time when few international business leaders saw much value in working with the United Nations. The United Nations was equally weary of the business world and especially of large multi-national corporations. The debates at the world organization during the 1970's and 1980's were marked by growing East-West rivalry stemming from the cold war, a deepening North-South divide resulting from increasing income inequalities, and the power imbalance between the developed and developing countries.

The United Nations, with its universal membership and its principle of sovereign equality of states reflected in the right of one country one vote, was seen by the developing countries as a key arena to fight for more balanced and equitable North-South economic relations, and for better opportunities to develop their economies and improve the lives of their people. In this largely political struggle, the group of 77 developing countries saw multinational corporations, which were mostly from the rich North, as tools for the West to extract and exploit their raw materials and other natural resources, and for its domination and control of the world economy. Hence, they did not see much benefit for them in the United Nations engaging with international businesses, except to develop rules and regulations for the behavior and activities of multilateral corporations.

Despite the significant obstacles created by this environment of mutual suspicion between the business world and the United Nations, Dr. Abu-Ghazaleh had the foresight to engage with the UN in the 1970's in various capacities. This helped to lay down the groundwork for a long-term, mutually beneficial cooperation between his company and United Nations agencies, aimed at producing practical and concrete results.

Under his guidance, TAG.Global was thus able to build long-term and wide-ranging relationships with many agencies of the United Nations system that have continued to flourish and grow over the decades.

These relationships have many facets. At the highest level, Dr. Abu-Ghazaleh is seen by the heads of UN agencies as a world-renowned business leader who has his heart in the right place and who wants to do well by doing good for humanity. He is sought by them, first and foremost, for his strategic thinking and vision, as well as his deep insights into key global issues, and emerging trends and challenges. They also admire his total commitment to the cause of development and his readiness to support and contribute to their initiatives and reform efforts.

Whether it is the World Trade Organization, the World Bank, the UNDP, UNCTAD, UNESCO, the Commission on Science and Technology for Development, UN-HABITAT or UNWTO, it is no surprise that he is invited to represent and speak on behalf of the business sector at major conferences, high-level panels and other major events held under their auspices.

Thus, over the years, Dr. Abu-Ghazaleh has made pioneering intellectual contributions to the work of many United Nations programs and agencies in key strategic areas. These include areas such as sustainable development, climate change, the role of ICTs in development, ICT education and training, human development and capacity-building, e-education, e-entrepreneurship and e-government, international trade rules for the new digital global economy, the role of new and emerging technologies in the knowledge economy, intellectual property rights in the digital age, international standards of accounting and reporting, environmental accounting and sustainable urban development, to name just some of the most salient ones.⁽¹⁾

(1): Appendix 8: Dr. Talal Abu-Ghazaleh's Profile

In the first three chapters of this volume, we alluded to a few of these thought-provoking and path-breaking contributions of Dr. Abu-Ghazaleh to the United Nations initiatives and activities. Here, we elucidate some of his key intellectual and institutional inputs that have helped transform the way other UN system organizations respond to the new and emerging global challenges of the 21st century.

I. World Trade Organization (WTO)

Over the years, TAG.Global has participated in and contributed to the work of WTO on a regular basis, bringing to it the expertise and perspective of the business sector on international trade issues. Given the central role the WTO plays in managing the multilateral trading system, Dr. Abu-Ghazaleh has always taken a personal and keen interest in its practices and procedures as an institution.

When the advent of the Internet began to transform world trade flows in the first decades of the 21st century, Dr. Abu-Ghazaleh saw the urgent need to ensure that the WTO remained relevant to the changing international trade environment, and adapted its agenda and working methods to the new challenges arising from the growing Internet trade in the world economy.

Thus, speaking at the WTO Public Forum held in Geneva on 31 October 2013, Dr. Abu-Ghazaleh made a passionate plea to its Director General and his friend, Mr. Pascal Lamy, to integrate Internet trade issues into the agenda and work of WTO. He proposed the creation of a dedicated directorate within the WTO Secretariat for policy analysis and research, aimed at identifying the issues and gaps arising from new Internet trade flows that needed to be addressed at the global level.

He made the pioneering suggestion that WTO and its Member States should pursue the formulation of new 21st century trade rules for the digital economy in the following eloquent words:

“We must embrace the new technologies that have revolutionized the global marketplace. The digital economy is already part of our lives, and it is growing impressively.

Therefore, when we negotiate new trade rules, for a new world, this must include rules for Internet trade.

The Internet is a huge trade tool.

Accordingly, the WTO must ensure that rules are in place so as to ensure that it is harnessed to the fullest, that it will be a means to a better quality of economic and social life for all people in all parts of the world.

We must evaluate all the intricate issues involved. This forum must build momentum. The theme of ‘Expanding Trade through Innovation and the Digital Economy’ is too important for a quick ‘hit and run’.

Now is the time.

Dr. Martin Luther King once defined “The fierce urgency of now: that this is no time to engage in the luxury of ‘cooling off’, or to take the tranquilizer of gradualism.”

That’s how I see our trade work in the Internet era.

And I hope that you share that vision.

I have founded with the US Computer and Communication Association (CIAA) a new entity, ‘The International Digital Economy Alliance’ or ‘IDEA’ for short, as a home and advocacy for Internet trade.

The Internet is a world- altering force. Every day 500,000 new Internet users are coming online. That’s economic magic.

The WTO agenda must include ‘Internet trade’ as a so-called ‘new issue’.”

At the end of his powerful presentation, Dr. Abu-Ghazaleh made a number of concrete proposals:

- First, that the WTO should create an appropriate space for engaging in an informal ongoing discussion about the role that the digital economy plays in terms of international trade flows, how these can be enhanced, and what new rules are required to facilitate this. This should be a non-negotiating space.
- Second, the outcome of these deliberations should be published in a comprehensive report or in a series of evolving reports.
- Third, in order to assist these discussions, the WTO should appoint a multi-stakeholder Digital Economy Task Force.
- Fourth, the WTO should regularly consult with the business community and other relevant stakeholders on digital economy -related trade issues.

The pertinent and timely ideas presented by Dr. Abu-Ghazaleh helped generate new momentum towards the reform of WTO as an institution to enhance its relevance to the evolving international trading system of the digital era.

As the term of WTO Director General Mr. Pascal Lamy was drawing to a close, he set up in April 2012 a high-level “Panel of Experts on Defining the Future of Trade” and invited Dr. Abu-Ghazaleh to join the Panel as a member from the business sector.

Dr. Abu-Ghazaleh took this opportunity to produce and submit a comprehensive and far-reaching report entitled “WTO at the Crossroads: A Report on the Imperative of a WTO Reform Agenda” which contained a careful and frank review and analysis of the many challenges facing the organization, its shortcomings and gaps, and provided the rationale for its reform to enhance its effectiveness as the central body governing the multilateral trading system. The report made a set of 23 clear and concise recommendations covering key aspects of the functioning of the WTO as an institution, and its relationships with other stakeholders.⁽²⁾

In his foreword to the report, Mr. Sergio Marchi, Minister of International Trade of Canada and former Chairman of the WTO General Council, said

“If I were to choose but one word to describe him (Dr. Abu-Ghazaleh), it would be energy. He is quite simply a bundle of energy and drive. He has the energy to succeed whatever the odds, the energy to tackle problems head on and speak his mind, and the energy to improve the community around him and enhance the public good.

The ‘Report on the Imperative of WTO Reform Agenda’ reflects that energetic spirit. He addresses the challenges from a number of relevant perspectives: as a citizen of the Middle East who is ambitious for his region and the world, as a prominent business

(2): Appendix 9: WTO at the Crossroad: A Report on the Imperative of a WTO Reform Agenda

leader, as a member of the WTO Director General's Panel of Experts, and as a committed Internationalist.

This paper is a valuable contribution. It is clear, pragmatic and focused on several key pillars. While a number of his proposals will strike some as controversial, I feel they are an effective catalyst in constructively shaking things up a bit.

Above all, Talal's paper is a call to action. An appeal to marshal the political vision and will to renew and strengthen the global trading system.”

In the years to follow, many of the ideas and proposals made by Dr. Abu-Ghazaleh in his report have found their way into the workings of the WTO.

II. Dr. Abu-Ghazaleh's Contributions to other UN Agencies and Programmes

Over the decades, Dr. Abu-Ghazaleh has made it his life's mission to serve the United Nations and its agencies and programs as demonstrated by the innumerable instances when he and his company undertook collaborative programs and projects with them, organized expert and theme-oriented meetings on their behalf, created networks of support for UN initiatives and objectives, and made presentations at international meetings and conferences. The number of such collaborative activities and events is so large that it is not feasible to cover them all within the scope of this volume.

TAG at The UN in Bruno Lanvin eyes

*New Governance for an Emerging
world When Her Majesty Has
real, Jerusalem Problems ...*



BRUNO LANVIN is the Executive Director of INSEAD's European Competitiveness Initiative (IECI).
*"While I was taking myself seriously as Chair of various UN bodies and meetings my good friend Bruno
Lanvin saw me differently as can be seen in the enclosed cartoon by his artistic creation"*
Talal Abu-Ghazaleh

It would be sufficient for the purposes of this book to outline, for illustrative purposes, a few examples of cooperative activities and events led by Dr. Abu-Ghazaleh and his company's collaboration with some of the UN agencies:

- At the culmination of TAG.Global's collaboration with the World Bank on ICT4D, Dr. Abu-Ghazaleh presented the results of the Arab Competition Meeting at the World Bank's 'Conference on Knowledge Development' in Washington in April 2002.
- As the Chair of the Arab Regional Network of the UN ICT Task Force, Dr. Abu-Ghazaleh launched in 2003, the 'Union of Arab ICT Associations'.

- Under the Chairmanship of Dr. Abu-Ghazaleh, TAG.Global and WIPO co-organized a ‘Copy Rights and Related Rights Course’ for Bahrain in 2007,
- Under the auspices of the UN ICT Task Force, Dr. Abu-Ghazaleh launched the ‘Computers for Schools Program’ in 2009 to deliver 500,000 computers to schools in developing countries in Africa.
- Dr. Abu-Ghazaleh and the Director General of UNESCO signed a Partnership Agreement between UNESCO and TAG.Global, in 2009, to work together for the promotion of ICT, education, science and culture in the Arab region. The Agreement envisaged the creation of a knowledge-sharing portal on the state of ICT education, science and culture in Arab countries.
- Dr. Abu-Ghazaleh made a presentation in the UN Commission on Science and Technology in 2009, on the follow-up to the outcome of the World Summit on the Information Society (WSIS), on behalf of the Business Sector.
- Dr. Abu-Ghazaleh chaired and moderated the high-level session on ‘Services, Productivity and Competition’ at UNCTAD XIII Conference in 2012 in Doha, Qatar.
- As a follow-up to a proposal by Dr. Abu-Ghazaleh and supported by ECOSOC, Dr. Abu-Ghazaleh and the Executive Director of UN-Habitat signed in 2011, an MOU between UN-Habitat and TAG.Global for working together to carry forward the ‘Network 11 Initiative’ as a multi-stakeholder platform aimed at promoting ‘inclusive, safe, resilient and sustainable urban settlements and cities.’

- Dr. Abu-Ghazaleh and the UNDP Resident Coordinator in Jordan launched in Amman, in 2013, a ‘Partnership Forum between the United Nations and the Business Sector’ to advance a comprehensive and sustainable economy that provides products and services to all people and creates jobs and economic opportunities for all.
- Dr. Abu-Ghazaleh and the UNDP signed an agreement in 2015 for TAG.Global to undertake audit programs in 15 Arab countries.
- TAG.Global and UNESCO co-organized in 2022, a workshop and produced a ‘Joint Report on ICT Integration and e-Readiness’ that covered Jordan, Egypt, Oman, Palestine and Qatar.
- In recognition of his life-long commitment and support to the United Nations and its agencies, Dr. Abu-Ghazaleh was designated, in 2018, as ‘Special Ambassador’ by the Secretary-General of UNWTO, and was received in an audience by His Majesty, the King of Spain, in Madrid.



Dr. Talal Abu-Ghazaleh with UNWTO Secretary-General
Mr. Taleb Rifai

Postscript

The Mountain that Moves

“If you sit on a crossroads, you will get sick.”

-An old Palestinian proverb.

They say great men can move mountains. I have seen Dr. Abu-Ghazaleh moving mountains many times and making the impossible possible.

But he is much more than that. He is a mountain himself that moves all the time from one accomplishment to the next, from one goal to a bigger one.

And he does not move alone. He casts the spell of his charisma on everyone around him to embark on the perilous but rewarding adventure of changing the world for the better.

Dr. Abu-Ghazaleh can never sit still.

He never stops spreading knowledge and feeding and helping those in need.

He is a leader defined by a generosity of spirit that manifests itself in an undying love for humanity and an explosive energy that derives from some mysterious source of nuclear fusion-like phenomenon deep inside his soul.

He has turned adversity into opportunity in his own life and never stops illuminating the path for others to do the same.

He is a living example of the ‘renaissance man’ that we read about in history books.

His love of music and culture is as great as his commitment to expanding the frontiers of knowledge through science and technology.

He is a thinker who thinks big and a mover and shaker, who makes big things happen.

He is a natural leader who leads by example and conquers with kindness.

Dr. Abu-Ghazaleh is a true friend of friends.

I am privileged and proud to be his fan and friend.

Sarbuland Khan



**Photos:
Talal Abu-Ghazaleh with Sarbuland Khan**







Photos: Talal Abu-Ghazaleh at the United Nations



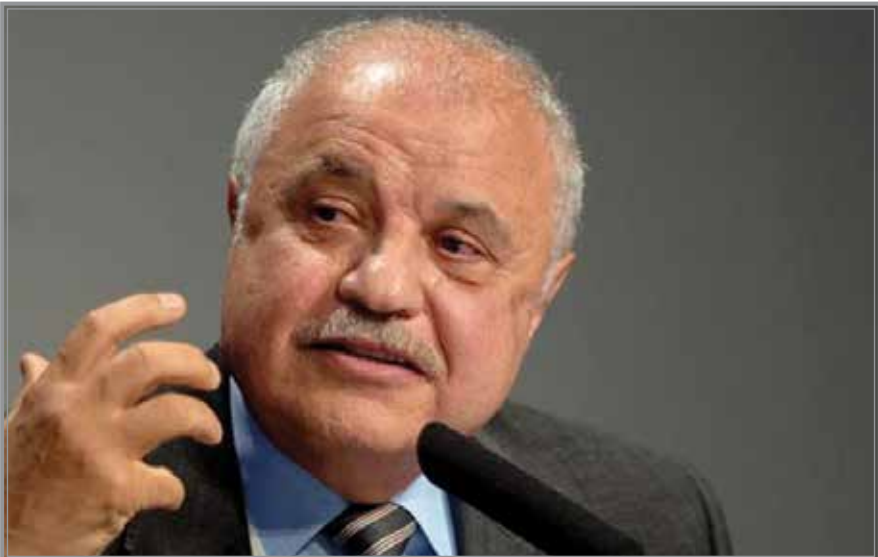
Dr. Abu-Ghazaleh during his WSIS speech, Geneva,
December 10, 2003



UNESCO Director-General Irina Bokova and Dr. Talal Abu-Ghazaleh
at the UNESCO Headquarters in Paris, France.



A bilateral discussion during the WSIS, November 17, 2005.



Dr. Talal Abu-Ghazaleh speaking at the WSIS, Tunisia, November 17, 2005.



Sarbuland Khan and Dr. Talal Abu-Ghazaleh reviewing documents, 2005



Dr. Talal Abu-Ghazaleh speaking at the UNCTAD symposium during WSIS, Tunisia, November 17, 2005.



Meeting with WSIS participants, 2005



TAG.Global booth at WSIS, 2005.



CNBC interviews Chairman Talal Abu-Ghazaleh at the World Summit on the Information Society (WSIS) in Tunis, November 18, 2005.



Global Alliance for ICT and Development (GAID) meetings with the attendance of Dr. Talal Abu-Ghazaleh in Paris, September 24, 2008.



Chairman Talal Abu-Ghazaleh during the meetings of the Global Alliance for ICT and Development (GAID) in Paris, September 24, 2008.



Chairman Talal Abu-Ghazaleh (left) at the UNESCO headquarters in Paris, June 24, 2008.



UN Secretary-General Ban Ki-Moon receives chairman Talal Abu-Ghazaleh at the UN headquarter in New York, April 2008.



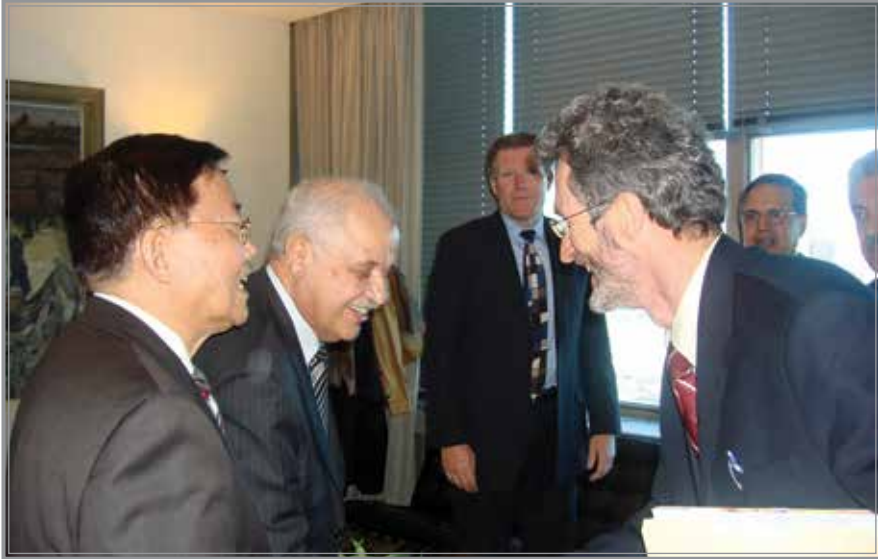
UN team involved in the half-million computer project for developing nations, New York, April 2008.



UN team involved in the half-million computer project for developing nations, New York, April 2008.



Meeting of the team in charge of the half-million computer project for developing nations, New York, April 2008.



A number of UN officials receive Chairman Talal Abu-Ghazaleh, New York, April 2008.



UN Secretary-General Ban Ki-Moon receives Chairman Talal Abu-Ghazaleh at the UN headquarters in New York, April 2008.



From the annual meeting of the Strategy Council of the UN Global Alliance for ICT and Development (GAID) in Monterrey, Mexico – September 2, 2009.



Dr. Talal Abu-Ghazaleh during the annual meeting of the Strategy Council of the UN Global Alliance for ICT and Development (GAID) in Monterrey, Mexico – September 2, 2009.



Dr. Talal Abu-Ghazaleh inaugurates the annual meeting of the Strategy Council of the UN Global Alliance for ICT and Development (GAID) in Monterrey, Mexico – September 2, 2009.



Dr. Talal Abu-Ghazaleh heads the High-level Meeting of UNGAID in New York - September 21, 2010.



Talal Abu-Ghazaleh during the UNCTAD Global Services Forum in Doha, 2012.



Talal Abu-Ghazaleh and the main speakers at the UNCTAD Global Services Forum in Doha, 2012.



HE Dr. Sima Bahouth - Assistant Secretary-General at the UN and Regional Director of the United Nations Development Program Bureau for Arab States and HE Dr. Talal Abu-Ghazaleh during a High-Level Regional Consultation in Amman, 2013



The UN Global Compact conference – the fifth Principles for Reasonable Management Education (PRME) - organized by Talal Abu-Ghazaleh Graduate School of Business under the patronage of HE Dr. Talal Abu-Ghazaleh, 2015.



Dr. Talal Abu-Ghazaleh speaking at UNCTAD 14 Conference, 2016.



Dr. Talal Abu-Ghazaleh with UNESCO Amman Office and Petra Authority Launched the PETRA Album by Luca Aquino and the Jordanian National Orchestra at the touristic site of Little Petra, 2016.



Edward Kallon, resident representative of the United Nations Development Programme (UNDP) honors HE Dr. Talal Abu-Ghazaleh during a special ceremony held under the patronage and presence of the Prime Minister Dr. Abdullah Al-Nsour, 2016.



TAG-Knowledge and UNDP sign MoU to support youth in governorates, 2016.



Talal Abu-Ghazaleh Organization (TAG-Org), ESCWA Technology Center, Arab Industrial Development and Mining Organization (AIDMO), Arab League Educational, Cultural and Scientific Organization (ALECSO) organize the Arab Forum for Science Applications, 2017.



Mr. Roberto Azevêdo, Director-General of the World Trade Organization (WTO) and HE Dr. Talal Abu-Ghazaleh during the opening plenary debate of the WTO Public Forum 2013 held in Geneva- October 1, 2013.



Dr. Talal Abu-Ghazaleh Stresses the Impact of Tourism on Global Economy during his speech at the 22nd General Assembly of the United Nations World Tourism Organization (UNWTO) held in Chengdu in China, 2017.



Dr. Talal Abu-Ghazaleh and the UN World Tourism Organization sign partnership, First International Smart Tourism Center to be established, 2017.



UN team involved in the half-million computer project for developing nations, New York, April 2008.



Dr. Talal Abu-Ghazaleh at the Economic and Social Commission for Western Asia (ESCWA) 30th Ministerial Session held at the UN House in Beirut, 2018.



Dr. Talal Abu-Ghazaleh chairs a panel discussion for students of the Faculty of Educational Science and Arts at UNRWA, 2018.



Dr. Talal Abu-Ghazaleh and UN-Habitat to Support Conflict and Post-conflict Arab Countries by Linking ICT and Sustainable Urbanization, 2019.



Dr. Talal Abu-Ghazaleh and UNESCO Co-Chair ‘Innovation Standards in Education in the Arab Countries’ Workshop, 2020.



Dr. Talal Abu-Ghazaleh Delivers Keynote Speech at UN Habitat’s Online Regional Meeting, 2021.



Dr. Talal Abu-Ghazaleh Joins the Advisory Committee of UNESCO Regional Center of Quality and Excellence in Education, 2021.



The Ministry of Planning and International Cooperation launched a study on the “Indirect Impact of the Syrian Refugee Crisis on the Jordanian Economy” funded by the United Nations Development Programme UNDP, and prepared by Talal Abu-Ghazaleh & Co. Consulting Firm.



Mr. Edward Kallon, resident representative of the United Nations Development Programme (UNDP) honors HE Dr. Talal Abu-Ghazaleh during a special ceremony held under the patronage and presence of the Prime Minister Dr. Abdullah Al-Nsour.



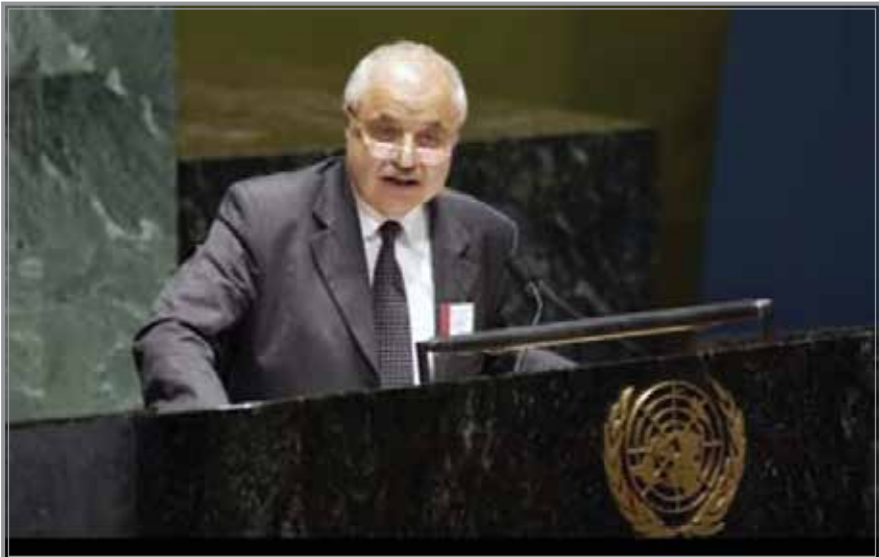
Dr. Talal Abu-Ghazaleh participates in the World Habitat Day at the United Nations Headquarters in New York.



Dr. Talal Abu-Ghazaleh and Minister of Education HE Dr. Mohammad Thunaibat and Minister of Planning and International Cooperation, HE Mr. Imad Fakhoury and Resident Representative of the United Nations Coordinator for Humanitarian Affairs HE Mr. Edward Kallon.



Dr. Talal Abu-Ghazaleh, speaking at the feast celebration of seventy years of the United Nations.



Dr. Talal Abu-Ghazaleh speaking at the United Nations.



Dr. Talal Abu-Ghazaleh, H.E. Tarek Kamel, the Minister of Communication and Information of Egypt and Mr. Abdul Waheed Khan, UNESCO's Assistant Director-General for Communication and Information during the launching ceremony of the partnership between TAG-Org and UNESCO on the sidelines of Internet Governance Forum in Sharm Al Sheikh.



Dr. Talal Abu-Ghazaleh and the participants of the annual Day of Solidarity with the Palestinian People organized by the United Nations.



Dr. Talal Abu-Ghazaleh, Chairman of Talal Abu-Ghazaleh Organization and the main speakers during the first WTO Panel on Defining the Future of Trade Meeting.



Dr. Talal Abu-Ghazaleh and the WTO Panel members during the first meeting.



The meeting of the World Trade Organization (WTO) Panel on Defining the Future of Trade to discuss the panel's closing report.



HE Dr. Talal Abu-Ghazaleh chairs an expert panel meeting at the headquarters of the World Trade Organization (WTO) to discuss recommendations to be submitted to the WTO's new Director General Mr. Roberto Azevêdo.



HE Dr. Talal Abu-Ghazaleh speaks during the ministerial integration panel of the High-Level Segment of the United Nations Economic and Social Council (ECOSOC) that was held at the UN Headquarters in New York.



Abu-Ghazaleh receives the United Nations President's Award for Sustainable Urbanization Consortium in recognition of his role in the field of information and communication technology.



Dr. Talal Abu-Ghazaleh receives the former Secretary-General of the United Nations, Dr. Boutros Boutros Ghali.



Dr. Talal Abu-Ghazaleh speaks at the opening session of the Twelfth United Nations Conference.



Dr. Talal Abu-Ghazaleh at the United Nations Headquarters - New York.



Mr. Ban Ki-Moon, Secretary-General of the United Nations United Nations and Dr. Talal Abu-Ghazaleh at the United Nations Headquarters - New York.



Dr. Talal Abu-Ghazaleh chairs the international meeting held at the United Nations Headquarters to establish the “MDG eNabler” project - September 2, 2010.



HE Dr. Talal Abu-Ghazaleh, Chairman of the Licensing Experts Association during the signing of the Memorandum of Understanding between the Economic and Social Commission for Western Asia - the United Nations and the Licensing Experts Association - Arab Countries at Al Hassan Scientific City.



His Excellency Mr. Najeeb Freiji, Director of the United Nations Information Center for the Gulf Countries and HE Dr. Talal Abu-Ghazaleh during a lecture on the concept of democracy in education.



HE Dr. Talal Abu-Ghazaleh honors Mr. Peter Walt, Assistant Program Specialist, Information and Communication Statistics / UNESCO Institute for Statistics (UIS) during a regional workshop organized by Talal Abu-Ghazaleh Organization in cooperation with UNESCO and the Institute of Statistics.

**Appendix 1:
ECOSOC Ministerial
Declaration 2000**

Ministerial declaration of the high-level segment submitted by the President of the Council

Development and international cooperation in the twenty-first century: the role of information technology in the context of a knowledge-based global economy

“1. We, the Ministers and Heads of Delegations participating in the high-level segment of the substantive session of 2000 of the Economic and Social Council, held from 5 to 7 July 2000, having considered the theme ‘Development and international cooperation in the twenty-first century: the role of information technology in the context of a knowledge-based global economy’, have adopted the following declaration.

“2. We recognize a wide consensus that information and communication technologies (ICT) are central to the creation of the emerging global knowledge-based economy and can play an important role in accelerating growth, in promoting sustainable development and eradicating poverty in developing countries as well as countries with economies in transition and in facilitating their effective integration into the global economy. We note with appreciation the emphasis placed on ICT in the Secretary-General’s reports to the forthcoming Millennium Summit and the high-level segment of the Economic and Social Council. This consensus is reflected most recently in the declaration of the South Summit held in Havana. We note the priority being accorded to this subject in the preparations for the G-8 Summit to be held in Okinawa, Japan.

“3. We appreciate the efforts deployed by all countries, including at the regional level, in preparing for the high-level segment of the substantive session of 2000 of the Economic and Social Council, in particular the organization of the African Development Forum 1999: The challenge to Africa of globalization and the information age, held in October 1999, the Latin American and Caribbean Seminar on Information Technology and Development, held in Florianopolis, Brazil, in June 2000, and the Regional Round Table on Information Technology and Development for the Asia and Pacific Region, held in New Delhi, India in June 2000. We take note of the Florianopolis Declaration and of the recommendations of the Regional Round Table.

“4. The ICT revolution opens vast new opportunities for economic growth and social development but also poses challenges and risks. Along with important economic and social benefits, it can lead to further widening disparities between and within countries. While considering the impact of ICT on the creation of a global knowledge-based economy, we highlight that the majority of the world population still lives in poverty and remains untouched by the ICT revolution. The emerging new economy, characterized by a rapidly increasing reliance of value creation on information and knowledge, still remains concentrated in the developed countries. Unless access to and use of ICT is broadened, the majority of people particularly in the developing countries will not enjoy the benefits of the new knowledge-based economy.

“5. We are deeply concerned that, at present, ICT’s huge potential for advancing development, in particular of the developing countries, has not been fully captured. This reality has given rise to manifestations of the ‘digital divide’. In this regard, urgent and concerted actions at the national, regional and international levels are imperative for bridging the digital divide and building digital opportunities and putting ICT firmly in the service of development for all. In this regard, we call on all members of the international community to work cooperatively to bridge the digital divide and to foster ‘digital opportunity’. In this context, we recognize the need to address the major impediments to the participation of the majority of the people in the developing countries in the revolution of ICT, such as lack of infrastructure, education, capacity-building, investment and connectivity.

“6. ICT provides unique opportunities for economic growth and human development. It can shape and enhance a wide range of development applications — from electronic commerce to access to financial markets; from generating employment to providing opportunities for investment to entrepreneurs, in particular small and medium-sized

enterprises; from improved agricultural and manufacturing productivity to the empowerment of all sections of society; from long-distance education to tele-medicine, from environmental management and monitoring to prevention and management of disasters. The potential to help foster sustainable development, empower people, including women and youth, build capacities and skills, assist small- and medium-sized enterprises, reduce poverty, and reinforce popular participation and informed decision-making at all levels is enormous. The promotion of ICT should not be a substitute for the efforts to ensure the development and modernization of basic sectors of the economy but should complement and enhance these efforts.

“7. Access to information and knowledge-sharing is largely determined by education, capabilities, including resources, transparent societies, capacity to generate and utilize knowledge, connectivity and the availability of diverse content and applications, and the policy and legal/regulatory framework. These areas require urgent action at the national and international levels to improve the capacity of all countries, particularly the developing countries and countries with economies in transition, to participate in the knowledge-based economy in order to promote their economic and social development.

“8. Efforts to achieve universal connectivity, particularly at the lower income levels, in all countries and especially in developing countries, will require innovative approaches and partnerships, including group and community connectivity and private-sector investment. In this regard, the establishment of integrated multipurpose and multimedia community information centres will be important.

“9. In addition to establishing connectivity, capacity (human as well as institutional) is critical in sustaining access and ensuring that its benefits are captured by society. Investment in education, including basic and digital literacy, remains the fundamental way of developing human capacity and should be at the heart of any national, regional and international information technology strategy.

“10. Besides connectivity and human and institutional capacities, the availability of diverse content can encourage access. The development of local content on the Internet and the ability of people to freely access it will help foster a culturally and linguistically diverse cyberspace and encourage broad and sustainable use of the Internet. Local content can also facilitate entrance to the knowledge-based economy for individuals and firms in developing countries and also as a means to expand their participation in the new networked economy.

“11. The ability to use ICT could contribute to the improvement of the capabilities of firms, including small and medium-sized enterprises, especially in developing countries, to participate in international markets. Electronic commerce offers the possibility to increase opportunities to access world markets and to accelerate economic growth. Towards that end, concerted efforts are needed at the national, regional and international levels to create a conducive environment. In this context, special attention should be paid to those countries that lack the capacity to effectively participate in electronic commerce.

“12. Market forces are fundamental but they alone will not suffice to put ICT in the service of development. Effective and meaningful collaborative efforts are required, involving Governments, multilateral development institutions, bilateral donors, the private sector, civil society and other relevant stakeholders, to enhance the developmental impact of ICT. Such efforts should include transfer of technology to developing countries on concessional and preferential terms, as mutually agreed, especially technology related to knowledge-based sectors, the mobilization of resources from all sources, public and private, at the national and international levels, and promoting capacity-building.

“13. We recognize that consistent and coherent actions at the national and local levels are essential for making ICT for development programmes effective and sustainable and appropriate to the particular national and local context. In this regard, best practices and lessons learned by countries and communities that have already implemented ICT programmes need to be drawn from and built upon. Developed countries should share with developing and transition economy countries their experience in promoting and

establishing ICT sectors in their own economies so that mistakes are avoided and benefits maximized.

“14. National programmes for putting ICT in the service of development must be integrated into national development strategies, as defined and implemented on the basis of national priorities and on the principle of national ownership of such strategies. These programmes need to enunciate a national vision of challenges and approaches, establish national priorities and, as appropriate, a national focal point, and provide a conducive environment for the rapid diffusion, development and use of information technology. These national programmes could include, inter alia:

(a) Establishing a transparent and consistent legal and regulatory framework that foster ICT development including, as appropriate, by removing impediments to growth in the ICT sector;

(b) Development of the basic infrastructure necessary for connectivity including for most remote areas;

(c) Application of ICT, wherever possible, in public institutions, such as schools, hospitals, libraries, government departments and agencies;

(d) Generation, development and enhancement of local content transmitted by ICT through, inter alia, the introduction of local language character sets;

(e) Promoting access to ICT for all by supporting the provision of public access points;

(f) Measures to bring down connectivity costs to make it affordable, including through market-based mechanisms and competition, as appropriate;

(g) Development of appropriate policies to promote investment in ICT sector;

(h) Making the necessary investment in human resource development and strengthening the institutions and networks for the production, acquisition, absorption and dissemination of knowledge products;

(i) Technical preparation of national manpower for securing national capacities to administrate information systems and to develop sustainable ICT projects;

(j) Promoting the digital enhancement of already established mass media;

(k) Developing strategies to link established technologies, such as radio and television, with new technologies, such as the Internet;

(l) Promotion of the creation of technological incubators linked to universities and centres for research.

“15. The United Nations system, in particular the Economic and Social Council, can play a key role in promoting synergies and coherence of all efforts directed to expand the development impact of ICT in the following ways:

(a) Supporting national actions aimed at harnessing the potential of ICT for development through providing assistance to developing countries and countries with economies in transition aimed at fully and beneficially integrating them into the networked knowledge-based global economy, and strengthening their capacity in building infrastructure and generating content;

(b) Serving as a global forum to accelerate and promote universal access to knowledge and information, contribute, as appropriate, within their respective mandate to the development of norms and standards on a transparent, meaningful and participatory basis, taking into account in a balanced manner, development priorities and incentive for innovations and contribute to addressing such issues as cultural diversity, information ethics, privacy, security and cyber-crime;

(c) Contributing to a more systematic, ongoing identification, review and dissemination, especially at the regional level, including through networks of learning communities, of ICT expertise, distance learning programmes, information and reliable

data on ICT, case studies, best practices and successful models, thus becoming an important 'knowledge bank' in this field;

(d) Emphasizing the importance of universal access to knowledge and information for promoting development;

(e) Providing global leadership in bridging the digital divide and promoting digital opportunity, and adopting, in order to enhance the capacity of the United Nations system to achieve these goals, a coherent system-wide ICT strategy that would ensure coordination and synergy among programmes and activities of individual organizations of the system and transform it into a knowledge-based system of organizations;

(f) Promoting the complementary roles of old and new media in bridging the 'digital divide', through, inter alia, the United Nations TV Forum;

(g) Bringing together the relevant actors from the public and private sectors to build partnership.

"16. All members of the international community should make a commitment, at the highest level to strive to bridge the digital divide and to bringing ICT to the service of development and all the peoples of the world. Adequate resources need to be mobilized and committed for achieving this goal. Stronger partnerships are needed among the donor community and between donors and recipients in order to avoid wasteful duplication and to foster collaboration and openness including amongst multilateral development institutions.

"17. We call upon the international community, including the relevant international organizations, funds and programmes, and specialized agencies of the United Nations system, to urgently:

(a) Promote programmes to intensify cooperation, especially South-South cooperation, in ICT for development projects, including ideas and projects for enhancing direct connectivity among developing countries;

(b) Actively explore new, creative financing initiatives for ICT through appropriate arrangements involving all relevant stakeholders, including the private sector;

(c) Devise measures to substantially reduce the average cost of access to the Internet within developing countries;

(d) Promote measures to increase the number of computers and other Internet access devices in developing countries;

(e) Explore measures to facilitate access to ICT training;

(f) Explore and find ways to promote and facilitate investment in the research and development of technologies, products and services that would contribute to raising the literacy and skill levels in developing countries;

(g) Facilitate the transfer of information and communication technologies, in particular to developing countries, and support efforts towards capacity-building and production of content;

(h) Encourage research and development on technology and applications adapted to specific requirements in developing countries, including distance learning, community-based training, digital alphabetization, tele-medicine, interoperability of networks, and natural disaster prevention and mitigation;

(i) Explore and define ways and means to strengthen the use of ICT in small and medium-sized enterprises in developing countries and countries with economies in transition as these enterprises constitute a major source of employment, and also to enhance their competitiveness in the emerging global economy.

"18. Partnerships, involving national Governments, bilateral and multilateral development actors, the private sectors, and other relevant stakeholders, should play a key role. In this context, we note the proposal contained in paragraph 11 of the report of the high-level panel of experts convened from 17 to 20 April 2000 that the United Nations create an ICT task force, and we request the Working Group on Informatics to make

recommendations regarding that proposal. The Working Group may submit its recommendations to the Council for its consideration.

“19. The Economic and Social Council should review the mandates and activities of its subsidiary bodies dealing with ICT with a view to establishing modalities to provide the United Nations and Governments with comprehensive, practical and action-oriented advice on policies and programmes and on new developments in the field of ICT for development.

“20. We recommend the endorsement of the present declaration at the Millennium Assembly.

“21. We call upon Governments, the United Nations system, and the other members of the international community to urgently translate the present declaration into coherent and concerted actions. We request the Secretary-General to initiate, on an urgent and priority basis, all necessary steps to implement the present declaration, and to submit a progress report to the Economic and Social Council at its substantive session of 2001.”

Notes

¹ *Official Records of the Economic and Social Council, 2000, Supplement No. 33.*

**Appendix 2:
United Nations Millennium
Declaration 2000**



General Assembly

Distr.: General
18 September 2000

Fifty-fifth session
Agenda item 60 (b)

Resolution adopted by the General Assembly

[without reference to a Main Committee (A/55/L.2)]

55/2. United Nations Millennium Declaration

The General Assembly

Adopts the following Declaration:

United Nations Millennium Declaration

I. Values and principles

1. We, heads of State and Government, have gathered at United Nations Headquarters in New York from 6 to 8 September 2000, at the dawn of a new millennium, to reaffirm our faith in the Organization and its Charter as indispensable foundations of a more peaceful, prosperous and just world.
2. We recognize that, in addition to our separate responsibilities to our individual societies, we have a collective responsibility to uphold the principles of human dignity, equality and equity at the global level. As leaders we have a duty therefore to all the world's people, especially the most vulnerable and, in particular, the children of the world, to whom the future belongs.
3. We reaffirm our commitment to the purposes and principles of the Charter of the United Nations, which have proved timeless and universal. Indeed, their relevance and capacity to inspire have increased, as nations and peoples have become increasingly interconnected and interdependent.
4. We are determined to establish a just and lasting peace all over the world in accordance with the purposes and principles of the Charter. We rededicate ourselves to support all efforts to uphold the sovereign equality of all States, respect for their territorial integrity and political independence, resolution of disputes by peaceful means and in conformity with the principles of justice and international law, the right to self-determination of peoples which remain under colonial domination and foreign occupation, non-interference in the internal affairs of States, respect for human rights and fundamental freedoms, respect for the equal rights of all without distinction as to race, sex, language or religion and international cooperation in solving international problems of an economic, social, cultural or humanitarian character.

5. We believe that the central challenge we face today is to ensure that globalization becomes a positive force for all the world's people. For while globalization offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed. We recognize that developing countries and countries with economies in transition face special difficulties in responding to this central challenge. Thus, only through broad and sustained efforts to create a shared future, based upon our common humanity in all its diversity, can globalization be made fully inclusive and equitable. These efforts must include policies and measures, at the global level, which correspond to the needs of developing countries and economies in transition and are formulated and implemented with their effective participation.
6. We consider certain fundamental values to be essential to international relations in the twenty-first century. These include:
 - **Freedom.** Men and women have the right to live their lives and raise their children in dignity, free from hunger and from the fear of violence, oppression or injustice. Democratic and participatory governance based on the will of the people best assures these rights.
 - **Equality.** No individual and no nation must be denied the opportunity to benefit from development. The equal rights and opportunities of women and men must be assured.
 - **Solidarity.** Global challenges must be managed in a way that distributes the costs and burdens fairly in accordance with basic principles of equity and social justice. Those who suffer or who benefit least deserve help from those who benefit most.
 - **Tolerance.** Human beings must respect one other, in all their diversity of belief, culture and language. Differences within and between societies should be neither feared nor repressed, but cherished as a precious asset of humanity. A culture of peace and dialogue among all civilizations should be actively promoted.
 - **Respect for nature.** Prudence must be shown in the management of all living species and natural resources, in accordance with the precepts of sustainable development. Only in this way can the immeasurable riches provided to us by nature be preserved and passed on to our descendants. The current unsustainable patterns of production and consumption must be changed in the interest of our future welfare and that of our descendants.
 - **Shared responsibility.** Responsibility for managing worldwide economic and social development, as well as threats to international peace and security, must be shared among the nations of the world and should be exercised multilaterally. As the most universal and most representative organization in the world, the United Nations must play the central role.
7. In order to translate these shared values into actions, we have identified key objectives to which we assign special significance.

II. Peace, security and disarmament

8. We will spare no effort to free our peoples from the scourge of war, whether within or between States, which has claimed more than 5 million lives in the

past decade. We will also seek to eliminate the dangers posed by weapons of mass destruction.

9. We resolve therefore:

- To strengthen respect for the rule of law in international as in national affairs and, in particular, to ensure compliance by Member States with the decisions of the International Court of Justice, in compliance with the Charter of the United Nations, in cases to which they are parties.
- To make the United Nations more effective in maintaining peace and security by giving it the resources and tools it needs for conflict prevention, peaceful resolution of disputes, peacekeeping, post-conflict peace-building and reconstruction. In this context, we take note of the report of the Panel on United Nations Peace Operations¹ and request the General Assembly to consider its recommendations expeditiously.
- To strengthen cooperation between the United Nations and regional organizations, in accordance with the provisions of Chapter VIII of the Charter.
- To ensure the implementation, by States Parties, of treaties in areas such as arms control and disarmament and of international humanitarian law and human rights law, and call upon all States to consider signing and ratifying the Rome Statute of the International Criminal Court.²
- To take concerted action against international terrorism, and to accede as soon as possible to all the relevant international conventions.
- To redouble our efforts to implement our commitment to counter the world drug problem.
- To intensify our efforts to fight transnational crime in all its dimensions, including trafficking as well as smuggling in human beings and money laundering.
- To minimize the adverse effects of United Nations economic sanctions on innocent populations, to subject such sanctions regimes to regular reviews and to eliminate the adverse effects of sanctions on third parties.
- To strive for the elimination of weapons of mass destruction, particularly nuclear weapons, and to keep all options open for achieving this aim, including the possibility of convening an international conference to identify ways of eliminating nuclear dangers.
- To take concerted action to end illicit traffic in small arms and light weapons, especially by making arms transfers more transparent and supporting regional disarmament measures, taking account of all the recommendations of the forthcoming United Nations Conference on Illicit Trade in Small Arms and Light Weapons.
- To call on all States to consider acceding to the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and

¹ A/55/305-S/2000/809; see *Official Records of the Security Council, Fifty-fifth Year, Supplement for July, August and September 2000*, document S/2000/809.

² A/CONF.183/9.

on Their Destruction,³ as well as the amended mines protocol to the Convention on conventional weapons.⁴

10. We urge Member States to observe the Olympic Truce, individually and collectively, now and in the future, and to support the International Olympic Committee in its efforts to promote peace and human understanding through sport and the Olympic Ideal.

III. Development and poverty eradication

11. We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want.
12. We resolve therefore to create an environment – at the national and global levels alike – which is conducive to development and to the elimination of poverty.
13. Success in meeting these objectives depends, *inter alia*, on good governance within each country. It also depends on good governance at the international level and on transparency in the financial, monetary and trading systems. We are committed to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system.
14. We are concerned about the obstacles developing countries face in mobilizing the resources needed to finance their sustained development. We will therefore make every effort to ensure the success of the High-level International and Intergovernmental Event on Financing for Development, to be held in 2001.
15. We also undertake to address the special needs of the least developed countries. In this context, we welcome the Third United Nations Conference on the Least Developed Countries to be held in May 2001 and will endeavour to ensure its success. We call on the industrialized countries:
 - To adopt, preferably by the time of that Conference, a policy of duty- and quota-free access for essentially all exports from the least developed countries;
 - To implement the enhanced programme of debt relief for the heavily indebted poor countries without further delay and to agree to cancel all official bilateral debts of those countries in return for their making demonstrable commitments to poverty reduction; and
 - To grant more generous development assistance, especially to countries that are genuinely making an effort to apply their resources to poverty reduction.
16. We are also determined to deal comprehensively and effectively with the debt problems of low- and middle-income developing countries, through various national and international measures designed to make their debt sustainable in the long term.

³ See CD/1478.

⁴ Amended protocol on prohibitions or restrictions on the use of mines, booby-traps and other devices (CCW/CONF.I/16 (Part I), annex B).

17. We also resolve to address the special needs of small island developing States, by implementing the Barbados Programme of Action⁵ and the outcome of the twenty-second special session of the General Assembly rapidly and in full. We urge the international community to ensure that, in the development of a vulnerability index, the special needs of small island developing States are taken into account.
18. We recognize the special needs and problems of the landlocked developing countries, and urge both bilateral and multilateral donors to increase financial and technical assistance to this group of countries to meet their special development needs and to help them overcome the impediments of geography by improving their transit transport systems.
19. We resolve further:
- To halve, by the year 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger and, by the same date, to halve the proportion of people who are unable to reach or to afford safe drinking water.
 - To ensure that, by the same date, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling and that girls and boys will have equal access to all levels of education.
 - By the same date, to have reduced maternal mortality by three quarters, and under-five child mortality by two thirds, of their current rates.
 - To have, by then, halted, and begun to reverse, the spread of HIV/AIDS, the scourge of malaria and other major diseases that afflict humanity.
 - To provide special assistance to children orphaned by HIV/AIDS.
 - By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers as proposed in the "Cities Without Slums" initiative.
20. We also resolve:
- To promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable.
 - To develop and implement strategies that give young people everywhere a real chance to find decent and productive work.
 - To encourage the pharmaceutical industry to make essential drugs more widely available and affordable by all who need them in developing countries.
 - To develop strong partnerships with the private sector and with civil society organizations in pursuit of development and poverty eradication.

⁵ Programme of Action for the Sustainable Development of Small Island Developing States (*Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution I, annex II).

- To ensure that the benefits of new technologies, especially information and communication technologies, in conformity with recommendations contained in the ECOSOC 2000 Ministerial Declaration,⁶ are available to all.

IV. Protecting our common environment

21. We must spare no effort to free all of humanity, and above all our children and grandchildren, from the threat of living on a planet irredeemably spoilt by human activities, and whose resources would no longer be sufficient for their needs.
22. We reaffirm our support for the principles of sustainable development, including those set out in Agenda 21,⁷ agreed upon at the United Nations Conference on Environment and Development.
23. We resolve therefore to adopt in all our environmental actions a new ethic of conservation and stewardship and, as first steps, we resolve:
 - To make every effort to ensure the entry into force of the Kyoto Protocol, preferably by the tenth anniversary of the United Nations Conference on Environment and Development in 2002, and to embark on the required reduction in emissions of greenhouse gases.
 - To intensify our collective efforts for the management, conservation and sustainable development of all types of forests.
 - To press for the full implementation of the Convention on Biological Diversity⁸ and the Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa.⁹
 - To stop the unsustainable exploitation of water resources by developing water management strategies at the regional, national and local levels, which promote both equitable access and adequate supplies.
 - To intensify cooperation to reduce the number and effects of natural and man-made disasters.
 - To ensure free access to information on the human genome sequence.

V. Human rights, democracy and good governance

24. We will spare no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development.
25. We resolve therefore:

⁶ E/2000/L.9.

⁷ *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: *Resolutions adopted by the Conference*, resolution 1, annex II.

⁸ See United Nations Environment Programme, *Convention on Biological Diversity* (Environmental Law and Institution Programme Activity Centre), June 1992.

⁹ A/49/84/Add.2, annex, appendix II.

- To respect fully and uphold the Universal Declaration of Human Rights.¹⁰
- To strive for the full protection and promotion in all our countries of civil, political, economic, social and cultural rights for all.
- To strengthen the capacity of all our countries to implement the principles and practices of democracy and respect for human rights, including minority rights.
- To combat all forms of violence against women and to implement the Convention on the Elimination of All Forms of Discrimination against Women.¹¹
- To take measures to ensure respect for and protection of the human rights of migrants, migrant workers and their families, to eliminate the increasing acts of racism and xenophobia in many societies and to promote greater harmony and tolerance in all societies.
- To work collectively for more inclusive political processes, allowing genuine participation by all citizens in all our countries.
- To ensure the freedom of the media to perform their essential role and the right of the public to have access to information.

VI. Protecting the vulnerable

26. We will spare no effort to ensure that children and all civilian populations that suffer disproportionately the consequences of natural disasters, genocide, armed conflicts and other humanitarian emergencies are given every assistance and protection so that they can resume normal life as soon as possible.

We resolve therefore:

- To expand and strengthen the protection of civilians in complex emergencies, in conformity with international humanitarian law.
- To strengthen international cooperation, including burden sharing in, and the coordination of humanitarian assistance to, countries hosting refugees and to help all refugees and displaced persons to return voluntarily to their homes, in safety and dignity and to be smoothly reintegrated into their societies.
- To encourage the ratification and full implementation of the Convention on the Rights of the Child¹² and its optional protocols on the involvement of children in armed conflict and on the sale of children, child prostitution and child pornography.¹³

VII. Meeting the special needs of Africa

27. We will support the consolidation of democracy in Africa and assist Africans in their struggle for lasting peace, poverty eradication and sustainable development, thereby bringing Africa into the mainstream of the world economy.

¹⁰ Resolution 217 A (III).

¹¹ Resolution 34/180, annex.

¹² Resolution 44/25, annex.

¹³ Resolution 54/263, annexes I and II.

28. We resolve therefore:

- To give full support to the political and institutional structures of emerging democracies in Africa.
- To encourage and sustain regional and subregional mechanisms for preventing conflict and promoting political stability, and to ensure a reliable flow of resources for peacekeeping operations on the continent.
- To take special measures to address the challenges of poverty eradication and sustainable development in Africa, including debt cancellation, improved market access, enhanced Official Development Assistance and increased flows of Foreign Direct Investment, as well as transfers of technology.
- To help Africa build up its capacity to tackle the spread of the HIV/AIDS pandemic and other infectious diseases.

VIII. Strengthening the United Nations

29. We will spare no effort to make the United Nations a more effective instrument for pursuing all of these priorities: the fight for development for all the peoples of the world, the fight against poverty, ignorance and disease; the fight against injustice; the fight against violence, terror and crime; and the fight against the degradation and destruction of our common home.

30. We resolve therefore:

- To reaffirm the central position of the General Assembly as the chief deliberative, policy-making and representative organ of the United Nations, and to enable it to play that role effectively.
- To intensify our efforts to achieve a comprehensive reform of the Security Council in all its aspects.
- To strengthen further the Economic and Social Council, building on its recent achievements, to help it fulfil the role ascribed to it in the Charter.
- To strengthen the International Court of Justice, in order to ensure justice and the rule of law in international affairs.
- To encourage regular consultations and coordination among the principal organs of the United Nations in pursuit of their functions.
- To ensure that the Organization is provided on a timely and predictable basis with the resources it needs to carry out its mandates.
- To urge the Secretariat to make the best use of those resources, in accordance with clear rules and procedures agreed by the General Assembly, in the interests of all Member States, by adopting the best management practices and technologies available and by concentrating on those tasks that reflect the agreed priorities of Member States.
- To promote adherence to the Convention on the Safety of United Nations and Associated Personnel.¹⁴

¹⁴ Resolution 49/59, annex.

- To ensure greater policy coherence and better cooperation between the United Nations, its agencies, the Bretton Woods Institutions and the World Trade Organization, as well as other multilateral bodies, with a view to achieving a fully coordinated approach to the problems of peace and development.
 - To strengthen further cooperation between the United Nations and national parliaments through their world organization, the Inter-Parliamentary Union, in various fields, including peace and security, economic and social development, international law and human rights and democracy and gender issues.
 - To give greater opportunities to the private sector, non-governmental organizations and civil society, in general, to contribute to the realization of the Organization's goals and programmes.
31. We request the General Assembly to review on a regular basis the progress made in implementing the provisions of this Declaration, and ask the Secretary-General to issue periodic reports for consideration by the General Assembly and as a basis for further action.
 32. We solemnly reaffirm, on this historic occasion, that the United Nations is the indispensable common house of the entire human family, through which we will seek to realize our universal aspirations for peace, cooperation and development. We therefore pledge our unstinting support for these common objectives and our determination to achieve them.

*8th plenary meeting
8 September 2000*

Appendix 3: UN ICT Task Force Membership



UNITED NATIONS INFORMATION AND COMMUNICATION TECHNOLOGY TASK FORCE

Membership

ABU- GHAZALEH, Talal	Chairman and Chief Executive Officer, Talal Abu-Ghazaleh & Co. (Egypt)
BAIRD, Zoe	President, Markle Foundation (United States)
BELINGA-EBOUTOU, Martin	President of the United Nations Economic and Social Council (Cameroon) ex-officio member for 2001
CHAMBERS, John	President and Chief Executive Office, Cisco Systems (United States)
CISNEROS, Gustavo A.	Chairman and Chief Executive Officer, Cisneros Group of Companies (Venezuela)
DESAI, Nitin	Under-Secretary-General, United Nations Department of Economic and Social Affairs
DIOP, Ndeye	Advisor, Ministry of Communications (Senegal)
DOSSAL, Amir	Executive Director, United Nations Fund for International Partnerships (UNFIP)
DUFBORG, Astrid	Director, Department for Infrastructure and Economic Cooperation, Swedish International Development Agency (Sweden)
ESTERHUYSEN, Anriette	Executive Director, Association for Progressive Communications (a worldwide network of ICT of NGOs and civil society) (South Africa)
FERNANDEZ, Juan	Coordinator of the Cuban Commission of Electronic Commerce of the Ministry of Informatics and Communication (Cuba)
FIGUERES-OLSEN, José María	Former President of Costa Rica and Special Representative of the Secretary-General on ICT
FIORINA, Carleton	President and Chief Executive Officer, Hewlett-Packard (United States)
GROSS, David	United States Coordinator, International Communications and Information Policy, United States Department of State
HARDER, Peter	Deputy Minister, Industry Canada (Canada)
IDRIS, Kamil	Director-General, World Intellectual Property Organization (WIPO)
KOROTKOV, Andrei	Head of Information Department of the Government (Russian Federation)
LEE, Yong-Kyung	President and CEO, KTF (South Korea), Chairman of Global Business Dialogue

Le GOURRIEREC, Alain	Special Assistant, French Ministry of Foreign Affairs (France)
MA, Songde	Vice-Minister, Ministry of Science and Technology of China (China)
MAHMOOD, Ashfaq	Deputy Minister, Information Technology and Telecommunication Division (Pakistan)
MALLOCH-BROWN, Mark	Administrator, United Nations Development Programme (UNDP)
MANHICA, Salamão Julio	Executive Secretary of the ICT Commission of Mozambique (Mozambique)
MANNING, Richard	Director-General, Resources, Department for International Development (United Kingdom)
MARCELLE, Gillian	Chairperson, African Information Society (Trinidad and Tobago)
MATSUURA, Koichiro	Director-General, United Nations Educational, Scientific and Cultural Organization (UNESCO)
MAUCH, Roland	Ambassador, Foreign Office (Germany)
MOTOMURA, Yoshiyuki	Deputy Permanent Representative of Japan to the United Nations, former Director-General, Office for the G-8 Okinawa Summit (Japan)
NASSERI, Sirous	Chief Executive Officer, ICT Services Corporation (Iran)
NICA, Dan	Minister of Communications and Information Technology (Romania)
OLLILA, Jorma	Chairman and Chief Executive Officer, Nokia Corporation (Finland)
PISTORIO, Pasquale	President and Chief Executive Officer, STMicroelectronics (Italy)
QUAYNOR, Nii	Chairman and Chief Executive Officer, Ghana Internet Corporation (Ghana)
RADWAN, Raafat	Chairman of Information and Decision Support Centre at the Egyptian Cabinet (Egypt)
RICUPERO, Rubens	Secretary-General of the United Nations Conference on Trade and Development (UNCTAD)
SHAH, Rajeeva Ratna	Secretary, Ministry of Information Technology (India)
SHOPE-MAFOLE, Lyndall	Minister, Ministry for Communications (South Africa)
TAKAHASHI, Eduardo Tadao	General Coordinator, Information Society Programme Task Force (Brazil)
TOUHY, Brendan	Secretary-General, Department of Public Enterprise (Ireland)
UTSUMI, Yoshio	Secretary-General, International Telecommunication Union (ITU)

WIBISONO, Makarim	Deputy Minister, (Indonesia), High-level Advisor
WOLFENSOHN, James	President, The World Bank
YUNUS, Muhammed	Grameen Trust (Bangladesh)

Appendix 4:
Report of the Working Group
on Internet Governance

Background paper on agenda and proposed agenda items for the UN Open Global Forum on Internet Governance

I. Toward a Definition of Internet Governance

- Is there a common understanding among all stakeholders on the definition of Internet Governance? If not, how can we work toward a common understanding.
- What are the components of Internet Governance?
 - Technical engineering
 - Technical Coordination of Names and Numbers
 - Public Policy

Which Intergovernmental and International Organizations are involved in Internet Governance? What are the concerns of different stakeholders related to each element regarding Internet Governance?

This forum should aim to get all stakeholders to clearly state what their concerns, problems and agendas really are. The discussions to date have been vague and often dialogue has been couched in terms that leave too much ambiguity. In order to move this dialogue forward, all stakeholders must be called upon to put their issues on the table clearly.

- What options exist for addressing these concerns?

Only if the concerns are truly spelt out can realistic options be discussed. The options should be explored in an in-depth and comprehensive manner.

II. Identification of stakeholders

III. Identifying issues that constitute Internet governance:

- What are the issues that constitute Internet Governance?
- How are these issues currently addressed at the international level and which organizations are involved?
- Is there a need for additional international coordination on each issue? If so, which issues require international coordination and how can that best be achieved?

IV. The U.N. Secretary General's Working Group on Internet Governance:

- Options regarding the composition of the Working Group?
- How can we ensure full participation by all stakeholders in deliberations and decision making?
- How should it operate and should there be clear rules of procedure?

Proposed topics for the Forum

‘Internet governance’

- a) Technical coordination of the Internet**
- b) Technical engineering**
- c) Coordination of the Internet names and numbers system**
- d) Public policy matters**

Recommendations regarding format for the Forum

Consider having 1 ‘keynote’ address from each stakeholder group: UN, IGOs, Governments, business (ICC), and civil society that are stage setting, clear articulations of key concerns and options.

Then have roundtables moderated by strong facilitators that will get to the point and get the points out of the different stakeholder representatives and engage in dialogue with the audience. A rapporteur would be needed for these sessions to gather the input and synthesize appropriately.

Report of the Working Group on Internet Governance

**Château de Bossey
June 2005**

Contents

	<i>Page</i>
I. Introduction	3
II. Working definition of Internet governance	4
III. Identifying public policy issues that are relevant to Internet governance and assessing the adequacy of existing governance arrangements	5
IV. Developing a common understanding of the respective roles and responsibilities of all stakeholders from both developed and developing countries	8
V. “Proposals for action, as appropriate”	10
A. Recommendations related to Internet governance mechanisms	10
1. Forum function	10
2. Global public policy and oversight	12
3. Institutional coordination	16
4. Regional and national coordination	16
B. Recommendations to address Internet-related issues	16
Annex	
Membership and secretariat of the Working Group on Internet Governance	20
Glossary	23

I. Introduction

1. This report has been produced by the Working Group on Internet Governance (WGIG), which was set up by the Secretary-General of the United Nations in accordance with the mandate given to him during the first phase of the World Summit on the Information Society (WSIS), held in Geneva, on 10-12 December 2003. The WGIG comprised 40 members from Governments, private sector and civil society, who all participated on an equal footing and in their personal capacity. It was chaired by Mr. Nitin Desai, Special Adviser to the Secretary-General for the WSIS. The list of the members of the WGIG is attached as an annex to the report.

2. A background report (hereafter referred to as “Background Report”) that includes much of the work produced in the course of the WGIG process is made available separately. It reflects the wide variety of opinions held within the group and reflects many comments made by stakeholders. The Background Report makes clear whether an argument or opinion is shared by the entire group or only by some of its members. It does not have the same status as the WGIG Report, but can be used as a reference.

3. The WGIG held four meetings in Geneva: 23-25 November 2004; 14-18 February 2005; 18-20 April 2005; and 14-17 June 2005.

4. The mandate of the WGIG stemmed from the Geneva phase of the WSIS, during which Heads of State and Government recognized the importance of the Internet: they acknowledged¹ that the Internet is a central element of the infrastructure of the emerging information society, while recognizing that there are differing views on the suitability of current institutions and mechanisms for managing processes and developing policies for the global Internet. For this reason, they requested the Secretary-General to set up a Working Group on Internet Governance, with a view to preparing the ground for negotiations at the second phase of the WSIS, to be held in Tunis in November 2005.

5. The WSIS Declaration of Principles and the WSIS Plan of Action² adopted in Geneva set the parameters for the WGIG and contain its Terms of Reference and work programme. The WGIG has been asked, inter alia, to “investigate and make proposals for action, as appropriate, on the governance of the Internet by 2005”,³ dealing with the following issues:⁴

- Develop a working definition of Internet governance
- Identify the public policy issues that are relevant to Internet governance
- Develop a common understanding of the respective roles and responsibilities of Governments, existing international organizations and other forums, as well as the private sector and civil society in both developing and developed countries

6. In carrying out its assignment, the WGIG was guided primarily by the key WSIS principles. In particular, the WSIS principle relating to the stable and secure functioning of the Internet was judged to be of paramount importance. Hence, at the

¹ WSIS Declaration of Principles, paras. 48-50 (WSIS-03/GENEVA/DOC/0004).

² WSIS-03/GENEVA/DOC/0005.

³ WSIS Declaration of Principles, para. 50 (WSIS-03/GENEVA/DOC/0004).

⁴ WSIS Plan of Action, para. 13 (b) (WSIS-03/GENEVA/DOC/0005).

outset, the WGIG agreed that all recommendations aiming to improve current governance arrangements should be fully assessed in terms of their capacity to address the WSIS principles.

7. For developing an understanding of governance issues, the WGIG found it useful to review the different phases of the Internet's development, from a research project in the 1960s to a widespread commercial infrastructure with close to 1 billion Internet users connected in 2004. This historical lens was useful to identify guiding principles and factors that have enabled or contributed to the Internet's successful development, including the open and decentralized nature of its architecture and the underlying technological development of its core standards, as well as the management of names and numbers.

II. Working definition of Internet governance

8. While there is a common understanding of the Internet, there is not yet a shared view of Internet governance, hence the mandate from the WSIS for the WGIG to develop a working definition of Internet governance. During the 10 years in which the Internet evolved from a research and academic facility into "a global facility available to the public",⁵ very different points of view emerged about the scope and mechanisms of Internet governance.

9. The WGIG first considered five criteria, namely that the working definition should be *adequate, generalizable, descriptive, concise* and *process-oriented*. Second, the WGIG analysed a wide range of public-sector, private-sector and multi-stakeholder governance mechanisms that currently exist with respect to different Internet issues and functions. Finally, the WGIG assessed a number of alternative definitions proposed by various parties in the course of the WSIS process and related international discussions.

10. Taking into account the criteria, analysis and proposals mentioned above, as well as the larger debate among stakeholders involved in WSIS, WGIG and the broader Internet community, the WGIG provides the following working definition:

Internet governance is the development and application by Governments, the private sector and civil society, in their respective roles, of shared principles, norms, rules, decision-making procedures, and programmes that shape the evolution and use of the Internet.

11. This working definition reinforces the concept of inclusiveness of Governments, the private sector and civil society in the mechanisms of Internet governance. This working definition also acknowledges that with respect to specific issues of Internet governance each group will have different interests, roles and participation, which in some cases will overlap.

12. It should be made clear, however, that Internet governance includes more than Internet names and addresses, issues dealt with by the Internet Corporation for Assigned Names and Numbers (ICANN): it also includes other significant public policy issues, such as critical Internet resources, the security and safety of the Internet, and developmental aspects and issues pertaining to the use of the Internet.

⁵ WSIS Declaration of Principles, para. 48 (WSIS-03/GENEVA/DOC/0004).

III. Identifying public policy issues that are relevant to Internet governance and assessing the adequacy of existing governance arrangements

13. The WGIG devoted much of its attention to the identification of public policy issues that are potentially relevant to Internet governance, as called for in paragraph 13 (b) of the Plan of Action. It agreed to take a broad approach and not exclude any potentially relevant issue. Based on this fact-finding work, the WGIG established four key public policy areas:

(a) Issues relating to infrastructure and the management of critical Internet resources, including administration of the domain name system and Internet protocol addresses (IP addresses), administration of the root server system, technical standards, peering and interconnection, telecommunications infrastructure, including innovative and convergent technologies, as well as multilingualization. These issues are matters of direct relevance to Internet governance and fall within the ambit of existing organizations with responsibility for these matters;

(b) Issues relating to the use of the Internet, including spam, network security and cybercrime. While these issues are directly related to Internet governance, the nature of global cooperation required is not well defined;

(c) Issues that are relevant to the Internet but have an impact much wider than the Internet and for which existing organizations are responsible, such as intellectual property rights (IPRs) or international trade. The WGIG started examining the extent to which these matters are being handled consistent with the Declaration of Principles;

(d) Issues relating to the developmental aspects of Internet governance, in particular capacity-building in developing countries.

14. After examining in depth the issues pertaining to these four clusters, the WGIG identified and included in the Background Report the public policy issues that are relevant to Internet governance. The issues of highest priority, including related issues and problems, are set out below for the attention of the WSIS.

15. Administration of the root zone files and system

Unilateral control by the United States Government.

- For historical reasons, the existing system involves only one Government in the authorization of changes to the root zone file.

Lack of formal relationship with root server operators.

- The root zone operators perform their functions today without a formal relationship with any authority.

16. Interconnection costs

Uneven distribution of cost.

- Internet service providers (ISPs) based in countries remote from Internet backbones, particularly in the developing countries, must pay the full cost of the international circuits.

- Absence of an appropriate and effective global Internet governance mechanism to resolve the issue.

17. **Internet stability, security and cybercrime**

- Lack of multilateral mechanisms to ensure the network stability and security of Internet infrastructure services and applications.
- Lack of efficient tools and mechanisms to be used by countries to prevent and prosecute crimes committed in other jurisdictions, using technological means that might be located within or outside the territory where the crime had a negative effect.

18. **Spam**

No unified, coordinated approach.

- There is no global consensus on a definition of spam and no global arrangement to address this matter or enable national anti-spam laws to be effective. However, there is an increasing number of bilateral and plurilateral agreements between countries to enforce national anti-spam laws, share best practices and cooperate on solutions.

19. **Meaningful participation in global policy development**

There are significant barriers to multi-stakeholder participation in governance mechanisms.

- There is often a lack of transparency, openness and participatory processes.
- Participation in some intergovernmental organizations and other international organizations is often limited and expensive, especially for developing countries, indigenous peoples, civil society organizations, and small and medium-sized enterprises (SMEs).
- The content produced by some intergovernmental organizations and other international organizations is often restricted to members only or is available at a prohibitive cost.
- Frequency and location of venues for global policy meetings causes some stakeholders from more remote areas to limit their participation.
- There is a lack of a global mechanism for participation by Governments, especially from developing countries, in addressing multisectoral issues related to global Internet policy development.

20. **Capacity-building**

Adequate resources have not been available to build capacity in a range of areas relevant to Internet management at the national level and to ensure effective participation in global Internet governance, particularly for developing countries.

21. **Allocation of domain names**

Need for further development of policies and procedures for generic top-level domain names (gTLDs).⁶

- The need for further development of policies for the management and further development of the domain name space, though also due to the inherent complexity of the matter, has a significant impact on key issues, such as the equitable distribution of resources, access for all and multilingualism.

22. **IP addressing**

Concerns over allocation policies for IP addresses.

- For historical reasons, there is an imbalance in the distribution of IPv4 addresses.⁷ This issue has already been addressed by the regional Internet registries (RIRs). In the light of the transition to IPv6,⁸ some countries feel that allocation policies for IP addresses should ensure balanced access to resources on a geographical basis.

23. **Intellectual property rights (IPR)**

Application of intellectual property rights to cyberspace.

- While there is agreement on the need for balance between the rights of holders and the rights of users, there are different views on the precise nature of the balance that will be most beneficial to all stakeholders, and whether the current IPR system is adequate to address the new issues posed by cyberspace. On the one hand, intellectual property rights holders are concerned about the high number of infringements, such as digital piracy, and the technologies developed to circumvent protective measures to prevent such infringements; on the other hand, users are concerned about market oligopolies, the impediments to access and use of digital content and the perceived unbalanced nature of current IPR rules.

24. **Freedom of expression**

Restrictions on freedom of expression.

- Measures taken in relation to the Internet on grounds of security or to fight crime can lead to violations of the provisions for freedom of expression as contained in the Universal Declaration of Human Rights and in the WSIS Declaration of Principles.

25. **Data protection and privacy rights**

Lack of existence or inconsistent application of privacy and data-protection rights.

- There is a lack of national legislation and enforceable global standards for privacy and data-protection rights over the Internet; as a result, users have few if any means to enforce their privacy and personal data-protection rights, even

⁶ See glossary.

⁷ Version four of the Internet Protocol.

⁸ Version six of the Internet Protocol.

when recognized by legislation. An example of this is the apparent lack of personal data protection in some of the WHOIS⁹ databases.

26. Consumer rights

- There is a lack of global standards for consumer rights over the Internet, for example in the international purchase of goods through e-commerce; as such, users have few if any means to enforce their rights, even when these rights are recognized by legislation. In the case of digital goods and online services, there are problems for the practical and full application of traditional consumer rights.

27. Multilingualism

- Insufficient progress has been made towards multilingualization. Unresolved issues include standards for multilingual TLDs, e-mail addresses and keyword lookup, as well as insufficient multilingual local content. There is a lack of international coordination.

28. The WGIG identified a number of other important issues, such as convergence and “next generation networks” (NGNs), as well as trade and e-commerce, without however focusing on them in any detail.

IV. Developing a common understanding of the respective roles and responsibilities of all stakeholders from both developed and developing countries

29. Recognizing the essential role of all stakeholders in Internet governance, this section expands on the roles and responsibilities of the principal stakeholders, i.e., Governments, the private sector and civil society, as well as intergovernmental and international organizations, as outlined in the WSIS Declaration of Principles.¹⁰ The academic and technical communities also play an important role.

30. **Governments.** The roles and responsibilities of Governments include:

- Public policymaking and coordination and implementation, as appropriate, at the national level, and policy development and coordination at the regional and international levels.
- Creating an enabling environment for information and communication technology (ICT) development.
- Oversight functions.
- Development and adoption of laws, regulations and standards.
- Treaty-making.
- Development of best practices.
- Fostering capacity-building in and through ICTs.
- Promoting research and development of technologies and standards.

⁹ A database that is widely used to provide information services to Internet users (see glossary).

¹⁰ WSIS Declaration of Principles, para. 49 (WSIS-03/GENEVA/DOC/0004).

- Promoting access to ICT services.
 - Combating cybercrime.
 - Fostering international and regional cooperation.
 - Promoting the development of infrastructure and ICT applications.
 - Addressing general developmental issues.
 - Promoting multilingualism and cultural diversity.
 - Dispute resolution and arbitration.
31. **The private sector.** The roles and responsibilities of the private sector include:
- Industry self-regulation.
 - Development of best practices.
 - Development of policy proposals, guidelines and tools for policymakers and other stakeholders.
 - Research and development of technologies, standards and processes.
 - Contribution to the drafting of national law and participation in national and international policy development.
 - Fostering innovation.
 - Arbitration and dispute resolution.
 - Promoting capacity-building.
32. **Civil society.** The roles and responsibilities of civil society include:
- Awareness-raising and capacity-building (knowledge, training, skills sharing).
 - Promoting various public interest objectives.
 - Facilitating network-building.
 - Mobilizing citizens in democratic processes.
 - Bringing perspectives of marginalized groups, including, for example, excluded communities and grass-roots activists.
 - Engaging in policy processes.
 - Contributing expertise, skills, experience and knowledge in a range of ICT policy areas.
 - Contributing to policy processes and policies that are more bottom-up, people-centred and inclusive.
 - Research and development of technologies and standards.
 - Development and dissemination of best practices.
 - Helping to ensure that political and market forces are accountable to the needs of all members of society.
 - Encouraging social responsibility and good governance practice.

- Advocating for the development of social projects and activities that are critical but may not be “fashionable” or profitable.
- Contributing to shaping visions of human-centred information societies based on human rights, sustainable development, social justice and empowerment.

33. Furthermore, the WGIG recognized that the contribution to the Internet of the academic community is very valuable and constitutes one of its main sources of inspiration, innovation and creativity. Similarly, the technical community and its organizations are deeply involved in Internet operation, Internet standard-setting and Internet services development. Both of these groups make a permanent and valuable contribution to the stability, security, functioning and evolution of the Internet. They interact extensively with and within all stakeholder groups.

34. The WGIG also reviewed the respective roles and responsibilities of existing intergovernmental and international organizations and other forums and the various mechanisms for both formal and informal consultations among these institutions. It noted that there is scope to improve coordination to some extent.

V. “Proposals for action, as appropriate”¹¹

A. Recommendations related to Internet governance mechanisms

35. The WGIG addressed the adequacy of current Internet governance arrangements in relation to the principles outlined in the final WSIS documents and came to the conclusion that some adjustments needed to be made to bring these arrangements more in line with the WSIS criteria of transparency, accountability, multilateralism and the need to address all public policy issues related to Internet governance in a coordinated manner. It grouped these issues in four clusters: a forum, global public policy and oversight, institutional coordination, and regional, subregional and national coordination.

36. The WGIG recommends the creation of a new space for dialogue for all stakeholders on an equal footing on all Internet governance-related issues.

37. With regard to the roles and responsibilities of Governments, the WGIG decided to put forward different options for the deliberations within the WSIS context. The four different proposals all complement the forum described in section V.A.1 below.

38. The WGIG also concluded that there would be merit in improving institutional coordination, as well as coordination among all stakeholders at the regional, subregional and national levels.

39. The four proposals are set out below.

1. Forum function

40. The WGIG identified a vacuum within the context of existing structures, since there is no global multi-stakeholder forum to address Internet-related public policy issues. It came to the conclusion that there would be merit in creating such a space for dialogue among all stakeholders. This space could address these issues, as well

¹¹ WSIS Declaration of Principles, para. 50 (WSIS-03/GENEVA/DOC/0004).

as emerging issues, that are cross-cutting and multidimensional and that either affect more than one institution, are not dealt with by any institution or are not addressed in a coordinated manner.

41. The WGIG also noted that one of its overarching priorities was to contribute to ensuring the effective and meaningful participation of all stakeholders from developing countries in Internet governance arrangements. Existing institutions that address some of these Internet-related public policy issues, such as the Organization for Economic Cooperation and Development (OECD), are not generally global in their membership and therefore developing countries lack a forum for discussing Internet-related public policy issues. Other global institutions are narrower in focus or do not allow for multi-stakeholder participation. It noted that the existing mechanisms do not sufficiently take into account geographic balance and linguistic diversity. Their fragmented nature and structure also make it difficult for developing countries to have their voices heard.

42. One of the main aims of the WGIG is to foster full participation in Internet governance arrangements by developing countries. The WGIG placed this aim in the context of one of the priorities it had identified in the course of its work, namely, capacity-building in developing countries.

43. Such a space or forum for dialogue (hereafter referred to as “the forum”) should allow for the participation of all stakeholders from developing and developed countries on an equal footing. Gender balance should be considered a fundamental principle with the aim of achieving an equal representation of women and men at all levels. Special care should be taken to ensure diversity of participation as regards, inter alia, language, culture, professional background, involvement of indigenous peoples, people with disabilities and other vulnerable groups.

44. The forum should preferably be linked to the United Nations, in a form to be defined. It would be better placed than existing Internet institutions to engage developing countries in a policy dialogue. This would be an important factor in itself, as the future growth of the Internet is expected to be mainly in developing countries.

45. The forum should be open to all stakeholders from all countries; any stakeholder could bring up any Internet governance issue. The forum would be reinforced by regional, subregional and national initiatives and supplemented by open online mechanisms for participation. It should support the information and communication technologies for development (ICT4D) agenda emerging from the WSIS and Millennium Development Goals (MDG) processes. It could assume, inter alia, the following functions:

- Interface with intergovernmental bodies and other institutions on matters under their purview which are relevant to Internet governance, such as IPR, e-commerce, trade in services and Internet/telecommunications convergence.
- Identify emerging issues and bring them to the attention of the appropriate bodies and make recommendations.
- Address issues that are not being dealt with elsewhere and make proposals for action, as appropriate.
- Connect different bodies involved in Internet management where necessary.

- Contribute to capacity-building for Internet governance for developing countries, drawing fully on local sources of knowledge and expertise.
- Promote and assess on an ongoing basis the embodiment of WSIS principles in Internet governance processes.

46. There was a clear understanding that such a forum should not be seen as a continuation of the WGIG. Rather, it should be modelled on the WGIG open consultations, supported by a very lightweight structure and guided by a multi-stakeholder coordinating process, to be defined. Overlap or duplication with existing institutions should be avoided and the best possible use should be made of research and work carried out by others.

47. The forum should develop partnerships with academic and research institutions to access knowledge resources and expertise on a regular basis. These partnerships should seek to reflect geographic balance and cultural diversity and promote cooperation among all regions.

2. Global public policy and oversight

48. The WGIG recognized that any organizational form for the governance function/oversight function should adhere to the following principles:

- No single Government should have a pre-eminent role in relation to international Internet governance.
- The organizational form for the governance function will be multilateral, transparent and democratic, with the full involvement of Governments, the private sector, civil society and international organizations.¹²
- The organizational form for the governance function will involve all stakeholders and relevant intergovernmental and international organizations within their respective roles.¹³

49. The WGIG agreed that the continued internationalization of the Internet and the principle of universality reinforces the need for a review of existing governance mechanisms, hence the WGIG undertook such a review and the results are presented here.

50. There is a wide range of governance functions that could include audit, arbitration, coordination, policy-setting and regulation, among others, but not including involvement in day-to-day operational management of the Internet that does not impact on public policy issues.

51. The review considered different organizational models for this purpose and the four models are set out below for consideration.

¹² WSIS Declaration of Principles, para. 48 (WSIS-03/GENEVA/DOC/0004).

¹³ WSIS Declaration of Principles, para. 49 (WSIS-03/GENEVA/DOC/0004).

Model 1

52. This model envisages a Global Internet Council (GIC), consisting of members from Governments with appropriate representation from each region and with involvement of other stakeholders. This council would take over the functions relating to international Internet governance currently performed by the Department of Commerce of the United States Government. It would also replace the ICANN Governmental Advisory Committee (GAC).

53. The functions of the GIC should include:

- Setting of international Internet public policy and providing the necessary oversight relating to Internet resource management, such as additions or deletions to the root zone file, management of IP addresses, introduction of gTLDs, delegation and redelegation of ccTLDs.
- Setting of international public policy and coordination for other Internet-related key issues, such as spam, privacy, cybersecurity and cybercrime, which are not being fully addressed by other existing intergovernmental organizations.
- Facilitating negotiation of treaties, conventions and agreements on Internet-related public policies.
- Fostering and providing guidance on certain developmental issues in the broader Internet agenda, including but not limited to capacity-building, multilingualism, equitable and cost-based international interconnection costs, and equitable access for all.
- Approving rules and procedures for dispute resolution mechanisms and conduct arbitration, as required.

54. The relationship between the GIC and technical and operational Internet institutions, such as the reformed and internationalized ICANN, should be formalized. In this model, ICANN will be accountable to GIC.

55. The GIC should be anchored in the United Nations.

56. For the issues dealt with in this body, the governmental component will take a leading role. The private sector and civil society will participate in an advisory capacity.

Model 2

57. There is no need for a specific oversight organization.

58. It may be necessary to enhance the role of ICANN's Governmental Advisory Committee (GAC) in order to meet the concerns of some Governments on specific issues.

59. The forum, as proposed in section V.A.1 above, with full and equal participation of all stakeholders, could, in addition to the various functions set out therein, provide coordination functions for participating stakeholders and produce analysis and recommendations on some issues.

60. This forum would provide a coordination function for participating stakeholders by creating a space in which all issues involving the existing Internet governance organizations could be openly discussed. These discussions will be enabled by the transparency of the participating organizations and participation should include a commitment to transparency.

61. The forum would also interact with or create specific issue initiatives to produce analyses or recommendations on different Internet-related issues. The initiatives should include all the stakeholders involved in the issue and would make recommendations to the forum and to the stakeholders.

Model 3

62. For policy issues involving national interests, given that no single Government should have a pre-eminent role in relation to international Internet governance, an International Internet Council (IIC) could fulfil the corresponding functions, especially in relation to ICANN/IANA competencies.

63. In addition, its functions might include international public policy issues relating to Internet resource management and international public policy issues that do not fall within the scope of other existing intergovernmental organizations.

64. For those issues, the governmental component of the IIC will take a leading role, with the private sector and civil society providing advice.

65. Equally, the IIC could perform a fostering role for certain developmental issues on the broader Internet agenda.

66. The new body could make the Governmental Advisory Committee (GAC) redundant.

67. This internationalization should be accompanied by an adequate host-country agreement for ICANN.

Model 4

68. This model brings together and addresses three interrelated areas of Internet policy governance, oversight and global coordination, and proposes structures to address the following challenges:

- Public policy development and decision-making on international Internet-related public policy issues led by Governments.
- Oversight over the body responsible at the global level for the technical and operational functioning of the Internet led by the private sector.
- Global coordination of the development of the Internet through dialogue between Governments, the private sector and civil society on an equal footing.

69. *The Global Internet Policy Council (GIPC)*

- “Responsible for international Internet-related public policy issues”, and contribute public policy perspectives to Internet-related technical standard-setting.
- Government-led mechanism that encompasses issues addressed by existing intergovernmental organizations and other public policy issues that currently do not have a natural home or cut across several international or intergovernmental bodies.
- Participation by the private sector and civil society, both in an observer capacity.

70. *World Internet Corporation for Assigned Names and Numbers (WICANN)*

- Responsible for the “development of the Internet in both technical and economic fields” (a role similar to that performed by ICANN). Private-sector-led body made up of a reformed internationalized ICANN linked to the United Nations.
- In this body, Governments will have two distinct and separate functions.
- The oversight function over the body responsible, at the global level, for the technical and operational functioning of Internet (ICANN). This is the role currently performed by the Department of Commerce of the United States Government. This role would be played by an Oversight Committee appointed by and reporting to the intergovernmental body (the Global Internet Policy Council). The oversight function would not be of an operational or management nature.
- The second function is advisory, as currently played by the ICANN Governmental Advisory Committee (GAC).
- Participation of Governments and civil society in an observer/advisory capacity.

- WICANN would have a host-country agreement.
71. *The Global Internet Governance Forum (GIGF)*
- Responsible for “facilitating coordination (and discussion) of Internet-related public policy issues”.
 - Participation on equal footing by Governments, the private sector and civil society.

3. Institutional coordination

72. Pursuant to paragraph 50 of the WSIS Declaration of Principles, the WGIG recommends that the secretariats of intergovernmental organizations and other institutions dealing with Internet governance issues continue to improve the coordination of their activities and exchange information on a regular basis, both among themselves and with the forum.

4. Regional and national coordination

73. The WGIG noted that international coordination needs to build on policy coordination at the national level. Global Internet governance can only be effective if there is coherence with regional, subregional and national-level policies. The WGIG therefore recommends:

(a) That the multi-stakeholder approach be implemented as far as possible in all regions in order for the work on Internet governance to be fully supported at the regional and subregional levels;

(b) That coordination be established among all stakeholders at the national level and a multi-stakeholder national Internet governance steering committee or similar body be set up.

B. Recommendations to address Internet-related issues

74. The WGIG agreed that there are two overarching prerequisites to enhance the legitimacy of Internet governance processes:

- The effective and meaningful participation of all stakeholders, especially from developing countries.
- The building of sufficient capacity in developing countries, in terms of knowledge and of human, financial and technical resources.

75. The WGIG identified a number of recommendations emanating from the priority issues outlined in section III above. Some of these are addressed to the various Internet governance mechanisms proposed in section V.A above, while others are not attributed to any specific institutions.

76. Administration of the root zone files and root server system of the domain name system (DNS)

- Define the institutional arrangements and the responsibilities and relationships between the institutions that are required to guarantee continuity of a stable and secure functioning of the root server system of the DNS.
- Noting that the number of root servers cannot be increased to more than 13 due to protocol limitations, carry out a requirements analysis to determine the appropriate evolution, including possible restructuring, of the architecture to meet end-user requirements.
- Clarify the institutional arrangements needed to guarantee continuity of a stable and secure functioning of the root system during and after a possible period of governance reform.

77. IP addressing

- Transition to IPv6 should ensure that allocation policies for IP addresses provide equitable access to resources.

78. Interconnection costs

- Invite international agencies and the donor community to intensify their studies in this area, in particular to examine alternative solutions, such as the development of regional IP backbones and the establishment of local and regional access points.
- Call on the groups studying Internet governance issues to take note of the WSIS Declaration of Principles, i.e., to be multilateral, transparent and democratic and to have the capacity to address Internet governance in a coordinated manner, based on a multi-stakeholder approach.
- Invite relevant international organizations to report on these matters to whatever forum, body or mechanism(s) that the WSIS will create for issues related to Internet governance and global coordination.
- Encourage donor programmes and other developmental financing mechanisms to take note of the need to provide funding for initiatives that advance connectivity, Internet exchange points (IXPs) and local content for developing countries.
- Building on current international agreements, encourage interested parties to continue and intensify work in relevant international organizations on international Internet connectivity issues.¹⁴

79. Internet stability, security and cybercrime

- Efforts should be made, in conjunction with all stakeholders, to create arrangements and procedures between national law enforcement agencies consistent with the appropriate protection of privacy, personal data and other human rights.

¹⁴ This issue has received sustained attention in the Asia-Pacific Economic Cooperation (APEC) and the International Telecommunication Union (ITU), and has been raised in the World Trade Organization (WTO) as well.

- Governments, in cooperation with all stakeholders, should explore and develop tools and mechanisms, including treaties and cooperation, to allow for effective criminal investigation and prosecution of crimes committed in cyberspace and against networks and technological resources, addressing the problem of cross-border jurisdiction, regardless of the territory from which the crime was committed and/or the location of the technological means used, while respecting sovereignty.

80. Spam

- There is a need for global coordination among all stakeholders to develop policies and technical instruments to combat spam.
- WSIS should recognize the need to act against spam and include common principles of action concerning cooperation in this field. It should recognize the need to produce anti-spam efforts, not only for legislation and cross-border enforcement but also in terms of industry self-regulation, technical solutions, partnerships between Governments and the Internet community, awareness-raising and user education. Special attention should be given to the connectivity and bandwidth limitations of developing countries. A joint statement could be agreed on the occasion of the WSIS and annexed to the final document(s) of the Summit.

81. Freedom of expression

- Ensure that all measures taken in relation to the Internet, in particular those on grounds of security or to fight crime, do not lead to violations of human rights principles.

82. Meaningful participation in global policy development

- International organizations, including intergovernmental organizations where relevant, should ensure that all stakeholders, particularly from developing countries, have the opportunity to participate in the determination of policy decisions that affect them, and promote and support such participation.
- Specific efforts should be made to address the lack of funds of the different stakeholders of developing countries, which impedes them from actively and consistently participating in international Internet governance processes.

83. Data protection and privacy rights

- Encourage countries that lack privacy and/or personal data-protection legislation to develop clear rules and legal frameworks, with the participation of all stakeholders, to protect citizens against the misuse of personal data, particularly countries with no legal tradition in these fields.
- The broad set of privacy-related issues described in the Background Report should be discussed in a multi-stakeholder setting so as to define practices to address them.
- The policies governing the WHOIS databases should be revised to take into account the existence of applicable privacy legislation in the countries of the registrar and of the registrant.
- Policy and privacy requirements for global electronic authentication systems should be defined in a multi-stakeholder setting; efforts should then be made

to develop open technical proposals for electronic authentication that meet such requirements.

84. **Consumer rights**

- Efforts should be made to render consumer protection laws and enforcement mechanisms fully and practically applicable and to protect consumers during the online purchase of physical and digital goods and online services, especially in cross-border transactions.
- Efforts should be made to define global consumer rights industry standards, applicable in the use and/or purchase of online services and digital goods. These efforts should be agreed by all stakeholders and should take into consideration applicable local laws and regulations on consumer protection, IPR and other relevant matters.
- An ongoing multi-stakeholder assessment process for newly developed technologies that may affect consumer rights should be created.

85. **Multilingualism**

(a) Domain names:

- Ensuring bottom-up and inclusive development of a transparent policy for the introduction of multilingual domain names.
- Strengthening the participation and coordination of all Governments and all stakeholders in the governance process. This is required to push forward the development and implementation of multilingual domain name solutions, including multilingual e-mail addresses and key word lookup.
- Strengthening cooperation between IETF and IDN registries,¹⁵ thus creating a sound international environment for the further development of technical standards and action plan for global deployment.

(b) Content:

- More effort should be put into developing content development tools to facilitate the creation of multilingual content.
- Governments, the private sector and civil society are encouraged to promote and create more content in local languages to be posted on the Internet.

¹⁵ See glossary.

Annex

Membership and secretariat of the Working Group on Internet Governance

Chairman

Nitin Desai
Special Adviser to the Secretary-General for the World Summit on the Information Society (Delhi/Mumbai)

Members

Abdullah Al-Darrab
Deputy Governor of Technical Affairs, Communications and Information Technology Commission of Saudi Arabia (Riyadh)

Carlos A. Afonso
Director of Planning, Information Network for the Third Sector;
Member, Brazil's Internet Steering Committee; Member, Non-Commercial Users Constituency (Rio de Janeiro)

Peng Hwa Ang
Dean, School of Communication and Information,
Nanyang Technological University (Singapore)

Karen Banks
Networking and Advocacy Coordinator, Association for Progressive Communications;
Director, GreenNet (London)

Faryel Beji
President and CEO, Tunisian Internet Agency (Tunis)

Vittorio Bertola
Chairman, ICANN At Large Advisory Committee; President and CTO, Dynamic Fun (Turin)

José Alexandre Bicalho
Member, Brazilian Internet Steering Committee; Adviser to the Board of Directors of the National Telecommunications Agency (Brasília)

Kangsik Cheon
Chief Operating Officer, International Business Development, Netpia (Seoul)

Trevor Clarke
Permanent Representative of Barbados to the United Nations Office at Geneva (Geneva)

Avri Doria
Research Consultant (Providence, Rhode Island)

William Drake
President, Computer Professionals for Social Responsibility;
Senior Associate, International Centre for Trade and Sustainable Development (Geneva)

Raúl Echeberría
Executive Director/CEO, Latin American and Caribbean Internet Addresses Registry (Montevideo)

Dev Erriah
Chairman, ICT Authority of Mauritius (Port Louis)

Baher Esmat
Telecom Planning Manager, Ministry of Communications and Information Technology
of Egypt (Cairo)

Juan Fernandez
Coordinator of the Commission of Electronic Commerce of Cuba (Havana)

Ayesha Hassan
Senior Policy Manager for Electronic Business, IT and Telecommunications,
International Chamber of Commerce (Paris)

David Hendon
Director of Business Relations, United Kingdom Department of Trade and Industry
(London)

Qiheng Hu
Adviser to the Science and Technology Commission of the Ministry of Information
Industry of China; Former Vice-President of the Chinese Academy of Sciences (Beijing)

Willy Jensen
Director General, Norwegian Post and Telecom Authority (Oslo)

Wolfgang Kleinwächter
Professor, International Communication Policy and Regulation, University of Aarhus
(Aarhus)

Jovan Kurbalija
Director, DiploFoundation, Geneva/La Valletta (Geneva)

Iosif Charles Legrand
Senior Scientist, California Institute of Technology (Pasadena, California)

Donald MacLean
Director, MacLean Consulting (Ottawa)

Allen Miller
Executive Director, World Information Technology and Services Alliance
(Arlington, Virginia)

Jacqueline A. Morris
Consultant (Port of Spain)

Olivier Nana Nzépa
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Alejandro Pisanty
Director of Computing Academic Services, Universidad Nacional Autonoma de Mexico;
Vice-Chairman of the Board of ICANN (Mexico City)

Khalilullah Qazi
Counsellor, Permanent Mission of Pakistan to the United Nations Office at Geneva
(Geneva)

Rajashekar Ramaraj
Managing Director, Sify Limited (Chennai (formerly Madras))

Masaaki Sakamaki
Director, Computer Communications Division, Ministry of Internal Affairs and
Communications (Tokyo)

Joseph Sarr
President, NTIC Commission, Dakar Regional Council (Dakar)

Peiman Seadat
Counsellor, Permanent Mission of the Islamic Republic of Iran to the United Nations
Office at Geneva (Geneva)

Charles Sha'ban
Executive Director, Abu-Ghazaleh Intellectual Property (Amman)

Lyndall Shope-Mafole
Chairperson, Presidential National Commission on Information Society and
Development of South Africa (Pretoria)

Waudu Siganga
Chairman, Computer Society of Kenya (Nairobi)

Juan Carlos Solines Moreno
Executive Director, Gobierno Digital (Quito)

Mikhail Yakushev
Director of legal support department, Ministry of Information Technology and
Communications of the Russian Federation (Moscow)

Peter Zangl
Deputy Director-General, Directorate General Information Society and Media, European
Commission (Brussels)

Jean-Paul Zens
First Counsellor, Director of the Media and Telecom Department, Ministry of State of
Luxembourg (Luxembourg City)

Secretariat

Markus Kummer, Executive Coordinator

Frank March, Senior Programme Adviser

Tarek Cheniti, Consultant

Hind Eltayeb, Administrative Assistant

Robert Shaw, part-time, seconded by ITU

Howard Williams, part-time, seconded by the University of Strathclyde

David Satola, World Bank (part-time in his personal capacity)

Chengetai Masango, Intern (April-July 2005)

Chango Mawaki, Fellow, in association with DiploFoundation (June 2005)

Seiiti Arata, Fellow, in association with DiploFoundation (June 2005)

Dhrupad Mathur, Fellow, in association with DiploFoundation (June 2005)

Glossary

APEC	Asia-Pacific Economic Cooperation
ASCII	American Standard Code for Information Interchange; seven-bit encoding of the Roman alphabet
ccTLD	Country code top-level domain, such as .uk (United Kingdom), .de (Germany) or .jp (Japan)
DNS	Domain name system: translates domain names into IP addresses
GAC	Governmental Advisory Committee (to ICANN)
gTLD	Generic top-level domain, such as .com, .int, .net, .org, .info
IANA	Internet Assigned Numbers Authority
ICANN	Internet Corporation for Assigned Names and Numbers
ICT	Information and communication technology
ICT4D	Information and communication technology for development
IDN	Internationalized domain names: web addresses using a non-ASCII character set
IETF	Internet Engineering Task Force
IGOs	Intergovernmental organizations
IP	Internet Protocol
IP Address	Internet Protocol address: a unique identifier corresponding to each computer or device on an IP network. Currently there are two types of IP addresses in active use. IP version 4 (IPv4) and IP version 6 (IPv6). IPv4 (which uses 32 bit numbers) has been used since 1983 and is still the most commonly used version. Deployment of the IPv6 protocol began in 1999. IPv6 addresses are 128-bit numbers.
IPRs	Intellectual property rights
IPv4	Version 4 of the Internet Protocol
IPv6	Version 6 of the Internet Protocol
ITU	International Telecommunication Union
IXPs	Internet exchange points
MDGs	Millennium Development Goals

NAPs	network access points
NGN	Next generation network
OECD	Organization for Economic Cooperation and Development
Registrar	A body approved ("accredited") by a registry to sell/register domain names on its behalf.
Registry	A registry is a company or organization that maintains a centralized registry database for the TLDs or for IP address blocks (e.g. the RIRs — see below). Some registries operate without registrars at all and some operate with registrars but also allow direct registrations via the registry.
RIRs	Regional Internet registries. These not-for-profit organizations are responsible for distributing IP addresses on a regional level to Internet service providers and local registries.
Root servers	Servers that contain pointers to the authoritative name servers for all TLDs. In addition to the “original” 13 root servers carrying the IANA managed root zone file, there are now large number of Anycast servers that provide identical information and which have been deployed worldwide by some of the original 12 operators.
Root zone file	Master file containing pointers to name servers for all TLDs
SMEs	Small and medium-sized enterprises
TLD	Top-level domain (see also ccTLD and gTLD)
WGIG	Working Group on Internet Governance
WHOIS	WHOIS is a transaction oriented query/response protocol that is widely used to provide information services to Internet users. While originally used by most (but not all) TLD Registry operators to provide “white pages” services and information about registered domain names, current deployments cover a much broader range of information services, including RIR WHOIS look-ups for IP address allocation information.
WSIS	World Summit on Information Society
WTO	World Trade Organization

Appendix 5: Principles and Elements of UNGAID

**Principles and elements
of a Global Alliance for ICT and Development
(Multi-stakeholder Forum)¹**

In July 2004, the Secretary-General of the United Nations has requested the Chairman of the United Nations ICT Task Force to develop detailed proposals on an alliance for information and communication technologies (ICT) and development. In implementation of this request, open on-line and physical consultations with all stakeholders were launched following the Seventh meeting of the United Nations ICT Task Force in Berlin (November 2004) and have continued through open consultations held on 21 February 2005 in Geneva, on 13 April 2005 in Dublin and on 31 May 2005 in Shanghai. Members of the Task Force discussed this matter extensively at the meeting of the Task Force on 15 April 2005 in Dublin, as well as on-line. As an input to the discussion, evaluations of the experience, strengths and weaknesses of the ICT Task Force were prepared by the secretariat of the Task Force, by an academic team from the Syracuse University and by a Danish academic.

Letters requesting comments on successive revised drafts of “principles and elements” were sent to all Permanent Missions in New York on 21 March and 14 June 2005. A series of broad consultations was undertaken, on the Chairman’s behalf, in Europe, as well as in conjunction with other events such as the meeting of the Group of the Friends of the Chair (Geneva, 13 June 2005) and the meeting of WGIG (Geneva, 14-17 June 2005).

The final round of consultations was held in conjunction with the World Summit on the Information Society in Tunis at an open meeting on 17 November 2005 and at the ICT Task Force meeting on 18 November. These two meetings focused on the meaning of WSIS outcomes, in particular as regards a future Internet Governance Forum and the overall WSIS follow up, for the proposed Global Alliance.

Outcome of open consultations and discussions

As a result of these open consultations and discussions a broad consensus has emerged that there is a need to continue an open, transparent, multi-stakeholder dialogue on the focused role of ICT in development. A multi-stakeholder, Global Alliance for ICT and Development functioning in a forum format was seen by most participants as the optimal approach.

¹ Working title.

The mission of the Alliance will be to respond to the need and demand for an inclusive global forum and platform for cross-sectoral policy dialogue, conducted in an open, multi-stakeholder and transparent manner, on the use of ICT for enhancing the achievement of internationally agreed development goals, including the MDGs, notably reduction of poverty.

A principal distinguishing feature of the Alliance, and its key value added, will be in providing a multi-stakeholder cross-sectoral platform and forum that will bring together all stakeholders representing relevant constituencies (for example, in governments - development cooperation, foreign policy, finance, social, sectoral (health, education) and regulatory agencies; in the private sector - industry and workers associations, producers and consumers of ICT, the media; in civil society – NGOs, CSOs, foundations, scientific, academic and ICT communities and individuals providing advocacy and oversight on Information Society issues and implementing programs addressing MDGs).

At present, no such cross-sectoral platform or forum exist. Policy debate – even when undertaken in a multi-stakeholder format – is fragmented into multiple, distinct sectoral processes with inadequate cross-fertilization. As a result, while the challenge of harnessing the potential of ICT for development is by definition cross-sectoral, our collective response to this challenge remains fragmented. As noted during the WSIS process, multi-dimensional issues are not effectively addressed within any one extant organization; complementarities, gaps and tensions among diverse existing efforts and initiatives are not always identified and acted upon; comparative, cross-sectoral analysis of experience with a view to promoting best practices is not being adequately performed.

Networks such as the Global Knowledge Partnership are very valuable embodiments of current efforts to provide a multi-stakeholder network on ICT4D. The Global Alliance will therefore need to collaborate closely with the GKP and other networks to strengthen a joint effort by supporting them with convening power and reach that come with a United Nations affiliation.

The WSIS Geneva Declaration of Principles and Plan of Action, and especially the recently adopted *Tunis Agenda for the Information Society* attach “great importance to multi-stakeholder implementation at the international level” and encourage “the development of multi-stakeholder processes at the national, regional and international levels for policy dialogue and building partnerships with a view to the expansion and diffusion of the Internet as a means to support development effort and achieve internationally agreed development goals, including the MDGs” (Tunis Agenda, paragraph 80). The proposed Global Alliance, by providing an inclusive multi-stakeholder global platform and forum for policy dialogue on the use of ICT for enhancing the achievement of internationally agreed development goals, will respond directly to this call.

The Alliance will present an innovative, inclusive and interactive channel for multi-stakeholder input to policy debate to be conducted in intergovernmental organs - CSTD and ECOSOC. To this end, the Alliance will, in partnership with CSTD

Secretariat, help organize a multi-stakeholder platform as the multi-stakeholder component of the CSTD review of WSIS follow-up and implementation. Similarly, the Global Alliance will also help organize, in partnership with ECOSOC Secretariat, multi-stakeholder roundtables in the context of ECOSOC's reviews of cross-cutting themes linking the WSIS outcome to the integrated follow-up to and implementation of other UN conferences and summits.

In terms of substance of their respective work, the Alliance and the Internet Governance Forum are envisaged as distinct streams of activities since the IGF will focus on "public policy issues related to key elements of Internet Governance" (Tunis Agenda, paragraph 72), while the Alliance will address a much broader array of issues relevant to the use of ICT for advancing development.

Consultations demonstrated that several guiding principles enjoy multi-stakeholder support and are considered essential features of the Alliance:

- The Alliance should build on the experience of and further advance the work of initiatives such as the DOT Force and the UN ICT Task Force, as well as the experience of the WSIS process, providing a platform and a forum for cross-sectoral policy and partnership dialogue with the full and equal engagement and collaboration of all stakeholders representing relevant constituencies from all parts of the world.
- The Alliance should make full use of and cooperate with existing institutions and networks² and their forums and collaborate, in a coherent and complementary manner, with other activities related to WSIS follow-up, by enhancing multi-stakeholder, cross-cutting and cross-sectoral dialogue on global ICT for Development (ICT4D) and Information Society issues, thus contributing to the effectiveness, visibility and development impact of these entities and initiatives and enhancing their inclusive character.
- The Alliance should significantly expand the circle of participants in policy debate beyond the traditional set of stakeholders, by active outreach aimed at engaging younger champions of ICT4D, non-governmental participants from developing countries, media, academia and other constituencies that currently are not adequately involved.
- The Alliance should help identify and focus attention on priority issues related to ICT4D that are not adequately addressed, or where "intellectual

² Including, but not limited to relevant organizations of the United Nations system (ITU, UNDP, UNESCO, WIPO, UNCTAD, the World Bank, Regional Commissions and others), Global Knowledge Partnership, regional development banks, private sector organizations (GBDe, GIIC, ICC, WITSA), civil society, Internet community, media organizations including regional broadcasting unions such as the European Broadcasting Union, and others.

vacuum” persists, with a view to triggering action by relevant stakeholders and fostering problem-solving partnerships.

- The Alliance should be a model of using technology to enhance efficiency of interaction, including by making extensive use of virtual collaborative tools.
- The Alliance should be linked to the United Nations and work under the authority of the Secretary-General and the auspices of the ECOSOC, reporting periodically, through the Secretary-General, to ECOSOC for assessment and guidance. Responding to the call of the Tunis Agenda for the Information Society (in particular paragraph 80) adopted by the Tunis phase of WSIS, the Global Alliance will provide indispensable multi-stakeholder complement at the international level to the intergovernmental follow-up process led by ECOSOC.
- The Alliance must pursue an active outreach policy to ensure transparency and visibility of its work and results.
- . The Alliance will need to build on, sustain and strengthen the global and regional networks created by the ICT Task Force , and should be based on open and participatory principles.
- The Alliance will not create a new United Nations organization but will function as a decentralized multi-stakeholder network and partnership drawing upon and interlinking with existing institutions and forums. The Alliance will not have an operational, policy-making or negotiating function. Its role will be in strengthening the work and activities of existing UN and other organizations, not duplicate them.
- Since the Alliance will be financed by voluntary contributions of its members and partners, it will not have financial implications for the regular budget of the United Nations. However, in order to ensure full transparency and accountability, it would function in accordance with relevant United Nations financial rules and regulations.

Objectives

The Alliance will seek to contribute to the achievement of the following objectives:

- Mainstreaming of the global ICT agenda into the broader United Nations development agenda;

- Bringing together key organizations involved in ICT4D to enhance their collaboration and effectiveness in the use of ICT for development and the achievement of the internationally agreed development goals;
- Raising awareness of policy makers on ICT4D policy issues;
- Facilitating identification of technological solutions for specific internationally agreed development goals and promoting pertinent partnerships;
- Creating an enabling environment and innovative business models for pro-poor investment and growth and for empowering people living in poverty;

The Alliance will also act as a “think-tank” on ICT4D-related issues and as an Advisory Group to the Secretary-General.

Functioning modalities

The principal modality of functioning will be that of a decentralized network of forums, institutions and think-tanks, bringing them together into a global forum under the patronage of the Secretary-General and the auspices of ECOSOC.

To achieve the objectives outlined above, the Alliance will promote focused dialogue on ICT4D issues, primarily by virtual means and during related events. It will function as a multi-stakeholder partnership supported by the United Nations³, and should in principle be linked with the broader UN development agenda leading to 2015. Its functioning should be reviewed periodically (every 2-3 years) to ensure continued relevance and effectiveness.

The Alliance will rely on light and agile structures tailored to specific topics that the Alliance may decide to address. A high-level Advisory Board will provide strategic overall guidance to the work of the Global Alliance, ensure engagement of top-level expertise and leadership, and facilitate effective outreach and influence with leaders of today and tomorrow. The organizational direction will be provided by a small Steering Committee. These mechanisms will be formed on the basis of balanced representation in terms of regions, stakeholders and gender, and allow nomination of representatives by their constituencies (civil society, private sector, academia).

Identification of priorities and themes to be pursued in policy dialogue will be done in open consultation with general membership.

³ The United Nations supports multi-stakeholder partnerships in a number of areas (sustainable development, water, energy, HIV/AIDS, and others).

Core organizational and administrative support will be provided by a small secretariat based initially at UN Headquarters in New York, with possible regional- and stakeholder-based nodes.

Participation

As distinct from previous initiatives, the Alliance will be open to participation of all stakeholders, including governments, business, civil society, international organizations, industry groups and professional associations, media, academia, and the broad ICT and development communities. Groups of participants would coalesce around specific topics of mutual interest put forward for discussion.

Funding arrangements

The Alliance activities will be funded by voluntary contributions, both financial and in-kind (such as providing networking support, hosting meetings, contributing to logistical or staff support, co-producing publications, etc.).

**Appendix 6:
MOU UN Global Compact
and UNGAID**

Memorandum of Understanding

Between

the UN Global Compact Office

and

the Secretariat of the Global Alliance for ICT and Development

for

Collaboration on enhancing access to information and communications technology for advancing development

WHEREAS the UN Global Compact Office and the Secretariat of the Global Alliance for ICT and Development (collectively referred to as the “Parties”) have agreed to collaborate in furthering the work, purposes and objectives of the UN Global Compact and the work, purpose and objectives of the Global Alliance for ICT and Development;

NOW, THEREFORE, the Parties hereby agree as follows.

Article 1

Purpose

The purpose of this Memorandum of Understanding is to set forth the terms and conditions of the collaboration between the Parties.

Article 2

Responsibilities of the Global Compact Office

The responsibilities of the Global Compact Office under this Memorandum of Understanding will include the following:

- (a) The Global Compact Office will recognize Alliance activities as a welcome engagement opportunity for Global Compact participants to translate their commitment into action;
- (b) The Global Compact Office will encourage Global Compact participants to engage in activities of the Global Alliance;
- (c) The Global Compact Office will identify a staff member at the working level to be responsible for the cooperation with the Global Alliance.

Article 3

Responsibilities of the Secretariat of the Global Alliance for ICT and Development

The responsibilities of the Secretariat of the Global Alliance for ICT and Development under this Memorandum of Understanding will include the following:

(a) The Secretariat of the Global Alliance for ICT and Development will encourage corporations and other stakeholders engaged in the Global Alliance to join the Global Compact;

(b) The Secretariat of the Global Alliance for ICT and Development will look for opportunities for joint advocacy with the Global Compact Office relating to the Global Compact including through announcements on websites, mutual references in appropriate public documents and other public communications vehicles;

(c) The Secretariat of the Global Alliance for ICT and Development will explore opportunities for the hosting of joint events with the Global Compact Office;

(d) The Secretariat of the Global Alliance for ICT and Development will identify a staff member at the working level to be responsible for the cooperation with the Global Compact Office.

Article 4

Joint responsibilities

The Parties intend to consider ways to:

- (a) share relevant agendas, knowledge and ideas;
- (b) look for opportunities for joint advocacy including through announcements on websites, mutual references in appropriate public documents and other public communications vehicles;
- (c) utilize and leverage their existing resources and facilities to mutual advantage and benefit;
- (d) improve the integration of related activities;
- (e) pool resources and expertise where appropriate;
- (f) explore opportunities for the hosting of joint events; and
- (g) evaluate the effectiveness of working in collaboration on respective organizational mandates and priorities.

Article 5

Specific areas of collaboration

Specific areas of collaboration and specific activities will be defined jointly by the Parties, subject to the Parties' institutional mandates.

Article 6
Limits to Agreement

This Memorandum does not constitute an agreement by either Party to provide support for any specific project or activity. Specific arrangements for individual projects or activities will be documented separately. Any sharing of information between the Parties will be subject to their respective policies on the disclosure of information.

Article 7
Disputes

Any disputes between the Parties arising out of or relating to this Memorandum of Understanding will be settled amicably by negotiation.

Article 8
Timeframe and Termination

This Memorandum will enter into effect from the date of the last signature. Either Party may, at its sole discretion, terminate this Memorandum at any time by providing written notice to the other Party.

Article 9
Reporting, Monitoring and Evaluation

The Parties agree to meet on an annual basis to evaluate the overall effectiveness of all the collaborative activities undertaken pursuant to this Memorandum.

In witness whereof, the Parties hereto execute this Memorandum:

For the Secretariat
of the Global Alliance for ICT
and Development

For the UN Global Compact Office

Sarbuland Khan
Executive Coordinator
Secretariat of the Global
Alliance for ICT and
Development

Georg Kell

Executive Head
Global Compact Office

Date:

Date:

**Appendix 7:
Report of Expert Group
on Principles and Guidelines
for Environmental Accounting
and Financial Accounting**

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Integrating Environmental and Financial Performance at the
Enterprise Level

A Methodology for Standardizing Eco-efficiency Indicators



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Preface

The United Nations' work on transparency and accountability originated in 1975 when the former UN Commission on Transnational Corporations (TNCs) became concerned about the lack of meaningful disclosure by transnational corporations in their financial statements. It found that the financial information provided by transnational corporations was neither reliable, transparent nor comparable. In order to promote the harmonization of financial information and meaningful disclosure to all users of financial statements, ECOSOC created the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR).

In 1989 ISAR took up the topic of corporate environmental accounting. The Group soon discovered in its first survey that there were no national accounting standards specific to environmental information disclosure. Furthermore, some CEOs believed that environmental information was not necessary for a true and fair view of the enterprise's performance or that it was too difficult to obtain. To meet this obvious need for guidance, ISAR issued its first recommendations for environmental disclosure in the financial statements in 1991.

This guidance was soon followed by intense study and analysis by national standard-setters. However, only two countries have issued comprehensive rules covering environmental accounting and reporting. In 1998 ISAR revisited the issue of environmental disclosure and expanded its recommendations based on emerging best practices. Its objective in issuing a new *guideline - Accounting and Financial Reporting for Environmental Costs and Liabilities-* was to ensure that different standard-setters did not adopt different solutions for the same problems.

However, it is clear that the conventional accounting model is not able to assess an enterprise's environmental performance and its

impact on financial performance to the degree desired by all stakeholders. This is because the conventional model was developed to provide information only on the financial position and performance. Since Rio the business community has become committed to the concept of sustainable development and to improving its environmental performance. On the other hand, various stakeholders are demanding that enterprises report on these improvements. In particular the financial community is concerned about how environmental performance affects the financial results of an enterprise.

This report presents the results of ISAR's work to extend the conventional accounting model and to link environmental performance with financial performance. The precise correlation between improved environmental performance of an enterprise and its bottom line is extremely difficult to prove because of the many other factors, which can affect profits. However, the concept of eco-efficiency where increased profits are achieved under conditions of declining environmental impact demonstrate such a link. Despite the theoretical usefulness of eco-efficiency indicators, their construction and use are highly problematic. This report presents a method by which environmental and financial performance indicators can be used together to measure an enterprise's progress in attaining eco-efficiency or sustainability. It is hoped that by developing a method for producing internally consistent environmental and financial information, the quality of environmental reporting and stakeholder satisfaction with it will improve.

Rubens Ricupero
Secretary General of UNCTAD

CONTENTS

ACKNOWLEDGEMENTS	III
PREFACE	V
INTRODUCTION	I
ENTERPRISES AND THE CONCEPT OF SUSTAINABLE DEVELOPMENT	1
DRIVERS FOR ENVIRONMENTAL REPORTING.....	4
LACK OF CONSENSUS ON ENVIRONMENTAL PERFORMANCE INDICATORS.....	10
PURPOSE AND STRUCTURE OF THIS REPORT.....	13
CHAPTER TWO.....	17
ENVIRONMENTAL PERFORMANCE INDICATORS.....	17
DEFINITION AND CLASSIFICATION OF ENVIRONMENTAL PERFORMANCE INDICATORS.....	17
NEED FOR STANDARDIZATION OF ENVIRONMENTAL VARIABLES	18
CONCEPT OF ECO-EFFICIENCY	20
LINKING ENVIRONMENTAL PERFORMANCE TO FINANCIAL PERFORMANCE	23
CHAPTER THREE.....	25
SELECTING AND STANDARDIZING GENERIC ENVIRONMENTAL PERFORMANCE INDICATORS.....	25
CASE FOR GENERIC EPIS AND FOR SECTOR-SPECIFIC EPIS	25
IDENTIFICATION OF THE MOST USEFUL/RELEVANT EPIS.....	28
AGENDA 21	29
KYOTO PROTOCOL AND MONTREAL PROTOCOL	33
EFFLUENT-BASED EPIS	34
Table 4: Financial impacts.....	34
QUANTIFYING AN ENTERPRISE'S CONTRIBUTION TO ENVIRONMENTAL PROBLEMS	35
CONVERSION FACTORS FOR NON-RENEWABLE ENERGY RESOURCES	35
GLOBAL WARMING.....	37
Table 6: Conversion factors, global warming gas emissions.....	38

DEPLETION OF THE OZONE LAYER	38
WASTE DISPOSAL	39
DEPLETION OF FRESH WATER RESOURCES	40
OVERVIEW OF EFFLUENT-BASED EPIs	40
FINANCIAL IMPACTS.....	42
Table 8: Financial impacts of EPIs	42
CHAPTER FOUR.....	43
SELECTING THE FINANCIAL PERFORMANCE INDICATOR.....	43
VALUE ADDED.....	43
SALES AS REFERENCE ITEM	46
VALUE ADDED AS REFERENCE ITEM	46
OUTSOURCING	49
OUTSOURCING AND THE LINK BETWEEN FINANCIAL AND ENVIRONMENTAL PERFORMANCE	50
OUTSOURCING AND THE FEASIBILITY OF LIFE CYCLE ANALYSIS FOR INVESTORS	53
THE PROPOSED SET OF EPI'S.....	54
Table 12: Proposed set of EPIs	54
CHAPTER FIVE.....	56
ACCOUNTING ISSUES IN STANDARDIZATION	56
MATERIALITY	58
SUBSTANCE OVER FORM.....	59
PRUDENCE.....	59
VERIFIABILITY	60
COMPARABILITY	61
CONSOLIDATION	62
CONSOLIDATED ENVIRONMENTAL DATA	62
MAIN ISSUES IN FINANCIAL CONSOLIDATION	62
FULL CONSOLIDATION.....	63
EQUITY METHOD	64
PROPORTIONATE CONSOLIDATION.....	65
EXAMPLE	66
SEGMENTATION.....	72
CONCLUSION.....	73

APPENDIX 1:	DEFINITIONS	74
	Environmental performance indicators	74
	Definitions of environmental performance indicators.....	75
	Discretionary use of indicators.....	76
APPENDIX 2:	OTHER INITIATIVES TO DEVELOP EPIS	77
	Global Reporting Initiative	78
	International Organization of Standardization (ISO)	80
	World Business Council for Sustainable Development.....	83
APPENDIX 3:	GLOBAL WARMING AND OZONE DEPLETION POTENTIALS	
	86	
APPENDIX 5:	THE ENVIRONMENTAL PERFORMANCE INDICATOR MATRIX	
	95	
APPENDIX 6:	ABBREVIATIONS AND ACRONYMS	100
APPENDIX 7:	REFERENCES	102

CHAPTER ONE

Introduction

Enterprises and the concept of sustainable development

The most widely accepted definition of sustainable development was given by the Bruntland Commission over thirteen years ago as development which “meets the needs of the present without compromising the ability of future generations to meet their own needs.” Sustainability then and now is not just an environmental issue, it is also a social as well as an economic issue. The first refers to the issues of the physical environment and mankind’s use of it, the second to the issues of inter and intra-generational equity which are essentially social issues. Today many accept that sustainable development is built on three pillars: economic prosperity, environmental quality, and social equity. While the definition of sustainable development has been agreed, what has not emerged is a recognized consensus on what a sustainable global economy might look like and what path might get us there. In fact, it seems that the global economy is farther from a sustainable development path than ever before. The UNDP *Human Development Report 1999* makes it very clear that economic growth is still being achieved at the expense of ecological balance and social progress. It is obvious that the gap between current practice and the desired state of sustainability has never been wider. One reason is because many enterprises see sustainable development and commercial activity as mutually exclusive. Of those few enterprises committed to sustainable development most have yet to operationalize the concept.

Indeed, it is very unclear what enterprises are doing, should do, or, could do, to re-direct their operations towards more sustainable development.

Some business groups claim that industry has made extensive progress since the UN Conference on Environment and Development held in Rio in 1992 addressing the sustainable development agenda. Closer investigation shows that only a few enterprises see their environmental performance as a competitive and/or strategic issue. The World Business Council for Sustainable Development, established in 1991, has 128 members from a potential pool of some 50,000 TNCs; there are equally few signatories to various corporate environmental charters of good practice such as the Valdez Principles. Industry associations for environmental friendliness such as the Chemical Industries Association Responsible Care Programme and the UNEP Financial Sector/Insurance Industry initiatives remain in the minority. Whilst the ICC Business Charter has attracted a significant number of adherents it is not capable of being verified and there is no monitoring of compliance with the principles. Less than 5 per cent of the world's TNCs issue environmental reports, the quality of which leaves much to be desired in terms of relevance and comparability. The leaders that have emerged are to be encouraged as vanguard enterprises that have recognized that wider issues than short-term financial return must be taken into account in managing their businesses for the long term.

While a number of enterprises may wish to operate in a more environmentally friendly manner, financial pressure, competitive markets and the traditional accounting model based upon historical costs are some of the factors

which inhibit substantial changes in TNCs' behaviour. The lack of understanding and formal guidance contributes significantly to an enterprise's inability to operationalize the concept of sustainable development.¹ A 1996 UN survey revealed that enterprise executives were not fully aware of the implications of environmental sustainability in the broader context. Interestingly, industry associations such as the ICC and WBCSD either do not mention sustainability or offer no diagnosis of what sustainability actually might mean for business or any assessment of how it might be achieved. What is offered in their documents is a programme of actions which business can take which will be broadly sound economically and reduce the environmental impact of business activity. These actions can be effectively categorized as "pollution prevention pays" (PPP).

The UN survey revealed that the business community did not hold a single, clear interpretation of sustainability. A number of enterprises believed that either sustainability does not involve the needs of future generations (59 per cent); or that their organization had already achieved sustainability (37 per cent). Such beliefs seem completely at variance with the most basic and commonly accepted parameters of sustainability. The 1999 KPMG International Survey of Environmental Reporting noted that whilst sustainable development was covered by 18 per cent of corporations (it was 2 per cent in 1996) it appeared that some confusion still

¹ "Incentives and Disincentives for the Adoption of Sustainable Development by Transnational Corporations," in *International Accounting and Reporting Issues: 1995 Review: Environmental Accounting*, UNCTAD, Geneva, 1996, pp.1-39.

exists between the use of this term and the term "environment" as there was no distinction in the reports.²

The concept of sustainable development may not be easily reconcilable with that of profit/shareholder wealth maximization. Some portion of the environmental impact is under the control of the enterprise while some impact is outside the control of the business (for example, supplier, customer and disposal aspects). Taken from this perspective, it is unreasonable for society to expect business to become truly sustainable under its own initiatives. If enterprises are to move towards sustainability by internalizing costs from cradle to the grave then the rules of the game will have to change. Until they do, the most that can be expected is that enterprises move towards sustainability by reducing their un-sustainability or by improving their environmental performance, which is under their control.

Drivers for environmental reporting³

Despite industry's inability to take on board fully the concept of sustainable development there are currently some very powerful drivers for improved environmental

² KPMG, *International Survey of Environmental Reporting 1999* (De Meern, The Netherlands) 1999. The KPMG Survey covered the top 100 companies in each of 11 countries and had a 98 per cent response rate.

³ R. Adams, "Linking Environmental and Financial Performance: A Survey of Best Practice Techniques," in *International Accounting and Reporting Issues: 1998 Review*, UNCTAD, Geneva, 1999, pp. 75-116.

performance and external reporting at the enterprise level. Various stakeholders-shareholders, creditors, financial analysts, customers, employees and activist groups- want an airing of the enterprise's environmental performance just like the constant flow of financial data which is available to shareholders. For example, *financial sector stakeholders* are beginning to request improved levels of environmental data. They use such data for various purposes: to reduce their own exposure to lending or credit risk; to judge the entities' own exposure to risk; to interpret corporate management's ability to manage environmental issues and to integrate environmental issues into general long-term strategic issues; and to compare progress between companies over time. A number of studies have recently shown that stock markets will reward good corporate behaviour. A 1997 study by Klassen and McLaughlin found that when companies win environmental awards, their share prices tend to rise by, on average, 0.82 per cent. But prices will tend to fall by about 1.5 per cent following an environmental disaster such as an oil spill.⁴

A more recent study (1999) undertaken on behalf of the UK Institute of Chartered Management Accountants shows an association between corporate environmental responsibility and enterprise profitability.⁵ Comparative

⁴ Hancock, J. The colour of your money-it's turning green, *Financial Times*, 17 July 1999, p.5.

⁵ J. S. Toms, *Enlightenment vs. Self interest: Financial Performance Differentials of "Ethically" Managed Companies*, Discussion Paper, School of Management & Finance, The University of Nottingham, 1996 and 1999.

returns on capital employed were 5 per cent higher for green companies than for not-so-green companies. Superior profits for green companies are probably driven by marketing as well as productive efficiency. Greenness and other forms of environmental responsibility can be marketing weapons. For example, Shell scored 7th before Brent Spar, but plummeted to 146th afterward.

Other drivers for improved environmental performance and reporting include international and regional requirements for environmental performance evaluation. The International Organization for Standardization has developed ISO 14000 series, which provides specifications, guidance and advice on environmental issues including labelling, documentation, evaluation, auditing and reviews. International Standard ISO 14031 on environmental performance evaluation includes operational performance indicators, management performance indicators and environmental condition indicators. However, these are being developed for internal management purposes, not for external reporting. And the European Union Eco-Management and Audit Scheme (EMAS), a voluntary scheme for all member States, has provided incentives for small and medium-sized enterprises to become involved in environmental reporting.

Financially sophisticated stakeholders want to see the link between environmental performance and financial performance in the environmental report. An enterprise which recognizes its environmental responsibilities, as defined by law, and which institutes appropriate and effective systems of environmental management and adopts

environmentally friendly technologies will minimize its exposure to future financial risk/loss arising from environmental incidents. At the same time,

- such an enterprise should be able to secure lower insurance premiums, reflecting the reduced risk
- a favourable risk rating may secure the enterprise better borrowing terms when issuing corporate debt or equity
- additional benefits include lower “green” taxes, levies, fines; lower operating costs and waste disposal costs
- a “green” image could increase sales revenues.

While all these will have a positive impact on the bottom line, it is quite a different thing to assert that environmentally derived financial benefits will automatically flow through into superior share price performance or increased shareholder value.

Despite the fact that there are many influences on profitability and shareholder value, there is growing acceptance of eco-efficiency indicators to measure the relation between environmental performance and financial performance. An eco-efficiency enterprise is one which uses fewer resources, causes fewer emissions to soil, water and air and thus enjoys an increase in the operating margin due to lower costs/higher product prices. Eco-efficiency indicators compare changes in environmental performance indicators with financial performance indicators such as return on capital employed, value added, etc. However, the

state of the art of reporting environmental performance indicators leaves much to be desired and eco-efficiency indicators are in their infancy. *The purpose of this report is to provide guidance on the identification, selection, and construction of the most useful environmental performance indicators and eco-efficiency indicators. Such indicators must, as a minimum, be globally recognized, internally consistent, and comparable.* The lack of consensus on reporting corporate environmental activity, impacts and performance.

Pressure is increasing on enterprises to report environmental performance. Enterprises themselves see it as a way to demonstrate corporate commitment, gain competitive advantages, position themselves on environmental issues, raise staff awareness, demonstrate progress against targets and performance and go beyond compliance. UNCTAD monitored the environmental reporting practices of larger enterprises in 1992 and 1994. Both surveys revealed that environmental disclosures remained qualitative, descriptive, partial and difficult to compare. No relation was usually drawn between environmental targets, the amounts spent to achieve these targets and the results achieved either in environmental terms or financial terms. Again in 1996, KPMG surveyed the leading 100 companies in each of 12 developed countries and found that 23 per cent of them produced corporate environmental reports. A 1997 survey found that

Environmental disclosures in annual reports vary widely in scope and quality, as do stand alone reports: there is little consistency and

not much scope for inter-enterprise comparison or benchmarking.

According to the ACCA, only some 2000 of the world's 50,000 TNCs produce environmental reports- or less than 5 per cent. UNEP's project "Engaging Stakeholders" (1996) recently looked into the reasons non-reporting enterprises give for not reporting:

We have doubts about the advantages that it would bring to our enterprise.

We already have a good reputation for our environmental performance.

It is too expensive.

It could damage our enterprise reputation.

It would not increase our sales.

It is our policy not to interact with the public.

We have political reasons for not reporting.⁶

Concrete obstacles to reporting include lack of management interest, lack of resources, difficulties in gathering data, and lack of Standardized indicators. The World Business Council for Sustainable Development (WBCSD) noted in its 1997 annual report that, *While eco-efficiency is becoming an increasingly widely accepted idea, there is no universally agreed system for measuring and*

⁶ UNEP and Sustainability, International progress report on enterprise environmental reporting, The Benchmark Survey: Engaging Stakeholders, London, 1996.

reporting on it. Individual companies and business sectors have tended to derive their own metrics.⁷ The researchers conclude that the ultimate answer to non-reporting or inconsistent reporting may well rest in legislation.

Lack of consensus on environmental performance indicators

A 1998 UNCTAD report identified key environmental performance indicators currently in use by leading-edge enterprises to measure and communicate environmental performance.⁸ They included:

⁷ World Business Council on Sustainable Development, *Annual Review: 1997*, Geneva, 1998.

⁸ R. Adams, "Linking Environmental and Financial Performance: A Survey of Best Practice Techniques," in *International Accounting and Reporting Issues: 1998 Review*, UNCTAD, Geneva, 1999, pp. 79-80.

Table 1: Key environmental performance indicators

Categories of EPIs	Examples of EPIs
1. measures of ultimate environmental impact	<ul style="list-style-type: none"> • species diversity around plant • noise levels at specified points • ratio of actual to sustainable discharges
2. risk measures of potential impact	<ul style="list-style-type: none"> • usage of high-risk chemicals/materials • risk of fatalities to exposed populations • risk of damage to ecosystems
3. emissions/waste measures (of mass and volume of emissions and wastes)	<ul style="list-style-type: none"> • emissions to air: TRI toxins, sulphur dioxides, nitrogen oxides, CO₂ etc. • waste to landfill: hazardous, non-hazardous • waste water discharges
4. input measures (of the effectiveness of business process)	<ul style="list-style-type: none"> • measures covering people, equipment, materials, physical setting, internal support
5. measures of resource consumption	<ul style="list-style-type: none"> • measures of energy, materials, water, natural resource consumption
6. efficiency measures (of energy and material utilization)	<ul style="list-style-type: none"> • energy: ratio energy used/wasted • ratio actual/theoretical energy used • materials: percentage utilization • equipment: percentage utilization
7. customer measures (of satisfaction and behaviour)	<ul style="list-style-type: none"> • level of customer approval • number of complaints • product related environmental awareness • per cent adopting desired behaviour
8. financial measures	<ul style="list-style-type: none"> • cost of environmentally related capital expenditure • direct environmentally related operating costs • regulatory compliance, fines and penalties • costs of energy/materials • avoided costs plus measurable benefits

But to date there is no international consensus on how corporate environmental activity and impact should be reported. In contrast, financial performance indicators are calculated on the basis of national and international accounting standards. Therefore, when financial analysts calculate these ratios for various enterprises they have reliable measures for comparing performance.

This is not the case with regard to environmental performance since there is no consensus on the use of Standardized environmental performance indicators. Each enterprise within an industry can report its performance using different environmental indicators, not necessarily using the same indicators from year to year. As a result, it is difficult to compare the environmental performance of different companies, and to determine whether the enterprise is improving over time, and if so what strategy it adopted to achieve any improvements and whether it was the most cost-efficient.

The diversity in terms of environmental performance indicators has rendered most environmental reports useless. Environmental reporting currently lacks credibility in the eyes of certain external stakeholder groups because certain “qualitative characteristics” which exist in the financial reporting domain are absent.

These include

- a guarantee of completeness,
- comparability,
- consistency of measurement,

- credible external verification.

The European Federation of Financial Analysts' Societies (EFFAS) and the Swiss Bankers' Association have both specified their demands for useful eco-efficiency indicators through which a enterprise's progress towards sustainable modes of operation may be judged.⁹ Both sets of recommendations point toward the growing need for the identification and standardization of both generic and industry-specific environmental performance indicators. Standardized indicators could be used both to monitor and to compare the performance of enterprises or to engage in benchmarking.

Purpose and structure of this report

The purpose of this report is to provide guidance on the identification, selection, and construction of the most useful environmental performance indicators and eco-efficiency indicators. Such indicators must, as a minimum, be globally recognized, internally consistent and comparable. There is a necessity to ensure that all environmental variables are calculated on the same basis and are consistent with the financial variables.

⁹ EFFAS, *Environmental Reporting Requirements: Integrating enterprise-specific environmental information into investment business*, Paris 1996; and EFFAS, *Eco-efficiency and financial analysis, the financial analyst's view*, Paris 1994.

As will be explained in subsequent chapters performance indicators can either be generic, that is, applicable to all enterprises, or industry-specific. Since a number of industries are already working on industry-specific indicators, the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) has chosen to work on generic indicators. However, the general principles for their construction and use with financial indicators are also applicable to the industry-specific indicators.

Chapters one and two introduce basic material for those readers not conversant with environmental performance indicators or the concept of eco-efficiency and the link between financial and environmental performance. Chapter three identifies five generic environmental indicators and a financial performance indicator, which meet the test of global recognition. Chapter four introduces a method for building environmental performance indicators, which is consistent with that used for financial performance indicators. It resolves the frequent problem that the reporting entity for financial data differs from that for environmental data. Chapter five reviews examples of such indicators which are already in use by leading edge enterprises, thus demonstrating the feasibility of the approach.

This report is part of a longer-term project of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). The first part of this project developed specific guidance on how environmental costs and liabilities should be reported

in the financial statements. The Group agreed on the guideline in February 1998: *Accounting and Financial Reporting for Environmental Costs and Liabilities*. Since that time, the UNCTAD secretariat and a group of experts have been working on methodologies for standardizing environmental performance indicators by applying the rules used for financial performance indicators. This report is the first in the series on that topic and it gives a general overview of the problem and solution. It is to be followed by a users manual and preparers manual. This work was funded in part by the World Bank.

It should be mentioned that other groups are working on the development of eco-efficiency indicators, such as the World Business Council for Sustainable Development (WBCSD), the International Organization for Standardization (ISO) and the Global Reporting Initiative (GRI) (see appendix 2 for a more detailed description). The WBCSD has created a working group on Eco-efficiency Metrics and Reporting, which began analysing current practices and drawing up recommendations for Standardizing measurement and reporting procedures. The group developed metrics principles and defined key terms for evaluating eco-efficiency and sustainability performance. It also selected indicators which it felt were universally measurable and comparable across all businesses. Member companies are testing the new system to measure their own eco-efficiency performance. It has not addressed the specific methodology required to link financial and environmental indicators.

The ISO 14000 series of environmental management standards was initiated in 1992 as part of the response to the

Rio summit and the primary standard is ISO 14001 which covers environmental management systems. ISO 14031/2 relates to environmental performance evaluation and was issued in 1999. ISO has defined the term "environmental performance" as "the results of an organization's management of its environmental aspects". This means that the performance may be measured against the enterprises' policy, objectives and targets. The guidance covers the "local environment" as well as the global, and outlines some generic "input" and "output" indicators such as energy and waste. Crucially it omits the value added or any other financial parameter and leaves the selection of indicators to the individual enterprise.

The GRI is a long-term project launched by the Coalition for Environmentally Responsible Economies (CERES) to establish, through a global, voluntary and multi-stakeholder process, a uniform framework for corporate sustainability reporting. The framework incorporates not only environmental indicators but also social and economic ones. Thus, it is a much broader exercise than the current one. Concerning the selection of generic indicators, there is a direct link between the results of ISAR's current project contained in this report and GRI's work. However, GRI is also producing sector-specific environmental performance indicators as well as generic ones.

CHAPTER TWO

Environmental performance indicators

Definition and classification of environmental performance indicators

Environmental performance indicators (EPIs) measure the enterprise's effectiveness and efficiency in the consumption of resources. Management has long used indicators to assess performance and EPIs assess the environmental performance of an enterprise. EPIs can be classified into various types:

- process indicators
- system indicators
- eco-financial indicators.

EPIs can also be characterized as

- simple, i.e., measuring one variable such as energy used or tons of solid waste
- complex, i.e., measuring two or more variables such as energy used per unit of output, solid waste produced per unit of output, or per unit of sales.

The advantage of using complex indicators is that it allows the environmental performance of an enterprise to be measured relative to its productive or financial performance for the same period. This allows an enterprise to measure its

operational improvements. Such indicators are useful when comparing enterprises in terms of the environmental impact of their operations. Indicators are most useful and meaningful to users if they are

- disclosed over time
- consist of two variables
- are comparable across enterprises.

There are three types of combinations of possible two-variable indicators that can be used to describe environmental performance:

- an environmental variable relative to another environmental variable in physical terms (waste produced relative to resources used)
- an environmental variable in physical or value terms relative to a financial variable (e.g., CO₂ emissions per unit of sales or environmental costs/total costs).

There are no requirements that enterprises make public the environmental management data that they use for internal control purposes. However, in their stand-alone corporate environmental reports, many enterprises have chosen to publish one or more EPIs.

Need for standardization of environmental variables

In order to enable the users of environmental reports to evaluate an enterprise's environmental performance, it is essential to have comparable and reliable EPIs. This can be achieved by the standardization of relevant environmental

and financial variables. First, the same method should be used to construct EPIs across enterprises. Second, the method for constructing EPIs should be consistent with the method used for financial variables.

The Adams' survey (1998) found that there is no consensus on the use of EPIs or on their standardization. The lack of comparability makes it impossible to either measure progress over time or to compare the performance of one enterprise with another (benchmarking). Non-comparable information can result in misleading assessments of an enterprise's own environmental performance. With non-comparable information, a enterprise can only assess whether its performance is meeting targets set by its management. However, if the information allows performance to be compared across enterprises in general and within the same industry in particular, then the EPI has a higher value.

An enterprise's environmental performance is important to a number of stakeholders including financial markets, because improved environmental performance generally leads to higher, more sustainable financial value. Many stakeholders, and in particular the financial services sector, want standardized environmental performance indicators (EPIs) that can be linked to financial performance. Such indicators could improve the quality of decision-making of enterprise owners, investors and financial analysts.

A number of guidelines for measuring and disclosing EPIs already exist or are under development. They are of limited benefit because

- there is no agreement on which indicators to use within an enterprise;
- the indicator and information disclosed may change from year to year;
- the methodology for the construction of indicators varies across enterprises;
- the methodology for combining environmental and financial data varies, resulting in variables that are not internally consistent.

In the few areas where a consistent methodology has been created this has not been widely communicated, leading to a very low level of implementation. Elsewhere the lack of consistency with financial indicators and the lack of a generally accepted methodology has further detracted from the use of EPIs.

Concept of eco-efficiency

Enterprises can pursue different environmental strategies. Investors increasingly require that companies pursue eco-efficient strategies that reduce the damage caused to the environment while increasing, or at least not decreasing, shareholder value. The World Business Council for Sustainable Development describes the objective of eco-efficiency as “maximizing value while minimizing resource use and adverse environmental impacts.” Directors and investors need indicators that measure eco-efficiency in order to assess the outcome of various strategies. Eco-efficient indicators can be used both for monitoring an individual company’s performance as well as for comparing it across the industry (benchmarking). Environmentally

conscious managers can increase eco-efficiency by decreasing environmental impacts while increasing the value added by the enterprise. Strategies can increase value-added in a number of ways.

Eco-efficient enterprises use fewer resources, and they cause fewer emissions to soil, water and air while producing the same output as their competitors. This higher productivity leads to an increase in the operating margin due to lower costs. Moreover, in many cases, it also leads to higher sales due to an enhanced value of the products to the customer or due to an improved public image. In addition, the risks of environmental liability decreases, resulting in a lower discount factor (the price for taking risks) and lower (contingent) liabilities. Wise environmental investment programmes also focus on a reduction of working capital. A lower use of resources leads to lower stocks of materials and energy. Focusing on integrated solutions and avoiding end of the pipe investments can decrease incremental investments in fixed assets. Finally, tax relief may be obtained.

Eco-efficiency

An eco-efficiency indicator is the ratio between an environmental and a financial performance variable. The aim of environmentally sound management is to increase eco-efficiency by reducing the environmental impact added (EIA) while increasing the value added (VA) of an enterprise (Schaltegger and Sturm 1989). The World Business Council for Sustainable Development describes how eco-efficiency is achieved: "Eco-efficiency is reached by the delivery of competitively priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resource intensity throughout the life cycle..." The WBCSD goes one step further by including a clear target level: an eco-efficient state is reached when economic activities are at a level "at least in line with the earth's estimated carrying capacity." (WBCSD 1996).

The problem with this concept is that there are no agreed rules or standards for calculating the ecological variable either within the same industry or across industries. Most importantly, there are no rules for consolidating ecological data for the entire enterprise so that such indicators can be used together with the enterprise's financial performance indicators.

There has been interest in linking environmental performance with financial performance. Given the many variables which affect financial performance, such a relationship would be hard to calculate with precision. Therefore, eco-efficiency is seen by a growing number of experts as one way of establishing this link.

Linking environmental performance to financial performance

EPIs linking the environmental and financial performance can be used to forecast the impact of environmental issues on future financial performance. Such EPIs will allow better investment decisions. It can be said that an above average environmental performance by a enterprise means that, in all probability, this enterprise has a higher and more sustainable margin. In addition, the need for future investments will decrease (compared to competitors with a worse performance). Lower future investments and higher margins are important value drivers, substantially influencing future free cash flows, and thus positively contributing to shareholder value.

Eco-efficiency is relevant to the financial valuation of a enterprise because it could lead to or result in:

- higher margins
- lower incremental investments in current and fixed assets
- lower discount factors
- lower tax burden

These results will create higher free cash flows and thus generate greater financial corporate value. Eco-efficiency could lead to lower liabilities and in turn to more of the free cash flows being available for distribution to shareholders. The market capitalization, which is a sign of its attractiveness to investors, is assessed in part by measuring future cash flows and so can reflect the enhanced investment profile. By adopting the shareholder value approach, the environmental implications are translated directly into financial consequences.

Shareholder value approach

The shareholder value approach allows for the financial quantification of a business strategy (Rappaport 1986). The basic logic behind the financial quantification of a business strategy is that every strategy leads to specific plans and actions. These include an investment programme or an increase in recurring costs for environment and safety. These actions lead to future cash outflows. Yet plans also lead to future cash inflows, e.g. from sales or avoided cash outflows. The balance of out- and inflows is called "free cash flows". They represent the financial value of the strategy. The free cash flow of a period is calculated as follows:

	Earnings before Interest and Taxes (EBIT)
+	Depreciation on Fixed Assets
-	Taxes on Operating Profit
=	Cash Flow from Operations
+/-	Incremental Working Capital
+/-	Investments in Fixed Assets
=	Free Cash Flow

The total of all future free cash flows is equal to the corporate value. In order to add free cash flows from different periods, the annual free cash flows are discounted by a discount factor. The shareholder value approach additionally deducts total debt from the corporate value and thus arrives at the shareholder value, which is the dynamic value of the shareholders' equity. It is proven that there exists a high correlation between the stock market valuation and the financial value of a business strategy (based on future free cash flows). Thus, discounted free cash flows are a valuable indicator for the valuation of an enterprise on stock markets and for owners of unlisted companies. Moreover, it is a future-oriented approach which emphasizes the importance of a long-term view. It is repeatedly asserted that financial markets focus on the short-term performance, but the shareholder value approach shows that approximately 80 per cent of the financial value of an enterprise stems from long-term free cash flows.

CHAPTER THREE

Selecting and standardizing generic environmental performance indicators

Case for generic EPIs and for sector-specific EPIs

Given the desire to link financial and environmental performance through the concept of eco-efficiency, there is a need to *first* select the environmental components of the eco-efficiency indicators. This chapter deals with the approach for identifying generic EPIs. Generic indicators are not necessarily more important than industry-specific indicators but they merely have wider applicability. Thus, the generic indicators should be seen in conjunction with industry-specific EPIs that take the diversity of specific sectors into account. Some enterprises might find it useful to construct both generic and specific EPIs. In accordance with the objectives of this report, five generic indicators are identified. Generic indicators are indicators that can be applied

- world-wide
- by all enterprises
- across all sectors.

Standardized generic EPIs would fulfil the following criteria:

- address world-wide environmental problems (world-wide means global and common for all countries/regions),

- link an environmental problem that is relevant for all industries at the macro level to activities of enterprises at the micro level (macro-micro link means a link of an environmental problem (e.g. global warming) at the macro economic level to enterprise activities (e.g. use of energy) at the micro economic level),
- have a direct impact on both the environmental and financial performance.

In other words the environmental indicator should be of world-wide concern, be related directly to the enterprise's production processes, products or services and have a positive or negative impact on free cash flows of the enterprise.

Generic EPIs are best developed by a process which includes both preparers and users and which is marked by political and technical consensus. In this context, political and technical acceptances are of importance. First, there should be a political consensus or acceptance that the EPIs reflect a significant environmental problem. Second, there must be a technical consensus or acceptance that includes agreement on the procedure to be used to calculate the indicator.

This chapter proposes five generic EPIs which link environmental to financial performance. As mentioned earlier, a number of experts see the concept of eco-efficiency as establishing a link or at least measuring environmental performance relative to the economic activity of the enterprise. This is particularly important when one

wants to compare the environmental performance between enterprises.

Eco-efficiency indicators (EPI) consist of a combination of two independent indicators. Thus, standardizing an eco-efficiency indicator requires the standardization of two single variables (environmental and financial):

$$\text{eco-efficiency} = \frac{\text{environmental performance indicator}}{\text{financial performance indicator}}$$

This ratio measures the environmental impact per unit of value, for example emissions or consumption per dollar of sales or per dollar of value-added. This is similar to measuring the energy intensity per unit of output or GDP. In this case, it would be the environmental intensity (impact) per unit of output or GDP. Others calculate the ratio in reverse as the ratio of a unit of value added for each unit of environmental burden (GRI, WBCSD). All of the international groups working on EPIs use a similar methodology and calculate a similar set of ratios, energy, consumption of physical materials and waste against a financial variable being the most common. The use of the financial variable as the denominator is consistent with the use of more traditional financial measures such as the price earnings ratio used in the assessment of an enterprise's financial performance as well as the macroeconomic assessments made at the intergovernmental level. However, both approaches are equally valid mathematically and the choice of numerator/denominator is based on past custom and process.

Reaching a precise definition of eco-efficiency indicators requires selecting and defining the environmental and the financial indicators. The following section describes how environmental indicators can be selected and defined.

Identification of the most useful/relevant EPIs

The ideal way to reach politically and technically accepted generic EPIs is to base the indicators on international agreements as far as possible. The basic idea behind this proposal is that all stakeholders (e.g. governments, business associations, financial community, NGOs), directly or indirectly, influence the development of international agreements. This also means that the underlying environmental issues have been accepted as being significant problems which require a solution.

Generic indicators can thus be designed for issues/problems which have already been debated and for which there is an international agreement or consensus. Currently, the following four agreements seek to remedy universally recognized environmental problems:

- Agenda 21¹⁰ covering economic and social development that is consistent with the needs of future generations;
- Montreal Protocol covering ozone-depleting substances;

¹⁰ Earth Summit, United Nations Programme of Action for the Environment, Rio de Janeiro, 1992; New York, 1992.

- Kyoto Protocol covering global warming gas emissions;¹¹
- Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal.

Agenda 21

Agenda 21 is the most comprehensive agreement to date, which was adopted by more than 178 governments at the United Nations Conference on Environment and Development (UNCED), known as the "Earth Summit", held in Rio de Janeiro, Brazil, in June 1992.

Of the issues contained in Agenda 21, section two - "Conservation and Management of Resources for Development", chapters 9 to 22 - are relevant.¹² Table 2 analyses the various environmental issues according to whether they address a world-wide environmental problem, link the macro with the microeconomic level and have a direct impact on both the environmental and financial performance of an enterprise (see grey-shaded fields in table). Of the 14 issues treated therein, there are three

¹¹ The text of the Protocol to the UNFCCC was adopted at the third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Kyoto, Japan, on 11 December 1997; as at 13 January 2000, 84 Parties have signed the Kyoto Protocol.

¹² Earth Summit, the United Nations Programme of Action: Rio de Janeiro, 1992; New York, 1992.

global actions that lend themselves to generic indicators. These are:

- protection of the atmosphere (chapter 9)
- protection of the quality and supply of freshwater resources (chapter 18)
- environmentally sound management of solid wastes (including hazardous waste) and sewage related issues (chapter 21)

The other issues that were reviewed do not fulfil the requirements for generic EPIs. They were found to be industry-specific (e.g. number 22: radioactive waste). They cannot be directly linked to an enterprise's production processes, products or services (e.g. number 15: biological diversity). While they dealt with global problems, the impacts depended heavily on local environmental conditions (e.g. number 12: desertification) or on a regional or country-specific definition of the problem (e.g. number 16: environmentally sound management of biotechnology).

Table 2: Agenda 21 (Chapters 9 to 22): Conservation and management of resources for development

Agenda 21		Criteria			
Chapter	Section 2: Conservation and Management of Resources for Development	world-wide problem (1)	macro-micro link (2)	environmental performance	industry's financial performance
9.	Protection of the atmosphere	yes(3)	yes	yes	yes
10.	Integrated approach to the planning and management of land resources	yes	n. p. (4)	no (5)	no
11.	Combating deforestation	yes	n. p.	No	no
12.	Managing fragile ecosystems: Combating desertification and drought	yes	n. p.	no	no
13.	Managing fragile ecosystems: Sustainable mountain development	no	n. p.	no	no
14.	Promoting sustainable agriculture and rural development	yes	n. p.	no	no
15.	Conservation of biological diversity	yes	n. p.	no	no
16.	Environmentally sound management of biotechnology	yes	n. p.	no	no
17.	Protection of the oceans, all kinds of seas,	no	n. p.	no	no

	including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources				
18.	Protection of the quality and supply of freshwater resources	yes	yes	yes	yes
19.	Environmentally sound management of toxic chemicals, including prevention of illegal international traffic in toxic and dangerous products	yes	n. p.	yes	yes
20.	Environmentally sound management of hazardous wastes including prevention of illegal international traffic in hazardous wastes	yes	n. p.	yes	yes
21.	Environmentally sound management of solid wastes and sewage related issues	yes	yes	yes	yes
22.	Environmentally sound management of radioactive wastes	yes	n. p.	yes	yes

(1) World-wide means global and common for all countries/regions.

(2) Macro-micro link means a link of an environmental problem from the macro level to enterprise activities at the micro level. For generic indicators the problem must be relevant for ALL industries

(3) yes = criterion fulfilled.

(4) n. p. = not possible.

(5) no = criterion not fulfilled.

Kyoto Protocol and Montreal Protocol

Looking at the other agreements can give further guidance within the chosen categories, especially on the issue of “Protection of the atmosphere”. The Montreal Protocol covers ozone-depleting substances. The Kyoto Protocol covers industrial and energy-linked global warming gas emissions.

Basing the generic EPIs on these conventions, the following nine environmental problems have been selected:

- depletion of non-renewable energy resources
- depletion of fresh water resources
- global warming
- energy and energy-linked global warming gas emissions
- other industrial emissions contributing to global warming
- depletion of the ozone layer
- use of ozone depleting substances
- emissions of ozone depleting substances
- solid and liquid waste disposal (including hazardous waste).

After the selection of the environmental problems, the corresponding EPIs have to be defined. EPIs can be divided into two groups: effluent-based and financial.

Effluent-based EPIs

The table in this section gives an overview of the proposed effluent-based EPIs based on the selection of environmental problems. All items are measured in physical units in terms of mass (kg, t) or energy (MJ, kWh).

Table 3: Effluent-Based EPIs

Environmental problem	EPI Measured in physical units in terms of mass (kg, t) or energy (MJ, kWh)
Depletion of non-renewable energy resources	Energy purchased
Depletion of fresh water resources	Water use
global warming	Global warming emissions
Depletion of the ozone layer	Ozone depleting emissions
solid and liquid waste	Solid and liquid waste

To account for the specific financial impact in different companies the following composite indicators can be constructed for three of the five global problems. All financial indicators are measured in terms of value units.

Table 4: Financial impacts

Problem	Financial impact of environmental variable Measured in financial units
Depletion of non-renewable energy resources	Energy costs
Depletion of fresh water resources	Water costs
solid and liquid waste disposal	Solid and liquid waste costs

Quantifying an enterprise's contribution to environmental problems

Besides specifying the EPIs most representative of environmental problems, a methodology is needed to calculate a figure indicating the enterprise's contribution to the depletion of non-renewable energy resources, the depletion of fresh water resources, global warming, depletion of the ozone layer and solid and liquid waste.

Conversion factors for non-renewable energy resources

The key question is whether or not one kWh of electricity used by an enterprise corresponds to one kWh of non-renewable energy extracted (primary energy input). The answer is no. The second question is whether an adjustment should be made. The answer is yes, because of substantial differences between the energy purchased by an enterprise and the primary energy input and because of the feasibility of the adjustment.

The fossil energy needed (primary energy input) to generate a certain amount of energy purchased by an enterprise can be assessed with the help of Life-Cycle-Assessment (LCA) data. These data are country- or region-specific because they depend heavily on the energy-mix and technology for electricity generation. The conversion factors for the corresponding non-renewable primary energy input for Europe are listed in the second column in table 5 below.

Table 5: Conversion factors: Preliminary results: Primary energy requirements for Europe.

Energy purchased (1 kWh)	Corresponding non renewable primary energy input (kWh)	CO ₂ emissions based on primary energy input (kg)
Oil	1.30	0.095
Oil (low sulphur)	1.30	0.0895
Fuel (unleaded)	1.30	0.103
Fuel (leaded)	1.34	0.105
Diesel	1.21	0.1
Diesel (low sulphur)	1.21	0.1
Propane	1.22	0.069
Natural gas	1.27	0.069
Wood/biomass	0.07	0.0033
Coal	1.20	0.133
Brown coal	1.40	0.133
District heat (60% waste incineration)	0.55	0.0365
Electricity	3.07	0.14
Solar energy (heat)	0.14	0.06
Solar energy (electricity)	0.65	0.0030

ELLIPSON 1997, preliminary results.

Conversion tables must be specified for each region. Based on the data sets available and their high quality, this task is easily done. What is needed on a country specific basis is the energy mix by which electricity is generated. Knowing these relations, the available data for fossil, nuclear and hydropower electricity generation can be used to

calculate the specific primary energy input (and the corresponding CO₂ -emissions for electricity generation).

Global warming

The Intergovernmental Panel on Climate Change (IPCC) has highlighted a number of chemicals that contribute to global warming and six have been specifically selected for measurement in calculating national reduction targets. Substantial differences in potential exist and an adjustment has to be made to take this into account.

The calculation can be done using the widely accepted concept of “global warming potential” as defined by the IPCC. By standardizing global warming emissions in relation to a reference substance (CO₂) by their potential to contribute to global warming, different emissions can be multiplied by their respective global warming potential and then summed up to a single figure. Table 5 illustrates this approach with global warming. A list of the global warming potential of substances is contained in the Kyoto Protocol (see annex 3).

Table 6: Conversion factors, global warming gas emissions

Problem: Reference substance:		Global warming carbon dioxide (CO ₂)		
Emission	amount (kg)	Global warming potential (kg CO ₂ equivalent/kg)	total global warming potential (kg CO ₂ equivalent)	
Carbon dioxide	100,000	1	100,000	
Methane	1,000	21	21,000	
Nitrous oxide	100	270	27,000	
Total			148,000	

The advantage of this approach is that it focuses attention on high problem contributions rather than high emission figures. This could lead to more efficient and effective decisions that minimize impacts while increasing (or at least not decreasing) financial values. Energy linked CO₂ -emissions depend heavily on the technology and energy source used for electricity generation. Therefore, the primary energy input is relevant to calculate an appropriate figure for energy-linked global CO₂ -emissions on an enterprise level. The conversion factors for the CO₂ -emissions based on the primary energy input for Europe are listed in the third column of Table 6.

Depletion of the ozone layer

The key question is whether or not the contribution to the depletion of the ozone layer of e.g. one kg CFC 11

emitted by an enterprise corresponds to one kg of CFC 113 emitted by an enterprise. The answer is no. The second question is whether or not an adjustment should be made. The answer is yes, because substantial differences exist between different substances and because conversion factors are widely accepted.

The calculation can be done using the widely accepted concept of ozone depletion potential of different substances as defined by the Montreal Protocol (Montreal 1987) and IPCC (IPCC 1996). By standardizing the ozone depleting emissions in relation to a reference substance (CFC-11) by their potential to contribute to the depletion of the ozone layer, different ozone depleting emissions can be multiplied by their respective ozone depletion potential and then summed up to a single figure. A chart of the ozone depletion potential of substances contained in the Montreal Protocol can be found in appendix 3.

Waste disposal

The key question is whether or not the disposal of one kg of clinical waste by an enterprise corresponds to one kg of waste resulting from surface treatment of metals and plastics. The answer is no. The second question is whether or not an adjustment should be made. The answer is no, because the substantial differences in quality of waste (such as toxicity, contents of defined critical substances) can only be described in general terms. A list of the categories of waste contained in the Basle Convention can be found in the appendices.

Depletion of fresh water resources

The key question is whether or not one litre of water used by an enterprise corresponds to one litre water extracted from nature. The answer is no. However, in most cases the differences can be ignored. Thus, the calculation of primary water use is not required.

Overview of effluent-based EPIs

The table below gives an overview of the proposed effluent-based EPIs based on the selection of environmental problems and the analysis of available and accepted assessment approaches.

Table 7: Effluent-Based EPIs

Environment-mental problem	Environmental Item measured in physical units in terms of mass (kg, t) or energy (MJ, kWh)	Assessment/ conversion	Sub-items
depletion of non-renewable energy resources	energy purchased	primary energy requirements	purchased energy Oil, gasoline, coal, natural gas, liquid gas electricity
depletion of fresh water resources	water use	-	altered water chemically altered water - physically altered water
global warming	global warming emissions	global warming potential	other water involved Energy-linked global warming gas emissions (1) other industrial emissions contributing to global warming
depletion of the ozone layer	ozone depleting emissions	ozone depleting potential	ozone depleting substances purchased and in use in closed systems (2) emissions of ozone depleting substances CFC-11 ... CFC-11 ...
solid and liquid waste	solid and liquid waste	-	solid, non mineral and liquid waste (3) ...

Financial impacts

The following table gives an overview of the financial impacts of EPIs.

Table 8: Financial impacts of EPIs

Environmental problem	Financial impact of environmental variable measured in financial units	sub-items
depletion of non-renewable energy resources	energy costs	cost of purchased energy
depletion of fresh water resources	water costs	Oil, gasoline, coal, natural gas, liquid gas ... electricity
		cost of water purchased
		costs of water treatment
		treatment (on site, off site)
		cost of water discharge
		to waterways
solid and liquid waste disposal	solid and liquid waste costs	waste costs for solid, non-mineral and liquid waste

CHAPTER FOUR

Selecting the financial performance indicator

Two different approaches are currently being used to define the denominator of the environmental performance indicator. The denominator is either in physical or financial terms. That is, the activity or performance is given in units of physical activity (i.e. production in tons) or in units of value (i.e. sales in units of currency).

Value added

Looking at the different industries and enterprises, it is almost impossible to standardize (as a reference item) a common physical unit of activity or output such as “tons of production”, “volume of production” or “amount of service units sold”. Even if it were possible to aggregate the units these indicators will not take into account the concept of eco-efficiency which adds value by minimizing resource use and environmental impacts.

EPIs linking environmental and financial performance should use a financial variable as the denominator (e.g. energy used in kWh per unit of value added). Thus, eco-efficiency indicators consist of two variables. The first is measured in physical units and the other in value units. The variables that could be used are

1. Value added (sales minus costs of goods and services purchased);
2. Sales

3. Operating profit;
4. Net income (net profit after tax).

Value added (sales minus costs for purchased goods and services) appears to be the most appropriate choice because it covers only that part of the life cycle where the respective enterprise transforms the economic inputs into products and services while using environmental resources and producing emissions and waste. A more precise correlation between resource use, environmental impact caused and economic output is contained in value added and not in sales or operating profit. This is because enterprises account in their books only for resources, emissions and waste stemming from their own production. The enterprise's environmental and financial performance relates only to that part of the production process the enterprise actually controls. The resources used, the emissions caused and the waste produced by their suppliers are not counted. Only value added can isolate the enterprise's exact contribution to the product or service. For example, the recently introduced "guidelines for enterprise reporting on greenhouse gas emissions", launched by the United Kingdom and based on the UNEP publication "Creating a standard CO₂ indicator" recognizes this and advises enterprises accordingly. It states that "you need to set boundaries for your report to ensure that as a minimum that all the significant activities your enterprise controls are within the scope of your environmental and greenhouse gas reporting, just as they should be within the scope of your financial reporting". This position is being adopted by other governments which are developing similar reporting protocols.

On the other hand, the use of sales and operating profits could lead to misleading indicators. Sales and operating profits add up in the whole life cycle of a product or service up to the point where the last enterprise transfers it to the customer. The following example illustrates different results obtained when using sales or value added.

Sales or value added

Three enterprises (A, B and C) sell the same kind of goods, windows and doors. All enterprises sell 20 windows for \$25 each and 50 doors for \$10 each giving, total sales of \$1,000 (50 per cent doors and 50 per cent windows). The in-house use (input) of energy of the enterprises ranges from 600 kWh p.a. to 1,000 kWh p.a.

Enterprise A produces only doors. The windows are purchased from a supplier. This means that A outsources 50 per cent of its production (\$500 in costs for purchased windows compared to sales of \$1,000). Enterprise B outsources 25 per cent (\$250 in costs for purchased windows compared to sales of \$1,000) and Enterprise C produces all windows and doors in-house (no cost of purchased goods compared to sales of \$1,000).

The effect of outsourcing is that part of the sales (in this case windows) is not produced in-house. As a consequence no energy has to be used for the production of the purchased goods. In the following section the enterprises are compared and commented upon based on an EPI using sales and value added as reference items.

Sales as reference item**Table 9: EPIs using sales as a denominator.**

Variables	Enterprise A	Enterprise B	Enterprise C
Energy used kWh p.a.	600	850	1,100
Sales in \$ p. a.	1,000	1,000	1,000
EPI: Energy used in kWh p.a./ sales in \$ p.a.	0.6	0.85	1.10

Ranking

1. Enterprise A: 0.60
2. Enterprise B: 0.85
3. Enterprise C: 1.10

Using the EPI "energy used per unit of sales", Enterprise A appears to be the most eco-efficient but this is because it is outsourcing some of its production. If we use value-added, a different ranking will appear.

Value added as reference item

The second example uses value added as the reference item. In order to do this the profit and loss accounts are reviewed and the items comprising "purchased goods and services" are deducted from gross sales to arrive at value added. All of the figures required are published as part of the statutory financial statements and are readily available. No additional figures are required to be collected

or external research undertaken in order to calculate value added.

Table 10: EPIs using value added as a reference item.

Variable	Enterprise A	Enterprise B	Enterprise C
Energy used in kWh p.a.	600	850	1,100
Sales in \$ p. a.	1,000	1,000	1,000
Cost of purchased goods & services in \$ p.a.	-500	-250	0
Value Added in \$ p.a.	500	750	1,000
EPI: Energy used in kWh p.a./ value added in \$ p.a.	1.2	1.13	1.10

Enterprise A has produced in-house 50 doors for \$10 each and purchased 20 windows for \$25 each. This means that the value added is \$500. This figure must be compared to the energy used by enterprise A. For its in-house production (value added), enterprise A has used 600 kWh. The EPI energy used/value added is 1.2. The energy used by their suppliers for producing the 25 windows is not accounted for in the books of enterprise A but in the books of their suppliers.

Enterprise B has produced in-house 50 doors for \$10 each and 10 windows for \$25 each and purchased 10

windows for \$20 each, for a value added of \$750. This means that its EPI, energy used per unit of value added, is 1.13. Enterprise C produces 100 per cent in-house or 50 doors and 20 windows using 1,100 kWh. Its value added is \$1,000. Its EPI, energy used per unit of value added, is 1.10.

The enterprises are ranked as follows in terms of their eco-efficiency:

Ranking

1. Enterprise C: 1.10 (best performer)
2. Enterprise B: 1.13
3. Enterprise A: 1.20

It will be recalled that in the case of sales as a reference item, the enterprises have the reverse ranking. If value added is chosen, enterprise A ranks lowest and enterprise C is the best performer. Value added reduces some of the distortions in the indicator caused by outsourcing which the enterprise might do to improve its environmental performance. Enterprise directors are responsible for their in-house production and they can directly influence it by appropriate measures. Value added is directly linked with in-house production: the more in-house production, the higher the value added. By using as an EPI energy used per unit of value added two enterprises can reliably be compared. The focus on value added does not mean that life cycle analysis of the entire supply-consumption-disposal chain is not important. However, cost-efficient measures have not yet been developed to detect full impacts over the life of a product. Therefore, for the purpose of constructing useful and meaningful eco-

efficiency indicators it is necessary to draw boundaries and for this, value-added is more precise than sales.

Outsourcing

Many enterprises contract out major parts of their operations, such as freight transport (in the United Kingdom this accounts for 7 per cent of national emissions), which may produce substantial environmental impacts and which are integral to their business. There are also other reasons for outsourcing. Enterprises can take advantage of economies of scale available, or avoid the investment needed for costly research and development programmes. When activities are outsourced, enterprises often exercise considerable control and influence over these activities, although they do not have to account for resources used, the emissions caused and the waste produced by the supplier.

In the example above where sales are used there is no indication of the extent of outsourcing and no reliable conclusion can be reached about in-house eco-efficiency. Where value added is used, the improvement achieved via outsourcing is reduced and a more reliable conclusion is reached about eco-efficiency of the entity being analysed.

Using value-added the eco-efficiency indicator is in line with one of the most important principles of financial accounting-the matching principle. That is, an enterprise should report what is within its control, i.e. what it actually does rather than what is outside its control. Value-added reduces the distortions from outsourcing, but it does not completely eliminate the chance that those enterprises

which outsource their activities might have better EPIs as will be demonstrated in the next example.

However, outsourcing can also impact on financial ratio analysis where outsourcing can improve financial ratios by reducing low-margin activities. This, however, does not invalidate the usefulness of the financial ratios but requires increased disclosure if they are to be used intelligently. Therefore, when one is comparing enterprise data one wants details on outsourcing.

Outsourcing and the link between financial and environmental performance

Investors use consolidated group accounts in order to assess the financial performance of enterprises and therefore have a reasonable expectation that environmental reporting will include all the significant activities that are within the control of an enterprise. The indicators proposed in this report are generic indicators which allow comparison among different enterprises and across different industries. They are not by themselves capable of delivering a comprehensive analysis of the environmental and financial performance of an enterprise or of being able to be used to benchmark particular enterprises or industries. Apparent differences in performance may be due to differences in operating circumstances or enterprise structure as well as differences in the level of contracted out or bought in services. This set of generic EPIs do serve as a suitable starting point for qualitative analysis. A qualitative description of a group with additional information in the notes is important to users who want to reliably compare two groups (see UNCTAD 1994). This includes management discussions where analysts have

to address the question of outsourcing and life cycle issues. Based on the received answers the analyst will be better placed to appropriately interpret the quantitative indicators and the ranking between different enterprises.

The following example (see table below) describes four outsourcing scenarios that could be adopted by an enterprise. It is assumed that a group EPI "energy used per unit of value added" is one (10,000kWh/10,000\$). The group EPI of one results from four different segments with different EU scores. There are segments with high energy use and high value added activities (A, EPI = 1)), segments with low energy use and low value added activities (B, EPI 1), segments with high energy use and low value added activities (C, EPI = 4) and segments with low energy use and high value added activities (D, EPI = 0.25).

Table 11: Outsourcing scenarios

	Segment A	Segment B	Segment C	Segment D	Total Group
Energy used p.a.	4,000	1,000	4,000	1,000	10,000
Value added p.a.	4,000	1,000	1,000	4,000	10,000
EPI (energy used per cent of value added)	1	1	4	0.25	1

The management has the following four options for outsourcing and each will have a different impact on the group performance:

1. Outsourcing of activities with high environmental impact /high value added (segment A) would result in 6,000 units of energy compared to a value added of 6,000 which also equals one.
2. Outsourcing of activities with low environmental impact added/low value added (segment B). This would not affect the consolidated group EPI. The consolidated EPI would be 9,000 units of energy compared to a value added of 9,000 which also equals one.
3. Outsourcing of activities with high environmental impact /low value added (segment C). This would affect the consolidated group EPI. The consolidated EPI would now be 6,000 units of energy compared to a value added of 9,000 which equals 0.67.
4. Outsourcing of activities with low environmental impact added/high value added (segment D). This would affect the consolidated group EPI. The consolidated EPI would now be 9,000 units of energy compared to a value added of 6,000 which equals 1.5.

Thus, scenarios one and two would not affect the EPIs whereas three and four can lead to distortions. To avoid the wrong interpretation of EPIs users should discuss the possible effects of different outsourcing options with the enterprises.

Environmentalists rather than financial analysts are concerned about outsourcing. They fear that outsourcing will be used to artificially improve environmental performance. It has to be noted that outsourcing is not merely an environmental issue. Enterprises also outsource low margin activities. Analysts do not reject the financial indicators just because an enterprise is heavily outsourcing. Rather, analysts use the financial indicators as a starting point for the qualitative analysis. It has to be viewed in relation to outsourcing which is additional information. The management of an enterprise achieving an operating profit margin of 25 per cent or more has to be asked about the profitability of their suppliers and customers. Michael Porter has demonstrated that the distribution of power along a value chain (from supplier to enterprise to customer) decides which enterprise on the value chain can achieve the highest margin. Yet, he has also demonstrated that, under a long-term perspective, the success of each enterprise remains linked to the value chain of the respective industry. This also means that outsourcing of highly polluting activities remains detrimental to both the polluting and the outsourcing enterprise. Sooner or later, the environmental problems related to such an activity will fall back on the outsourcing enterprise because the enterprise is still involved in the life cycle through its suppliers.

Outsourcing and the feasibility of life cycle analysis for investors

Life cycle analysis would require a substantial amount of data that would need to be collected from myriad suppliers and customers along the full value chain. The cost of such data collection would be extremely high. It might be

of low quality. The boundaries of life cycle analysis are not yet universally agreed and the standardization of data to be aggregated has not yet been considered. At the current time, the costs far outweigh the benefits and for these reasons the value added approach, capturing those activities within the control of the enterprise, is recommended.

The proposed set of EPI's

Based on the five universally recognized environmental problems and their corresponding EPIs and combining them with the most suitable financial indicator, the following five eco-efficiency indicators are recommended for linking an enterprise's environmental performance with its financial performance.

Table 12: Proposed set of EPIs

Environmental Problem	Environmental Performance Indicators
Depletion of non-renewable energy resources	primary fossil energy use/value added
Depletion of fresh water resources	water use/value added
global warming	global warming emissions/value added
Depletion of the ozone layer	ozone depleting emissions/value added
Disposal of solid and liquid waste	solid and liquid waste/value added

Three of the five selected problems can also be financially assessed:

Table 13: Proposed set of EPIs

Problem	Environmental Performance Indicators financially assessed
Depletion of non-renewable energy resources	energy costs/value added
Depletion of fresh water resources	water costs/value added
Disposal of solid and liquid waste	solid and liquid waste costs/value added

These EPIs forecast the impact of environmental issues on future financial performance. It can be said that an above average environmental performance of an enterprise means that, in all probability, this enterprise has a higher and more sustainable operating margin. All EPIs relate to an important environmental problem which results in production costs (such as energy costs, water costs, waste costs). Therefore, there is a direct link to the profit-margin. In addition, the pressure on future investments is lower (compared to competitors with a worse performance). Lower future investments and higher margins are important value drivers, substantially influencing future free cash flows, and thus positively contributing to shareholder value.

CHAPTER FIVE

Accounting issues in standardization

Based on the proposed set of five generic EPIs, two accounting issues in standardization are of importance. First, the identified environmental items/variables have to be standardized. Consensus has to be reached on the construction of the following environmental items/variables:

- purchased energy (MJ)
- water use/altered water (kg)
- water use/other water involved (kg)
- energy-linked global warming gas emissions (kg)
- other industrial emissions contributing to global warming (kg)
- ozone layer depleting substances purchased and in use in closed systems (kg)
- emissions of ozone layer depleting substances (kg)
- solid and non-mineral liquid wastes (kg)

Second, once the environmental variables have been calculated in the same way across companies, they must be brought into line with enterprise financial data that is they must be consolidated.

EPI financial data must possess certain characteristics if they are to be useful for financial accounting. A

conceptual framework is followed in recording financial transactions to ensure data are consistent and therefore reliable. A number of international and national financial conceptual frameworks have been developed to guide the preparers of financial statements so that accounting data are useful. For the time being, it is suggested that the financial conceptual framework be used to produce environmental and financial data on a consistent basis. Rather than lay out the entire financial conceptual framework, this chapter concentrates on those financial assumptions and characteristics most relevant in producing eco-efficiency indicators.¹³

The financial accounting conceptual framework is based on two important assumptions: the accruals principle and going concern. The accruals principle requires that transactions are recognized, measured and recorded when they occur rather than when payment occurs (cash basis). Going concern assumes that the reporting entity is expected to continue in business. It is also the practice in financial accounting to precisely define the boundaries of the reporting entity or enterprise. The financial data which appear in the annual financial report are for group—that is the parent and its subsidiaries. The following sections go into detail on the conceptual framework and the methods of

¹³ The discussion of the financial accounting conceptual framework was taken from, ISAR, *Objectives and Concepts Underlying Financial Statements*, United Nations, New York, 1989. The ISAR conceptual framework is consistent with that developed by other international organizations such as the IASC.

consolidation for the environmental and financial data for the group.

Relevance, reliability and comparability

For financial and environmental data to be useful, they must be relevant, reliable and comparable. For data to be relevant to users it must be material.

Materiality

The concept of materiality requires that financial statements should disclose all items that are material enough to affect evaluations or decisions of users. The criterion of materiality refers not only to the size of an item in quantitative terms, but also to the role that such an item may play. If the omission of an item of information would affect the decisions made by users on the basis of financial statements, such an item is material. If an item is immaterial, however, its inclusion in financial statements may impair their understandability. There is a discussion underway about how to apply the concept of materiality to environmental accounting and reporting. While an economic transaction might not be material enough to be reported under financial rules, it might be significant in relation to environmental performance.

Substance over form

For data to be reliable, it should respect the substance of a transaction over its form. According to IASC¹⁴

If information is to represent faithfully the transactions and other events that it purports to represent, it is necessary that they are accounted for and presented in accordance with their substance and economic reality and not merely their legal form. The substance of transactions or other events is not always consistent with that which is apparent from their legal or contrived form. For example, an enterprise may dispose of an asset to another party in such a way that the documentation purports to pass legal ownership to that party; nevertheless, agreements may exist that ensure that the enterprise continues to enjoy the future economic benefits embodied in the asset. In such circumstances, the reporting of a sale would not represent faithfully the transaction entered into (if indeed there was a transaction).

Prudence

Prudence is perhaps the most difficult accounting concept to deal with in environmental accounting.

¹⁴ IASC, *International Accounting Standards*, January 1999, Par. 50.

Uncertainties play a crucial role in the reliability of information. Although financial statements are based on events that have occurred in the past, many of the events become meaningful only when viewed in the context of their future outcomes. Those outcomes cannot be determined with precision when the statements are being prepared. It becomes necessary, therefore, for preparers of financial statements to exercise judgement in their estimation of future outcomes. Traditionally, prudence refers to the practice of recognizing potential losses more readily than potential gains or assets. The tendency in some countries was for accountants to exercise excessive prudence and to create hidden reserves in order to cover uncertain negative outcomes. However, in environmental accounting the situation is the opposite in that accountants do not comply with the prudence principle and are reluctant to recognize environmental liabilities until they are forced to. This is the result of the legal environment in which third parties might start a lawsuit when the liability was recognized. Therefore, if the prudence principle is not adhered to in a manner to produce a true and fair view of the enterprise and its liabilities are underreported this reaction could affect the environmental data as well.

Verifiability

If data are to be reliable, they must be verifiable. Verifiability is concerned with the correct application of measurement methods. If these are applied correctly, the transaction or event in the financial statement is calculated with a reasonable degree of precision so that knowledgeable and independent observers would agree that it corresponds

to the underlying transaction or event. For financial and environmental data to be reliable, they must be verifiable.

Comparability

Comparability enables users to undertake, in a meaningful way, both intertemporal and cross-sectional analysis. If financial and environmental data are prepared in a comparable way, the performance of different enterprises, or the same enterprise over time, can be examined. Comparability across enterprises requires that a consistent set of definitions, units of measurement, assumptions, measurement techniques and reporting periods be applied. Comparability demands that consistent procedures are used in summing up financial and environmental data. This requires that the same definition of the "reporting entity" be used for both the financial and environmental data. Given the fact that there are well-established accounting rules for collecting the financial data, it is necessary to use the definition of "reporting entity" as required by financial accounting if there is to be consistency and comparability between the environmental and financial data. In particular, the same procedures must be used for the consolidation of data for the enterprise as a group or the segmentation of data on the basis of product line or geographical origin.

All proposed EPIs use value added as the denominator. There is no need for new standards for financial variables because they have already been formulated at the international and national levels. However, new guidelines are required in two instances as mentioned earlier. First, the selected environmental variables have to be standardized. Second, environmental

data must be consolidated for the enterprise as a whole and must be consolidated on the same basis as the financial data. That is, the environmental data must correspond to those of the financial reporting entity. The next section explains and illustrates the rules for consolidation and how such a correspondence could be reached.

Consolidation

Consolidated environmental data

The IASC has noted that “users of financial statements of a parent are usually concerned with, and need to be informed about, (financial information relating to) the group as a whole. This need is served by consolidated financial statements....” (IAS 27 par. 9). Consolidated financial data are particularly relevant because investors value an enterprise on the basis of the earning power and risk structure of the whole group.

Consolidation of environmental data is equally important, so that users can be provided with information to help them assess the degree to which groups of related enterprises, such as transnational corporations with subsidiaries and associated companies operating in different countries, are meeting their environmental objectives and implementing their environmental policies.

Main issues in financial consolidation

There are two main issues in financial consolidation.

1. What is the appropriate scope of consolidation in terms of the completeness of the coverage for the group? The

scope of consolidation indicates which companies are and which are not integrated into the consolidated group figures. It is impossible to correctly interpret group figures without knowing the scope of consolidation.

2. How can data from different enterprises (subsidiaries) be aggregated (consolidated) to produce group figures? There are three methods of reflecting the results of the parent enterprise and a group of related enterprises in a set of group accounts: full consolidation, equity method and proportionate consolidation. To produce useful information the method of consolidation must be known. Moreover, as the IASC and other standards-setting bodies have noted, it must be clear that all enterprises included in the group have applied uniform accounting policies for like transactions and other events in similar circumstances (IAS 27, par. 21).

The choice of the method and the scope of consolidation can influence materially the consolidated financial figures. Depending on the method used, certain data appear or do not appear in the consolidated group accounts. To demonstrate this, the three methods are, first, briefly described and, then, illustrated by a simple example.

Full consolidation

Under full consolidation, the financial statements of the enterprises in the group are combined on a line by line basis by adding together like items of assets, liabilities, equity, income and expenses. Inter-enterprise balances and inter-enterprise transactions are totally eliminated. Any unrealized profits resulting from inter-enterprise transactions

are eliminated, and any unrealized losses would also be eliminated unless cost cannot be recovered. The carrying amounts of any inter-enterprise investments (in particular, those of the parent enterprise¹⁵) and the related portion of the equity of each of the group's enterprises are eliminated.

Full consolidation is normally applied to all enterprises that are controlled by a parent enterprise. This means that, in practice, the parent enterprise owns or controls, directly or indirectly, 50 per cent or more of voting rights. These enterprises are referred to as subsidiaries.

Equity method

Under the equity method, the investor's investment in an investee enterprise is initially recorded at cost and is adjusted thereafter for changes in the net assets of that enterprise (IAS 28, para. 3). As is the case in full consolidation, inter-enterprise balances and inter-enterprise transactions are eliminated, together with any unrealized profits and losses relating thereto (IAS 28, par. 16, and SIC – 3). The equity method is normally applied for investments in "associates." An "associate" is an enterprise which is neither a subsidiary nor a joint venture and in which the investor has a significant influence (normally, between 20 per cent and 49 per cent).

Standards issued by the IASC indicate that "an investment in an associate should be accounted for in consolidated financial statements under the equity method

¹⁵ "Parent" is defined by the IASC as "an enterprise that has one or more subsidiaries". (IAS 27, par 6).

except when the investment is acquired and held exclusively with a view to its disposal in the near future in which case it should be accounted for under the cost method"¹⁶ (IAS 28, par. 8). Significant influence is described by the IASC as "the power to participate in the financial and operating policy decisions of the investee but is not control over those policies" (IAS 28, par. 3).

The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) has indicated that, "under the equity method, an initial investment by a transnational corporation in another enterprise is so adjusted in the consolidated financial statements of the transnational corporation as to reflect its share of the net assets of the other enterprise. The consolidated income statements reflect the transnational corporation's share of the operating results of the other enterprise" (UNCTAD, 1994, par. 50).

Proportionate consolidation

Under proportionate consolidation, the parent's/investor's share of each of the assets, liabilities, income and expenses of the other group enterprises is combined on a line by line basis with similar items in the parent's/investor's financial statements. Again, inter-

¹⁶ Under the cost method, the investment is recorded at its initial cost. The income statement reflects income from the investment only to the extent that the investor receives distributions from the accumulated net profits of the investee arising subsequent to the time of making the investment.

enterprise balances and inter-enterprise transactions are eliminated, together with any unrealized profits and losses relating thereto.

Proportionate consolidation is normally only used in accounting for the interests in a joint venture (which has been defined by the IASC as “a contractual arrangement whereby two or more parties undertake an economic activity so as to obtain benefits from it.” (IAS 31, par. 2)). Even in this situation, the method is not permitted in some jurisdictions. Theoretically, however, it could be applied in situations involving group accounts other than joint ventures.

Example

The purpose of this simple example is to illustrate the calculation of an environmental performance indicator, that of water use per value added, under these three consolidation methods, and to comment on how meaningful the indicator will be in each of the three situations. First, we indicate what the EPI would be if the two companies were not related. Then in the next table we take into account the fact that Enterprise A has acquired 50 per cent of the shares of Enterprise B.

Table 14: Purchases, services and water use of Enterprises A and B:

	Enterprise A	Enterprise B
Sales	\$10,000	\$18,000
Purchases and services	4,000	10,000
Value added	\$6,000	\$8,000

It is assumed that there are no opening or closing inventories.

Water usage	2,000 units	10,000 units
EPI indicator	2,000/6,000	10,000/8,000
Water usage per dollar value added	0.33	1.25

The following table indicates what the situation would be under full consolidation (that is, by purchasing 50 per cent of the shares of Enterprise B, Enterprise A obtains control over Enterprise B, and Enterprise B is therefore a subsidiary), the equity method (that is, 50 per cent ownership does not give Enterprise A control of Enterprise B; Enterprise B is merely an associated enterprise over which Enterprise A has significant influence) and proportionate consolidation (for example, Enterprise A has entered into a joint venture with another enterprise each of which owns 50 per cent of Enterprise B). Note that in line with international accounting standards more than a 50 per cent share ownership would require full consolidation but 20 per cent to 50 per cent share ownership would require the equity method.

Table 15. Consolidation when Enterprise A acquires 50% of Enterprise B

		Full Consolidation		Equity Method		Proportionate Consol.	
Sales	A	\$10,000		\$10,000		\$10,000	
	B	<u>18,000</u>	\$28,000	_____	\$10,000	<u>9,000</u>	\$19,000
Purchases and services	A	4,000		4,000		4,000	
	B	<u>10,000</u>	<u>14,000</u>				
Value added			<u>\$14,000</u>		<u>\$6,000</u>	<u>5,000</u>	<u>9,000</u>

Note that the inter-enterprise transaction has been eliminated in all the methods.

	Full Consolidation		Equity Method		Proportionate Consolidation	
Water usage A's own	2,000		2,000		2,000	
B's own	<u>10,000</u>	<u>12,000</u>	_____	<u>2,000</u>	<u>5,000</u>	<u>7,000</u>

Note that, with respect to Enterprise A, only its own water usage is included, and not that relating to purchases from Enterprise B. Such inclusion would result in duplication.

EPI	12,000/14,000	2,000/6,000	7,000/10,000
Water usage per dollar value added	0.86	0.33	0.70

The EPIs in Table 15 differ depending on the method chosen for financial consolidation. The EPI under full consolidation relates to the combined operations of Enterprises A and B. With respect to consolidated financial results, the IASC states that "minority interests in the income of the group should be separately presented." (IAS 27, para. 26). Net

income therefore represents the amount attributable to the controlling interest, which in this case would be Enterprise A. Some would therefore maintain that the EPI should be similarly adjusted. Others, however, maintain that since Enterprise A controls Enterprise B, it has complete responsibility for its operations, and there should be no adjustment.

The EPI obtained under the equity method is a meaningless figure because it gives no consideration to the fact that the shareholders/owners of Enterprise A have responsibility for 50 per cent of the operations of Enterprise B. The value added and water usage amounts need to be adjusted to take into account Enterprise A's equity in Enterprise B.

With respect to proportionate consolidation, the adjustments to reflect Enterprise A's 50 per cent ownership of Enterprise B have already been included on a line by line basis and no further adjustment is required.

The adjusted amounts under the various methods will be as in table 16.

Table 16: Adjusted EPI's

	Full Consolidation (not adjusted)	Full consolidation (adjusted)	Equity Method	Proportionate Consolidation
Value added (per above)	\$14,000	\$14,000	\$6,000	\$10,000
Less minority interest (50% \$18,000-\$10,000)		(4,000)		
A's equity in B's value added (50% \$18,000 - \$10,000)			<u>4,000</u>	
Adjusted value added	<u>\$14,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
Water usage	12,000	12,000	2,000	7,000
Less portion relating to B's minority shareholders (50% of 10,000 units)		(5,000)		
Add A's portion of B's water usage (50% of 10,000 units)			<u>5,000</u>	
Adjusted water usage from perspective of A	<u>12,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
Adjusted EPI indicator	12,000/14,000	7,000/10,000	7,000/10,000	7,000/10,000
Water usage dollar per Value added (from perspective of A)	0.86	0.70	0.70	0.70

It will be noted that, except for the first situation, where there is no adjustment for minority interest, the EPI from the perspective of the shareholders/owners of Enterprise A is now the same, irrespective of the method of consolidation used.

Segmentation

The last issue to be considered in standardization is segmentation. A professional analysis has to take into consideration a set of indicators best suited to interpret the results of an enterprise. This mainly refers to enterprises that are strongly diversified. In considering such segmentation, the industry will be relevant as well as the specific products or services being produced. In some extremely diversified enterprises, it may be appropriate to provide a separate report for specific products or services. The disclosure of generic EPIs per segment can support the interpretation of a group's performance. It can be assumed that the future development in ecological accounting will require group and segment information (as in financial accounting).

The data given in the Health, Safety, and Environment Report 1998 of Novartis provide an example on how different EPIs can depend on the field of activity. The EPI water consumption (in mio. cubic metres per production in metric tons) indicates that the group achieves an average EPI of 71 in 1998 compared to the healthcare division with 553 (7 times as much as the group average), the agribusiness with 37 and consumer health with 17 (EPIs calculated by authors based on data published in the Novartis report).

However, investors invest in companies which are listed on stock markets. The annual reports to shareholders of listed enterprises contain consolidated results for the groups. Thus, while segmental EPIs are important, they do not override the disclosure of EPIs for the group.

Conclusion

This report has discussed standardization from various perspectives. First, it has discussed the various EPIs which are being constructed and asserted that two variable EPIs are more meaningful than one variable EPIs. Second, it has discussed in the light of global environmental problems which are the most important EPIs for every enterprise regardless of sector, although some sectors should develop additional EPIs. Third, it has discussed which financial variables are the most appropriate to combine with environmental indicators in order to link financial and environmental performance. Lastly, it has introduced accounting concepts and standards necessary to produce environmental and financial data on a consistent basis which are relevant, reliable and comparable. There are three methods for the consolidation of financial data. Environmentalists should be aware of what method has been chosen so that the environmental data are produced on a consistent basis.

Appendix 1: Definitions

Environmental performance indicators

There are numerous definitions of environmental performance indicators. Some of the more important are listed below.

Bartolomeo describes EPIs as:

“... quantitative and qualitative information that allow the evaluation, from an environmental point of view, of enterprise effectiveness and efficiency in the consumption of resources. EPIs consist of process, system and eco-financial indicators” (Bartolomeo 1995).

According to the Tellus Institute, environmental performance indicators “... provide a metric by which environmental performance may be tracked. Standardized EPIs allow a comparison of an enterprise’s current performance with its earlier performance, with other enterprises in the same sector, or with industry overall.” EPIs quantify resource use and environmental impacts and serve to bridge the gap between environmental stewardship and the bottom line. (White and Zinkel 1997a).

The International Organization for Standardization ISO 14031.5 working draft defines environmental performance indicators as follows:

“Specific expression that is used to provide information about environmental performance”(ISO 1996).

Analogous to the objectives of IASC (IASC framework 1983) it can be said that the objective of EPIs is to provide information about the environmental performance and changes in the environmental performance of an enterprise that is useful to a wide range of users in making economic and environmental decisions. This information is only useful to users if it is comparable, reliable and understandable.

Definitions of environmental performance indicators

Adams identified six approaches to environmental performance measurement (Adams 1998). They include

- Toxic release inventory (TRI)
- Enterprise-specific approaches
- Self-selected emission targets
- Compliance with regulations/permits
- Environmental performance indicators (EPIs) and eco-efficiency measures
- CML method (Centre of Environmental Science, University of Leiden)
- Environmental burden

It can be said that the concept of eco-efficiency is one of the most important in the context of communicating environmental performance. Eco-efficiency has proven to be useful and meaningful for internal management as well as for external communication to investors. Therefore, this report focuses on quantitative EPIs relating to eco-efficiency measures.

The relevant environmental items do not necessarily originate within the same accounting system. For example, environmental liabilities originate within the financial accounting system while tons of CO₂ -emissions originate within the ecological accounting system.

If the environmental performance is to be disclosed in more useful and meaningful terms for users it should be disclosed in the form of two-item indicators (ratios). Basically, there are three combinations:

- Financial indicator in relation to another financial indicator
(e.g. environmental liabilities/shareholders equity)
- Financial indicator in relation to environmental indicator
(e.g. tons of CO₂ -emissions per USD of sales)
- Environmental indicator in relation to another environmental indicator
(e.g. waste in relation to resources used)

Today, while many companies publish information about their environmental performance "...it is entirely up to the enterprise" (Adams 1998) which indicators they want to report on:

Discretionary use of indicators.

In the case of financial/environmental indicators there is no indication of how an indicator is recognized, measured and disclosed. There is no indication of how the financial or

environmental indicators were derived (underlying assumptions, qualitative characteristics, scope and method of consolidation).

According to Adams, the solution to these problems depends on various factors (UNCTAD 1998; Adams 1998) "...Various factors will determine the pace of development of EPIs (both financial and non-financial) as regularly used tools for inter-enterprise comparison"

These factors include:

- the speed of take-up of EMAS (the Environmental Management and Audit Scheme by the European Union), ISO 14000 and related environmental standards
- the willingness of companies to voluntarily enter into a sector-wide public reporting of (potentially substandard or legally embarrassing) environmental performance results
- the extent to which the financial sector increases pressure on companies to make such disclosures (UNCTAD 1998; Adams 1998).

Appendix 2: Other initiatives to develop EPIs

In the introduction to this report there are at least three other major initiatives involving the development of EPIs either at the international level, the NGO level or the business association level. The activities of the following key organizations which have major initiatives in this area are highlighted:

- The International Organization for Standardization (ISO)
- The Global Reporting Initiative (GRI)
- The World Business Council for Sustainable Development (WBCSD)

Global Reporting Initiative

The most comprehensive project is the NGO-led Global Reporting Initiative (GRI). The GRI was established in 1997 to develop a framework (or guideline) for enterprise-level reporting on sustainable development, including environmental, social and economic aspects.

The framework will serve as:

- An internal vehicle for checking consistency of sustainability policy with performance;
- A logical structure for applying sustainability concepts to enterprise operations;
- A framework for dialogue between internal and external stakeholders.

The GRI is convened by CERES (Coalition for Environmentally Responsible Economies) and incorporates the active participation of corporations, non-governmental organizations (NGOs), consultants, accountancy organizations, business associations, universities, and other stakeholders from around the world.

The GRI Sustainability Reporting Guidelines comprise three sections:

1. the preamble describes the rationale, value, applicability and general reporting principles of the Guideline;
2. the Guidelines are divided into nine parts: CEO statement; key indicators; profile of reporting entity; policies, organization and management systems; stakeholder relationships; management performance; operational performance; product performance; and sustainability overview.
3. the Appendices provide additional explanation and illustrations pertaining to various parts of the Guidelines.

These guidelines aim to provide guidance to enterprises preparing sustainability reports. The guidelines do not provide guidance for data collection, information and reporting systems. Nor do they give guidance on the methods to be used for calculating the indicators. The generic indicators identified by GRI correspond to those identified in this report and WBCSD. This report should be viewed a “complementary” to GRI in that it fills a methodological gap.

Among the indicators recommended by GRI are

- Total energy use
- Total electricity use
- Total fuel use
- Other energy use

- Total materials use other than fuel
- Total water use
- Non-product output (NPO) defined as waste
- Quantity to NPO to land by material type
- Emissions to air by type
- Discharges to water by type

The guidelines are applicable to any size and any type of enterprise that chooses to prepare a sustainability report. The Guidelines are not specific to any industry or business sector. That is, they are designed to incorporate information common to most enterprises regardless of business sector.

International Organization of Standardization (ISO)

The ISO has 133 member bodies which set technical standards for manufacturing and goods processing in their countries. It has developed ISO 14000, which is a series of international, voluntary environmental management standards. Developed under ISO Technical Committee 207, the 14000 series of standards address the following aspects of environmental management: Environmental Auditing and Related Investigations, Environmental Labels and Declarations, Environmental Performance Evaluation, Life Cycle Assessment and terms and definitions.

ISO (TC 207 subcommittee 4) published ISO 14031.5: on Environmental Management – Environmental Performance Evaluation in 1999. It emphasizes the management process in terms of environmental performance evaluation (EPE). ISO defines EPE as ...*a management process which can*

provide an organization with reliable and verifiable information on an ongoing basis to determine if its performance is meeting the criteria set by its management. The information generated by EPE may also assist an organization to:

- achieve continual improvement of its environmental performance;
- report and communicate its environmental performance;
- identify opportunities for prevention of pollution;
- increase efficiency and effectiveness; and
- identify strategic business opportunities. (ISO 1996)

The standard prescribes the process for evaluating if an enterprise has adopted an environmental management system. It is important to note that working group TC 207 has also identified environmental indicators which could be used for international environmental management purposes. They were not intended to communicate performance to external stakeholders.

It is important to note for environmental management systems (EMS) in general and ISO in particular, that EMS-standards are process, not performance standards (Sturm 1997). In other words, these standards do not tell organizations what environmental performance they must achieve (besides compliance with environmental regulations). "Instead, the standards describe a system that will help an organization to achieve its own objectives and targets. The assumption is that better environmental

management will lead indirectly to a better environmental performance." (Feldmann 1996)

"Indicators help to condense relevant environmental data into compact and useful information about management's efforts, the organization's environmental performance, or the condition of the environment. An organization should select and develop a sufficient number of relevant and understandable indicators to evaluate its environmental performance."

ISO/WD 14031.5 lists environmental loads, quantitative information on emissions, discharges, climate change and others. The WD lists many types of environmental indicators

- absolute: (e.g. total tons of SO₂ emitted per year)
- relative: information scaled to, or relative to, another parameter such as production (e.g. tons of SO₂ emitted per ton of primary product)
- Indexed: various indices constructed for either absolute or relative information, such as baseline year at 100 per cent; or weighting of equivalents to consolidate data (e.g. total green housegases emitted expressed as carbon dioxide equivalents).
- Qualitative: data that cannot be quantified by scientific measures, but are placed on a value scale decided by the organization.
- Financial: costs or benefits associated with environmental performance (e.g. waste handling)

costs, environmental performance improvement investments per ton of release reduction, reduced costs of purchased materials resulting from recycling or reuse)

World Business Council for Sustainable Development

The WBCSD is a coalition of some 150 transnational corporations united by a shared commitment to the environment and to the principles of economic growth and sustainable development. One essential consequence of this commitment is that most enterprises strive towards more sustainability by increasing their eco-efficiency. The progress achieved is, in many cases, communicated by annual environmental reports. Sometimes, these reports are known as “eco-efficiency reports”.

The WBSCD has developed a set of eco-efficiency indicators to help measure progress towards economic and environmental sustainability in business. According to WBSCD, eco-efficiency indicators primarily serve as a decision-making tool for internal management to evaluate performance, set targets and initiate improvement measures. They are also an important tool for communicating to internal and external stakeholders. The objective of eco-efficiency is to maximize value while minimizing resource use and adverse environmental impacts. In order to calculate eco-efficiency, the WBCSD uses the following equation:

$$\text{Eco-efficiency} = \frac{\text{Product or service value}}{\text{Environmental influence}}$$

So far, WBCSD has identified the following core indicators to be tested in a pilot application:

Product/service value

- Mass or number of products or services produced or sold
- Net sales

Product/service creation environmental influence

- Energy consumption
- Materials consumption
- Net water consumption
- Greenhouse gas emissions
- Ozone depleting substance emissions

As in the case of GRI, these are largely consistent with what is recommended in this report. WBCSD is developing core indicators, which are internationally agreed upon. Although these generic indicators are valid for virtually all businesses, they are not of equal value or importance for a given enterprise nor are they necessarily comparable between different businesses. WBCSD recommends that ISO 14031 Environmental Performance Evaluation be used to guide the selection of relevant supplemental indicators for a specific enterprise or sector. (WBCSD, *Executive Brief*, August 1999).

Given the initiatives of all the above-mentioned organizations, it can be said that there is much support for standardizing EPIs for external communication:

A substantial number of industrial associations in general and companies in particular have created EPIs, publish them periodically in environmental reports and regard their development as being among the most important issues for the next five years (see also the findings of the UNEP Consultative Meeting with Industry and Trade Associations in Paris in October 1997). Thus, many groups use and want EPIs. All, however, suffer from the lack of standardization of EPIs and should therefore support a standardization of EPIs. Moreover, the knowledge of how to Standardize is well established (ISO and IASC). It is much less complicated than it appears.

Appendix 3: Global warming and ozone depletion potentials

The tables below give an overview of all substances that are either part of the Kyoto Protocol (Table 18) or the Montreal Protocol.

How to use the tables:

Step 1: Assigning (= classification) the emissions of an enterprise to one of the two categories of environmental problems (global warming or ozone depletion).

Step 2: Multiplying the amount of emission by the factors in table 18 or results in weighted emissions according to the respective contribution to a problem (characterization). These weighted emissions are so called global warming or ozone depletion potentials.

Step 3: Adding up all weighted emissions within the two categories leads to the environmental items "global warming emission" and "ozone depletion emission" respectively expressed in "kg CO₂-equivalent" or "kg CFC-11-equivalent".

Note:

Some of the ozone depleting substances listed in table 18 have a global warming potential too, but are not part of the Kyoto Protocol. The decision whether or not to include these substances in the environmental item for the global warming contribution needs further discussion. Besides having a global warming potential nitrous oxide has a

significant ozone depleting potential. The exact factor has not been determined yet.

Global Warming Potential

Table 16: Characterization factors for global warming emissions (Kyoto Protocol).

Substance	GWP (1) (time horizon 100 years) (kg CO ₂ equivalent per kg substance)
Kyoto Protocol	
Carbon Dioxide	1
Methane	21
Nitrous oxide	270
Sulphur hexafluoride	23,900
Perfluorocarbons (2)	7000-9200
Hydrofluorocarbons (3)	140 - 9800

(1) *GWP: Global Warming Potential. For a list of GWPs see IPCC 1996.*

(2) *Depending on the kind of PFCs. The various PFCs and their respective GWPs are listed in IPCC 1996.*

(3) *Depending on the kind of HFC. The various HFCs and their respective GWPs are listed in IPCC 1996.*

According to the Kyoto Protocol, emissions from the following sources/categories have to be included:

- Energy
- Fuel combustion
- Energy industries
- Manufacturing industries and construction

- Transport
- Other sectors
- Other

Fugitive emissions from fuels

- Solid fuels
- Oil and natural gas
- Other

Industrial processes

- Mineral products
- Chemical industry
- Metal production
- Other production
- Production of halocarbons and sulphur hexafluoride
- Consumption of halocarbons and sulphur hexafluoride
- Other

Solvent and other product use

- Agriculture
- Enteric fermentation
- Manure management
- Rice cultivation
- Agricultural soils
- Prescribed burning of savannas
- Field burning of agricultural residues
- Other

Waste

- Solid waste disposal on land
- Wastewater handling
- Waste incineration
- Other

Table 17: Conversion factors calculating the contribution for ozone depleting emissions (Montreal Protocol)

Substance	ODP (1) (kg CFC-11 equivalent per kg substance)
Montreal Protocol	
CFCl ₃ (CFC-11)	1.0
CF ₂ Cl ₂ (CFC-12)	1.0
C ₂ F ₃ Cl ₃ (CFC-113)	0.8
C ₂ F ₄ Cl ₂ (CFC-114)	1.0
C ₂ F ₅ Cl (CFC-115)	0.6
CF ₂ BrCl (halon-1211)	3.0
CF ₃ Br (halon-1301)	10.0
C ₂ F ₄ Br ₂ (halon-2402)	6.0
CF ₃ Cl (CFC-13)	1.0
C ₂ FCl ₅ (CFC-111)	1.0
C ₂ F ₂ Cl ₄ (CFC-112)	1.0
C ₃ FCl ₇ (CFC-211)	1.0
C ₃ F ₂ Cl ₆ (CFC-212)	1.0
C ₃ F ₃ Cl ₅ (CFC-213)	1.0
C ₃ F ₄ Cl ₄ (CFC-214)	1.0
C ₃ F ₅ Cl ₃ (CFC-215)	1.0
C ₃ F ₆ Cl ₂ (CFC-216)	1.0
C ₃ F ₇ Cl (CFC-217)	1.0
CCl ₄ carbon tetrachloride	1.1
C ₂ H ₃ Cl ₃ 1,1,1-trichloroethane (2)	0.1
	Isomer Potential (3)
CHFCl ₂ (HCFC-21) 1 (4)	0.04
CHF ₂ Cl ₂ (HCFC-22) 1	0.055
CH ₂ FCl (HCFC-31) 1	0.02
C ₂ HFCl ₄ (HCFC-121) 2	0.01-0.04
C ₂ HF ₂ Cl ₃ (HCFC-122) 3	0.02-0.08
C ₂ HF ₃ Cl ₂ (HCFC-123) 3	0.02-0.06
CHCl ₂ CF ₃ (HCFC-123)	0-0.02

Table 17 Continued: conversion factors calculating the contribution for ozone depleting emissions (Montreal Protocol)

Substance	ODP (kg CFC-11 equivalent per kg substance)
C2HF4Cl (HCFC-124) 2	0.02-0.04
CHFClCF3 (HCFC-124) ⁱ	0-0.022
C2H2FCI3 (HCFC-131) 3	0.007-0.05
C2H2F2Cl2	0.02
C2HFCl4 (HCFC-121) 2	0.01-0.04
C2HF2Cl3 (HCFC-122) 3	0.02-0.08
C2HF3Cl2 (HCGroup IICHFBr2) 1	1.00
CHF2Br (HBFC-22B1) 1	0.74
CH2FBr 1	0.73
C2HFBr4 2	0.3-0.8
C2HF2Br3 3	0.5-1.8
C2HF3Br2 3	0.4-1.6
C2HF4Br 2	0.7-1.2
C2H2FBr3 3	0.1-1.1
C2H2F2Br2 4	0.2-1.5
C2H2F3Br 3	0.7-1.6
C2H3FBr2 3	0.1-1.7
C2H3F2Br 3	0.2-1.1
C2H4FBr 2	0.07-0.1
C3HFBr6 5	0.3-1.5
C3HF2Br5 9	0.2-1.9
C3HF3Br4 12	0.3-1.8
C3HF4Br3 12	0.5-2.2
C3HF5Br2 9	0.9-2.0
C3HF6Br 5	0.7-3.3
C3H2FBr5 9	0.1-1.9
C3H2F2Br4 16	0.2-2.1

Appendices

C3H2F3Br3	18	0.2-5.6
C3H2F4Br2	16	0.3-7.5
C3H2F5Br	8	0.9-1.4
C3H3FBr4	12	0.08-1.9
C3H3F2Br3	18	0.1-3.1
C3H3F4Br	12	0.3-4.4
C3H3F3Br2	18	0.1-2.5
C3H4FBr3	12	0.03-0.3
C3H4F2Br2	16	0.1-1.0
C3H4F3Br	12	0.07-0.8
C3H5FBr2	9	0.04-0.4
C3H5F2Br	9	0.07-0.8
C3H6FBr	5	0.02-0.7

- (1) *ODP: Ozone Depleting Potential. These ozone depleting potentials are estimates based on existing knowledge and will be reviewed and revised periodically (Montreal 1987).*
- (2) *Methyl chloroform. This formula does not refer to 1,1,2-trichloroethane.*
- (3) *Where a range of ODPs is indicated, the highest value in that range shall be used for the purposes of the Protocol. The ODPs listed as a single value have been determined from calculations based on laboratory measurements. Those listed as a range are based on estimates and are less certain. The range pertains to an isomeric group. The upper value is the estimate of the ODP of the isomer with the highest ODP, and the lower value is the estimate of the ODP of the isomer with the lowest ODP.*
- (4) *Identifies the most commercially viable substances with ODP values listed against them to be used for the purposes of the Protocol.*

Appendix 4: Hazardous and other wastes

According to the Basel Convention (Basel 1986) the categories of waste in the table below have to be controlled (Annex I, categories Y1-45) or require special consideration (Annex II, category Y47-46).

Table 18: Categories of waste (Basel Convention)

Category	Definition
Basel Convention	
Y1	Clinical wastes from medical care in hospitals, medical centres and clinics
Y2	Wastes from the production and preparation of pharmaceutical products
Y3	Waste pharmaceuticals, drugs and medicines
Y4	Wastes from the production, formulation and use of biocides and phytopharmaceuticals
Y5	Wastes from the manufacture, formulation and use of wood preserving chemicals
Y6	Wastes from the production, formulation and use of organic solvents
Y7	Wastes from heat treatment and tempering operations containing cyanides
Y8	Waste mineral oils unfit for their originally intended use
Y9	Waste oils/water, hydrocarbons/water mixtures, emulsions
Y10	Waste substances and articles containing or contaminated with polychlorinated biphenyls (PCBs) and/or polychlorinated terphenyls (PCTs) and/or polybrominated biphenyls (PBBs)
Y11	Waste tarry residues arising from refining, distillation and any pyrolytic treatment

Appendices

Y12	Wastes from production, formulation and use of inks, dyes, pigments, paints, lacquers, varnish
Y13	Wastes from production, formulation and use of resins, latex, plasticizers, glues/adhesives
Y14	Waste chemical substances arising from research and development or teaching activities which are not identified and/or are new and whose effects on man and/or the environment are not known
Y15	Wastes of an explosive nature not subject to other legislation
Y16	Wastes from production, formulation and use of photographic chemicals and processing materials
Y17	Wastes resulting from surface treatment of metals and plastics
Y18	Residues arising from industrial waste disposal operations
Y19	Metal carbonyls
Y20	Beryllium; beryllium compounds
Y21	Hexavalent chromium compounds
Y22	Copper compounds
Y23	Zinc compounds
Y24	Arsenic; arsenic compounds
Y25	Selenium; selenium compounds
Y26	Cadmium; cadmium compounds
Y27	Antimony; antimony compounds
Y28	Tellurium; tellurium compounds
Y29	Mercury; mercury compounds
Y30	Thallium; thallium compounds
Y31	Lead; lead compounds
Y32	Inorganic fluorine compounds, excluding calcium fluoride
Y33	Inorganic cyanides
Y34	Acidic solutions or acids in solid form
Y35	Basic solutions or bases in solid form

Table 18 continued: Categories of waste (Basel Convention)

=>

Category	Definition
Y36	Asbestos (dust and fibres)
Y37	Organic phosphorous compounds
Y38	Organic cyanides
Y39	Phenols; phenol compounds, including chlorophenols
Y40	Ethers
Y41	Halogenated organic solvents
Y42	Organic solvents, excluding halogenated solvents
Y43	Any congener of polychlorinated dibenzo-furan
Y44	Any congener of polychlorinated dibenzo-p-dioxin
Y45	Organohalogen compounds other than substances referred to in this Annex (e.g. Y39, Y41, Y42, Y43, Y44)
Y46	Wastes collected from households
Y47	Residues arising from the incineration of household waste

Appendix 5: The environmental performance indicator matrix

The EPI-Matrix

The objective was to identify EPIs that were meaningful and should be applied to most if not all enterprises. However, this does not mean that other EPIs are inappropriate. Depending on the objective of the user other EPIs can be used.

Generic indicators should always be seen in conjunction with other possible indicators in general and in particular with industry-specific EPIs that take into account the specific problems and challenges of that industry. Moreover, every enterprise should try to define EPIs for environmental problems of local or regional concerns. Industry-specific EPIs already exist for many industries or will be identified in a next step.

In order to show the range of possible generic and industry-specific EPIs, an EPI-matrix is constructed (see below). The EPI-matrix can be used as a tool to support the identification of possible EPIs. The following EPI-matrix combines different focuses of performance assessment approaches (column 2) with different approaches for reference items (columns 3 and 4). Within this matrix 20 types of different EPIs can be defined (fields A 1.1 – B 5.2). Assessment indicators 3, 4, and 5 follow the widely accepted concepts and terminology developed for Life Cycle Assessment (LCA) under the umbrella of SETAC (SETAC 1993).

Table 19: The EPI-Matrix

EPI Matrix				Reference Item	
		Focus of Assessment		A	B
Environmental Performance Assessment Approach				physical unit	financial unit
1	Qualitative	1.1	management	A 1.1	B 1.1
		1.2	compliance	A 1.2	B 1.2
2	Financial	2.1	costs	A 2.1	B 2.1
		2.2	benefits	A 2.2	B 2.2
3	Physical classification (1)	3.1	input	A 3.1	B 3.1
		3.2	output	A 3.2	B 3.2
4	Environmental Characterization (2)	4.1	resource depletion	A 4.1	B 4.1
		4.2	environmental impact	A 4.2	B 4.2
5	Environmental Valuation (3)	5.1	scarcity of resources	A 5.1	B 5.1
		5.2	carrying capacity	A 5.2	B 5.2

(1) *Classification: The process of assignment and initial aggregation of data from inventory to relatively homogeneous stressor categories (e.g. greenhouse gases, ozone depleting components), within the larger categories like resource depletion or environmental impacts.*

(2) *Characterization: The analysis and estimation of the magnitude of potential impacts on the environment for each of the stressor categories, derived through application of specific impact tools (e.g. global warming potentials or ozone depletion potentials, see e.g. annex 3, page 86).*

- (3) *Valuation: The assignment of relative values or weights to different impacts and their aggregation across impact categories. This step is largely based on social and political values, goals and targets.*

All EPIs proposed by ISAR refer to column B because a financial variable is used as the denominator.

Table 20: Identification of Proposed EPIs

Environmental Performance Indicators	Column in EPI-matrix
primary fossil energy use/value added	B 3.2
water use/value added	B 3.1
global warming emissions/value added	B 4.2
ozone depleting emissions/value added	B 4.2
solid and liquid waste/value added	B 3.2

Selected examples from environmental reports

B 4.2: Roche (Group Report for Safety and Environment 1998; p. 30) uses an EPI CO₂ -equivalents per Mio. CHF of sales.

Table 21: Example EPI Roche

	1995	1996	1997	1998
Total CO ₂ - equivalents in tons	1,211.000	1,347.000	1,277.000	1,308.400
Sales (in Mio. CHF)	14,426	15,966	18,767	24,662
CO ₂ -equivalents in tons per 1 Mio. CHF of sales	83.9	84.4	68.0	53.0

This EPI would refer to B 4.2 in the EPI-matrix because the environmental performance is assessed by the characterization of environmental impact (contribution to global warming in CO₂ -equivalents). As a reference, Roche uses a financial indicator (sales).

A 3.1 + B 3.1: Sulzer (Environmental Report 1997/1998; page 8) uses EPIs that consist of EPI water per value added and water per employee.

The first EPIs (m³/employee) would refer in the EPI-matrix to A 3.1 because the environmental performance is assessed by the physical classification in terms of input of water impact. As reference, Sulzer uses a physical unit (employee).

The second EPIs (m³/value added in CHF) would refer in the EPI-matrix to B 3.1 because the environmental performance is assessed by the physical classification in terms of input of water. As reference, Sulzer uses a financial unit (value added).

Sulzer: Environmental Report 1998/1999

Environmental Performance Indicators (p.9)

	1993	1994	1995	1996	1997	1998
Energy consumption						
kWh/employee	20,800	20,100	21,800	18,600	21,500	21,800
kWh/ CHF value added	234,000	234,000	265,000	225,000	230,000	232,000
CO ₂ emissions	1993	1994	1995	1996	1997	1998
tonnes/employee	5.6	5.2	4.5	5.1	6.3	6.5
kg/CHF value added	63,100	60,000	55,000	61,000	67,000	70,000
Water consumption	1993	1994	1995	1996	1997	1998
m ³ /employee	68	74	60	56	63	59
liters/CHF value added	720,000	858,000	727,000	679,000	668,000	633,000
Waste + recycled materials	1993	1994	1995	1996	1997	1998
kg/ employee	1390	1510	1380	910	1180	1140
kg/CHF value added	15,700	17,500	16,800	11,000	12,500	12,000

Appendix 6: Abbreviations and Acronyms

ACCA	Association of Chartered Certified
Accountants	
CBI	Confederation of British Industry
CER	Council on Economic Priorities
CERES	Coalition for Environmentally Responsible
Economies	
CICA	Canadian Institute of Chartered
Accountants	
CML	Centre of Environmental Science,
University of Leiden	
cf.	compare
e.g.	example given
ECOSOC	Economic and Social Council
EFFAS	European Federation of Financial Analysts'
Societies	
EIA	Environmental impact assessment
EMS	Environmental management systems
EPE	Environmental performance evaluation
EPI	Eco-productivity index (Novo Nordisk)
EPI (EPIs)	Environmental performance indicators
EPS	Earnings per share
FASB	Financial Accounting Standards Board
ff.	following
GEMI	Global Environmental Management
Initiative	
GWP	Global warming potential
IAS	International Accounting Standard
IASC	International Accounting Standards
Committee	
IPCC	Intergovernmental Panel on Climate
Change	
IRRC	Investors Responsibility Research Center

ISAR	Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
ISO Standardization	International Organization for Standardization
LCA	Life cycle assessment
m.	Millions
MJ	megajoules
NRTEE and Economy	National Roundtable on the Environment and Economy
ODP	Ozone Depleting Potential
P/E	Price earnings ratio
RER	Roche energy rate
SETAC Chemistry	Society of Environmental Toxicology and Chemistry
TC	Technical committees
TNC	Transnational corporations
TRI	Toxic release inventory
UN	United Nations
U.S.-GAAP Accounting Principles	United States Generally Accepted Accounting Principles
UNCTAD Development	United Nations Conference on Trade and Development
USD	US dollar
VA	Value added
WBCSD Development	World Business Council for Sustainable Development
WD	Working Draft
WEF	World Economic Forum
WRI	World Resource Institute

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Appendix 8: Dr. Talal Abu-Ghazaleh's Profile



Talal Abu-Ghazaleh
Founder and Chair, Talal Abu-Ghazaleh Global
(TAG.Global)

talalabughazaleh.com
tag.global

Talal Abu Ghazaleh was born in Jaffa, Palestine on April 22, 1938. Just as he turned ten he, with his family, were forced out of their homeland as a result of the Zionist invasion of Palestine, seeking refuge in neighboring Lebanon. In 1960, he earned a Bachelor of Science degree in Business Administration from the American University of Beirut. Later on he earned a number of honorary doctorates. In 1972, he founded an accounting company in Kuwait. He started work from the trunk of his car until he managed to rent office space. Presently, this small company grew into a global organization with a hit brand name called Talal Abu-Ghazaleh Global (TAG.Global), a truly global family of companies that provide world-class professional and educational services, working through more than 100 offices worldwide.

Dr. Talal Abu-Ghazaleh's stature and acumen have made him a man of vision and purpose. His varied accomplishments had granted him access to many world leaders, including kings, princes, presidents of state, ministers, ambassadors, as well as leaders of the world trading system and Internet pioneers. In Amman, he served as a member of the Jordanian Senate for two terms. Throughout the years, he chaired, and/or served as member of innumerable United Nations' governing bodies and other multilateral international organizations. He presided over global holding companies and professional service firms, information and communication technologies' initiatives and a host of socioeconomic development institutions. Recognized as one of the most influential leaders in the world, with lifetime achievements, international leadership, books, awards and honors as part of his impressive record, Dr. Talal Abu-Ghazaleh made, and he continues to make,

distinctive and outstanding contributions to education, accountancy, Intellectual Property, business administration and management, commerce, ICT, science and technology, law and other fields of economic development. He is a builder of institutions with a sense of history and a vision for the renaissance of the Arab region within the context of an emerging knowledge-based world.

A true visionary, Dr. Talal Abu-Ghazaleh authored a series of books and articles, and through his inspired leadership as reflected in TAG.Global's varied activities, he nurtured a new paradigm of global development which he characterized as the Fourth Industrial Revolution – as an emergence of a 'Knowledge Era' based on the digital age that promises a wealth of opportunity and astounding progress for all. Dr. Talal Abu-Ghazaleh's contribution to ensuring the Arab world's full participation in this revolution.

Believing passionately that access to quality education is a human right, Dr. Talal Abu-Ghazaleh established numerous educational institutions. These range from 'Knowledge Centers', where young Arabs can get free online access to the global knowledge treasures; to the College of Innovation that nurtures young creators, to the online Digital University where accredited educational programs are available to everyone, everywhere at affordable cost. These facilities and institutions have been cultivated and innovatively created by Dr. Talal Abu-Ghazaleh and the companies he leads. At the behest of his leadership, these companies provide an active power-house enabled with the needed dynamism to change and keep up with the latest technological advancements, concepts and ideas in the world.

Table of Contents

1. Academic Degrees and Certificates	1
2. Official Assignments	1
3. Decorations	1
4. Chairmanships	2
4.1- Societies Chairmanships:	3
5. Selected Board Memberships	4
6. TAG.Global Initiatives	5
6.1- In Education and Capacity Building	5
6.2- In Media and Journalism	5
6.3- In Community Service	5
7. Music Patronage	6
8. Professional Publications (supervision and support)	7
8.1- Books by TAG	7
8.2- Books about TAG	7
8.3- Dictionaries	7
8.4- Professional Publications	8
9. Honorary Awards	9
10. Certificates of Appreciation	9
11. TAG.Global Members	10
12. TAG.Global Offices	13

1. Academic Degrees and Certificates

- Honorary Ph.D. in Arts, Canisius College, Buffalo, USA (1988).
- Honorary Ph.D. in Humane Letters, American University of Technology, Lebanon (2022).
- Honorary Ph.D. in Humane Letters, Lebanese American University, Lebanon (2018).
- Honorary Ph.D. in Management and Economics, Jerash University, The Hashemite Kingdom of Jordan (2016).
- Honorary Ph.D. in Business Administration, Mutah University, The Hashemite Kingdom of Jordan (2015).
- Honorary Ph.D. in Human Arts, Bethlehem University, Palestine (2014).
- Bachelor of Science in Business Administration, The American University of Beirut, Lebanon (1960).

2. Official Assignments

- Senator, Jordanian Upper House, The Hashemite Kingdom of Jordan (2016-2019).
- Senator, Jordanian Upper House, The Hashemite Kingdom of Jordan (2010-2011).

3. Decorations

- Decoration of Independence of the First Order by His Majesty King Abdullah II bin Al-Hussein, Raghadan Palace, The Hashemite Kingdom of Jordan (2016).
- Decoration of Independence of the Third Order by His Majesty the Late King Hussein bin Talal, Raghadan Palace, The Hashemite Kingdom of Jordan, The Hashemite Kingdom of Jordan (1967).
- ‘Knight Medal for Building Arab Awareness’ in recognition of his economic contributions, community initiatives, and his efforts to support youth, Arab Youth Council for Integrated Development, Cairo, Egypt, (2022).
- First-Class Arab Tourism Decoration, Arab Tourism Organization, Jeddah, Kingdom of Saudi Arabia, (2021).
- “Commendatore dell’ Ordine della Stella d’Italia” (Commander in the Order of the Star of Italy) by HE Mr. Sergio Mattarella, President of the Republic of Italy (2019).
- Decoration of Order of Commander of Civil Merit, His Majesty King Philip VI, King of Spain, Spain (2018).
- Decoration of Enhancing the Sino-Arab Relations by HE Mr. Xi Jinping, President of the People’s Republic of China (2016).
- Decoration of Creativity in Innovation and Digital Transformation by Regional Donor Organizations, Kingdom of Bahrain (2016).
- Decoration of Prince Salman bin Abd-Alaziz for Business Youth (2012).
- The Presidential Decoration presented by President of the Republic of Lebanon General Émile Lahoud, Lebanon (2001).
- Decoration of Legion of Honour (Chevalier de la Légion d’Honneur), France (1985).
- Decoration of the Republic of Tunisia by HE President Habib Bourguiba, Republic of Tunisia (1985).

4. Chairmanships

- Chair of La Verticale Africa-Mediterranean-Europe (La Verticale AME), Belgium (2021-present).
- Chair, Board of the Consortium for Sustainable Urbanization (CSU), USA (2021).
- Chair, Association of Lebanese Business People in the World (RDCL World), Lebanon (2020).
- Co-chair of La Verticale Africa-Mediterranean-Europe (La Verticale AME), Belgium (2019-2021).
- President of the Business Leaders Council under the umbrella of La Verticale, Belgium (2019).
- Chair of the Talal Abu-Ghazaleh University College for Innovation (TAGUCI), The Hashemite Kingdom of Jordan (2017).
- Honorary President of the Bosphorus Summit's Board of Trustees, Turkey.
- Chair, (Digital Technologies for Sustainable Urbanization Network)-UNSDG 11, NY (2011).
- Chair of the Honorary Council of the Consortium for Sustainable Urbanization, USA (2015).
- Honorary Chair of the Palestinian Association of Certified Public Accountants, Palestine (2015-present).
- Chair of the Arab Coalition of Services Industry, Lebanon (2015).
- Chair of the Jordanian National Orchestra Association (JOrchestra), The Hashemite Kingdom of Jordan (2014).
- Chair of the Talal Abu-Ghazaleh University College of Business (TAG-UCB), Kingdom of Bahrain (2012).
- Chair of the Talal Abu-Ghazaleh International University (TAGI-UNI), Lebanon (2012).
- Chair of the Research Center and Strategic Action, Switzerland (2012).
- Chair of the All for Palestine Initiative, France (2011-present).
- Chair of the Economic Policy Development Forum (EPDF), The Hashemite Kingdom of Jordan (2011- present).
- Chair of the Arab States Research and Education Network (ASREN), Germany (2010- present).
- Chair of the United Nations Global Alliance for ICT and Development (UN-GAID), USA (2009- 2010).
- Chair of the Afro-Asian Knowledge Society Council, Egypt (2009).
- Chair of the Arab World of Internet Institute, USA (2008).
- Vice-Chair (with Kofi Annan and Ban Ki-Moon) of UN Global Compact (UNGC), USA (2007-2016).
- Chair of the Board of Directors, UN Global Compact (UNGC), USA (2006-2008).
- Chair of the Arab Organization for Quality Assurance in Education (AROQA), Belgium (2007-present).
- Chair of the Talal Abu-Ghazaleh Graduate School of Business (TAGSB), The Hashemite Kingdom of Jordan (2006 - 2017).
- Co-chair of the United Nations Information and Communication Technology Task Force (UN ICT TF), USA (2006-2010).
- Chair of Evian Group Governing Body, Switzerland (2006-2009).
- Chair of the Evian Group-Arab Region (EGAR), Switzerland (2006-2009).
- Chair of the Business Action to Support the Information Society (BASIS), International Chamber of Commerce (ICC), France (2006-2008).
- Chair of the Board of Trustees, Perspective Europe, France (2005-2007).
- Chair of the Advisory Committee on Internet Governance, United Nations Information and Communication Technologies Task Force (UN ICT TF), USA (2003-2004).
- Chair of the International Chamber of Commerce Task Force (ICC TF) on Internet Governance, France (2003-2004).

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Chairmanships

- Chair of the Commission on E-Business, Information Technologies and Telecoms, International Chamber of Commerce (ICC), France (2001-2008).
- Chair of the Arab Regional Network of the United Nations Information and Communication Technologies Task Force (UN ICT TF), USA (2001-2004).
- Chair of the Working Group on Human Resources and Capacity Building (HRCB) of the United Nations Information and Communications Technologies Task Force (UN ICT TF), USA (2001-2002).
- Chair of the Arab Internet Names Consortium (AINC), The Hashemite Kingdom of Jordan (2001).
- Chair of the Committee of Experts mandated by the United Nations Secretary-General to draft the International Accounting Standards for Environmental Accountability, USA (1999).
- Chair of the United Nations Committee of Experts on Professional Qualifications Standards, Switzerland (1995-1998).
- Chair of the Middle East Council, Center for Strategic and International Studies, USA (1995-1997).
- Chair of the United Nations Conference for the Development of Accounting Education, USA (1995).
- Chair of the United Nations Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (UNISAR), USA (1995-1996).
- Chair of the Committee for the Newly Industrialized and Developing Countries Affairs, the International Accounting Standards Committee (IASC), UK (1989-1995).
- Chair of the Affairs of the Modern Industrialized Nations and Developing Countries, the International Accounting Standards Committee, UK (1989-1992).

4.1- Societies Chairmanships:

- Chair of the Arab Intellectual Property Mediation and Arbitration Society (AIPMAS), The Hashemite Kingdom of Jordan (2003-present).
- Chair of the Licensing Executives Society-Arab Countries (LES-AC), The Hashemite Kingdom of Jordan (1998-present).
- Chair of the Arab Knowledge Management Society (AKMS), USA (1989-present).
- Chair of the Arab Society for Intellectual Property (ASIP); in consultative status with the World Intellectual Property Organization (WIPO), Germany (1987-present).
- Chair of the International Arab Society of Certified Accountants (IASCA); in consultative status with the U.N. Economic and Social Council (ECOSOC), UK (1985-present).

5. Selected Board Memberships

- Member of the Federation of Arab Tax Experts, Egypt (2022-present).
- Member of the Board of Trustees, American University of Technology (AUT), Lebanon (2022-present).
- Member of the Arab Advisory Council, Arab Parliament (2022).
- Member of the Advisory Committee, UNESCO Regional Center for Quality and Excellence in Education, KSA (2021).
- Member of the Advisory Board of INSEAD Global Talent Competitiveness Index (GTCI), France (2017).
- Member of United Nations Social Impact Fund High-Level Advisory Board (UNSIF-HLAB), Switzerland (2017).
- Honorary Membership conferred by the Kuwaiti Association of Accountants and Auditors, Kuwait (2017).
- Special Ambassador, the World Tourism Organization (UNWTO), Spain (2017).
- Member of the Founding Committee of the Council of Islamic Donor Institutions, Qatar (2016).
- Member of the Advisory Board of the Global Talent Competitiveness Index (GTCI), France (2014).
- Member of the Advisory Board of Hamdan bin Mohammed Smart University, UAE (2014).
- Member of the Bretton Woods Committee, USA (2014).
- Member of the Global Social Responsibility Ambassador of CSR Regional Network, Kingdom of Bahrain (2014).
- Member of the Royal Commission to Enhance the Integrity System, The Hashemite Kingdom of Jordan (2013-present).
- Member of the Council on Arab Relations with Latin America and the Caribbean (CARLAC), under the presidency of HE Dr. Leonel Fernandez, Former President of the Dominican Republic, UAE (2013).
- Member of the World Trade Organization (WTO) Panel on Defining the Future of Trade, Switzerland (2012).
- Member of the Festival of Thinkers, UAE (2011-present).
- Member of the International Advisory Board, University of Bahrain, Kingdom of Bahrain (2010-2011).
- Member of the International Advisory, E-City for King Hamad ibn Isa Al Khalifa, Kingdom of Bahrain (2009).
- Member of the Honorary Board Membership, Afro-Asian Peoples' Solidarity Organization, Egypt (2008).
- Member of the Executive Board, International Chamber of Commerce (ICC), France (2006-2009).
- Member of the Board of Trustees, Arab Anti-Corruption Organization, Lebanon (2007-present).
- Member of the International Chamber of Commerce (ICC), France (2007).
- Member of the Advisory Board, Evian Group, Switzerland (2005-2009).
- Member of the Board of Directors, King Hussein Foundation, The Hashemite Kingdom of Jordan (2005-present).
- Member of the International Consultative Board, the World Coalition, USA (2005).
- Member of the Board of Directors, World Links Arab Countries Advisory Council, USA (2004-2005).
- Member of the Board of Directors, World Links Worldwide, USA (2003-2004).
- Member of the Public Sector Consultative Group, International Federation of Accountants (IFAC), USA (2003- 2006).
- Member of the Board of Trustees, King Hussein Cancer Center (KHCC), The Hashemite Kingdom of Jordan (2003-2006).
- Member of the Board of Trustees, National Music Conservatory (NMC), The Hashemite Kingdom of Jordan (2003- 2005).

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Selected Board Memberships

- Member of the Advisory Board, Knowledge Economy Community, Development Gateway, World Bank, USA (2002- 2005).
- Member of the Advisory Board, Industry Advisory Commission, the World Intellectual Property Organization (WIPO), Switzerland (1999-2000).
- Member of the Board of Advisors, Middle East Council of the Center for Strategic & International Studies (CSIS), USA (1995-1997).
- Member of the Board, International Federation of Accountants Council (IFAC), USA (1992).
- Member of the Board, International Accounting Standards Committee (IASC), UK (1988-1990).
- Member of the Arab Thought Forum, The Hashemite Kingdom of Jordan (1988-present).
- Member of the Board, International Auditing Practices Committee (IAPC) of IFAC, USA (1987-1990).
- Member of the Board of Governors, Keck Center for International Strategic Studies, USA (1985-1988).
- Member of the Board of Trustees, American University of Beirut, Lebanon (1980-1982).

6. TAG.Global Initiatives

6.1- In Education and Capacity Building:

- Talal Abu-Ghazaleh Confucius Center (TAG-Confucius), The Hashemite Kingdom of Jordan (2008).
- Talal Abu-Ghazaleh Cambridge IT Skills, The Hashemite Kingdom of Jordan (2001).
- Designed and produced TAGITOP, top-of-the-line laptop capability with netbook portability.
- Talal Abu-Ghazaleh Knowledge Society, which empowers the Arab youth as part of TAG.Global’s Corporate Social Responsibility.
- Talal Abu-Ghazaleh Knowledge Award: grants scholarships to distinctive Palestinians to study at TAGSB.
- Talal Abu-Ghazaleh Grant presented to West Bank and Gaza citizens to attain Certified Arab Professional Accountant qualifications.
- Grant to first-ranked Arab university graduates in accounting to attain the Certified Arab Professional Accountant qualification.
- Launch of the Adel Al-Sa’di Award for Excellence for the first-ranked student in the Arab Certified Accountants Society.
- The Talal Abu-Ghazaleh Center for Business Research at Canisius College.

6.2- In Media and Journalism:

- Intellectual Property News Agency | www.agip-news.com
- Information Technology News Agency | www.tagitnews.com
- Education News Agency | www.tageducanews.com
- Talal Abu-Ghazaleh Business and Culture Radio & TV Production and Broadcast | www.tagbc.fm

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TAG.Global Initiatives

6.3- In Community Service:

- Electronic Jerusalem Market, an electronic portal and a live commercial marketplace between Palestine and the world to support Arab Palestinians in Jerusalem.
- The Palestinian Exchange Market, an electronic portal for the facilitation of work of Palestinian businessmen with the world.
- Jordanian Association for Family-Owned Businesses to raise awareness on and develop standards of governance.
- TAG.Global's cooperation with Qatar Center for Supporting Civil Society and the Regional Network for Corporate Social Responsibility.
- Professional services to improve the roles and performance of Jordan News Agency (Petra).
- Talal Abu-Ghazaleh Knowledge Forum - "A space for dialogue and exchange of knowledge".
- Center of Governance for raising awareness and for the exercise of the social role in serving the society.
- Talal Abu-Ghazaleh Cambridge Center for IT Skills: contributing to the building of a knowledge society.
- Talal Abu-Ghazaleh Computer Refurbishment Center and its projects and initiatives widely distributed among charitable organizations and schools.
- E-training Center in Gaza Camp to provide the youth with electronic knowledge skills.
- TAG.Global is a partner to Prince Sultan bin Abd-Alaziz Award for Business Youth.

7. Music Patronages

- Patron, Bethlehem Orchestra, Palestine (2021).
- Patron, Palais Garnier, France (2016).
- Patron, Jordanian National Orchestra Association (JOrchestra) musical concerts, The Hashemite Kingdom of Jordan (2014-Present).
- Patron, the Second Modernity: The Artistic Collaboration of Fairuz and Ziad Rahbani Conference, Anis Makdisi Program in Literature, American University of Beirut (AUB), Lebanon (2006).
- Patron, Walid Gholmieh Symphonies (2006).
- Patron, Private Concert by Ramzy Yassa and Ghada Ghanem, UK (August 2004).
- Patron, L'Association pour le Rayonnement de l'Opéra national de Paris (AROP), France (2004-present).
- Board of Trustees and Chair, National Music Conservatory (NMC), The Hashemite Kingdom of Jordan (2003-2005).
- Patron, Lebanese National Symphony Orchestra (LNSO), Lebanon (2003-present).
- Patron, l'Opéra de Paris, France (2001-present).
- Patron, Private concert by the Mozarteum Orchestra of Salzburg, Austria (2000).
- Patron, 28th General Assembly for the International Music Council, The Hashemite Kingdom of Jordan (1999).
- Patron, TAGO Golden Jubilee Concert, UK (1997).
- Patron, Private concert by Ramzi Yassa, USA (1994).
- Patron, Freunde der Salzburger Festspiele, Austria (1976).

8. Publications (supervision and support)

8.1- Books by TAG:

- Inevitable Digital Future, (2020).
- The 2020 Global Crisis and the 3rd World War, (2019).
- Brave Knowledge World, (2018).
- Talal Abu-Ghazaleh – the Right to Return, (2017).
- Blankets Become Jackets, (2015).
- Short story: The Dreaded Echo, (1958).

8.2- Books about TAG:

- ‘Candles That Lighted the Gulf Space’, Dr. Ali Mohammed Al Naboodah & Nahed Altadfe, (2021).
- A Man from the Future, Jawad Al-Anani, (2019).
- A Reading of Talal Abu-Ghazaleh, Laila Alrefai, (2019).
- Did life passes you by?, Manaf Baaj, (2019).
- Talal-Abu-Ghazaleh... A Man of Knowledge, Karim Pakradouni, (2018).
- Talal, Son of Adibeh, Areej Younis, (2017).
- From Suffering to Universalism, Jaafar aloqaily, (2017).
- Talal-Abu-Ghazaleh... Rising to the top, Maher Maklad, (2016).
- Talal Abu-Ghazaleh... Secret of Glory-Man from My Country, Laila Alrefai, (2014).

8.3- Dictionaries:

- Talal Abu-Ghazaleh ICT Dictionary, 2nd edition (2013).
- Talal Abu-Ghazaleh IP Dictionary, 2nd edition (2013).
- Talal Abu-Ghazaleh Dictionary of Patents (2012).
- Talal Abu-Ghazaleh Legal Dictionary (2012).
- Talal Abu-Ghazaleh Collocations Dictionary (2012).
- Talal Abu-Ghazaleh ICT Dictionary, 1st edition (2008).
- Talal Abu-Ghazaleh Accountancy & Business Dictionary (2001).
- Talal Abu-Ghazaleh IP Dictionary, 1st edition (2000).
- Talal Abu-Ghazaleh English-Arabic Dictionary of Accounting, 1st edition (1978).

8.4- Professional Publications

- The Imperative of a WTO Reform Agenda, Switzerland (2013).
- WTO at the Crossroad, Switzerland (2012).
- Arab Certified Management Accountant (2012).
- Guide to Using ISAS in the Audits of Small- and Medium-sized Entities (2012).
- The Vest Pocket Guide to IFRS (2012).
- Guide to Quality Control for Small-and Medium-sized Practices (2012).
- Islamic Commercial Law (2010).
- Islamic Banking and Takaful (2010).
- Islamic Capital Markets and Instruments (2010).

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Publications (supervision and support)

- Accounting for International Fund (IF) Institutions (2010).
- Leaders Outlook, TAG Graduate School of Business Magazine (2010).
- International Financial Reporting Standard for Small and Medium-sized Entities (2009).
- The Licensing Executives Society International (LESI) Guide to Licensing Best Practices (2007).
- Anti-Money Laundering Guide (2006).
- Guide to Corporate Governance (2006).
- International Financial Reporting Standards (IFRS) Workbook and Guide (Wiley) (2006-2008-2011).
- Authorized Arabic World Intellectual Property Organization (WIPO) Intellectual Property Handbook: Policy, Law and Use (2005).
- Official Arabic Translation of the International Accounting Standards in the Public Sector (2005).
- Official Arabic Translation of International Standards on Auditing Practices and Business Ethics (2005).
- Authorized Arabic translation of the “Guide for Legal Retention Period for the Merchant Books and Auditor Work Papers (2004).
- Authorized Arabic “International Financial Reporting Standards” (2003-2013).
- Handbook of International Standards on Auditing, Assurance and Ethics Pronouncements (2001-2013).
- Authorized Arabic “International Accounting Standards in the Public Sector” (2001-2013).
- Authorized Arabic “International Standards on Auditing and Code of Professional Conduct” (2001).
- English Translation, “Intellectual Property Laws of the Arab Countries” (2000).
- Authorized Arabic “International Accounting Standards” (1st edition 1999, 2nd edition 2000, 3rd edition 2001).
- Authorized Arabic “Business Guide to the World Trading System” (1999).
- Authorized Arabic/English “Accounting and Financial Reporting for Environmental Costs and Liabilities” (1999).
- Trademark Laws in the Arab Countries: Country Guides (1998).
- Official Arabic version of the “International Standards on Auditing” (1st edition 1998, 2nd edition 2001, 3rd edition 2002).
- Official Arabic version of the “Business Guide to the World Trading System” (1st edition 1998, 2nd edition 2000).
- Accounting as a Tool for Decision Making in Tourism (1983).

9. Honorary Awards

- Talal Abu-Ghazaleh Annual Award for Innovation, EdTech Syndicate of Lebanon, in recognition of his support to innovation and creativity in all fields, Lebanon (2022)
- The Most Prominent Arab Scientific Personality Award of the Year 2020, the Human Development Training Center, UAE (2021)
- ‘Jordan Business Honorary Award’, Jordan Business Magazine, The Hashemite Kingdom of Jordan (2019).
- Honorary Shield, presented by the Gold Award for Sustainable Development, and the United Nations Commissioner for the Advancement of the United Nations’ Goals for Sustainable Development 2030, Oman (2016).

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Honorary Awards

- The Worldwide Alumni Association of AUB (American University of Beirut) Distinguished Alumnus Award for 2016, Lebanon (2016).
- Honorary Award for recognition and acknowledgement of the strong partnership with the United Nations Development Program, The Hashemite Kingdom of Jordan (2016).
- UN21 Award for Remarkable Leadership, New York, USA (2015).
- Abu-Ghazaleh Social Responsibility Awards launched by CSR Regional Network for his efforts in social initiatives, Kingdom of Bahrain (2014).
- Honorary Shield, presented by President Abdul Rahman Sewar Al Zahab, Sudan (2014).
- Visionary Leader Award from the Asian Education Leadership Awards, UAE (2013).
- The Arab Award for Innovation Media from His Highness Sheikh Jaber Mubarak Al Hamad Al-Sabah, Kuwait (2012).
- Man of the Year Award from the Palestine International Institute, The Hashemite Kingdom of Jordan (2012).
- Distinction Award, presented by Canisius College, USA (2011).
- Award of “Arab ICT Personality” of the Year 2010 from the Union of Arab ICT Associations, Kingdom of Bahrain (2010).
- Honorary Award, presented by the Arab Federation for the Protection of Intellectual Property Rights (AFPIPR), The Hashemite Kingdom of Jordan (2009).
- The International Lifetime Achievement Award, UAE (2008).
- IP Hall of Fame Academy, USA (2007).
- Gold Mercury International Award from His Royal Highness Prince Khalifah bin Salman Al Khalifah, Kingdom of Bahrain (1978).

10. Certificates of Appreciation

- Certificate of Appreciation, presented by the Arab European Center for Human Rights and International Law in cooperation with the Arab Federation for Development and Economic Integration, United Arab Emirates (2022).
- Certificate of Appreciation, presented by the Research and Translation Center, Prince Sultan University, KSA (2017).
- Certificate of Appreciation, World’s Most Prominent Chartered Accountants, Journal of International Accounting, UK (2014).
- Certificate of Appreciation, One of the World’s 500 Most Influential Arabs, Arabian Business Magazine, UAE (2012).
- Certificate of Appreciation, Palestinian Business Forum, The Hashemite Kingdom of Jordan (2011).
- Certificate of Appreciation, Bahraini - American Cultural Exchange Society, Kingdom of Bahrain (2010).
- Certificate of Appreciation, General Directorate of Education, KSA (2010).
- Certificate of Appreciation, Youth Media Forum, The Hashemite Kingdom of Jordan (2010).
- Certificate of Appreciation, Islamic University, Palestine (2005).
- Certificate of Appreciation, Global Leadership Award, UK (1997).
- Certificate of Appreciation, International Accounting Standards Board, UK (1988-1990).

11. TAG.Global Members

1. **Talal Abu-Ghazaleh Global (TAG.Global)** tag.global
The Global Organization for professional services and education
2. **Talal Abu-Ghazaleh & Co. International (TAG-Audit)** tagi.com
Audit and Accounting Services
3. **Talal Abu-Ghazaleh & Co. Consulting (TAG-Consult)** tag-consultants.com
Management, Economic, and Financial Consulting Services
4. **Talal Abu-Ghazaleh Valuation (TAG-Value)** tagvaluation.com
Asset Valuation and Branding Services
5. **Talal Abu-Ghazaleh Domains (TAG-Domains)** tagidomains.com
ICANN Accredited Registrar
6. **Talal Abu-Ghazaleh Information Technology International (TAG-ITI)** tagiti.com
Consultation, Development and Implementation in the Field of Information and Communication Technologies (ICT)
7. **Talal Abu-Ghazaleh E-Solutions (TAG E-Solutions)** tagesolutions.com
Software Solutions
8. **Talal Abu-Ghazaleh Intellectual Property (AGIP)** agip.com
Registration and Protection of Intellectual Property Rights
9. **Talal Abu-Ghazaleh Legal (TAG-Legal)** tag-legal.com
Legal Services
10. **Talal Abu-Ghazaleh International Advertising (TAG-Media)** media.tag.global
Media Consultants
11. **Talal Abu-Ghazaleh International Press & Publishing (TAG-Publish)** tag-publication.com
Services and Consultations in the Field of Printing and Publishing
12. **Talal Abu-Ghazaleh Recruitment & Human Resources Development (TAG-Recruit)** tagirecruitment.com
Human Resources and Recruitment Services
13. **Talal Abu-Ghazaleh Tenders (TAG-Tenders)** tagtenders.com
Tenders and Bids
14. **Talal Abu-Ghazaleh Translation (TAG-Translate)** tagtranslate.com
Professional Interpretation and Translation Services
15. **Talal Abu-Ghazaleh Global University (TAG-GU)** tagiuni.global
Highly Accredited Online Academic, Professional Programs and Digital Educational Programs
16. **Talal Abu Ghazaleh University College for Innovation (TAGUCI)** taguci.com
College for Business and IT
17. **Talal Abu-Ghazaleh University College of Business-Bahrain (TAG-UCB)** tagucb.com
Bachelor Degrees in Business Administration
18. **Talal Abu-Ghazaleh Confucius Institute (TAG-Confucius)** tagconfucius.com
Teaching Chinese Language
19. **Talal Abu-Ghazaleh E-Training (TAG E-Training)** tagitc.com
Providers of Accredited IT Training and Certification Services
20. **Talal Abu-Ghazaleh Academy (TAGACADEMY.Global)** tagacademy.global
Organizing, Holding and Sponsoring Training Courses, Workshops and Seminars

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TAG.Global Members

21. **Talal Abu-Ghazaleh Knowledge Center (TAG-KS)** tagks.com
It is the CSR arm of TAG.Global which helps the youth enter labor market through offering them training courses and linking them with employers
22. **Talal Abu-Ghazaleh Knowledge Forum (TAGKF)** tag-forum.org
Event Organizing Services
23. **Electronic Arabic Encyclopedia Registration Website (TAGEPEDIA)** register.tagepedia.org
Enriching the online world with Arabic content
24. **International Arab Society of Certified Accountants (IASCA)** iascasociety.org
Professional Certificates (IACPA, IACMA and IFRS Expert), Membership, Training Courses, and Professional Publications
25. **Arab Society for Intellectual Property (ASIP)** aspip.org
Training and Raising Awareness in Legal and Intellectual Property Fields
26. **Licensing Executives Society - Arab Countries (LES-AC)** lesarab.org
Advancing the Business of Intellectual Property Globally
27. **The Arab International Society for Management Technology (AIMICT)** aimict.org
Capacity building and advanced IT training
28. **Arab Center for Mediation and Arbitration (AIPMAS)** aipmas.org
Conflict settlement related to Intellectual Property
29. **Arab Organization for Quality Assurance in Education (AROQA)** aroqa.org
Quality of Education
30. **Arab States Research and Education Networks (ASREN)** asrenorg.net
High Speed Research and Education Networks and e-Infrastructure Services
31. **Talal Abu-Ghazaleh for Cloud Computing Services (TAG-Cloud)** tagicloud.com
Cloud Computing Consulting Services (CCCS)
32. **Family Business Governance Center (FBGC)** fbgc.jo
Family business and governance
33. **Arab Omani Management Training Institute (AOTI-Oman)** tagi-aoti.com
Organize, hold and sponsor training courses, workshops and seminars
34. **Abu-Ghazaleh Intellectual Property News Agency (AG-IP News)** agip-news.com
Providing media services in the field of intellectual property
35. **All 4 Palestine Organization (All4Palestine)** all4palestine.com
Compilation of Prominent Palestinian Profiles
36. **Talal Abu-Ghazaleh Information Technology International News Agency (TAG-IT News)** tagitnews.com
Media Services in the Field of Information Technology
37. **TAG-Knowledge and Wealth Creation (TAG-Creation)** tagcreation.com
Business Advisory and Wealth Creation
38. **Talal Abu-Ghazaleh Training-Bahrain (TAGI-Training Bh.)** tagitraining.bh
Training Services

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TAG.Global Members

- 39. Talal Abu-Ghazaleh Education News Agency (TAG-Educa News)** tageducanews.com
Media services in the field of education
- 40. Arab Center For Dispute Resolution (ACDR)** acdr.aipmas.org
Domain Name Dispute Resolution
- 41. Talal Abu-Ghazaleh Proctored Testing Centers (TAGI-Metric)** tagimetric.com
Third Party Proctored Examinations and Assessments.
- 42. Talal Abu-Ghazaleh for Dispute Resolution Center (TAG-Resolution)** tagresolution.com
Arbitration to settle conflicts in the field of trademarks
- 43. Talal Abu-Ghazaleh Computer Refurbishment Center (TAG-CRC)** tagcrc.com
Refurbishing and developing computers
- 44. Talal Abu-Ghazaleh Design & Publishing (TAG-Design)** tagidesign.com
Design of printing consultations
- 45. Talal Abu-Ghazaleh Academy for Languages (TAG-Lingual)** tag-languages.com
Languages Training and educational courses
- 46. Talal Abu-Ghazaleh Internal Audit (TAG-Audit)** taginternalaudit.com
Internal Audit Services
- 47. Talal Abu-Ghazaleh Foundation (TAG-Foundation)** tag-foundation.org
Initiatives in areas of social development, economy, training and job creation, and thought and research forums
- 48. TAG-International Institute for Social Responsibility (TAG-IISR)** tag-foundation.org
Social development, economic, and training initiatives
- 49. Talal Abu-Ghazaleh Partners in Development (TAG-PID)** tag-foundation.org
Initiatives and forums Development
- 50. Talal Abu-Ghazaleh Patents (TAG-Patents)** patents.agip.com
Patents services
- 51. Talal Abu-Ghazaleh International Diploma in IT Skills (TAGDIT.Global)** tagitc.com
Providers of Accredited IT Training and Certification Services
- 52. Talal Abu Ghazaleh for Small and Medium Enterprises (TAG SME)** tag.global
Provide training to small and medium businesses and entrepreneurs to build sustainable practices and enable them to access finance
- 53. Talal Abu-Ghazaleh Business and Culture Radio (TAGBC.FM)** tagbc.fm
Radio Channel for Disseminating Thought, Culture and Education
- 54. Talal Abu-Ghazaleh International Records (TAGI-RECORDS)** tagirecords.com
Protection of copyrights and neighboring rights in the field of music industry, registration and legal services of companies and domain name registration
- 55. Arabic Fluency Certificate (TAGTALAKA.GLOBAL)** tagarabic.global
Provider of Arabic fluency exam, teaching Arabic language and teaching methods
- 56. Talal Abu-Ghazaleh for Technologies (TAGTech)** tagtech.global
High Tech Laptops, Tablets & Smart Phones

The Global Organization for Professional Services and Education

tag.global

JORDAN

(Regional Office):

- Amman - Head Office
- Amman Office
- Amman (University)
- Irbid
- Maan

ASIA

TAG.Global Offices:

AFGHANISTAN:

- Kabul

BAHRAIN:

- Manama

CHINA:

- Beijing
- Chengdu
- Guangzhou
- Shanghai

INDIA:

- Bangalore
- Mumbai
- New Delhi

INDONESIA:

- Jakarta

IRAN:

- Tehran

IRAQ:

- Baghdad
- Erbil

KAZAKHSTAN:

- Almaty

KUWAIT:

- Kuwait

LEBANON:

- Beirut (AGIP)
- Beirut (TAG-Audit)

MALAYSIA:

- Kuala Lumpur

OMAN:

- Muscat
- Salalah
- Duqm

PAKISTAN:

- Karachi
- Lahore

PALESTINE:

- Gaza
- Ramallah

QATAR:

- Doha

SAUDI ARABIA:

- Khobar
- Riyadh
- Jeddah

SOUTH KOREA:

- Seoul

SRI LANKA:

- Colombo

SYRIA:

- Damascus

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- Hamriya
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- Abuja

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- Johannesburg

SUDAN:

- Khartoum

TANZANIA:

- Dar es Salaam

TUNISIA:

- Tunis

Liaison Offices:

DJIBOUTI:

- Djibouti

EUROPE

TAG.Global Offices:

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- San Gwann

RUSSIA:

- Moscow

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- Ankara

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- Budapest

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- Rome

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- Wellington

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- Warsaw.

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ROMANIA:

- Bucharest

SPAIN:

- Madrid

SWEDEN:

- Stockholm

THAILAND:

- Bangkok

UNITED KINGDOM:

- London

VIETNAM:

- Hanoi

Appendix 9:
WTO at the Crossroad:
A Report on the Imperative
of a WRO Reform Agenda

WTO at the Crossroads

A Report on the Imperative of a WTO Reform Agenda



By:

Talal Abu-Ghazaleh

www.tagorg.com

Member, Panel of WTO Experts



**“If you sit at a crossroads,
you will get sick.”**

Old Palestinian Proverb



Contents

Foreword by the Honourable Sergio Marchi	3
Opening Message from Talal Abu-Ghazaleh	4
1. Introduction	7
2. Issues, Ideas & Recommendations	11
I. Being More Aggressive on Trade Promotion	11
a) A Commitment to Reconnecting with Citizens	11
b) Recognizing a New World	11
c) Humanizing Trade for Business People	12
II. Streamlining & Strengthening Decision-Making	13
a) The Consensus Principle	13
b) The Single Undertaking	14
c) Opening & Expanding the Trade Policy Review (TPR)	15
d) Creating a More Time Sensitive Accessions Process	16
e) Having the WTO Fully Enter the IT & Internet World	17
III. Enhancing Governance	17
a) Harmonizing & Harnessing UNCTAD and ITC within the WTO	17
b) Building Up & Empowering the WTO Secretariat	19
c) Establishing Two New Permanent Committees	20
d) Annual Ministerial Conference	21
e) WTO Informal Leaders Retreat	21
f) A Single WTO DDG	22
g) Creation of an Executive General Council Committee	22
h) Strengthening Inter-Agency Coherence	23
i) Righting the ‘Wrongs’ in Services Negotiations	23
IV. Creating & Owning a Credible Reform Process	24
a) First things First	24
b) Ministerial Engagement	25
c) Citizens	25
d) Seizing the Moment in Bali	26
e) Election of a new WTO DG	26
3. Conclusion	28
Appendix I: Summary of Recommendations	30
Appendix II: Proposal for an Internet Economy Agreement	33
Appendix II: Brief Profile of Talal Abu-Ghazaleh	35

Foreword by the Honourable Sergio Marchi

I have had the pleasure of knowing Talal for a good number of years, and if I was to choose but one word to describe him, it would be ‘energy’. He is quite simply a bundle of energy and drive. He has the energy to succeed, whatever the odds; the energy to tackle problems head on and speak his mind; and the energy to improve the community around him, and enhance the public good.



This frank report on the imperative of WTO reform is a reflection of that energetic spirit. He addresses the challenges from a number of relevant perspectives; as a citizen of the Middle East who is ambitious and hopeful for his region and the world; as a prominent business leader; as a member of the WTO Director General’s Panel of Experts; and as an engaged and committed internationalist.

This paper is a valuable contribution. It is clear, pragmatic, and focused on several key pillars. While a number of his proposals will strike some as controversial, I feel they are an effective catalyst in constructively shaking things up a bit.

His report is also timely. As the WTO prepares for the Bali Ministerial Meeting and for the election of a new WTO Director General later this year, let us hope his proposals will find a home in the processes associated with these two significant events.

Above all, Talal’s paper is a call to action. An appeal to marshal the political vision and will required to renew and strengthen the global trading system.

His recommendations merit serious consideration, and they should be an integral part of an engaging dialogue on a WTO Reform Agenda, that must be taken up without further delay.

Let the debate begin.

Honourable Sergio Marchi

Former Canadian Ambassador to the WTO,
Chairman of the WTO General Council, and
Canadian Minister of International Trade



Opening Message from Talal Abu-Ghazaleh

Let me be clear and unapologetic: I firmly support the multilateral trading system. Over the years, it has been an indispensable engine for global economic prosperity and peace. We therefore need to care about its future.

I am also grateful that the WTO Director General (DG), Pascal Lamy, asked me to serve on the Panel on Defining the Future of Trade, established in April 2012 to examine and analyse challenges to global trade in the 21st century. This is an assignment that I take seriously.

Perhaps it is the former Palestinian refugee in me that craves freedom and openness. I do not believe in ghettos or walls. I detest glass ceilings or quotas. It is these values that give rise to my fundamental instincts for ‘freeing’ trade, as a means of helping individuals reach their economic potential. To break the grip of those who are desperate to protect the status quo and with it, their vested interests.

As the institution responsible for liberalizing trade globally, I am also a fan of the World Trade Organization (WTO). Its core mission is negotiating a more level playing field of predictable rules and standards, so that all nations; big and small; poor and rich; emerged and emerging, may prosper from the economic forces and opportunities unleashed by trade. And it also arbitrates disputes between its members by who is right, and not by who happens to have the might! Now, how can one disagree with such a fundamentally sound *raison d’aitre*?

Don’t get me wrong, the WTO is not perfect. Not by a long shot. In fact, in order to strengthen and sustain its role, it urgently requires focused reform.

Political decision makers must find the political will to renew the institution, just in the same way that their predecessors had the foresight to create the GATT in the aftermath of war and destruction. Otherwise, I fear the WTO will drift, and become less and less relevant to global citizens and business leaders alike.

Precisely for this reason, on my own initiative and at my own expense, I have chosen to publish this brief report. It is an effort to advance some core ideas and find new, more effective solutions. This is how I run my own business and try to stay ahead. I also encourage open debate and discussion among my senior management and workers as a means to arrive at a renewed and reinvigorated state of operations.

The WTO should not be run any differently. In fact, there is nothing more dangerous for any international agency that stands still in the face of globalization, for that is a sure recipe for failure.

In that spirit, I offer the ideas captured in my report in the hopes that they will be part of a broader and committed discourse. I do not pretend to be a trade policy expert, and this is not an exhaustive review of the WTO. As such, I do not purport to provide all the solutions. Moreover, variations of some of these ideas have already been advanced by others, which I find significant in that they begin to represent a meeting of the minds and hopefully signal an evolving consensus around some critical concepts.

As a businessman whose livelihood relies on global trade, I have tried to identify and restrict myself to a number of central provisions, which I believe are fundamental to the WTO's renewal and sustainability. I concentrated on four themes: i) trade promotion; ii) streamlining and strengthening decision-making; iii) enhancing governance; and iv) creating a credible process which would judge and act on reform proposals.

The title of the report was not meant as an alarming-media-grabbing-headline. It merely reflects the accurate reality that I believe confronts the WTO.

I also tried to express myself in clear, unequivocal language, whether it is politically correct or not. For me, it is far more important for the WTO to be economically correct. Only in this way, can the forces of trade reach out and touch individuals, workers, companies, and governments, in all corners of our world, with the objective of lifting all boats, in all harbors.

I would very much welcome your views. I would also be grateful if you would share this paper with others. If you profoundly disagree with my proposals, please say so and offer an alternative. Rest assured that I will not take any offence. In fact, your passion for your beliefs will please me, and ensure that the WTO will receive the attention and care that it desperately requires.

Above all, please do not remain indifferent.

Your voices are needed more than you may think.

Talal Abu-Ghazaleh
tag@tagi.com
January, 2013



His Majesty King Abdullah II with HE Senator Talal Abu-Ghazaleh during the opening of the 16th Parliament's First Ordinary Session – November 28, 2010.



“ I think it is important that we take a hard look at the WTO rules at this point because there are some that I think could use restrengthening and revising, in light of what’s happening in the world today.

So, you have asked a very important question, and I think it deserves the attention of a country like the US and other economic leaders, like South Africa, to determine what we can make of the WTO for the future, as opposed to just continuing with the policies of the past”.

Hillary Clinton

*US Secretary of State
International Development
Corporation Meeting,
South Africa, 2009*



1. INTRODUCTION

Why Reform?

The issue of international trade has become inherently more political and topical. It has its fierce supporters and passionate critics. Yet, one of the few bridges between partisans of these two solitudes is the refrain that the multilateral system needs reforming. That the WTO needs to change and evolve. While different people will have different definitions of what this means, or how it might be accomplished, in principal, I heartily agree with the need for renewal.

In an increasingly integrated world, where technology is blazing new commercial trails and opportunities by the hour, and where all countries are seeking to maximize and leverage their exports of goods, services, and expertise, strengthening the system is a hugely important endeavor. Some would say, indispensable.

It is now high time to move on this front.

There have been enough excuses and arguments that the system is fine as it is; about how such an undertaking would interfere with the work before the WTO.

With respect, I strongly disagree.

The right kind of reform will be a friend of the WTO work agenda, not an enemy. Plus, the DDA Round is now in its 12th year, and what do we have to show for it?

In addition, a reinvigorated trading regime will help determine whether just some or all developing countries will successfully participate in global trade. In my region of the Middle East, for example, all too many countries are still on the outside of the WTO.

Make no mistake, the workings of the organization will affect the tone of the trade game; how it will be played and the degree to which it will play out in the committee rooms of the dispute settlement mechanism.

Situating the WTO

I start from the premise that the WTO is an invaluable institution.

It plays an important role in our international community. As a businessman, I believe that the core mission of the WTO is still as relevant today as the day the GATT was first created, back in 1947.

When you consider how small our world is becoming and the tremendous growth in trade in every corner of our globe, I believe that the best guarantee for continued access and fair play by all countries - big and small, rich and poor - is through clear and predictable international trade rules. And it is precisely at the WTO, that the family of nations come together to negotiate and implement those very rules.

One can easily make the case that the role of the WTO is even more important today, given the massive economic changes and integration that have taken place internationally. If we did not have an institution like the WTO - in a global village where every country has aggressive commercial ambitions, and where rules become an absolute imperative - we would have to create one.

But the fact that we have already established such an institution does not mean our work is done, for we have an important obligation to nurture it on an ongoing basis. To situate it in the times we currently live in, and ensure that its political and economic governance responds to the needs and demands that are driving our times today, and into the future.

As an institution, the WTO can and should be made better and stronger. It is not infallible.

Nor can it pretend that the world has not changed.

In the same breath, I equally believe that those who would deny or delay any and all reform, will inadvertently weaken the institution over time, and erode its relevance.

Good ideas can be turned into effective improvements. They can be transformative and reinvigorate the WTO.

Over the years, there has been no shortage of thoughtful proposals and meaningful recommendations for such improvements. Much energy has been invested into generating the needed intellectual capital that would underwrite a reform blue print.

Sadly, all these proposals have been ignored or dismissed. The WTO leadership has continued to resist change, and the WTO, as an institution, pays a high price for this indifference.

This indifference has also only bred frustration and cynicism among the stakeholder community, which only serves to fuel an unhealthy level of antagonism against the WTO. This is particularly the case within the ranks of civil society, but not exclusively so.

This lose-lose situation needs to be turned around. And the sooner, the better.

Can the WTO ‘Walk and Chew Gum’ at the Same Time?

There are those inside the WTO beltway that privately acknowledge the need to strengthen the institution. However, most of them contend that the timing is not right. That we need to invest all our energies and political capital into finalizing the DDA, and that nothing else should distract us from that goal.

I do not share this view.

I fully accept that the DDA is a critically important undertaking. I cheered its launch back in 2001, and it now needs to be brought home. I also recognize that this will require substantial effort.

But I am puzzled by those that essentially claim that the WTO cannot ‘walk and chew gum’ at the same time. I find such thinking a threat to the viability and reputation of the WTO. It is also quite unrealistic, given how the real world functions.

Frankly, the WTO must do both.

It does not have the luxury to choose between its work agenda, and a reform agenda. Plus, the two tracks are mutually supportive and reinforcing. A more effective and better understood WTO would only facilitate the success of current and future negotiations.

Members must now make a meaningful commitment to tackle WTO reform. Too much time has already been fritted away. The WTO must adapt itself to the changing and prevailing realities of today. Desperately holding on to the status quo is unsustainable, and runs counter to the WTO's long term vested interests.

As a consequence, I encourage Members to draft, discuss, and agree on a reform mandate as soon as possible. In this regard, the next Ministerial Meeting in Bali is likely the earliest and most realistic opportunity to launch such a process. It is therefore important for the leadership to define what that reform process and critical path would look like.

Furthermore, the campaign for election of a new WTO DG offers an additional and important platform to discuss ideas for institutional reform. Taken together, these twin events provide a rare and valuable double window of opportunity!





“We are deeply worried about the WTO process. The procedures are medieval and I sympathize with Charlene Barshefsky (former USTR), who will need to be a magician to produce a deal out of all this. We should consider holding a Ministerial Conference just to improve the WTO’s procedures!”

Pascal Lamy

*European Trade Commissioner
Seattle WTO Ministerial Conference
December 2, 1999*



HE Dr. Talal Abu-Ghazaleh speaks during the World Trade Organization (WTO) Public Forum held in Geneva

2. ISSUES & IDEAS

I. Being More Aggressive in Trade Promotion

a) A Commitment to Reconnecting with Citizens

Reform starts at home. And for someone who lives and works in Egypt, this is not just a nice sounding slogan! For any successful renewal agenda, the WTO Members must go back to their own citizens - the shareholders - and re-engage.

The values and ideals that underwrite policies must first find expression in the hearts and minds of our people. So, the flame must be rekindled first and foremost with them.

Since all politics is local, it goes without saying that public opinion is hugely important in determining how political leaders choose to construct and conduct trade policy. That is precisely why the public must be actively re-engaged. They need to fully appreciate how trade – or no trade - directly impacts them and their families, their communities and their country.

Without an intelligent public discussion, dangerous vacuums are created which allow misconceptions to fester and perceptions to harden into false realities. A sustainable trade policy requires a public context. And in this regard, the global public needs to fundamentally recall, in part, how the largest, richest and most powerful economies became so.

Citizens also need to be reminded of the consequences when we choose to retreat from trade.

The most painful example was the Great Depression in the 1930's, which was triggered by the imposition of tariffs; tariffs, that shot US unemployment from 9% to 25%, over a three-year period. Compare those days to the recent Obama-Romney election battle, which largely pivoted on an 8% unemployment situation; a threshold that was considered to be crisis proportions!

I am confident that the public would come to understand that, despite some acute challenges, we cannot stop today's world, nor momentarily step off. In a world that is becoming increasingly integrated, where all countries are trying to move their goods, services, capital, and people across all national borders, is there really an alternative to open trade?

In an enlightened debate, I believe that when our citizens are presented with all of the facts, the challenges and the opportunities; the difficulties and the benefits, they will surely know the prudent course that their country must take.

Recommendation 1:

Each WTO Member should undertake a national trade dialogue with their respective citizens. This dialogue would, among other things, recognize the role that international trade plays in their domestic economic life; address the challenges they confront; and seize the opportunities that await them.

b) Recognizing a New World

The WTO needs to recognize and internalize the new world we live in.

We have lived through historic and far reaching events --- the end of the Cold War; the fall of the Soviet Union and the Berlin Wall; the arrival of revolutionizing technologies; the thawing effect of the Arab Renaissance; the emergence of up-and-coming powers --- an accelerated globalization dramatically shapes our present, and will continue to impact our future.

We live in a global village, where local actions often have global consequences. In this village, as New York Times columnist, Thomas Friedman, reminds us, we have seen the “death” of both time and distance.

While globalization has produced an uneven development, we cannot deny the excitement that this scale of change has created. IT advances have empowered individuals everywhere. Home grown companies have become global power houses. Poverty around the world has been reduced.

The change has caused a fundamental shift in the economic and political tectonic plates. And the tremors continue.

Consider these results in a WTO context.

In the services trade negotiations, India is the leading demandeur for a more liberal movement of people and professionals.

In agricultural talks, Brazil is considered a super-power.

In manufacturing, China is presently the undisputed champ.

As an institution, the WTO must be on top of this transformational change, and find new ways to navigate and accommodate these new forces. It must provide Members with timely evaluations and value-added analysis of what this means for the global trading regime.

Recommendation 2:

Members should work with the DG in creating an arm of the Secretariat that would be responsible for following, reporting on, and analysing these fast moving geo-political-economic changes, in terms of its impacts on the global trading system.

c) Humanizing Trade for Business People

The WTO is a negotiations forum. As such, it seeks to liberalize trade in services, agriculture and manufacturing, and to consistently update the trade rules book. These two essential building blocks work hand in glove.

As I stated earlier, my business relies on regional and global trade. If you ask me and other business leaders what the major obstacles to trade are, we would likely provide a long list of different priorities: identifying markets; tariff and non-tariff barriers; rules of origins; export financing; domestic standards; corruption; transportation costs; etc.

The reality is that all these answers are valid. Indeed, it is the basket of all these problems that should be the concern of trade negotiators, and which should constitute, in good part, the agenda for the ongoing trade negotiations.

This is how the system should work, in terms of freeing trade from its impediments.

But I openly admit my limitations in understanding all the complex and rather arcane trade agreements involving rules, procedures, and standards. I am sure I am not alone.

Without undercutting the importance of trade policy in any way, I am also confident that, like me, my fellow business colleagues are more interested in trade promotion. At the end of the day, it's about sales and bottom lines, right?

As a result, how can the WTO possibly ‘humanize’ its agreements and outcomes? Make them more responsible?

Can it find business friendly language, and a convenient, effective mechanism, so that we businessmen and men can be even more successful with the world of imports and exports?

Furthermore, how can the WTO team up with other agencies to deliver on this endeavor?

After all, the WTO is in business so that the business community can more freely trade and in the process, provide people and workers with greater economic opportunities, through which individual and national standards of life are improved.

Recommendation 3:

The DG, in cooperation with the Membership, should establish a directorate in the Secretariat that would provide an ongoing, ‘Trade in Educational Outreach Program’ for the private sector.

II. Streamlining & Strengthening Decision-Making

a) The Consensus Principle

I have never been a WTO Ambassador, or a trade negotiator. Thus, I clearly do not have any first-hand experience with the institution’s decision-making process.

Nonetheless, there is enough documentation on this subject. I also have discussed this with good friends who are participants at different levels of the WTO process. Suffice to say, I know enough about the current state of affairs to recognize the need for a careful reconsideration; a redesign that would render decisions more timely and effective.

The WTO’s decision-making process is based squarely on consensus. Notwithstanding the existence of voting provisions, Members have been extremely reluctant to use this tool.

There are many good attributes for following a model of consensus. Yet, given the dramatic changes that we have experienced in the expansion of the WTO membership; in an emerging new world order; in the pace and change of global business; and in the accompanying complexity of the trade issues, too much of good thing can ‘kill you’.

In short, is the consensus principle still delivering results in the era we find ourselves in?

I remain doubtful.

Consensus-based decision-making permits a single member to stand in the way of an outcome. There are times when this is an entirely legitimate instrument, given the different and competing interests between Members. At the same time, there are so many more occasions when these drawn-out deliberation and blocking efforts have very little to do with the greater policy and public good.

Moreover, the time required to arrive at decisions has become glacial. Compared to the pace of decisions in the boardroom or the factory floor, WTO practices are surreal.

Is it any wonder then, that the private sector views this as unacceptable, since their concerns and interests are all in real time?

For business, the seemingly endless time taken by the WTO decision-making process becomes a question of institutional relevancy, with the WTO on the losing end. And this fallout undermines the pivotal relationship between trade policy makers and the actual trade practitioners.

This presents us with a difficult conundrum.

The pros and cons in maintaining the status quo of consensus making have been well laid out by a good number of experts and reports. In weighing all of these, I come down on the side of complementing the consensus-only formula; of utilizing the voting provisions in a measured manner.

First, I would urge Members to utilize the existing voting provisions in a measured manner to ease the pace and burden of decision making, especially as it relates to institutional, non-negotiating issues. It is not a matter of re-inventing the wheel. The tool already exists, and they should not be shy of taking advantage of it, in order to improve the pace and efficiency of decision-making.

Recommendation 4:

Members should be encouraged to utilize, more often, the existing voting provisions so as to improve the pace and efficiency of the decision-making process.

The resulting improvements on the timeliness of decisions would benefit all Members, small and big, poor and rich. It would not discriminate against any particular group, and I have every confidence that voting procedures can be carried out in a balanced and sensitive manner.

As well, Members could prescribe which issues can be best dealt with by consensus versus those handled by voting. Furthermore, Members could establish conditions for voting via a secret ballot, so as to militate against possible open divisions.

I remain confident that there is enough scope to be creative and fair --- and, at the same time more efficient.

b) The Single Undertaking

The concept of a single undertaking has also become a standard fare of the WTO decision-making process. The constant battle cry is ‘nothing is agreed until everything is agreed’. True enough. Applied to the DDA, it means that the results must go forward as a single package, where all members must buy into the entire deal.

I freely admit that this ‘all-for-one, one-for-all’ notion is most attractive from a multilateral context. But once again, given all of the changes that I cited earlier which need not be repeated, it certainly does make for a very long process. It also becomes an enemy of momentum and incremental progress.

Unfortunately, one of the victims of this has been the DDA.

All the while, the relevancy clock keeps ticking away.

Can we not find an alternative?

An architecture that would grant more flexibility and agility, while preserving the principle of fairness?

I believe we can.

I also think that there is a big difference between *consensus* and *consent*. The latter consists of an agreement among a specified number of Members, and this is a concept which may find traction, and prove to be a way forward for the WTO.

This is not new thinking.

For example, the WTO Financial Services and ITA Agreements were the by-product of a sub sect of the total membership; a group of Members who shared the same vision; who were prepared to sign the protocol; who committed to new commitments; and who were prepared to extend the benefits on an MFN basis.

Given the growing size of the WTO Membership today, and given the political lay of the trade land, this could be a workable and realistic approach, with which to make some progress and avoid the ‘stationary bicycle’.

Recommendation 5:

Accordingly, I believe the WTO should develop, define, and implement the concept of a ‘sustainable plurilateral agreement’ in order to facilitate decision-making.

I feel that a ‘sustainable plurilateral agreement’ would facilitate the greater public good and interest. Such an agreement majority would be found around emerging and evolving issues, and take the form of different Membership geometries.

It would allow those willing countries to proceed, while permitting the remaining countries to adapt the respective provisions at a later date.

Yes, we would have multilateralism at different speeds. But would this not be better than no speed at all?

Is a ‘sustainable plurilateral agreement’ among nations not preferable to multilateral paralysis? Again, I would view this flexibility as favoring all Members.

It is an arrangement that would accord individual countries the right to accept the legal obligations on issues they consider to be in their national interests. Likewise, nations that are undecided would not face the pressure and arm twisting that currently goes on behind closed doors (remember the reports about what India went through at the Doha Ministerial Meeting?). Then, upon further reflection, these Members would then be free to join the ‘strong majority’ at a later date, without penalties.

This would ‘free’ decisions from an over bearing decision-making machinery, and the prospect of paralysis. This would be universally cheered, especially by the business community.

Moreover, if the initial agreement is successful and working well, I can certainly envision that the remaining Members would likely want to join in and thus make it a ‘stronger’ agreement. Negotiations are also about human nature and behavior.

Is this really such a radical idea?

Is it not a rational, incremental route to progress.

From my perspective, this would be the new ‘normal’.

c) Opening & Expanding the Trade Policy Review (TPR)

I have been constantly told that the Trade Policy Review (TPR) body is an invaluable part of the WTO machinery. Its sessions tend to be generally positive, and non-confrontational.

I happily accept this evaluation, and I would urge the WTO to consider how this process can be made even better. For example;

- Could we better champion the TPR as a forum of public engagement?
- Could we utilize it for achieving better participation with other relevant international institutions?
- Could we not invite the relevant Secretariat personnel from other inter-governmental organizations to also play a role?
- Could we incorporate leading experts from different fields?

In other words, how can the TPR become the poster boy, if you will, for an improved WTO governance? If there is but one WTO Committee which should be opened up to the public, to multi stakeholders, to other agencies, and to the media, it is this one.

Broadening the discourse around the objective of developing better national trade policies seems to be a ‘no brainer’. The deliberations should be shared as widely as possible. In other words;

- Why not widely share and promote best trade policy practices?
- Why not invite the appropriate Secretariat personnel from other inter-governmental organizations?
- Why not incorporate leading experts from different fields, into the TPR process?

Personally, I would be interested to see how an enhanced TPR could help develop trade impact indicators, similar to what the UN measures via its social indicators. In regards to the latter, the UN has chosen to keep updated statistics on 5 indicators: population; health; housing; education; and employment. This permits UN Members to evaluate the conditions for economic and social progress and development, in an effort to better calibrate and improve public policy making.

I believe that the TPR can play a valuable role in developing likeminded criteria and statistics.

The potential opportunities for strengthening the TPR are many - and viewed from the multilateral and public perspectives, every one of them has an up-side.

Recommendation 6:

The DG and Members should find creative and useful ways of opening up and expanding the TPR process, and involving multiple actors, with the view of having the TPR serve as a WTO window to the outside world.

d) Creating a More Time-Sensitive Accessions Process

At a time when the world trading system should be sensitive to the interests of developing countries, and moving towards universal membership, the lengthy procedures for final accession should be a going concern for the WTO leadership.

No doubt, it is important to have one standard test for all. There must be conformity. If the WTO were to consider exceptions to the rules, this would quickly compromise its rule book.

But the WTO leadership needs to take stock that on average, it usually takes a country over a decade of discussions, continued meetings, and government commitments before it is accepted into the WTO family. That strikes me as too long.

Is it reasonable or fair for developing countries on the outside of the global trading system, to sustain their application and momentum for that length of time?

Can they keep their domestic public opinion on a positive footing for such an extended timeline?

I believe we should apply some common sense in exploring ways that the WTO can streamline the accession process, without weakening the one-rule-for-all approach.

Recommendation 7:

Members should review the current accession process, with a view of improving the design and operation of accessions so as to render a final decision in a more timely fashion.

e) Having the WTO Fully Enter the IT & Internet World

It seems so redundant to say this, but the world of IT and the Internet have profoundly impacted the lives of all people, in all societies. And, for better or worse, this is not about to stop, nor slow down.

Frankly, the WTO must embrace this world in at least two ways, if it is to achieve operations that are more transparent, inclusive, and efficient.

One is procedural, and applies to the accessibility of the General Council Meetings, as well as the deliberations of Trade Negotiating Committee, which are the two prominent decision-making bodies in the WTO.

Recommendation 8:

The WTO must embrace ICT and Internet technologies in its operations in order to make processes more effective, inclusive, and efficient.

Specifically, countries who are WTO Members, but who do not have representation in Geneva, should no longer be absent from regular General Council and TNC Meetings. These two bodies are of paramount importance, and these Members should be invited to participate in GC and TNC Meetings through video conferencing or other electronic arrangements.

Also, it would be worth investigating if there are cost-efficient and feasible ways of also applying this to the other regular WTO Committees.

The other is substantive, and relates to negotiating a new protocol.

Recommendation 9:

Owing to the importance of the Internet in trade and commerce across the world, the WTO should negotiate an Internet Economy Agreement.

In this regard, I have worked on such a proposal, a draft of which is found in Appendix III.

III. Enhancing Governance

A) Harmonizing & Harnessing UNCTAD and ITC within the WTO

There is nothing easier than to criticize the UN. Unfortunately, it's a very popular sport.

But as one who has voluntarily served the UN in different capacities, I enthusiastically support its mandate and work. I also know its challenges and limitations. But, rather than endlessly carping on and on about the UN, let us strive to introduce and implement improvements, one issue at a time.

Having said this, one of the valid criticisms, it seems to me, is that once the UN agrees to wind something up, it is so difficult to wind it down, or wind it into something else. When the original mission has been truly accomplished, what is so wrong with declaring victory, and moving on? Why must vested interests insist that the UN must be adverse to change?

Take, for example, the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC).

UNCTAD was established in 1964 as an intergovernmental body, dealing with the trilogy of trade, investment, and development issues. The goal was to “maximize” the trade and investment opportunities for developing countries. The creation of the Conference was based on concerns of developing countries over the international economic market place, and the great disparity between them and developed nations.

Currently, UNCTAD has 194 Member States, with a budget (core and extra) of some \$210 Million, a staff complement of about 400 staff, and is based in Geneva.

But 1964 was another world.

Then, the majority of developing countries were not part of the GATT/WTO.

Then, many developing countries were in the economic shadows of developed powers.

Today, as we all know, that world has been turned on its head. The WTO now stands at some 158 Members, and the emerging economies are currently the locomotive for our global economy.

What about the ITC?

Well, it is a subsidiary organization of both the WTO and UNCTAD. Established in 1968 and also located in Geneva, the ITC's core mission is to assist and enable small businesses in developing and transition-economy countries to export. It provides practical programs that strengthens trade export/promotion policies and strategies, and expands the export capacity of enterprises in developing countries.

Both UNCTAD and ITC were created on solid principles, and they both carry out valuable work. However, in the name of maximizing efficiencies; empowering a stronger institutional framework; stretching budgets; improving overall management and leadership; and enhancing coherency, I believe these three institutions should be weaved closer together.

With the goal of maximizing global trade and enhancing trade rules, especially for developing countries, the leadership of these three organizations must be willing to consider changes and improvements in their respective structures. They must adopt an attitude that accepts that the total system they represent is bigger than the sum of its individual parts.

For me, this should mean at least two adaptations

Recommendation 10:

i) UNCTAD should be integrated into the WTO regular Committee on Trade and Development, and the Special Session of the WTO Trade and Development Committee, under the DDA Trade Negotiations Committee. UNCTAD could serve as a co-chair, and the Secretariat serving the two committees should be comprised of both WTO and UNCTAD personnel.

ii) The ITC should be fully integrated into the WTO.

For those countries in ITC today but not yet members of the WTO, there would be special provisions so they do not 'lose' anything in the transition.

I believe these two organizational changes would make the multilateral trading system stronger; would rationalize efforts and budgets, avoid duplication; and lead to a more coherent governance.

Too naïve and too good to be true, you say?

I say, why not?

b) Building Up & Empowering the WTO Secretariat

In all my dealings with staff of the WTO Secretariat, I have been thoroughly impressed by their expertise, their knowledge, and their commitment to what the WTO stands for. I get the sense that, for the majority of them, this is much more than just a job.

They believe, and they drink the 'Kool-Aid' willingly.

In my opinion --- and I am certainly not alone on this --- this constitutes an important asset to the organization. An asset which, in my estimation, can be further strengthened.

Everyone knows that while the WTO membership has expanded significantly (158), the size and development of the Secretariat has lagged behind. At present, the Secretariat numbers some 600 people. However, only about one third of these can be classified as ‘policy’ staff, which works out to only a little over one policy person year per Member.

Contrast this with the OECD Secretariat of 2500 people, serving only 30 member countries!

Simply put, this gap needs to be bridged. And please rest assured, this is not about empire building. For me, it is about upgrading the quality and quantity of services and research made available to the Membership.

No more, no less.

It’s also more than just about the size of the Secretariat.

I would also encourage Members to consider expanding the remit of the Secretariat. Again, it’s about Members receiving the information and analysis they require to make intelligent choices and decisions.

Everyone agrees that we must preserve the neutrality of the Secretariat, and that the business of decision-making is the sole purview of the Membership. Amen.

But, what would be so wrong if the Secretariat were to:

- conduct greater independent research and analysis?
- work in closer cooperation with the Secretariats of other relevant International agencies?
- better assess the multiplicity of bilateral and regional trade agreements?
- mandate papers that would permit Members to stay on top of the fast moving world?
- conduct greater outreach, and hold more frequent meetings with NGOs, business, media, academics; conduct more seminars and roundtables
- establish a research network linked to other leading institutions

Of course, any consideration for expanding the number and powers of the WTO Secretariat should be taken with prudence. I am not naïve. I understand that a significant increase in the WTO Secretariat and budget may not be realistic in the current economic climate.

But I believe Trade Ministers will need to eventually, sooner rather than later, consider implementing meaningful annual increases to the Secretariat, if they are to receive the quality of research and innovation that they require.

Recommendation 11:

Government should conduct an appropriate and comprehensive review of the current Secretariat functions, in light of the priority needs of Members. They should address the size, functions, budget, and the management and leadership of the Secretariat, and make the needed changes.

c) Establishing Two New Permanent Committees

Public outreach is indispensable for all international organizations. It is a means of legitimizing and strengthening their mandate. It is also imperative in an era where communications can make or break reputations with the click of a laptop mouse.

Since the days of the ‘Battle in Seattle’, the WTO has made improvements on this front. But there is more work that still needs to be accomplished.

In a world where we are bombarded with information overload, would it not be advisable to make an effort in providing and up-keeping a valuable flow of information and dialogue between the WTO and its various constituencies?

Would it not be wise to ask various outside groups and associations for their advice, in an effort to make the right decisions and by extension, more effective policies?

If this is not motherhood and apple pie, what is?

Recommendation 12:

Members should create two new permanent committees that would report to them, through the Chair of the General Council. One would be a Public Advisory Committee, comprising senior representatives from civil society and academia. The other would be a Private Sector Advisory Committee, made up of CEO’s and senior business leaders representing the three market access sectors of services, agriculture and manufacturing.

These two committees would also collaborate with the DG and Secretariat.

At the same time, the DG should elevate the importance placed on the role of communications within the Secretariat.

Recommendation 13:

In relation to public outreach, and given the unfair public perceptions that continue to plague the WTO, the DG should make public dialogue and outreach a higher priority for the Communications Division of the WTO. This should be reflected in the budget allocations accordingly.

d) Annual Ministerial Conferences

Currently, Trade Ministers meet every two years in Ministerial Conference.

Given my earlier comments about the importance of Ministerial engagement, I believe - like so many others - that the Ministerial Conference should be held annually.

Recommendation 14:

A WTO Ministerial Conference should be held annually.

There is enough important work requiring Ministerial attention - negotiations; setting the WTO’s strategic direction; providing financial oversight; and offering policy and political leadership on a growing list of important issues.

The greater frequency of meetings would hopefully lead to greater ‘ownership’ by Ministers. As well, it should cement stronger relationships between Ministers, which is always helpful in finding common ground and building common purpose.

All in all, an annual commitment will provide for more effective governance.

In addition, as referenced in a quote on page 9, then Commissioner Lamy suggested that one of these Conferences should be exclusively dedicated to “improving the WTO’s procedures”. I believe that Ministers should take this recommendation on board.

I would even settle for part of a Ministerial Meeting being dedicated to institutional reform!

e) WTO Informal Leaders Retreat

Without undermining the importance played by Trade Ministers, we should also think about the role that Leaders play in the life of the WTO.

After all, given that economic issues are so paramount and political in every country, every Leader thinks and talks about trade. They all give speeches extolling the virtues of trade, and all their Cabinets have a Minister responsible for International Trade.

Towards these ends, they all ask how their country can better promote exports.

They all strive to find the right branding for their nation.

They all struggle to improve their nation's competitiveness.

So, it is only appropriate, I think, to ask what their engagement is with the WTO?

At present, very little, it seems.

Granted, Leaders have busy day jobs. But we should try to better leverage their leadership. We should find credible and realistic ways of enhancing their participation. At a minimum, this would result in more meaningful signals being sent to their Ministers and negotiators, which would only help decision-making and negotiations.

Recommendation 15:

A regular Informal WTO Leaders Retreat should be established, at appropriate intervals, and hosted successively by different Members.

The objective would be to provide a forum for Leaders where they can openly discuss the challenges confronting international trade with their peers. The frequency of such a Retreat would need to be kept realistic, given their hectic schedules. I will leave that question with them and their Ministers. As well, the informality of the Retreat would lessen heightened expectations, offering the meetings a greater chance for success and longevity.

Finally, each subsequent retreat should be hosted by a different country.

f) A Single WTO DDG

At present, the WTO DG appoints, in consultation with Members, four Deputy Directors General (DDG), to assist with the duties of the office. There is much work to do, and so one can make a case for the foursome.

But, on the other hand, it begs some obvious questions:

- Is this the correct leadership model?
- Does the DG require so many Deputies?
- Is the authority not diluted too thinly?
- Is the cost associated with the four DDG's and their respective staff, worth it?

Personally, I think four DDG's are three too many. The responsibilities should be consolidated under a single Deputy.

The DDG position would automatically become more powerful, which I think would be healthy for the system. Also, the line of communications and execution of the respective responsibilities between the DG and DDG would be much clearer.

As well, overall costs would be reduced.

Again, governance at the top would be made better.

Recommendation 16:

The DG should only appoint one Deputy Director General position, and that the development status of her/his country of origin be opposite to that of the DG, so as to ensure balanced leadership.

g) Creating an Executive General Council Committee (EGCC)

As I consider the day to day business of the WTO, I ask what currently stands between the DG and the Chairman of General Council on the one end, and the 158 (including soon-to-be Laos) Members who sit in the Council, Committee, and Informal meetings, on the other?

Apparently, not much.

From an organizational structure perspective, would it not make sense to have an intermediate, intervening body? One that would better connect the two ends of the decision-making chain, and facilitate the collective decision making apparatus?

In fact, when you look at how public and private sector institutions are organized, such managerial structures are not rocket science. They are usually the rule.

Recommendation 17:

Establish an Executive General Council Committee, which would be regionally balanced; comprised of Members on a rotational basis; and chaired by the Council Chair. The Committee would have the authority to only make recommendations to the General Council.

The functions of such a Committee could include:

- Helping the General Council Chair and DG prepare Council Meetings
- Assisting with the organization of the annual Ministerial Conference
- Offering possible solutions to policy and political issues as they arise
- Helping the Council Chair with the annual selection of Committee Chairs
- Assisting to supervise the administration of the WTO budget, etc.

The bottom line is that each Member would retain their authority to ultimately approve or refuse Committee recommendations. However, this collective steering group would enhance the WTO's decision-making process, and save countless hours of procedural and menial discussions at General Council and Committee meetings. It would also be under the direction of the General Council Chair, whom is elected by the entire Membership in the first place.

If push comes to shove, individual Members would still have their voices and their vetoes in General Council.

I can appreciate that an EGCC could be politically sensitive with some Members. But the necessary safeguards can easily be built into the EGCC and provide Members with the reassurance that this new body would not supplant their authority. Instead, it would help lift their collective game.

h) Strengthening Inter-Agency Coherence

For the most part, the same countries are the same members of each international inter-governmental organization. They are the one constant.

At the same time, and at the risk of over repetition, the world has become a more integrated place, where problems do not neatly respect borders. As Hillary Clinton said in another context, "it takes a village".

But does that village need to always recreate the wheel?

Would it not be in the political and financial interests of each Member, if institutions collaborated more closely with one another, in the pursuit of holistic and coherent policies and decisions?

All too often, the Heads of these respective agencies are briefed inwardly and vertically by their officials. However, effective global decision-making now demands that these briefings be horizontal, interconnected, and collectively coherent. Heads of organizations must therefore also focus and decide on cross-cutting issues, and not just those matters of most immediacy.

Recommendation 18:

The membership should approve that the WTO have more formal and regular arrangements with the World Bank, IMF, OECD, and other key international institutions, so as to leverage the horizontal expertise and best practices that could be useful in developing better trade policy solutions. These arrangements could include both Members and Secretariats.

i) Righting the ‘Wrongs’ in Services Negotiations

My TAGO business is part of the services world, and what an impressive world it is. The services economy represents some 70% of the world economic output and about 70% of global employment! And its reach continues to grow.

In addition, the competitiveness of an economy depends to an impressive degree on the availability and access of a high quality services infrastructure. They are central to the efficiency and sustainability of a modern, private sector.

As well, the availability and accessibility to such services enhances the standard and quality of life enjoyed by one’s respective citizens.

Simply put, regardless how you view the services sector, it is indispensable for a country’s economic future.

This leads to at least two concerns which I believe the WTO leadership (Trade Ministers and Ambassadors, and the secretariat) need to address, in the context of services negotiations.

First, there must be a change in mindset in how the services sector is treated and perceived by senior negotiators.

As one of the three market access pillars --- along with agriculture and manufacturing --- it deserves, as a minimum, equal standing. One can argue that the 70% figures I quoted earlier would legitimately lay claim to a top billing, but let us put this argument to the side. After all, two wrongs don’t make it right.

However, what the WTO cannot put to the side, and what it cannot afford, is to have to have services negotiations rank a poor last in importance. There is just too much potential at stake for fueling economic growth around the globe. And yet, if we are to speak frankly --- or politically incorrect --- services are at the bottom of the market access heap, with agriculture being first among equals. Some would say that services are held ‘hostage’ by the other two.

My intention is not to understate the significance and role of either agriculture or manufacturing in the economic life of countries. I simply want the WTO leadership to elevate the current standing of services in the ongoing drama of the DDA.

It is a fact that services have not managed ‘equal time’. It has not received the political attention, priority, and passion that is accorded agriculture, for instance. At informal Mini-Ministerial meetings, I was informed that services was not even on the agenda, and these are sessions where Ministers came together to try to cobble together a political consensus on the DDA.

How can that be?

How could there be such a gap, between what services means to the global economy and job growth, and how it struggles for credibility in the world of negotiations?!

There is no economic justification for this whatsoever.

It was only after the Global Services Coalition met in Geneva in 2007 and loudly protested this lackluster treatment, together with a letter from the then EU Trade Commissioner, that a “Services Signaling Conference” was organized.

This was a watershed moment for the services negotiations. Now, the WTO leadership needs to build on this, and finish the job.

Recommendation 19

i) Trade Ministers, Ambassadors, and senior officials, together with the WTO DG, need to immediately find ways of ‘leveling’ the playing field when it comes to services negotiations, in the context and culture of the market access talks.

Secondly, given the rapidly transforming economic power and reach of the global services sector, I am concerned that developing countries are generally and rather significantly under represented.

All developing countries combined constitute about 28% of the world’s service exports. But China and India represent a dominating portion of this. When you subtract these two giants, the ‘rest’ lag quite poorly.

Indeed, a mere 0.4% comes from Least Developed Countries (LDCs).

On a regional basis, as a percentage of their total exports, the services share from Africa, Middle East, and South and Central America constitutes roughly 3% or less.

If we accept that by upgrading their services trade, developing nations would create higher levels of economic growth, employment opportunities, and sustainable development for its citizens, while rendering their economies more competitive and ensuring access to essential services, then there should be a concerted effort to bridge this services ‘divide’.

ii) Trade Ministers, Ambassadors, and senior officials, together with the WTO DG should establish a program for encouraging and facilitating the building of a more robust services trade constituency, among governments and private sectors in developing countries.

For example, building a sustainable stakeholder community for services trade could encompass the development of “service industry coalitions” in developing countries. Such coalitions can help the coordination and organization of the respective industries at a national level, while facilitating a more effective public-private consultative partnership.

In fact, I did this myself. Earlier this year, at the UNCTAD Conference in Doha, I helped found and launch the Arab Services Coalition.

IV. Creation & Ownership of a Credible Process

A) *First Things First*

As the proverb says, ‘one cannot put the cart before the horse’.

Yet, in regards to WTO reform, that is exactly what has happened to date. After a considerable number of independent studies and reports, the ‘cart’ of ideas is in fairly good shape. But it is not hooked to any ‘horse’!

We desperately need a meaningful, defined and transparent WTO process. In other words, while the success of any reform agenda will be dictated by the quality of our ideas, change will only be made possible if a process has been put in place. If there is no process, then good ideas will remain just that - good ideas with no home.

Furthermore, as the WTO is an intergovernmental institution, we need to realistically recognize that successful change must come, and be agreed to, from the inside. It will never be imposed by any outside force

Recommendation 20:

Members must establish a process by which proposals for reform will be considered and acted upon. In addition, the process must be endorsed, owned and led by WTO Members.

Among other things, the process:

- Must fully involve and engage Trade Ministers.
- Must be balanced, and co-chaired by a developing and a developed country Trade Minister.
- Must be transparent and inclusive, openly seeking input from all Members, as well as welcoming submissions from the stakeholders community.
- Must not be a rushed job.
- While it should avoid replicating the never-ending road of the DDA, it is more important to undertake such an endeavor with prudence, and not haste. After all, any changes that will be made will last a generation and more.
- Must have a stated critical path.

Once the structure has been agreed to and launched, next steps, milestones and timelines must be clearly outlined. The roles of the Ministers, Ambassadors, Senior Capital Officials, the DG and those from the business and civil society communities must also be delineated.

B) *Ministerial Engagement*

I mentioned the need to fully engage Trade Ministers for a number of reasons. Two in particular stand out: i) First, Ministers act as the collective ‘Chairman of the Board’ for the WTO. The political buck stops with them.

ii) Second, their WTO contribution should not be strictly limited to negotiations. They must also provide an oversight function.

The WTO is not some private club.

The collective citizenry are the shareholders of this ‘public company’. Therefore, their voices and aspirations on issues such as governance need to be heard and represented. This is a job primarily for Ministers.

To be sure, ongoing negotiations are the life-blood of the WTO. Ministers must be engaged, and in command of these discussions. They are also responsible for making the critical decisions that are indispensable for finding compromise and consensus. However, for me, this is only one aspect of their overall obligations.

They also have a custodial responsibility. They must provide the strategic leadership that any international organization requires. And if I was pushed to choose which of these two obligations is more important in the bigger, long term picture, I would have to vote for the latter.

Yet, from my understanding, the reality is that beyond negotiations, the system does not ask much else from Ministers.

This is a serious shortcoming. It constitutes a major gap in the political leadership and accountability of the WTO. Accordingly, it should be redressed with appropriate urgency.

Recommendation 21:

Beyond their negotiating role, Ministers should find the means to aggressively enact their WTO oversight role, and more assertively provide the WTO with strategic leadership.

C) Citizens

Over the years, the WTO always seems to attract a disproportionate share of disgruntled crowds. I am told that protests take place in front of the WTO gates even when the subject matter has nothing to do with trade. I suppose the organizers figure that the WTO makes for a perfect backdrop, if the media objective is to get the anger on camera!

While there are justifiable and constructive criticisms, much of the anger and hollering that I have seen and heard is neither accurate nor fair to the WTO. But, a commitment to actually endorse a reform and renewal agenda would be the best response. It is a message that would be welcomed by interested citizens everywhere. It would be seen as a different, fresh and positive message and a sound approach for addressing the legitimate criticisms.

It would also permit Trade Ministers, Ambassadors and Senior Officials to tangibly and proactively communicate with their different constituencies that the WTO has the determination and capacity to change.

Overall, this would be a powerful message, especially at a time when governments are under pressure to more coherently connect the global dots, modernize their institutions and introduce more effective forms of governance.

D) Seizing the Moment in Bali

The Ministerial Conference in Bali could be pivotal for a reform agenda. In fact, I contend that it should provide the launching pad.

Recommendation 22:

The Bali Ministerial should launch a WTO Reform process.

Speaking of WTO Ministerial Conferences, the last two in Geneva were missed opportunities from the standpoint of addressing the need for institution renewal.

Since the DDA negotiations were yet not ripe for agreement, Ministers were not challenged by an overloaded negotiating agenda. In truth, the meetings were rather low key affairs, and amounted to a political stock-taking, which is acceptable. Ministers should not be placed in the unrealistic predicament of needing to recreate the 'ten commandments' every time they meet.

Thus, they had the time and the incentive (turning a negative DDA news story into a positive message) to address the issue of reform, including new trade issues. But nothing happened on this front.

The next (December 2013) Ministerial Meeting in Bali, Indonesia, calls for a different approach and result.

There is plenty of time --- a full year --- for Ministers, Ambassadors, Senior Trade Officials, and the DG to prepare the ground for a reform process. To find the common ground that would make Bali the right time and place to start such an important journey.

E) Election of a New WTO DG

In the Autumn of 2013, the WTO will elect a new DG, following the completion of Pascal Lamy's second term.

Until election day, I trust many important issues will be raised by candidates and Members alike. Indeed, the campaign should openly examine policy and political challenges confronting the WTO, and prescribe potential solutions. It should also be a process for articulating the opportunities that lie ahead.

Naturally, candidates will be meeting with Ministers and Ambassadors. Also, under the WTO rules, the candidates will appear together during a special meeting of the general Council. In regards to all of this, a reform agenda should definitely find its rightful place in this dialogue.

Recommendation 23:

Candidates for the WTO DG position should be encouraged and expected to voice their ideas and proposals for strengthening the WTO.

A new DG always brings a new beginning, fresh energy, and renewed hopes. It is my sincere hope that the issue of reform finds a home in the campaign and more importantly, with the new DG.



HE Dr. Talal Abu-Ghazaleh and Mr. Pascal Lamy, General Director of the World Trade Organization during the first WTO Panel of Experts on Defining the Future of Trade Meeting.



**“When the wind changes direction,
there are those who build walls,
and then there are those who build
windmills”.**

Old Chinese Proverb



HE Dr. Talal Abu-Ghazaleh standing in front of the Confucius statue during his visit to the People’s Republic of China

3. CONCLUSION

As I mentioned throughout these pages, I want a strong and renewed WTO. An organization that leads with respect and credibility. I certainly don't relish a trade body that people will describe as paralyzed and irrelevant.

Indeed, our global village requires nothing less, if we are to level the economic playing field between developing and developed nations, and harness the power of trade to improve the quality of peoples' lives the world over.

A weak WTO cannot and will not achieve this global end.

And this is the sobering bottom line that should drive our political leadership to action; a commitment to reforming and strengthening the WTO and our global trading system. Organizational re-structuring should be the means to achieving a better return and dividend for its shareholders --- people everywhere.

It is my hope that Leaders, Trade Ministers, Trade Ambassadors, Trade Senior Officials, and the WTO DG and Secretariat will very soon be on the same page. If there is no common purpose and common ground --- as a result of a healthy discussion and compromise on what policy and political remedies can be implemented --- then I genuinely worry for the WTO's future.

Without embarking and agreeing on a reform agenda, I fear that its best years could sadly be behind it. As difficult as any change can be, good ideas and political will are the two necessary ingredients. We should not make it any more complicated.

At the very least, let our leadership be guided by the principle that evolution is better than revolution; that an incremental approach is better than no approach at all.

It is in this hopeful spirit, that I offer this report and its recommendations.

Hopeful, that these views and suggestions can be part of an engaged dialogue, in an effort to come up with a blueprint for WTO reform.

Hopeful, that if these ideas are not worthy, or unworkable, or unrealistic, they will trigger a better set of alternatives.

Hopeful that our leaders will build windmills, and that the wind will be to our backs.

Inshallah.



“We must now work to ensure that the WTO remains relevant, agile and responsive...We must seek ways to continue improving the functioning, efficiency, inclusiveness, and transparency of the WTO. We and some other members have joined a proposal spearheaded by India, suggesting that a deliberate process be set in train to improve the WTO. This task calls for hard work, but I am sure that with commitments and perseverance, we can make it happen.”

*Mrs Rita Lau Ng Wai-Lan
Hong Kong Secretary for Commerce
Geneva Ministerial Conference
2009*

APPENDIX I: SUMMARY OF RECOMMENDATIONS

Recommendation 1:

Each WTO Member should strive to undertake a national trade dialogue with their own respective citizens. This dialogue would, among other things, recognize the role it currently plays in their domestic life; address the challenges that they confront; and seize the opportunities that await them.

Recommendation 2:

Members to work with the DG in creating an arm of the Secretariat that would be charged with aggressively following the fast moving geo-political-economic changes, and providing ongoing analysis, in terms of their impacts on the global trading systems.

Recommendation 3:

The DG, in cooperation with the Membership, should establish a division or directorate in the Secretariat that focuses on a 'Trade in Educational Outreach for Business' program.

Recommendation 4:

Members should be encouraged to utilize, more often, the existing voting provisions so as to improve the pace and efficiency of the decision-making process.

Recommendation 5:

Accordingly, I believe the WTO should develop, define, and implement the concept of a 'sustainable plurilateral agreement' in order to facilitate decision-making.

Recommendation 6:

The DG and Members should find creative and useful ways of opening up the TPR process, and involving different actors, with the view of having the TPR serve as a WTO window to the outside world.

Recommendation 7:

Members need to review the current accessions process, with a view of improving the design and operation of accessions, so as to render a final decision in a more timely fashion.

Recommendation 8:

The WTO must avail itself of ICT and Internet technologies in its workings, in order to make processes more effective, inclusive, and efficient. Specifically, countries who are WTO Members, but who do not have representation in Geneva, should no longer be absent from regular General Council and TNC Meetings. These two bodies are of paramount importance, and these Members should be invited to participate in GC and TNC Meetings through video conferencing or other electronic arrangements. Also, it would be worth investigating if there are cost-efficient and feasible ways of also applying this to the other regular WTO Committees.

Recommendation 9:

Owing to the importance of the Internet in trade and commerce across the world, the WTO should negotiate an Internet Economy Agreement. (In this regard, I have outlined a proposal which is found in Appendix III).

Recommendation 10:

- i) UNCTAD should be integrated into the WTO regular Committee on Trade and Development, and the Special Session of the WTO Trade and Development Committee, under the DDA Trade Negotiations Committee. UNCTAD could serve as a co-chair, and the Secretariat serving the two committees should be comprised of both WTO and UNCTAD personnel.
- ii) The ITC should be fully integrated into the WTO.

Recommendation 11:

Government should conduct an appropriate and comprehensive review of the current Secretariat functions, in light of the priority needs of Members. They should address the size, functions, budget, and the management and leadership of the Secretariat, and make the needed changes.

Recommendation 12:

The creation of two new permanent committees that would report to the membership. One would be a Public Advisory Committee, comprising senior representatives from civil society and academia. The other would be a Private Sector Advisory Committee, made up of senior business leaders and CEO's representing the three market access areas of services, agriculture and manufacturing.*

Recommendation 13:

In relation to public outreach, and given the unfair public perceptions that continue to plague the WTO, the DG should make public dialogue and outreach a higher priority for the Communications Division of the WTO. This should be reflected in the budget allocations accordingly.

Recommendation 14:

WTO Ministerial Conference should be held annually.

Recommendation 15:

A regular Informal WTO Leaders Retreat should be established, at appropriate intervals, and hosted successively by different Members.

Recommendation 16:

Appoint only one Deputy Director General, and that the development status of his country of origin be opposite to that of the DG, so as to ensure balanced leadership.

Recommendation 17:

Establish an Executive General Council Committee, which would be regionally balanced; comprised of Members on a rotational basis; and chaired by the Council Chair. The Committee would have the authority to make recommendations to the General Council.

Recommendation 18:

The membership should approve that the WTO have more formal and regular arrangements with the World Bank, IMF, OECD, and other key international institutions, so as to leverage the horizontal expertise and best practices that could be useful in developing better trade policy solutions. These arrangements could include both Members and Secretariats.

Recommendation 19:

- i) Trade Ministers, Ambassadors, and senior officials, together with the WTO DG, need to immediately find ways of 'leveling' the playing field when it comes to services negotiations, in the context and culture of the market access talks.
- ii) Trade Ministers, Ambassadors, and senior officials, together with the WTO DG should establish a program for encouraging and facilitating the building of a more robust services trade constituency, among governments and private sectors in developing countries.

Recommendation 20:

Members must establish a process by which proposals for reform will be considered and acted upon. In addition, the process must be endorsed, owned and led by WTO Members.

Recommendation 21:


Beyond their negotiating role, Ministers should aggressively enact their WTO oversight role, and more assertively provide the WTO with strategic leadership.

Recommendation 22:

The Bali Ministerial should launch a WTO Reform process.

Recommendation 23:

Candidates for the WTO DG position should be encouraged and expected to voice their ideas and proposals for strengthening the WTO.



“Reforming the WTO is not about fixing a bad organization. It is about improving an already good organization. It is also very much about trying to improve governance in the name of furthering global economic growth”

*Talal Abu-Ghazaleh
Member, Panel of WTO Experts*



HE Dr. Talal Abu-Ghazaleh and the WTO Panel of Experts on Defining the Future of Trade.

Appendix II: THE NEED FOR AN INTERNET ECONOMY AGREEMENT

A Draft Proposal by Talal Abu-Ghazaleh

Overview

This document explores in draft form the provisions that could be a part of an agreement to achieve Internet services trade liberalization, with the goal of creating a Free Trade Zone of the Internet. The significance of the Internet to global trade cannot be understated. The Internet accounted for 21 percent of the GDP growth in mature economies over the past 5 years, with 75 percent of the benefits captured by companies in more traditional industries. In a survey of 30 countries with a collective 2010 GDP of \$19 trillion, Internet penetration was found to be growing at 25% per year over the past five years, and contributing an average of 1.9% to GDP. If one considers that information flows constitute trade in knowledge services, then the volume of information relayed by online platforms such as Google, Yahoo, Facebook, Tuenti, Baidu, Yandex, Microsoft Bing, the Internet is home to some of the largest traders in the global economy. This is reinforced when you consider the opportunities that Internet services create for more traditional businesses that would otherwise not exist. Online marketplaces like eBay, Rakuten and Mercado Libre, for example underpin of SME trade internationally every year, and that trade is growing. In addition to these platforms, the Internet enables numerous knowledge-enhancing services that we now largely take for granted, such as email and GPS positioning, whose consumer application largely post-date the Uruguay Round. A Developing Countries Perspective Full and effective participation in the emerging global information network is crucial for a country to benefit from globalization and to avoid being marginalized. At present, most developing countries are lagging far behind in this respect. With the current explosive pace of information technology development, this gap is rapidly becoming more and more difficult to bridge. While several developing countries do have high potential in relevant human capital, in particular in software development, and/or in existing manufacturing facilities, however the absolute majority of the South indigenous efforts have no chance of reversing this trend. We need a comprehensive international cooperation effort that would transcend traditional frameworks of technical assistance in a number of ways.

WTO's Remit

It has long been acknowledged that e-commerce and Internet services are within the remit of WTO's liberalizing mandate. The WTO's Work Programme on Ecommerce began in 1998 but has been eclipsed by the focus on Doha round issues. Nevertheless, there appears to be renewed interest in e-commerce as part of a GATS+ initiative. Most WTO members appear to agree that the majority of electronically delivered services are services governed by GATS. However, there remains disagreement over whether digital products that have traditionally been traded on a physical carrier medium (e.g. books, software on disks, music on tapes, etc.) are governed by the GATT and GATS, or are unique and deserve their own classification. Whether services provided over the Internet should be classified as mode 1 (cross border provision) or mode 2 (consumption abroad) remains an open question to be considered.

Proposed Scope

The proposed Internet agreement would cover goods and services for which the Internet is essential to access or to use the given products and/or services, for or by customers, whether the product is tangible or intangible (it being understood that tangible products' delivery, and tariffs, are governed by other agreements). Such an agreement could be a part of a larger services agreement, such as the International Services Agreement ("ISA"), which is under discussion in Geneva now.

A Trade Framework for the Knowledge Economy While existing WTO agreements do not exclude the Internet, they preceded it in time and thus are not fully optimized to accommodate the needs of trade in the digital environment. One example is the disagreement over the status of digital goods that also have physical forms, such as books. The international trade framework must be adapted to better respond to the needs of this component of the international economy, so as to better facilitate global trade and growth. This modernization would not compete with other efforts, such as ITA expansion. Both activities are important to the continued sound operation of the global trade system.

All WTO Members are interested in incentivizing the growth of the domestic Internet economy due to its high development and export-enhancing potential, and in adopting measures that increase the attractiveness of their countries to foreign direct investment in the local Internet economy, and in supporting the potential of local entrepreneurs to compete globally. Updating the international trade framework to better accommodate trade in Internet services can foster all these objectives.

The following obligations may be considered towards that objective:

An Internet economy agreement should oblige contracting parties to eliminate direct or indirect tariffs, fees, or duties on any of the covered area or on payments made by, through, or for covered transmissions or activities.

The envisioned agreement would circumscribe the cases in which a party could limit Internet trade. Under an Internet trade agreement, information service restrictions would have to comply with WTO principles of being transparent, necessary, and as least restrictive as possible. Affected parties must be provided due process. The agreement would specify that such restrictions need to be narrowly tailored, and confined to certain special cases, and do not unreasonably prejudice the legitimate interests of parties engaged in lawful trade.

The agreement should specify that contracting parties agree not to impose, as a condition of market access, any local content requirements nor that Internet activity be provided through locally hosted data. As platforms for extensive third-party commerce, online intermediaries provide platforms and conduits for an extraordinary amount of international trade. Providing minimum standards for the protection of online providers from liability on account of the data transmitted by third parties is an essential foundation to a healthy online trade environment. An Internet services agreement should mandate minimum protections for online services in these circumstances.

Meeting the Internet stakeholders Ultimately, the international trade regime should extend protections to knowledge goods and of services in a manner that fully recognizes their status as equal to that of physical goods and services. To that end, the possibility of a joint meeting with the Internet and knowledge stakeholders to explore the needs of the digital environment and Internet economy should be seriously considered.



Brief Profile

Founder and Chair, Talal Abu-Ghazaleh Organization TAG-Org



Founder and Chairman of Talal Abu-Ghazaleh Organization TAG-Org, a leading global provider of professional and educational services established in 1972, currently operating out of 80 offices worldwide. This transnational business network was built in parallel with his commitment to global socioeconomic development, and the two tracks of development and business and have grown together and cross-pollinated each other.

Since its launch AGIP has consistently been at the forefront of efforts to improve the infrastructure of IP in the Arab world, working in close coordination with Arab governments and multilateral organizations on the introduction and deployment of an efficient IP system. This initiative has driven significant change in the protection of intellectual property across the region and beyond, and AGIP continues to assist and support governmental committees and officials in revising and drafting new laws and regulations for the enforcement of Intellectual Property Rights. Today, AGIP is the global IPR protection leader.

Honors

- Chevalier de la Légion d'Honneur - France
- The Honorary Doctorate Degree of Arts Canisius College - USA
- Decoration of the Republic - Tunisia
- Decoration of Independence - Jordan
- The Presidential Shield - Lebanon
- Gold Mercury International Award - Bahrain,
- IP Hall of Fame Inductee, IP Hall of Fame Academy – USA
- Al-Jazeera Lifetime Achievement Award, Qatar
- Arab World Media Innovation Award, Kuwait
- Arab ICT Personality of the Year 2010, Bahrain
- Senator, Upper House, Jordanian Parliament, 2010-2011

United Nations Chairmanships

- UN Global Alliance for ICT and Development, 2008-2010
- UN Global Alliance for ICT and Development, Vice Chair, 2006-2008
- UN Global Compact Vice Chair to the UN Secretary General, 2006-2008
- UN ICT Task Force Co-chair, 2001-2004
- UN Working Group on Human Resources, UN ICT Task Force, 2001-2003
- UN Arab Regional Network of ICT Task Force, 2001-2004
- UN Advisory Committee on Internet Governance of UN ICT Task Force, 2003-2004
- UN Group of Experts on International Standards of Accounting and Reporting, 1995-1996
- UN Committee of Experts on Professional Qualifications Standards, 1995-1998

International Chamber of Commerce (ICC) Chairmanships

- Business Action Group to Support the Information Society, 2006-2008
- Commission on E-Business, Information Technologies and Telecommunications, 2001-2008
- The International Chamber of Commerce Task Force on Internet Governance, 2003-2004

University Chairmanships

- Talal Abu-Ghazaleh Graduate School of Business, German-Jordanian University, since 2006
- Talal Abu-Ghazaleh University College of Business, Bahrain, since 2012
- Talal Abu-Ghazaleh University, Lebanon, since 2012

Other International Chairmanship

- Arab Baltic Business and Education Foundation, Jordan, since 2012
- Arab Coalition of Services Industries, Qatar, since 2012
- All 4 Palestine, France , since 2011
- Global Challenges Forum, Switzerland, since 2010
- Association for Strategic Research and Action, Switzerland, since 2012
- The Arab World Internet Institute, USA, since 2008
- Evian Group Governing Body, Switzerland, 2006-2009
- Evian Group-Arab Region, Cairo, 2006-2009
- International Accounting Standards Board, Developing Countries Committee, UK, 1989-1992

Regional Chairmanships

- Economic Policy Development Forum , Jordan, since 2011
- Arab States Research and Education Network, Belgium, since 2010
- Arab Quality Assurance and Accreditation Network, Belgium, since 2007
- Arab Knowledge Management Society, USA, since 1989
- Arab Society for Intellectual Property, Germany, since 1987
- Arab Society of Certified Accountants, UK, since 1985
- Licensing Executives Society- Arab Countries, Jordan, since 1998
- The Afro-Asian Knowledge Society Council, Egypt, 2009-2010
- The Jordan Music Conservatory, 2003-2005

WTO Board Memberships

- WTO Panel on Defining the Future of Trade, Switzerland, since 2012

International Board Memberships

- High Advisory Council, International Cooperation Platform , Turkey, since 2012
- King Hussein Foundation , USA, since 2005
- International Chamber of Commerce Council, France, 2007-2009
- Public Sector Consultative Group, International Federation of Accountants, USA, 2003- 2006
- World Links Worldwide, USA, 2003- 2006
- Industry Advisory Commission, World Intellectual Property Organization, Switzerland, 1999-2000
- International Federation of Accountants Council, USA, 1992
- International Accounting Standards Board, Switzerland, 1988-1990
- International Federation of Accountants , Auditing Practices Board, UK, 1987-1990
- Middle East Council, Center for Strategic & International Studies, USA, 1995-1997
- Keck Center for International Strategic Studies, USA, 1985-1988

Regional Board Memberships

- Jordanian Royal Integrity Commission, Jordan, since 2012
- Arab Anti-Corruption Organization, Lebanon, since 2007
- Arab Thought Forum, Jordan, since 1988
- International Festival of Thinkers, UAE, since 2011
- International Advisory Board, University of Bahrain, Bahrain, 2010-2011
- National Music Conservatory, Jordan, 2003- 2005
- King Hussein Cancer Center, Jordan, 2003-2006
- American University of Beirut AUB Board of Trustees, Lebanon, 1980-1982

Publications

- The Abu-Ghazaleh Legal Dictionary, 2012
- The Abu-Ghazaleh ICT Directory, 2008
- The Abu-Ghazaleh Accountancy & Business Dictionary, 2001
- The Abu-Ghazaleh IP Dictionary, 2000
- The Abu-Ghazaleh English-Arabic Dictionary of Accounting, 1978
- The Imperative of a WTO Reform Agenda, Geneva, 2013

The book, written by Sarbuland Khan, a former senior official of the United Nations, is a paean to Dr. Talal Abu-Ghazaleh and to his passionate love for and lifetime service to humanity.

It gives an overview of Dr. Abu-Ghazaleh's contributions. working with the United Nations over the decades in leadership roles, to foster development and improve the lives of people around the world. It covers multi-stakeholder partnerships launched under UN auspices and led by Dr. Abu Ghazaleh in several strategic areas including information and communication technologies for developments, environmental accounting, quality education, climate change, sustainable urbanization, sustainable tourism and poverty eradication.

The book demonstrates Dr. Abu-Ghazaleh's unique ability to not only articulate a vision and talk about challenges and opportunities but to make things happen and produce results.

One of the most consequential of Dr. Abu-Ghazaleh's lifetime achievements recounted in the book is his leadership of the United Nations ICT Task Force, the UN Global Alliance for ICT and Development and the UN Global Compact which helped transform the development landscape of developing countries by bringing the benefits of the information revolution to the underprivileged people of the developing world.

In illuminating his remarkable achievements, his passionate love of humanity and his vision, the book demonstrates that Dr. Abu Ghazaleh is a world business leader like no other.

This publication should serve as excellent study material for students around the world.

E-BOOK

