

Notes for remarks by:

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Panel 3: “*Reform of Global Governance*”

In addressing issues of *global governance*, and raising issues and questions about its *reform*, this morning, I wish to thank the Council for continuing to initiate occasions for high-level dialogue, and to express my appreciation to the Department of Economic and Social Affairs and the new office for Financing for Development for arranging this session, as well as to all who have taken the time, at this critical moment in human history, to participate today.

The Secretary-General, earlier this year, again invited civil society organizations to “hold governments to their promises,”ⁱ and encouraged participation in monitoring and evaluation. In his 2002 report on the Monterrey roundtables he notes that “mutual accountability was seen as a key principle for effective and broad-based implementation of the Monterrey Consensus.”ⁱⁱ

As the ECOSOC has re-affirmed, we recognize the link between “financing for development and attaining internationally agreed development goals and objectives, including those contained in the United Nations Millennium Declaration...”ⁱⁱⁱ The Council has also noted the need to “intensify interactions with...the World Trade Organization...” among others.^{iv}

The ECOSOC, is custodian of much of the normative responsibility of the United Nations – particularly in *human rights and environmental protection* – in which non-governmental organizations have invested a great deal of energy and affection and which they utilize in diverse ways in orienting their own work and in monitoring their governments

In this light I would like first to focus on one area of urgent, one might say, transcendent human concern, where current governance is failing us, and then raise a few more general issues.

Crimes against humanity^v

I am speaking, of course, of what we might call in the security parlance perhaps too common in these halls, a “weapon of mass destruction”, the HIV/AIDS pandemic as it threatens development prospects and the human condition and as a fundamental challenge to global governance in the human interest.

UNAIDS provides us with continuing statistics of the emergency: more than 20 million dead, 42 million infected, 3.1 million deaths in 2002, several southern African countries with infection rates about 30% of the population, women more and more the majority at risk.^{vi}

The Millennium Goals commit to halt and reverse the epidemic and to enhance virtually all dimensions of social and economic conditions, creating an environment supportive of health. The Monterrey Consensus is dedicated to helping us reach those goals and targets and must be evaluated in that light.

Monterrey was, happily, a moment of renewed commitment to aid flows. Are the commitments adequate in amount or timing to the task? Let's look at AIDS specifically:

In 2001 the Secretary-General took leadership in the creation of a Global Fund which would focus sizeable resources on HIV/AIDS, malaria and tuberculosis. Objectives were set at US\$10 billion per year. Two years later, donors have committed slightly over \$2.3 billion over the four years. The Fund may well run dry!

Let us put this in perspective. This week estimates of expenditure on the war in Iraq range from US \$70 to US \$100 billion. This is money to kill. What we need are resources for life.

In aid of brevity, I must be quite telegraphic, you are all quite aware of the statistics, but let me remind you of their implications for existing commitments:

- With regard to para. 19 of the Millennium Declaration, we are not halting or reversing the spread of HIV/AIDS, infection rates decimate all levels of society, and Asia as well as the Caribbean are joining Africa as zones needing emergency response.
- With regard to section VII of the Declaration, we are not meeting the special needs of Africa in this regard. In fact, the horrendous synergy between AIDS deaths among farmers and providers and famine conditions are endangering huge populations.
- With regard to the diverse development priorities of section III, how can we expect to implement the Monterrey Consensus, NEPAD or the Declaration itself, when in the area of education in one country alone, the rate of death among teachers already exceeds the rate of graduation of new educators, and essential workers from community level development workers through government departments to cabinet members themselves are decimated by the infection?^{vii}

This is not simply a matter of resources, but also of immediate mass access to treatment and care.

On access to essential medicines a combination of initiatives from concerned developing nations and strong global pressure from non-governmental networks led to a glimmer of hope, that those pre-occupied with trade, investment and intellectual property protection in the WTO would recognize the priority of the universal human right to health and the urgency of the current emergency. This resulted in the "Doha Declaration on TRIPS and Public Health". The necessity of member governments

taking measures to protect public health was recognized and the TRIPS agreement was not to prevent them from doing so. The agreement, however, put off action for the most vulnerable countries, those too small or too poor to produce drugs themselves. A solution was promised within a year.

Sixteen months have passed. More than 3 million have died.

In a survey this week of prospects for the WTO's next ministerial in Cancun in September, the New York Times, it was noted that the failure to resolve this issue could threaten the WTO itself. "The United States, with the strong approval of the American pharmaceutical industry, exercised the veto that every nation possesses and destroyed the deal." Thus, WTO Director General Supachai declared, a powerful message about "humanitarian deals" was lost.^{viii}

This brings me back to the role of the Economic and Social Council in oversight and governance of international social and economic affairs, and raises two questions for consideration:

- in what ways can the United Nations in general and the Council specifically reinforce and make effective the priority of the *first* responsibility of governments, that is human rights, and specifically the universal human right to health in such a way that other multilateral bodies with more specific mandates, including the WTO, **prioritize this right over such matters as intellectual property and investor protection?**
- In the light of the nature of the HIV/AIDS emergency, previous action by the Millennium General Assembly (2000) and the Special Session of the General Assembly (2002), and the failure, to date, of the negotiations within the trade and intellectual property framework, when and how would the United Nations, and the Council, and member states, **undertake new international, emergency and transcendent measures for the provision of life-extending essential pharmaceuticals and other components of effective treatment including adequate resources.** The humanitarian and developmental crisis which HIV/AIDS represents is not one to be settled in trade and investor rights negotiations, but at a more transcendent and integrative level.

Chair,

the Secretary-General's Special Envoy on HIV/AIDS in Africa, former Ambassador, Stephen Lewis, has declared the present situation one of "crimes against humanity".^{ix} It seems quite clear, that with 2-3 million people dying, unnecessarily, each year, that current mechanisms for effective multilateral governance are failing. What better place, for a reorganization of priorities in the light of the Millennium Goals to begin.

Policy space for democratic sovereignty and human development

Returning to broader issues of the governance of the international social and economic system and of coherence between Monterrey agreements, the Millennium Goals and development priorities, the very recent report on trade and sustainable development – Making Global Trade Work for People^x – published by UNDP makes clear that current WTO practices will have to be modified if development goals are to be achieved.

Last year in our roundtable presentation we referred to the contradiction between the objective of “domestic ownership” of development approaches and “the continuing removal of large areas of public policy from domestic democratic control by actions of the WTO and the Bretton Woods Institutions.”^{xi}

The UNDP report, in arguing for “*policy space* needed to promote human development” proposes specific remedies to this situation, stating specifically “it is vital that governments have greater flexibility in exempting basic public services – such as health, water, education and social protection – from the progressive liberalization principle.”^{xii} The report continues, “international cooperation is needed to prevent the unnecessary privatizations of basic social services...”

Further, the report stresses “The rules of the global trading regime should not constrain developing country governments from strengthening their existing domestic regulation and policies and introducing new ones if necessary. Requirements such as the necessity test and the ‘least trade restrictiveness’ criteria should not be made binding constraints.”^{xiii}

Through the Social Watch international network we have, this year, published a report precisely on this issue, with an extensive series of country case studies. If you require evidence to back up the approach recommended by the UNDP report, I commend it to you.^{xiv}

It should also be noted that there are other developments which are in line with the thrust of the UNDP report, and which would either reserve areas outside the purview of WTO agreements, like the Canadian initiative on an international agreement on culture, or which prioritize health concerns rather than trade and investment, like the WHO process for an international convention on tobacco.

These specific remarks do not replace the need for detailed discussion of reform of the decision-making practices of the WTO in general, suggestions regarding which the non-governmental community has developed and which can, we hope, be addressed in further dialogue.

In roundtable presentation at the high-level ECOSOC meeting with the Bretton Woods Institutions and the World Trade Organization,^{xv} following the Monterrey Conference, we raised issues which continue as significant concerns:

1. **the importance of immediate action to represent women** more fully in the governing bodies and management of major multilateral institutions. The target should be parity. Timelines should be established.
2. **the proposal**, in play since the Commission on Global Governance in 1995, and endorsed both by the Zedillo report to Financing for Development and by President Chirac at Monterrey for an **Economic and Social Security Council**.^{xvi}

We are prepared to work through United Nations processes, for example, in the pursuit of integrated follow-up to major UN Conferences, to strengthen the Economic and Social Council in order to bring economic policies fully into the service of social and environmental priorities.

We agree with the objective cited by high-level advisors to the G-77 who stated not so long ago that “the United Nations should constitute the core of an emerging system of global governance that effectively addresses the root causes of problems.”^{xvii}

Thank you.

ⁱ United Nations, The Secretary-General, Kofi Annan, Message to the World Social Forum, Delivered by Mr. Nitin Desai, Under-Secretary -General for Economic and Social Affairs, 27 January, 2003

ⁱⁱ General Assembly, Fifty-Seventh Session, Outcome of the International Conference on Financing for Development, Report of the Secretary General, A/57/344. 8 August, 2002.

ⁱⁱⁱ United Nations, Economic and Social Council, 2002/34 International Conference on Financing for Development, E/2002/34, 26 July, 2002

^{iv} Ibid.

^v Stephen Lewis, UN Secretary -General’s Special Envoy for HIV/AIDS in Africa, “Notes for a Press Briefing:”, United Nations, New York, Noon, 8 January 2002.

^{vi} UNAIDS, 2002 World AIDS Day update,

www.unaids.org/worldaidsday/2002/press/update/epiupdate2002_en.doc

^{vii} General Assembly, Fifty-fifth session, 55/2. United Nations Millennium Declaration, A/Res/55/2

^{viii} Elizabeth Becker, “U.S. Unilateralism Worries Trade Officials”, The New York Times, Monday, March 17, 2003-03-18

^{ix} Stephen Lewis, UN Secretary-General’s Special Envoy for HIV/AIDS in Africa, “Notes for a Press Briefing:”, United Nations, New York, Noon, 8 January 2002.

^x UNDP, Making Global Trade Work for People, London and Sterling, VA, UNDP and Earthscan, 2003

^{xi} Notes for remarks by John W. Foster, North-South Institute, Canada representing the Social Watch and the Instituto del Tercer Mundo, an organization in consultative status with ECOSOC, UN, to the Round Table 2, Special high-level meeting of the ECOSOC with the Bretton Woods Institutions, United Nations, New York, U.S.A., 22 April, 2002.

^{xii} UNDP, ibid., p. 279 emphasis added, 2002/34 International Conference on Financing for Development E/2002.34 26 July 2002.

^{xiii} Ibid., p. 280.

^{xiv} Social Watch, The Poor and the Market, Social Watch Report 2003, Montevideo, ItEM, 2003. www.socialwatch.org

^{xvi} This matter was also highlighted in the Monterrey Roundtables, see General Assembly, Fifty-Seventh Session, Outcome of the International Conference on Financing for Development, Report of the Secretary General, A/57/344. 8 August, 2002. p. 10

^{xvii} G-77, Report of the Meeting of the High-Level Advisory Group of Eminent Personalities and Intellectuals on Globalization and its Impact on Developing Countries, Geneva, G-77, 19 September, 2001