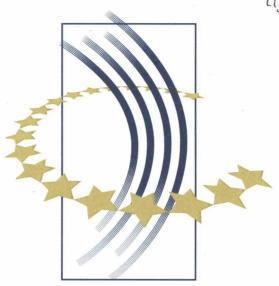
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CLINTON GLOBAL INITIATIVE NYC 2005

PRE-CONFERENCE BRIEFING MATERIALS



Dear Friend.

I am looking forward to greeting you in New York City at the inaugural meeting of the Clinton Global Initiative on September 15 - 17. After months of planning, I am excited by this opportunity that we are about to realize. With hundreds of fellow distinguished attendees from around the world, I firmly believe this meeting will contribute significantly to the way poverty, religious conflict, climate change and governance are viewed and, more importantly, confronted.

To help prepare you for our meeting, we have enclosed materials for your review. In these pages, you will find a conference schedule, a summary description of each of the four workshop topics, and a list of supplemental materials. With this information, you can select the workshop sessions you wish to attend each day. Any changes in the schedule will be reflected in both the Initiative's website, www.clintonglobalinitiative.org, and the conference program you will receive upon registering at the meeting in New York.

I am deeply grateful for your support and am eager to explore what we can accomplish. Together, I know we can make a world of difference.

Sincerely,

Psi Chiston



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CLINTON GLOBAL INITIATIVE NYC 2005

CONFERENCE SCHEDULE

Thursday, September 15, 2005

at Sheraton New York Hotel & Towers

10:00am-10:00pm Participants' Registration

4:00-5:30pm

Special Opening Plenary

7:00-10:00pm

Opening Reception at Museum of Modern Art

(MoMA)

Friday, September 16, 2005

at Sheraton New York Hotel & Towers

7:00-8:50am

Breakfast available for all participants

8:00-8:50am

Plenary Discussion: Global Warming and

the Media*

9:00-11:50am

(Four Simultaneous Breakout Sessions)

Poverty: The Critical Moment in the Fight
 Against Poverty

Against Poverty

• Religion: Islam and the West

• Climate: Financing a Clean Energy Future

• Governance: Promoting Good Governance

12:00-1:00pm

Lunch with Plenary Discussion: What is Next

in the Middle East?

1:10-4:00pm (Four Simultaneous Breakout Sessions)

• Poverty: A Pro-Poor Investment Strategy

• Religion: Religion as Source of Conflict,

Religion as Solution to Conflict

• Climate: Promoting Prosperity with Climate

Change Policy

• Governance: Supporting Enterprise

7:30-11:00pm

Cocktails followed by Dinner

at Sheraton New York Hotel & Towers

Saturday, September 17, 2005

at Sheraton New York Hotel & Towers

7:00-8:50am	Breakfast available for all participants
8:00-8:50am	Plenary Discussion: Confronting Genocide: The Responsibility to Protect in Sudan*
9:00-11:50am	 (Four Simultaneous Breakout Sessions) Poverty: Scaling Up and Protecting Investments Religion: Religion, Politics and Social Progress Climate: Unlocking Innovation: Global Business and New Technologies Governance: Promoting Pro-Development Investment in Risky Environments
12:00-1:00pm	Lunch with Plenary Discussion: Breaking the Impasse on Trade
1:45-3:30pm	Workshop Summation & Action Plan Plenary with Closing Address by Former President

William Jefferson Clinton

^{*} Breakfast will be available for all participants starting at 7:00am. The plenary discussion will be starting at 8:00am.

Breakfast will continue to be available during the plenaries.



TRACK 1 THE ESCAPE FROM POVERTY: FORGING A NEW DEAL BETWEEN THE **DEVELOPED AND DEVELOPING WORLD**

Friday, September 16, 2005

9:00 -11:50 am Session 1

THE CRITICAL MOMENT IN THE FIGHT AGAINST POVERTY

Introduction and Welcome from Moderator Mr. Samuel R. Berger, Chairman, Stonebridge International, LLC

Confirmed speakers (in alphabetical order):

- . Mr. Kemal Dervis, Administrator, United Nations **Development Programme**
- · His Excellency Dr. Donald Kaberuka, Minister of Finance of the Government of Rwanda and President-Elect, African Development Bank
- His Excellency Thabo Mbeki, President of the Republic of South Africa

1:10 - 4:00 pm Session 2

A Pro-Poor Investment Strategy

Introduction and Welcome from Moderator Mr. Paul Brest, President, The William and Flora Hewlett Foundation

Confirmed speakers (in alphabetical order):

- Mr. Ian Davis, Worldwide Managing Director, McKinsey & Company
- Mr. Ira Magaziner, Chairman, Clinton Foundation HIV/AIDS Initiative
- Ms. Reema Nanavaty, Director of Economic and Rural Development, Self-Employed Women's Association
- Ms. Jacqueline Novogratz, CEO, Acumen Fund
- Prof. Mohammad Yunus, Founder and Managing Director, Grameen Bank

Saturday, September 17, 2005

9:00 -11:50 am Session 3

SCALING UP AND PROTECTING INVESTMENTS

Introduction and Welcome from Moderator Mr. Raymond Offenheiser, President, Oxfam America

Confirmed speakers (in alphabetical order):

- · Prof. Wangari Maathai, Founder, Greenbelt Movement
- Prof. Jeffrey Sachs, Director, Earth Institute, Columbia University
- Mr. Gene Sperling, Council on Foreign Relations and Center for American Progress
- Ms. Patty Stonesifer, Co-Chair and President, Bill and Melinda Gates Foundation



TOPIC OVERVIEW

THE ESCAPE FROM POVERTY: FORGING A NEW DEAL BETWEEN THE DEVELOPED AND THE DEVELOPING WORLD

At the same time that globalization promises to benefit the lives of hundreds of millions, the rise in global poverty poses a dire threat to that promise and undermines every effort to build a more integrated world. On a planet rife with tensions—between power and powerlessness; between democracy and authoritarianism; between cutting-edge technology and grotesque deprivation—we have the opportunity and the obligation to act.

Indeed, our future depends on the result. By some measures, certainly, our world is more united than in the past. By others, it has never been more divided. Global poverty is a wedge separating one half of the world from the other. Three of the world's six billion people live on less than two dollars per day, and more than a billion survive on less than half that amount. An estimated 115 million children are not in school, and 40 million people are suffering from AIDS. More than 50 countries are poorer today than they were in 1990.

Against this backdrop, the disparity between rich and poor is obviously increasing. The world's ten wealthiest nations, which constitute only 14 percent of the world's population, are more than 75 times richer than the ten poorest and account for 75% of global GDP.

Without a serious course correction, the world in 2025 will likely be even more divided and dangerous. The gap between rich and poor will inevitably increase. The HIV/AIDS pandemic and other health crises will undermine economies already burdened by the combination of a dramatic youth bulge and a shrinking

jobs market. The world's poorest countries will grow less able to utilize the new technologies that might lead to increased productivity. Governments will face increased pressure from their citizens, but will be ill-equipped to meet expectations. Conflict will increase; weak states will grow weaker; more states will fail. Fragmentation will erode the potential gains of globalization, paving the way for a host of transnational threats, and undermining the credibility of the values we cherish.

But there are fragile grounds for optimism. In the face of these daunting challenges, the world has witnessed a referendum of sorts on global poverty, resulting in a broad-based commitment to bring new resources and approaches to bear:

- The developing world has seen unprecedented gains in democratization, improved governance, and economic reforms that provide the foundation for defeating poverty.
 In country after country, local non-governmental organizations have emerged as the backbone of a vibrant civil society by capitalizing on the dynamism of poor communities to deliver social services and generate wealth.
- In 2000, the United Nations and its members committed themselves to halve poverty by the year 2025, and mounted an ambitious campaign to meet that goal.
- A growing number of governments in the developing world have committed to pro-development policies, and the world's wealthiest nations have pledged to increase aid, trade and investment, laying the groundwork for a new partnership.
- At the G8 Summit in July, the world's wealthiest countries endorsed a plan to increase development aid spending by \$48 billion per year by 2010 and pledged to cancel 100% of the debts owed by some poor countries to the World Bank, IMF and African Development Bank.
- O As foreign direct investment in the developing world has increased, the private sector has taken on strategies of corporate responsibility, building philanthropic programs into business models, and launching new initiatives aimed at fighting HIV and AIDS.

- O Private philanthropy has grown in scope and focus, expanding investments in institutional capacity and tapping the creativity of the market through the creation of social venture funds.
- Ordinary men and women around the world have made clear their support: the tsunami disaster triggered contributions by the citizens of both developed and developing nations, while over two billion people participated in Live8 events in the weeks and months preceding this summer's G8 summit.

Of course, enormous challenges remain. Despite dramatic increases in public and private development assistance, aid levels remain well below the increase of \$90 billion by 2010 that the UN and World Bank predict is necessary to meet the Millennium Development Goals. Although trade generates a larger share of GDP than ever before, and levels have expanded significantly over the past decade, global trade has yet to yield sustainable benefits for a majority of the world's poorest countries. Low-income countries account for only three cents of every dollar generated through exports in the international trading system, and the world's poorest countries—particularly in Africa—have seen their share of global trade decline over the last 25 years. Similarly, less than one percent of the total global flow of foreign direct investment is going to the world's least developed countries.

Finally, the policies that shape the developing world's engagement in the global trading system pose a daunting challenge. New initiatives launched by the United States and Europe have opened the door to increased trade, but challenges remain acute. Global trade in agriculture—which provides a livelihood for the majority of the world's poor—is marred by sharp divisions over the role of subsidies provided by the developed world.

Resolution of this single dispute could prove critical to fueling economic development and paving the way for a new agreement in the Doha Development Round of trade talks. Failure could undermine the ability of the developing world's agricultural producers to engage fully in the global market and lead to an impasse in global trade negotiations. That would serve no one's interest in either the developed or developing worlds.

Obviously, the fight against global poverty is a moral imperative,

and fundamental to the values we hold dear. But our own interests also compel us to manage globalization so that it leads not to fragmentation, but to a more balanced global integration that provides benefits to all participants, including better economies and governments. To succeed, we must move beyond an aid framework based on charity toward a model that fights poverty by truly releasing the productive capacity of the world's poor.

This is a framework of investment in—not charity toward—the poor. It expects returns on that investment in multiple ways. The poor become our partners in every sense: suppliers of our goods, consumers of our products, conveyors of important local knowledge, investors in our projects, and champions of the democratic ideals we cherish. It is also a model that holds development financing—whether public or private—accountable for achieving these social returns.

Combined, the three sessions on global poverty will focus on how best to marry our policies and resources to the dynamism of poor communities and the innovation of the market.

Session 1, "The Critical Moment in the Fight against Poverty", will focus on building new global commitments to increase aid, expand trade, and deepen debt relief. It will examine how aid can be increased and more effectively invested in building the capacity of the poor; it will identify specific policy changes that can unleash the power of trade to reduce poverty; and it will propose additional steps to ease the burden of debt. The Session will also address the fundamentals of a new partnership between the developed and developing worlds—particularly seeking to define ways that the pro-investment climate sought by the developed world can accompany the pro-development investment sought by the developing world.

Session 2, "A Pro-Poor Investment Strategy", will focus on how investment strategies can build on the entrepreneurial capital provided by the poor, harnessing the innovation derived from local knowledge and capitalizing on the dynamism of the market. Participants in this session will explore concrete examples of pro-poor business models that have successfully fostered and sustained entrepreneurial initiative; developed and sustained distribution mechanisms; measured long-term results; and lifted

entire communities out of poverty. This session will also investigate the displays of political will—and muscle—that were required to break through the usual obstacles to success.

In session 3, "Scaling Up and Protecting Investments", the focus will shift to how development successes can be brought to achieve maximum impact—in services, environmental protection, job creation, and the fight against HIV/AIDS. The Session will detail examples of successful development initiatives; highlight efforts to build national capacity; and consider how aid and market-based strategies can expand the reach of development efforts.



THE ESCAPE FROM POVERTY: FORGING A NEW DEAL BETWEEN THE DEVELOPED AND THE DEVELOPING WORLD

SUPPLEMENTAL MATERIALS

The materials below have been assembled to support your preparation for the Clinton Global Initiative inaugural meeting. For the full version please log on to the Clinton Global Initiative Website at www.clintonglobalinitiative.org. The articles are posted under a "supplemental materials" tab under each of the Initiative Goals.

How to Help Poor Countries

By Nancy Birdsall, Dani Rodrik, and Arvind Subramanian. Foreign Affairs, July/August 2005

In this article, Nancy Birdsall, Dani Rodrik, and Arvind Subramanian, focus on the right and wrong ways to help developing nations, with an eye on the September 2005 Millennium Summit. The authors examine the internal circumstances of a number of developing countries and end the piece by looking at the positive steps wealthy nations can take to help developing ones.

Adventures in Philanthropy

By Dalia Fahmy Institutional Investor, December 2004, pgs. 58-63

In her article "Adventures in Philanthropy," Dalia Fahmy explores a new model of charitable giving known as venture philanthropy. Put off by the lack of transparency and accountability that plague traditional charities, Fahmy reports on a number of grant-making organizations that are now seeking to perform due diligence, supplement financial giving with managerial assistance, and follow other applicable principles of venture capitalism.

Gleneagles: What Really Happened at the G8? OxFam International, July 29, 2005

This briefing note by OxFam dissects this summer's meeting in Scotland and underlines the fact that although no previous summit has done as much for development—particularly in Africa—there is still an incredible amount of work for the developed world to do when it comes to helping the developing world. The briefing analyzes the meeting based on five criteria—aid, debt, trade, conflict, and education/health—and pays particular attention to what Gleneagles means for Africa.

WTO Hands a Critical Victory to African Farmers

By Gayle E. Smith and Susan E. Rice Yale Global On-line, May 21, 2004

In this article, Gayle Smith and Susan Rice examine what the WTO's decision on cotton subsidies means for Africa. The ruling, which is concentrated primarily on small farms in the continent's western and central regions, represents both a political and financial victory for African agriculture. For the first time, these farmers realized the potential benefits of collective and constructive participation in the WTO.



TRACK 2 RELIGION. CONFLICT AND RECONCILIATION

Friday, September 16, 2005

9:00 -11:50 am Session 1

ISLAM AND THE WEST

Introduction and Welcome from Moderator Mr. Jean Manas, Managing Director, Goldman Sachs

Confirmed speakers (in alphabetical order):

- · Mr. Alistair Crooke, Director, Conflict Forum
- . Mr. Shamil Idriss, Director of Islamic-Western Relations Program, Search for Common Ground
- · His Excellency Amr Moussa, Secretary General, League of Arab States
- · His Excellency Jose Luis Rodriguez Zapatero, **President of Spain**

1:10 - 4:00 pm Session 2

RELIGION AS SOURCE OF CONFLICT, RELIGION AS SOLUTION TO CONFLICT

Introduction and Welcome from Moderator Mr. Richard C. Holbrooke, President and CEO, Global Business Coalition on HIV/AIDS

Confirmed speakers (in alphabetical order):

- · Mr. Gerry Adams, President, Sinn Fein
- Dr. Madeleine K. Albright, Principal, the Albright Group LLC
- Mr. Gareth Evans, President and Chief Executive, International Crisis Group
- Rabbi Michael Melchior, Deputy Minister in the Prime Minister's Office, Israel
- Dr. David R. Smock, Director, Religion and Peacemaking Initiative, United States Institute of Peace

Saturday, September 17, 2005

9:00 –11:50 am Session 3

RELIGION, POLITICS AND SOCIAL PROGRESS

Introduction and Welcome from Moderator Mr. George Stephanopoulos, ABC News

Confirmed speakers (in alphabetical order):

- Dr. Richard D. Land, United States Commission on International Religious Freedom
- Dr. Eboo Patel, Executive Director, Interfaith Youth Core
- Dr. William F. Vendley, Secretary General, World Conference Religions for Peace



TOPIC OVERVIEW

RELIGION, CONFLICT AND RECONCILIATION

Nearly four fifths of the world's population identifies itself as religious, and the allegiances stemming from that basic fact transcend partisan, national and ethnic lines. For many hundreds of millions, the most important community ties are born of faith—not nation; the most authoritative pronouncements are those of religious leaders—not statesmen; and the most effective provider of social and cultural resources are churches, mosques, and synagogues—not the state. Faith-based loyalties and providers typically outshine all others in terms of their ability to mobilize energies and tap into human resources of all kind, both material and spiritual.

With this reality come several implications. For one, religion remains a chief engine of deadly conflict, providing immediate pretext and overall context—from Northern Ireland to Sudan and from the Middle East to Nigeria. Clearly, terrorist attacks against New York, Madrid, London, Casablanca or Sharm el-Shaikh also cannot be understood without a grasp of Islamic jihadism and the role that faith plays in the radicalization of certain population segments in Muslim countries and Muslim communities in the West. Indeed, today we face a new and deadly challenge—that presented by the growing alienation of Muslim populations vis-à-vis the global system and the corresponding appeal of radical ideologies.

At the same time, religious organizations can play a critical role in preventing and resolving conflict, as well as in post-conflict peace-building. Likewise, they can play a pivotal role in marshaling resources to combat other destabilizing problems, of all magnitude. Inter-faith coalitions helped peace-making efforts in the Balkans and Northern Ireland, and, recently, Jews, Muslims

and Christians reached agreement on the First Alexandria Declaration of the Religious Leaders of the Holy Land, a joint commitment to promote peace and oppose violence and terror. Other examples include the work of Imam Mohammed Ashafa and Pastor James Wuye, who through their teachings and experience helped bring an end to Muslims-Christians violence in Northern Nigeria. Or Pi Ouyporn, who uses Buddhist teachings to alter the sexual behavior of young girls in South Thailand, reducing the spread of HIV/AIDS.

And yet, despite the capacity of religion to both fuel and resolve conflict, this powerful instrument has often been neglected. The voice of religious leaders has been largely absent—often deliberately so—from peace negotiations, humanitarian interventions, and efforts to reduce poverty, disease, and environmental degradation. Such caution can be understood, and is sometimes warranted. Due to past and present experiences with religious conflict and legitimate concerns over the intersection of government policy and personal faith, involving religion in the public sphere has often been viewed as posing an unnecessary risk. Discussing the potential positive role of religion is especially uncomfortable in a delicate region like the Middle East, where the rising influence of Islamists in civil society confronts local governments and the West with a difficult challenge. But without a clear and honest discussion of what the religious dimension can bring to the table, one risks ignoring a formidable catalyst for action.

This is not an abstract debate but one with direct consequences for millions affected by deadly conflict or disease. It also has huge implications for the private sector, which in the age of globalization has become an integral player in countless conflict-prone regions, including the Middle East, Sudan, Uzbekistan, and Nigeria. For corporations and private businesses, the cost of doing business can be staggering when conflict and humanitarian crises are factored in. To cite only a few examples, there are skyrocketing security and safety costs, a weakened workforce due to death and disease; destroyed assets and infrastructure; and exorbitant costs for raising capital, due to political risk. By the same token, the benefits accrued from preventing, mitigating or resolving such crises are equally substantial.

In addressing this topic, the Clinton Global Initiative will seek to assess the potential represented by religious organizations and intermediaries without avoiding the risks that they also bring. Drawing from specific precedents, panelists and participants will try to identify what practices have and have not worked.

Session 1, "Islam and the West", will focus on the relationship between the Muslim world and the West. This relationship has become one of the most critical and complex of the day. To the extent that there even are such entities as "the Muslim World" and "the West", they are best described as overlapping and interdependent global communities, with millions feeling that they inhabit both. But, especially since 9/11, the perception of a gap has undeniably grown, with dangerous implications. Much of this is related to mutual misunderstandings and stereotypes. Too often, the West views Islam as a monolithic religion, rather than as one with a myriad of different, often competing variants. and perceives Islamism as an inherently violent and anti-democratic political expression of Islam. Equally often, Muslims view the West as intent on dominating them and imposing an alien way of life, in particular through the process of globalization. Improving Islamic-Western relations will require sustained action on a global scale and at virtually every level of society. Corporate, political, religious, journalistic and non-profit institutions all have a role to play.

For the West, grappling with the reality of the Muslim world will inevitably mean coming to terms with and genuinely understanding the rise of political Islam and its different manifestations. This too has been the object of dangerous simplification, the most common of which is the assumption that political forms of Islamic activism are inherently threatening, when in many instances they are receptive to the promotion of democracy, human rights and respect for the nation-state.

Beyond abstract statements about mutual interests joining the West and Islam, panelists and participants will discuss concrete steps that should be taken to improve relations and rebut polemicists who believe in the so-called "clash of civilizations." The panel will also address the concrete conditions under which Islamist movements should be engaged by exploring past examples of successful dialogue.

Session 2, "Religion as Source of Conflict, Religion as Solution to Conflict", will focus on the historical instances where religion has promoted conflict and where it has played a role in resolving it. In those instances, whether in the Middle East, Northern Ireland or Africa, there is a need for creative, practical thinking on (1) what are the most effective tools to overcome hostility that is at least partially based on religion, and (2) in what way can religious beliefs, religious communities and inter-faith coalitions become effective instruments of peace-making.

For the first issue, panelists and participants will seek to identify the role that the business community, NGOs, and other third parties can play in moderating hostility and mistrust that is related to inter-religious strife. Particular emphasis will be given to models that have worked (Northern Ireland, for example), and to understanding whether and how they can be replicated elsewhere.

For the second issue, panelists and participants will be asked to explore the extent to which religion and religious leaders should be brought into the realm of diplomacy and conflict-resolution, looking to successful and unsuccessful models for the injection of faith and inter-faith dialogue in peace-building efforts.

Session 3, "Religion, Politics, and Social Progress", will focus on the benefits of cooperation. Where people of one or more faiths come together around a particular cause—combating poverty, promoting education and human rights—they can act as a multiplier and bring even greater resources to bear. And yet progressive elites are often at a loss as to how to engage devout religious communities.

If religious institutions and networks are such powerful actors of civil society, they need to be integrated, and not only once the political agenda has been set—they need to be involved from the outset, identifying social issues that warrant attention. Better understanding the role played by religion in social matters is thus of vital importance. Panelists and participants will seek to identify better ways for political leaders and religious communities to engage one another. They also will explore how religious organizations of different faiths can find common ground despite divergent worldviews. In particular, they will assess the contexts in which attempts to mobilize religious communities have

worked best, and where have they failed. They will look into the question of whether religious communities and organizations have taken some of the more sensitive issues (such as AIDS and women's rights) seriously enough, and if not, why not. Finally, they will consider whether religious groups are doing enough to engage political and corporate leadership to tackle issues they deem important.



RELIGION, CONFLICT AND RECONCILIATION SUPPLEMENTAL MATERIALS

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Divine Intervention; Regional Reconciliation Through FaithBy David R. Smock
Harvard International Review, Vol. 25 (4) - Winter 2004

While much has been made of religion as a source of international conflict, considerably less attention has been given to religion as a source of international peacemaking. There are two principal varieties of religious peacemaking: engagement by religious and faith-based organizations in peacemaking activities and promotion of understanding between religious groups that are in conflict. In his article, David Smock analyzes both types and explores country case studies from the Balkans, Africa and the Middle East.

From Cambodia to Sudan: Breaking Down Wall of Apathy By Elie Wiesel <u>The Forward</u>, March 11, 2005

In his article, Elie Wiesel confronts apathy, indifference and passivity towards the suffering of others through Jewish religious traditions. Drawing from his personal experience and teachings Wiesel makes the case that the Jewish community cannot afford reserving the compassion and generosity that have characterized Jewish mentality and morality for centuries solely for members of their own community.

The Mighty and the Almighty: United States Foreign Policy and God

Remarks of Madeleine K. Albright University of Yale Divinity School, New Haven Connecticut, March 30, 2004

In her speech, former Secretary of State, Madeleine K. Albright addresses the symbiotic relationship between faith and foreign policy. Should nations, like people, be measured against the standards found in the scriptures? Should we consider the scriptures a road map to how we conduct foreign policy as well as every aspect of our lives? Secretary Albright confronts the challenge of reconciling the conduct of foreign policy with the moral values and standards of religious life.

Understanding Islamism

International Crisis Group

Middle East/North Africa Report N°37, 2 March 2005

The West needs a discriminating strategy that takes account of the diversity of outlooks within political Islamism, that accepts that even the most modernist of Islamists are deeply opposed to current U.S. policies and committed to renegotiating their relations with the West; and that understands that the festering Israeli-Palestinian conflict, the war occupation of Iraq, and the way in which the "war against terrorism" is being waged all significantly strengthen the appeal of the most virulent and dangerous *jihadi* tendencies. This report examines three main distinctive types of Sunni Islamism: political, missionary and *jihadi*. Which of these three main outlooks will prevail in the medium and longer term is of great importance to the Muslim world and to the West.



TRACK 3 CLIMATE CHANGE: BUSINESS OPPORTUNITY, BUSINESS CHALLENGE

Friday, September 16, 2005

9:00 -11:50 am Session 1

FINANCING A CLEAN ENERGY FUTURE

Introduction and Welcome from Moderator Mr. Vijay Vaitheeswaran, Environment & Energy Correspondent, The Economist

Confirmed speakers (in alphabetical order):

- Mr. John Coomber, CEO, Swiss Re
- Mr. Al Gore, Chairman, Generation Investment Management LLP
- Mr. Rijkman Groenink, Chairman of the Managing Board, ABN AMRO
- Mr. Vinod Khosla, General Partner, Kleiner, Perkins, Caufield & Byers; founding CEO, Sun Microsystems
- Ambassador Luis Alberto Moreno, President-elect, Inter American Development Bank
- Dr. Richard Sandor, President, Chicago Climate Exchange, Inc.

1:10 - 4:00 pm

Session 2

PROMOTING PROSPERITY WITH CLIMATE CHANGE POLICY

Introduction and Welcome from Moderator His Excellency José Maria Figueres, Former President of Costa Rica

Confirmed speakers (in alphabetical order):

- . The Rt Hon Margaret Beckett, Secretary of State for Environment, Food and Rural Affairs, United Kingdom
- Senator Hillary Rodham Clinton (D-NY)
- · His Excellency Dr. Leonel Fernandez, President of the **Dominican Republic**

Saturday, September 17, 2005

9:00 -11:50 am Session 3

UNLOCKING INNOVATION: GLOBAL BUSINESS AND **NEW TECHNOLOGIES**

Introduction and Welcome from Moderator Mr. Jonathan Lash, President, World Resources Institute

Confirmed speakers (in alphabetical order):

- Mr. Charles O. Holliday, Jr., Chairman and CEO, DuPont
- · Mr. Jeffrey R. Immelt, Chairman and CEO, General **Electric**
- Mr. Amory Lovins, CEO, Rocky Mountain Institute
- Dr. R.K. Pachauri, Chairman, Intergovernmental Panel on Climate Change
- Mr. George P. Sakellaris, President and CEO, Ameresco



TOPIC OVERVIEW

CLIMATE CHANGE: BUSINESS OPPORTUNITY, BUSINESS CHALLENGE

Human beings are changing the Earth's climate. Around the world, heat-trapping gases from human activities are raising temperatures, changing rainfall patterns and altering the length of seasons. These alarming trends threaten livelihoods and long-established ways of life in every nation.

This summer, in what has become a disturbingly predictable pattern, many parts of the United States experienced record high temperatures. In July, parts of India experienced record rainfall, killing more than 1,000 people. In June, eleven national academies of science from around the world issued a joint statement declaring that "the scientific understanding of climate change is now sufficiently clear to justify nations taking strong action." On June 12, the popular newspaper USA Today—reflecting this widespread scientific consensus—ran a front page headline that read: "The debate's over: Globe is warming."

The heat-trapping gases gathering in the atmosphere come mainly from fossil fuels. Since the beginning of the Industrial Revolution, billions of tons of coal and oil beneath the earth's surface have been burned, converting solid carbon into gaseous carbon dioxide (the leading "greenhouse gas"). Forest loss also plays an important role. More than 20% of the heat-trapping gases released into the atmosphere each year come from the cutting and burning of forests.

Global warming will be felt in all nations, but nowhere more acutely than in the developing world. These countries are most vulnerable because their economies depend on agriculture and other sectors tied to the climate, and because they simply have less money to spend on expensive adaptation measures. An African environmentalist once said that "for us, the problem of global warming is like the problem of secondhand smoke. We don't create these gases, but they blow over us, causing no end of problems."

As the threat posed by global warming becomes more apparent, governments and businesses have started to turn their attention to solutions. In recent years dozens of companies around the world have significantly cut emissions while saving money. Dozens of cities have done the same. This growing record of success raises questions about longstanding assumptions concerning the costs of reducing emissions and the dire warnings that this could only be done at significant economic cost.

For the private sector, climate change presents both a daunting challenge and an exciting opportunity. One challenge is the threat to physical infrastructure from more severe storms, as companies operating in the Gulf of Mexico have learned from this summer's hurricanes. Another challenge is regulatory uncertainty: many governments around the world are only beginning to implement programs to control heat-trapping gases, with many elements of these programs still in the process of development. In the United States, a complex patchwork of state and local regulation is emerging as Washington moves haltingly toward playing a role. A final challenge is managing public perceptions. Shareholders of public companies, for example, are increasingly seeking ways to hold management accountable for perceived poor performance in response to climate change.

The opportunities are also considerable. Demand for clean energy is exploding around the world. Markets for wind and solar power are doubling every 2-3 years. Europe plans to generate 22% of its electricity from renewable sources by 2010; India plans to generate 10% of its electricity from renewables by 2012. Wind power already provides more than 17% of Denmark's electricity; more than 6,000 solar electric systems are being installed in the next several years in Nicaragua alone. Meanwhile, clean coal technologies such as integrated gasification combined cycle (IGCC) have efficiencies at least 25% greater than traditional coal-fired power plants. Investments in energy efficiency are especially powerful, helping to save energy and reduce costs.

Many large and small companies are positioning themselves to capture portions of these markets. Emissions trading offers companies the opportunity to capture extra profits from efficient production processes. In developing countries in particular, new sources of financing may be available for business ventures that help reduce greenhouse gas emissions. Companies that show leadership on this issue may be able to win customer loyalty, attract investment and build a positive brand.

The climate sessions at this conference will explore three issues. Session 1, "Financing a Clean Energy Future", will explore the hasic question: Where will the money come from? Trillions of dollars will be needed to finance clean energy in the decades ahead. Funding will be needed for research and development into breakthrough technologies, and then for commercialization and wide-scale deployment of technologies with strong greenhouse gas benefits. Historically, many barriers have prevented adequate capital from reaching this sector. Can the necessary funds be raised? Are current financing vehicles sufficient, particularly in developing countries? What role should multilateral development banks, export credit agencies and other public sector entities play in financing clean energy? Can carbon finance help spur additional investment in clean energy projects? The old energy economy is well-organized, well-financed, and politically influential. The new energy economy is entrepreneurial and decentralized, undercapitalized, and lacks substantial political power. Yet its economic potential is enormous. How do we tap it?

Session 2, "Promoting Prosperity with Climate Change Policy", will explore climate change policies around the world. These policies are evolving rapidly, with the launch of the European Union's Emissions Trading Scheme earlier this year and strong Japanese measures to promote energy efficiency. In addition, many policies designed with multiple goals—such as Chinese automotive fuel efficiency standards and the Brazilian ethanol program—are paying dividends in addressing climate change. In the United States, the Senate recently passed a resolution calling for "mandatory, market-based measures" to bring heat-trapping gases under control, while governors from both political parties, including Republican governors of the two largest states,

are taking strong steps to address this problem. More than 160 U.S. cities have declared their intention to meet the Kyoto targets.

Session 3, "Unlocking Innovation: Global Business and New Technologies", will focus on how we unlock innovation in the private sector. What factors can help a company reduce emissions at little or no cost? Companies with successful experiences in emissions reduction will relate their experiences and the potential for these experiences to serve as a model for other companies. In addition, companies that are leading in the development of "green products" will describe their work, with similar questions posed. Experts will speak about the potential of clean energy technologies, exploring both steps that can be taken immediately and the longer term changes needed to reduce greenhouse gas emissions significantly in the decades ahead.



CLIMATE CHANGE: BUSINESS OPPORTUNITY, BUSINESS CHALLENGE

SUPPLEMENTAL MATERIALS

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Solving the Climate Problem

By Robert Socolow, Roberta Hotinski, Jeffrey Greenblatt and Stephen Pacala,

Environment, December 2004

This article explores different strategies for reducing greenhouse gas emissions over the next 50 years. Strategies are grouped into five broad categories—energy conservation, renewable energy, enhanced natural sinks, nuclear energy and fossil carbon management. The article concludes that the attractiveness of different strategies will differ from one region to another and that parallel exploration of all strategies is required.

Plan B 2.0: Rescuing a Planet Under Stress and a Civilization in Trouble

Chapter 10: Stabilizing Climate

By Lester R. Brown, (Forthcoming January 2006 NY: W.W. Norton & Co.)

This book presents a plan for promoting economic progress without degrading Earth's resources. Chapter 10 specifically focuses on global warming, offering a plan for cutting carbon emissions in half while saving money and spurring job creation.

Mitigating Climate Change: Fostering Innovation and Technological Development

Dr. R. K. Pachauri, August 2005 This article was written for the inaugural meeting of the Clinton Global Initiative. Not published previously.

The article highlights some major findings of the Intergovernmental Panel on Climate Change (IPCC). Mitigation opportunities are discussed, highlighting the negative or low costs estimated to be incurred. Reference is made to the major energy investments projected globally in the next 25 years, particularly in the developing countries to meet major energy scarcity and lack of access to modern fuels. A fresh approach to spreading technological innovation in both developed and developing countries is explored and discussed.



TRACK 4 **ENHANCING GOVERNANCE, SUPPORTING** ENTERPRISE, AND PROMOTING INVESTMENT

Friday, September 16, 2005

9:00 -11:50 am Session 1

PROMOTING GOOD GOVERNANCE

Introduction and Welcome from Moderator Ms. Mary Robinson. Founder and Chair, Ethical Globalization Initiative

Confirmed speakers (in alphabetical order):

- Mr. Nick Butler, Group Vice President of Strategy & Policy Development, BP
- · Dr. Kumi Naidoo, Secretary General and CEO, CIVICUS
- . His Excellency Chief Olusegun Obasanjo, President of the Federal Republic of Nigeria
- Mr. George Soros, Founder and Chairman, Open Society Institute
- · Mr. Simon Taylor, Director, Global Witness
- · His Excellency Victor Yushchenko, President of Ukraine

1:10 - 4:00 pm Session 2

SUPPORTING ENTERPRISE

Introduction and Welcome from Moderator Mr. Fareed Zakaria. Editor, Newsweek International

Confirmed speakers (in alphabetical order):

- Mr. Mohammed Al Gergawi, CEO, Dubai Holdings: Secretary General of the Executive Council, Dubai
- Mr. Hernando de Soto, President, Institute for Liberty and Democracy (ILD)
- Mr. Henry Paulson, Chairman and CEO, Goldman, Sachs & Co.
- Mr. Robert Rubin, Chairman of the Executive Committee, Citigroup
- Mr. Jo' Schwenke, Managing Director, Business Partners. (RSA)

Saturday, September 17, 2005

9:00 -11:50 am Session 3

PROMOTING PRO-DEVELOPMENT INVESTMENT IN RISKY ENVIRONMENTS

Introduction and Welcome from Moderator Dr. Laura D'Andrea Tyson, Dean, London Business School

Confirmed speakers (in alphabetical order):

- Mr. Jim Donald, President and CEO, Starbucks
- Prof. CK Prahalad, Professor of Business Administration, University of Michigan School of Business
- Mr. Tidjane Thiam, Aviva Plc, Blair Commission, Former Minister of Planning, Cote d'Ivoire



TOPIC OVERVIEW

ENHANCING GOVERNANCE, SUPPORTING ENTERPRISE, AND PROMOTING INVESTMENT

The search continues for the silver bullet that separates healthy societies from those caught in a downward spiral. There is no magic ingredient, of course. Growth requires a confluence of factors, from strong institutions to effective public investments. With world leaders gathering to assess progress on the Millennium Development Goals at the five-year mark, we can expect a welcome boost in official aid. Yet there is growing recognition that money is not enough. Ultimately, progress depends on individuals—who hold their governments accountable, who demand higher standards from public officials and corporate executives alike, and who fuel the engines of entrepreneurship.

Key features essential to building robust economies include basic measures to combat corruption, strengthen the rule of law, and protect core freedoms. But for many societies with a history of endemic corruption, it is a daunting challenge to turn the tide. At a minimum, it requires patient acceptance that strengthening governance is a process, not an overnight transformation. Increasingly, private sector leaders recognize they have a large stake in supporting accountable governments—and they are joining public servants, international organizations and NGOs in pioneering new approaches.

Recent disappointment over top-down approaches to development has coincided with rising appreciation of the pivotal role entrepreneurs can play as agents of growth in poor countries. Ultimately, the private sector will be the most powerful engine for poverty reduction in the 21st century.

That the stakes are enormous is evident. As indicated by demo-

graphic studies, many countries in sub-Saharan Africa and the Arab world confront a troubling gap between the number of young adults entering the labor force and the number of jobs available where state control is high and private investment low. Entrepreneurship will be critical to closing the gap. Given the dismal historical record of conflict in societies whose economies were not up to the task of absorbing "youth bulges," there are few more urgent challenges in the development arena.

Good governance and dynamic entrepreneurship are critical but not sufficient in societies starved for capital. Investment is the lifeblood of growth—even a cursory glance at the investment and growth levels of East Asia relative to Latin America, the Middle East, and sub-Saharan Africa over the past few decades speaks volumes. But getting investors to bet on poor markets is by no means a straightforward proposition. Changing risk perceptions will require creative partnerships between official actors and investors

Session 1, "Promoting Good Governance", will tackle the challenges associated with turning around a history of corrupt governments and examine a range of new initiatives building transparency and accountability in natural resource and fiscal management.

Natural resources provide crucial revenue for over 50 developing countries, but can all too easily support conflict and corruption when mismanaged. New attention is being devoted to the "resource curse"—the paradox that countries blessed with immense resources are often crippled by corruption and dysfunctional economies. Growing calls for transparency have led to pioneering partnerships in resource management between NGOs, corporations, foundations, and governments.

Given that government budgets are the most concrete expression of national priorities, public oversight of fiscal accounts is another critical tool. This requires vigorous accounting on the part of local and national governments, and equally strict vigilance from taxpayers and the private sector, all of whom have a clear interest in following the money.

Session 2, "Supporting Enterprise", will explore the pivotal role

that entrepreneurs can play as agents of growth in poor countries. Governments need to create the right environment for growth by ensuring predictable contract enforcement, clear rules for establishing and disbanding ventures, and effective financial intermediation. Important grassroots approaches are also emerging in property rights and contract enforcement, with political leaders increasingly recognizing the value of safeguarding the property rights of the poor.

There are also a range of exciting new models for promoting enterprise at the grassroots level. Microenterprises—ranging from self-employment to a handful of partners who are often members of the same family—are on the front lines of poverty alleviation. More than two decades of experimentation have yielded successful models for helping microenterprises.

Attention is shifting to small and medium enterprises (SMEs), which account for the large majority of employment in advanced economies but suffer disproportionately from poor investment climates and financial constraints in poor countries. The SMEs with the greatest growth potential are often too small and unproven to depend on commercial loans and too large and risky to rely on short-term micro-loans. The combination of patient capital and strategic oversight that is vital for start-ups in sophisticated markets such as the U.S. remains virtually non-existent in most poor countries.

The next few years should see great emphasis on the impressive potential for entrepreneurs to transform the development land-scape. Even in remote villages, small entrepreneurs are looking for ways to tap into distant markets. Furthermore, a handful of creative multinationals are recognizing the potential to pioneer new business models that link remote producers to buyers through partnerships that create value on both sides.

Session 3, "Investment in Risky Environments", will consider ways to build confidence in markets where private investors are deterred by perceptions of unacceptably high risk. According to some estimates, the expected profitability of a typical SME in a developing country would need to be 50-100 percent greater than that of a similar business in a more developed economy to offset the perceived risk differential.

Achieving an attractive investment climate is a multi-year proposition that requires sustained political will, patience, and frequently luck. In the meantime, official agencies, together with financial players and NGOs, must exercise greater creativity in designing mechanisms to mitigate risk. Some new financing proposals aim to broadening the classes of risks that can be insured by donors. Others combine financing with intensive consulting and training, while still others focus on securitization, taking advantage of financial engineering to develop instruments with differentiated risk profiles.

Recognition of the vast market potential associated with poor consumers has led business leaders to take a serious look at "bottom-of-the-pyramid" opportunities, which often fit comfortably into the traditional for-profit model, while addressing underserved communities. There is also growing interest in blended-value investing—which trades off below-market returns in order to advance social and environmental value. Blended-value investing will require advances in accounting and supporting institutions to achieve scale. But growing numbers of investors have already begun to express a desire to create social value when allocating their portfolios.

The time has come to give more of these ideas a test run. Far from supplanting market mechanisms, the goal is to create incentives for private investors to venture forth into markets they would otherwise write off as hopeless.



ENHANCING GOVERNANCE, SUPPORTING ENTERPRISE, AND PROMOTING INVESTMENT

SUPPLEMENTAL MATERIALS

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Managing Globalization: The Role of Business

By Congressman Jim Kolbe (R-AZ) <u>Center for International Private Enterprise</u>, July 19, 2005

Multinational corporations are often blamed for the downsides of globalization. In fact, the business community has a key role to play in minimizing those ills and maximizing the benefits of globalization. In particular, it can encourage greater economic opportunity and promote better governance.

Op-Ed: Transparency Can Alleviate Poverty

By George Soros Financial Times, March 17, 2005

Natural resources are as much a burden as they are a benefit to developing nations because their exploitation can breed corruption, sustain repressive governments and fuel conflict. A new international movement seeks to lift this resource curse—and help alleviate poverty—by emphasizing transparency and accountability.

Selling To The Poor

By Allen Hammond & CK Prahalad Foreign Policy, May 1, 2004

The international business community has been slow to recognize a new reality: the world's four billion poor people constitute the largest untapped consumer market on earth. The sheer size, rate of growth and consumer demands of developing markets represent a tremendous opportunity. But to seize that opportunity, businesses must adopt new marketing, distribution and research strategies.

World Bank Aims For Big Impact In Small Projects

By Walid Al-Saqaf

<u>The Wall Street Journal</u>, June 8, 2005

Anti-poverty activists criticize the World Bank for focusing its resources on large infrastructure projects with little immediate impact on local communities. A seven-year old initiative called the "Development Marketplace" is taking the Bank in a different direction by channeling billions of dollars to private groups—including NGO's, foundations and trade unions—in an effort to create a new class of anti-poverty entrepreneurs.

NOTES

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