



GEF/A.5/Inf.02  
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Fifth GEF Assembly  
May 28 – 29, 2014  
Cancun, Mexico

Agenda Item 13

## ROUND TABLE DISCUSSIONS

## OVERVIEW

1. Round table discussions will be key features of the GEF Assembly in Cancun, Mexico, May 28-29, 2014. The sessions, scheduled on May 28, 2014, from 2:30 P.M. to 6 P.M., and on May 29, 2014, from 9 A.M. to 12:15 P.M. will debate how GEF and countries could better address challenges to the global environment.
2. Two round table sessions are to take place concurrently, in the afternoon of Wednesday, May 28, and in the morning of Thursday, May 29. Simultaneous interpretation will be available in English, French and Spanish.
3. The round table sessions are to focus on key elements of the GEF 2020 vision and GEF6 strategies and programs, through which the Facility will be realizing its mission of becoming a champion of the global environment. Seven key themes will be addressed in the Assembly through the round tables: Financing Green Growth; Natural Capital; Role of Legislation in Accelerating and Scaling Up Change at the National Scale; Sustainable and Resilient Cities; Water, Food and Energy Nexus; Sustainable Commodities, and; Multilateral Environmental Agreements and the Post-2015 Framework: A Forward-Looking Agenda.
4. Round tables will be composed of speakers from different sectors including government, international organizations, and private sector. Attendance will be open to Assembly invitees, whom will be encouraged to participate with questions and comments.
5. The round tables have been structured to provide for a moderated, interactive and free-flowing dialogue among the participants.
6. For each table, a rapporteur is to summarize key recommendations coming out of the discussions at the end of the session and assist the Secretariat in drafting the Assembly Chairperson's Summary that is to be presented to the plenary.

## **FINANCING GREEN GROWTH**

### *Description*

Achieving sustainable, green growth would require significantly scaled-up investments. The World Economic Forum estimates that globally an additional \$700bn annually may be needed to finance the necessary shift to clean-energy infrastructure, low-carbon transport, energy efficiency in buildings and industry, and for forests. Additional investments would be needed to ensure for example sustainable land management, climate smart agriculture, biodiversity conservation, and ocean protection. Climate change adaptation would require yet additional investments and financial mechanisms, including for effective disaster management responses.

Increased green investments need to be supported by regulatory and policy environments conducive to investments. To create incentives for private sector investment, the public sector must ensure that the risks and rewards of green investments are consistent with those of other investments, promoting innovation, and mitigating possible negative economic impacts in the transition period.

This session will discuss country experiences with establishing sound regulatory frameworks, prioritizing government investments and spending that support greening of economic sectors while employing taxes, policy reforms, phasing out of inefficient subsidies, and market based instruments to shift investor and consumer preferences, and investing in institution building. It will also discuss the role of early-stage funding can play in promoting innovation, de-risking and mobilizing private finance. And it will provide room for voicing innovative ideas for national economy-wide, regional or global development green growth strategies and partnership in which the GEF may play a catalytic role.

## **NATURAL CAPITAL**

### *Description*

Under the new programming period, the GEF is embarking on an ambitious strategy to further strengthen its investment in relevant programs that integrate natural capital valuation into development and finance planning.

Natural capital provides the foundation for continued economic growth, but is deteriorating at a rapid pace due to overexploitation and climate change. In order for the natural capital approaches to succeed and become mainstreamed into financial markets, it is vital for development and fiscal planning to incorporate natural capital valuation that account for ecosystem services. Barriers that hinder policy and finance reforms based on sound valuation still exist. Such reforms are critical to generate price signals and incentives that would result in cost-effective and sustainable management of natural capital. A number of approaches have been tested to recognize and demonstrate the value of natural capital by both private and public sectors. Though advances have been made, the limited scale and scope of these initiatives inhibits achievement of meaningful impact and also fails in providing adequate financial incentives needed for management of natural capital. Mainstreaming natural capital valuation into financial and policy reforms in all relevant sectors, such as energy, agriculture, and natural resource management is needed to achieve economies of scale, and create adequate incentives and impact.

Panelists at this forum are expected to share the advances made in informing the planning and decision-making processes of different sectors with natural capital accounting, discuss the existing barriers and gaps, and innovative solutions to address such impediments and to upscale the successes achieved. These inputs will be taken into consideration in the further design of the GEF programs, including the planned program to link biodiversity valuation and economic analysis with development policy and finance planning, projects on payment of ecosystem services, and to bolster GEF support towards performance-based financing for climate change mitigation through natural capital. The round-table will provide a platform for integrating innovative ideas from private sector and country partners on mainstreaming natural capital into concrete GEF programs.

## **ROLE OF LEGISLATION IN ACCELERATING AND SCALING UP CHANGE AT THE NATIONAL SCALE**

### Description

Policy development and associated regulatory frameworks are emerging as powerful influencing models in the overall GEF portfolio, particularly given the GEF close partnerships with governments. Legal mandates/frameworks are essential as countries advance toward sustainable development and resilience agendas as integral parts of their economic planning processes. With GEF support, for example, the Chinese government has put in place new policy and regulatory frameworks in their renewable energy market, helping to create enabling conditions that resulted in a 100-fold increase in installed wind power capacity in six years. In Mexico, the recent enactment of a General Law on Climate Change (GLCC) is about to become a key piece of legislation to establish the necessary institutions, legal frameworks and financing to move toward a low carbon economy and to empower local communities to reduce emissions from deforestation and forest degradation (REDD+). And in Brazil portions of the value added tax (*ICMS Ecológico*) are being redirected to municipalities that are helping to conserve forests and watersheds, creating positive incentives for best practices in natural resource management.

On the other hand, most existing policies and regulations do not consider environmental objectives. This may result from lack of knowledge about the real costs and potential benefits related to environmental goods and harms, from limited institutional capacity to develop robust policy, from silo-ed management of issues, or because constituencies with entrenched interests prevent politicians from acting. Investing in the right policy and legislative tools will help untangle and eliminate hidden perverse incentives that undermine local, national and global environmental objectives, and as such show great promise in turning the tide towards more sustainable economic development models.

In GEF-6 there will be expanded opportunities for investments in integrated approaches and larger programs to enable developing countries to put in place new policy and regulatory frameworks. These should ensure the continuous flow of ecosystem services, such as for natural capital approaches, and create enabling conditions to increase the renewable energy base and promote energy efficiency.

This high level panel will encourage open dialogue on the role of GEF-supported legislation in accelerating and scaling up change in better aligning local and national policies with the objective of protecting the global environment. Specifically, panelists from different countries will reflect on a) the key examples of successful legislation and regulatory frameworks that bring such alignment (e.g., in climate change, clean energy, forests, REDD+, tax instruments and payments for ecosystem services); b) ideas on how to address perverse incentives through legislative action (e.g., in fisheries and pollution control, subsidies for energy, fertilizer, irrigation); and c) how GEF support can become a more effective force in bringing about legislation-mediated change at various scales.

*High-Level Round Table 2.2*

**SUSTAINABLE AND RESILIENT CITIES**

*Description*

The GEF will be piloting a Sustainable Cities initiative during the coming 2014-2018 GEF-6 cycle to support cities in taking an integrated approach to address environmental degradation.

With nearly all global population growth over the next two decades expected to occur in cities in the developing world sustainable development cannot be achieved without answering the urbanization challenges. Cities have the opportunity to rethink urban design fundamentally and build-in sustainability considerations from the start. GEF-6 is taking place at a seminal period of global discourse and action at the local level.

Cities can be the locus for integrated solutions, and offer entry points for rapid action. Cities also are the hub of green growth and incubators of innovative solutions, as the concentration of people and institutions enable economies of scale in providing green infrastructure and services. Cities offer a robust platform to generate and disseminate technological, scientific, and social ideas, with potential for transformational impacts.

The panel will be an opportunity to discuss what are successful examples of urban initiatives that target multiple drivers of sustainable development? What are high impact sectors and activities—e.g. building codes, lighting, transport, water use and reuse, or others— that could be targeted, and how can these efforts be sustained and replicated? How can private sector participation in promoting sustainable, resilient, and safer growth in cities be encouraged? The inputs from the round table will be considered in the further design of the GEF Sustainable Cities initiative.

## **WATER, FOOD AND ENERGY NEXUS**

### *Description*

With world population projected to exceed 9 billion by 2050, there are increasing concerns over the availability, distribution, access and sustainability of water, food, energy and their resilience in the face of climate change. Because water, food, and energy security are related in many ways, there is need for a “nexus” approach to acknowledge and address trade-offs across the sectors. This means preserving the natural and the associated ecosystems services that underpin all dimensions of water, food and energy security. In addition, water insecurity is now recognized by business leaders as a major threat. Water security is ranked as the third among “Ten Global Risks of Highest Concern” by the World Economic Forum in their 2014 Risk Report, closely followed by threats due to extreme events (such as floods, storms and fires), and the food crisis.

In its 6<sup>th</sup> replenishment the GEF is seeking to advance the nexus approach through integrated programming and by supporting countries to achieve coherence of environmental and development priorities at all levels. The GEF will also put particular emphasis on food security in Sub-Saharan Africa where degradation of natural capital – including the unsustainable use of aquifers – risks undermining the long term sustainability of water, land and energy resources critical for agricultural production.

The round table will examine the challenges and opportunities for promoting a nexus approach and highlight successful approaches to enhancing inter-sectoral and transboundary cooperation to address the water, food and energy security nexus; innovative influencing models to address climate risks in food production and supply chains; and partnerships to maximize global environmental benefits through a nexus approach.

## *High-Level Round Table 3.2*

### **SUSTAINABLE COMMODITIES**

#### *Description*

In its 6th replenishment the GEF will be piloting a new and more integrated approach to take deforestation out of supply chains of key global commodities.

Agricultural expansion is identified as the driver of approximately 80% of deforestation worldwide. Changes to commodity supply chains can avoid irreversibly damaging natural resources, but urgent action is needed. Harnessing the potential synergy of addressing key agricultural commodities through a combined approach would be critical. A broad selection of stakeholders would have to come together to seek the best entry points to turn the sustainable production of key commodities from niche and specialized operations to mainstream production. The new business model must be one in which the increase in supply of key commodities is through means which do not lead to deforestation. The complexity and length of commodity value chains and the additional opportunities of actors involved in multiple commodities provide a wide range of potential intervention.

But what does this mean in practical terms? This round table is an opportunity to explore the most important aspects of the value chain for key commodities, including the supply of raw materials and production practices, opportunities to influence wholesalers and retailers, and the most promising prospects for reducing overall environmental impact. These inputs will be taken into consideration in the further design of the GEF Integrated Approach and contribute to the key messages arising from the GEF Assembly deliberations.

*High-Level Round Table 4*

**MULTILATERAL ENVIRONMENTAL AGREEMENTS AND THE POST-2015  
FRAMEWORK: A FORWARD-LOOKING AGENDA**

*Description*

The GEF, as financial mechanism to several Multilateral Environmental Agreements, is uniquely positioned to promote integrated approaches to effectively implement convention guidance at the national level. The integrated programs and projects promoted by the GEF are key means to achieve higher level impacts of the conventions and may provide the key to achieving transformational change in the way we address global environmental and development issues.

As the process of developing and implementing the Sustainable Development Goals moves forward, the GEF should be looking at how its investments and experience can be leveraged as the global community works to realize the emerging ambitions of the Post-2015 framework.

This round table will provide suggestions for how the GEF, through its support for the MEAs, strengthen linkage and relevance of MEAs for the sustainable development. The panel will reflect on how the GEF and help galvanize governments, conventions, and other stakeholders to come together to help tackle some of the most intractable global challenges. The conclusions and recommendations of the panel will be used to guide the GEF's investment approach over the next four year cycle and contribute to the key messages emerging from the GEF Assembly.