

# **Ecosperity 2019**

## **Singapore**

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### **Check Against Delivery**

Good morning everyone! It is great to be with you here at Temasek's Ecosperity Conference.

It is an extremely worrisome picture that Will Steffen has just painted for us.

In a nutshell: we have pushed our Earth systems to a tipping point, and if we don't change we will forever destroy the stable conditions that are the very foundations for our economies and societies.

To me, this raises two questions.

First, why are we in this situation?

Second, how can we get out of it?

Regarding the why, I think there are two reasons.

The first reason is sheer ignorance: many people simply don't know the facts that Will has just explained to us.

My own history is a good illustration.

Before I took the job as the CEO of the Global Environment Facility 7 years ago, I spent my career at the Japanese Ministry of Finance, at the World Bank and at the IMF.

It is fair to say that, back then, the things Will has just explained to us almost NEVER came up in discussions or in policy decisions that I was part of.

The simple fact is that issues like climate, oceans, forests, water, biodiversity are almost always ignored in economic decisions.

The second reason, which I think is actually even more important, is that we are dealing with what we call the global commons.

Let me explain that.

You have probably all heard the story about the local fishing village, where each fisherman tries to maximize his own profit by catching as many fish as possible.

Because all the fishermen are doing the same thing, eventually they catch all the fish in the bay—and the whole village is thrown into poverty.

The interesting thing is that in many villages this bad outcome actually does NOT happen.

This is because the fishermen realize that they all depend on a finite, shared resource, namely the fish in the bay.

Once they realize this, they work together to make rules to transform their fishing practices so that they can continue to depend on their shared resource tomorrow, by not overfishing today.

And once the benefit of doing so is clear to everyone, the incentive to cheat goes away.

This is how fishing villages avoid the so-called tragedy of the commons.

Today this tragedy of commons is happening on a global scale. We are using our forest, land, water, biodiversity and oceans as if they are unlimited resources.

And we need to find a way to avoid the tragedy of global commons. Is there anything we can learn from the local fishermen's experience of finding a way to manage their fish?

One thing that makes it easier in the local fishermen's case is that they see the direct consequences of their actions; once they act collectively they see the benefit from their actions.

This is not the case today. Today, we are dealing with global resources, and our economies are highly complex. For this reason, we cannot directly see the consequences of our actions.

But we still must find a way to collectively act to transform the way our economies work, so that we can dramatically reduce the pressure on the global commons.

In my view, there are four economic systems that would be particularly important to transform.

First, we need to transform our food system—we need to change how we produce food and what we eat. Food production today has an enormous negative impact on the climate, biodiversity, forest, land and water, and over the next 30 years we need to increase food production by 70% to feed almost 10 billion people in 2050.

Second, we need to change our cities. By 2050, two thirds of the world population will live in cities; they will have 80 percent of economic activity. We need to green our cities.

Third, we need to change our energy system: Within the next generation, the world economy must be fully decarbonized.

Finally, we need to transform our entire production and consumption system—we need to break away from our current take-make-waste consumption pattern.

It is not easy to flip these systems, because they are extremely complex, with many actors and decision makers.

So how do we do it?

Using again the analogy of the fishing village, we must foster collective action.

We know that no single actor can solve the problem by him or herself. Only by working together to achieve the same goal of sharing our common resource do we have a chance.

That is why we must create broad coalitions of stakeholders that come together around a unified goal to protect the global commons.

The good news is that some effective coalitions are already emerging. For example, the Food and Land-Use Coalition brings together business, governments, academia and civil society to transform the food system. There are also alliances that work on the circular economy, plastics, electronic waste, and there are important coalitions pushing for transformation in the urban system and in the energy system.

What these platforms are doing is essentially to try to recreate the collective action of the fishing village to protect the global commons.

And this is what we in the GEF, together with a number of other organizations, are trying to do through the Global Commons Alliance, which I would like to introduce to you in a very short movie.

I would like to encourage all of you to join the Global Commons Alliance, to help get the world back on track!

Thank you.