

Re-designing workshops

Background and concept

To gain new insights: This is the objective at the heart of the Tällberg Forum. This year, the Forum is adding another important ambition to this objective - to inspire action by imagining new kinds of solutions to specific challenges.

The nine parallel “Re-Designing” workshops will work towards creative solutions to well-defined challenges. The background to all – directly or indirectly - is the conflict between natural and human systems. The assumption underlying the discussions is that true sustainability will require us to do things quite differently and that tinkering at the margin is not good enough. To put it differently: sustainability will require systems change. This in turn requires us to free our thinking from existing arrangements. We need to start with a fresh look at the problem and be open to what kind of solutions this requires.

In each re-designing workshop, participants will work together to come up with one or more “prototype”. This is a sketch of how things ideally could work – unconstrained by how things are today. A prototype could thus be a new way of doing business, a restructured financial system, an alternative urban development plan, or maybe the ideal global agreement to be struck in Copenhagen next year.

The process

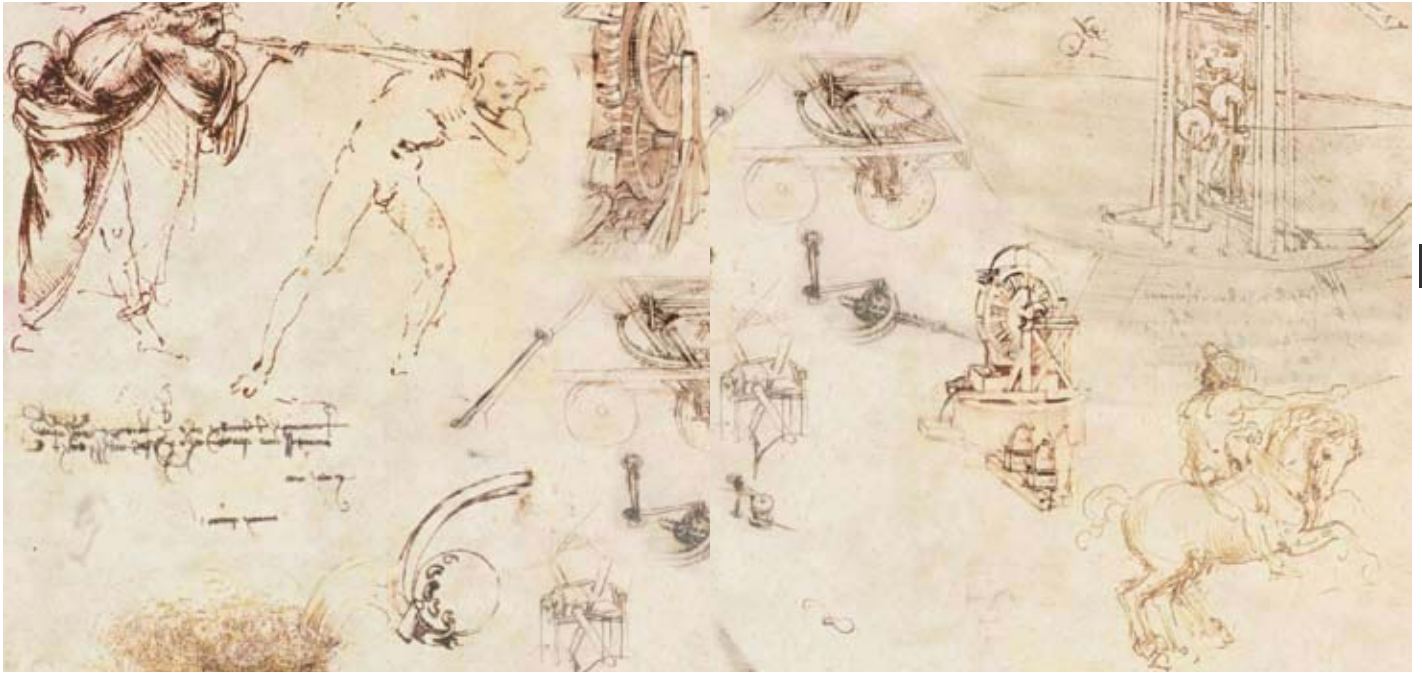
Each re-designing workshop will run from Friday, June 27, to Sunday, June 29, making a total of ten hours available for in-depth discussions and prototyping work. Each group is led by one or more experienced facilitator, and will include up to 30 participants.

Nine Re-designing workshops

1. A perfect climate agreement - Plan C
2. A new set of economic principles
3. A business model for the transition
4. A new kind of executive program
5. A zero carbon energy system
6. A framework for sustainable biofuels
7. Guidelines for “Forestry as sustainable”
8. A new “market place” for investments in developing economies
9. A new deal for urban slums

Definition of a Prototype

A prototype is a first of its kind. It is an illustration, an embodiment of new ideas. We borrow from the best practices of business and design that can look down the long road of the future and come up with viable solutions to meet emergent challenges. Starting from the problem and not existing solutions, prototypes emerge by taking chances, by asking what if? It thrives best in John Keats’ sublime poetic of Negative Capability, when you are “capable of being in uncertainties, Mysteries, doubts without any irritable reaching after fact & reason.”



In line with the overall starting point for this year's forum discussions, the basic steps in each re-designing workshop will include:

- Reviewing the notion of nature's boundaries as well as the moral imperatives, and their implications for the systems challenge in focus
- Creating a vision or an "idealised design" of what a solution to this systems challenge could look like
- Identifying the underlying conflicts of interests or blockages that must be overcome to realise the idealised design

Workshop participants may choose to work in several smaller groups on different specific questions, or to work jointly in a larger group. Within the scope of each re-designing workshop, participants select the specific question(s) to focus on – this is, of course, dependent upon the expertise and interests present in each group.

Selection of workshop

As each re-designing group is limited in size to a maximum of 30 participants, it is necessary to sign up in advance to participate in one of these workshops, either beforehand via Internet (closed once the Forum starts), or during the Forum, at the hospitality desk outside the Forum tent, from Thursday, June 26.

Pipe dream or a pipeline of hope?

At the Tällberg Forum 2005, the Reflection Group "Table 34" prototyped a systems approach to peace and security in the Middle East that employed the complementary capacities of business, government and NGOs. It provided an example of what could happen if each sector went "beyond the normal patterns of thought."

In this Tällberg prototype the private sector finances exploration and extraction of natural gas in northern Iraq, under set royalty fees. A 250 mile pipeline to the Gaza Strip and pumping stations are financed by all interested parties (World Bank, UNDP, national governments and private investors). The Palestinian government uses this energy for power generation and to desalinate water in a plant seeded by the World Bank. This stops the pollution of groundwater that undermines the Gaza Strip's viability. Surplus energy and water are sold to Israel, Egypt, Jordan and other Mediterranean countries. To secure the pipeline and infrastructure, the UN finances a peacekeeping force that includes soldiers from Israel, Jordan, Palestine and Iraq in a military partnership.

In Table 34's vision there are "no more walls, transparency of flows of energy, water and cash for mutual benefits. A vision of peace and security for all the Earth and its peoples combined."

1. A perfect climate agreement – plan C

The UN climate negotiations in Copenhagen in December 2009 must deliver a post-Kyoto agreement that will secure a sustainable relationship between the natural systems and human activities. Navigating through national interests with established processes runs risks of failure. We propose to develop a vision, an idealized design, for the “perfect agreement”, based on the boundaries of the natural systems that human economic activity must not transgress. This will form a stretching and ambitious benchmark to hold up to the ongoing negotiations. This benchmark we call “Plan C”.

Background

The remaining 18 months leading up to the Copenhagen meeting represent one of the most important negotiation phases in modern history. The existence of planetary boundaries tells us that a failure to divert from business as usual carries catastrophic consequences within our lifespan. The negotiations for “Kyoto 2” must therefore produce nothing short of the Perfect Agreement, to be followed by its Perfect Implementation. Unfortunately, our track record is not impressive. Despite more than 500 international treaties now in force, we know that the sustainability of Earth’s ecosystems continues to be undermined.

Those treaties that leave the fundamental direction and dynamics of our socio-economic model untouched simply do not seem to make sufficient difference. At Copenhagen we cannot afford this outcome. We thus must dare to think in more radical terms. The ideal agreement must go all the way to the heart of the institutional interests that

set the current trajectory of our societies. Furthermore, it needs to develop the mechanisms for legislation and enforcement able to subordinate these interests to the demands of the natural systems.

The problem

The Copenhagen meeting is generally seen as the point where the crucial fork in the road must have reached a firm definition and be legally anchored. The challenges that must be overcome to reach that point are daunting. These stem partly from the overwhelming complexity of the subject matters involved, ranging from the science of ecosystem interdependencies to the intricacies of financial markets instruments and legal frameworks.

Furthermore, there are diametrically opposed interests involved in the negotiations, at all levels of the system: The divisions between rich and poor nations, between nations with differently structured economies, industrial and resource bases, and divisions between nations with differing political dynamics, etc. These conflicting interests make agreements within countries difficult. Attempting an agreement across borders takes the challenge to an altogether new level.

Given this, it is not clear that our current institutional framework and the processes for negotiations, are adequately equipped for the task, especially given the extraordinarily tight timetable. The Copenhagen Process must be Plan A: the attempt to use the established institutions and processes to reach a negotiated agreement in the interest of the whole. However, every nation also has



Workshop contributions from:

Bo Ekman, Founder and Chairman, Tällberg Foundation, Sweden

Luis Gomez-Echeverri, Senior Advisor on Climate Change and Development, Vienna

John Kao, CEO, Kao & Company, USA

Johan Rockström, Executive Director, Stockholm Environment Institute (SEI) and Stockholm Resilience Centre, Sweden

Grace Akumu, Executive Director, Climate Network Africa, Kenya

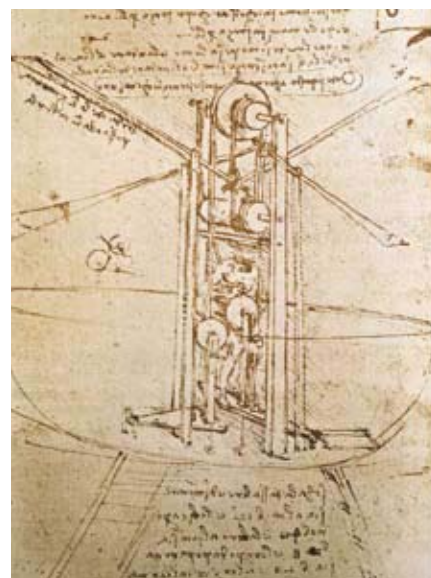
Workshop schedule:

Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00
Saturday, 14.00 – 17.30

Sunday, 8.30 – 12.00

Location:
Hotel Långbers



a Plan B up its sleeve: the position that every nation falls back on to maximise its own national interests, rather than reaching for an uncertain “interest of the whole” which would require hitherto unseen levels of coordination, trust and efficacy in implementation.

We therefore need a Plan C. This should be developed as a separate process, unimpeded by established institutions and serve to raise the bar for the negotiators and the expectations of the general public. Success will require the rectitude of a moral leadership which works “in the interest of the whole”. How on Earth can we work together – we, the humans, and we, with nature of which we are but a part?

The focus of the workshop

The aim of the workshop is to develop the basis for Plan C - a vision of the idealised agreement we truly need at Copenhagen. This must stem from the nature of the problem we are facing, rather than be the result of what is politically or institutionally possible in December 2009.

The process will start by considering the definition of nature’s boundaries and the implications of these boundaries to various sectors of human activity. The potential components of Plan C will thus be identified, together with the first draft of a political vision for each and suggestions for reaching global commitment.

My prototype ideas:

2. A new set of economic principles

The globalised market economy has delivered impressive results, bringing prosperity, innovation and empowerment to hundreds of millions of people. However, the evidence of detrimental side effects on the natural systems are mounting, and more general questions remain of how well the current system serves our human interests. We need to rethink the practices and principles of our economy.

Background

It is increasingly clear that business as usual is gradually undermining peaceful long-term human evolution. The success of the globalised and fossil energy fuelled economy has pushed us up against, or in some instances passed, the limits of natural systems. Here, we have no choice other than to find ways to bring our natural and economic systems back into harmony.

Furthermore, while the benefits of economic growth have been enormous, concrete problems such as exclusion, poverty, inequity and crime – where solutions are seemingly within reach - have not been overcome. Thus, in spite of massively increased wealth, the economy has not performed so well on a certain number of other basic indicators. It is not even clear that economic success has made us any happier. Indeed, emerging research is suggesting that this is not the case.



There thus seems to be an important misfit between the economic structures we have put in place in society and the wider set of needs most people would like these structures to serve.

The problem

A new model for value creation that can satisfy legitimate human interests without threatening the integrity of natural systems may seem far away. The challenge we are up against is a true systems problem. It opens up simultaneously a wide range of questions which relate to how we think about progress and development, how we measure positive change (GDP, shareholder value, etc), incentivise organisations and individuals (decentralised share ownership, monetary reward, etc) and, more generally, organise power and accountability within society.

More specifically, within the existing frameworks, there are certain basic values that either do not at all enter the calculation, or are fundamentally mispriced. This crucially includes ecosystem services and forms of natural capital for which no substitutes are readily available. However, it also includes social and moral values that may be essential for the long term sustainability of a society. There are not only physical boundaries, but also moral boundaries we must not transgress while creating value and managing capital.

Workshop contributions from:

Stewart Wallis, Executive Director,
New Economics Foundation, United Kingdom

Manfred Max-Neef, Professor of Ecological
Economics and Former Rector, Universidad
Austral de Chile, Chile

Workshop schedule:

Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00
Saturday, 14.00 – 17.30

Sunday, 8.30 – 12.00

Location:
Green Hotel



These challenges call for institutional innovation both at a macro and micro level and both in public and private institutions. Indeed, overcoming basic categories such as “public” and “private” may indeed be a necessary step towards the institutional innovation we so badly need.

The focus of the workshop

The aim of the workshop is to define a concrete set of principles and give shape to the governance mechanisms that could translate those principles into an idealised economic system. Such an idealised system must stay within nature’s boundaries, while also reconciling the need for a tax base, employment opportunities, efficiency and accountability in the use of resources, etc.



My prototype ideas:

3. A business model for the transition

Business has proven great at solving problems in the past. When corporations, entrepreneurs and innovators see an obstacle, they overcome it; when they see a new opportunity they move in. It is now time for business to strategically address the new problems that are emerging from our overutilization of ecosystems and proactively work to bring the human systems into greater harmony with the natural systems.

Background

As in any time of great change, new opportunities and markets open up, while others wane. Sometimes this happens in an orderly manner; sometimes change is disruptive and violent. There are always both winners and losers.

We know that the transition to a sustainable society is enormous. Massive efforts are required to mitigate climate change and to adapt to the changes we cannot avoid. There is thus a new set of problems that business must learn to address. This does not mean that existing needs go away – only that they must be addressed in ways that respect natural and moral boundaries.

We cannot satisfy ourselves with doing what we currently do with less environmental impact. We need to proactively transform our societies towards sustainability as well as resilience. This also must happen fast. Our relative



success here will, as always, depend largely on our ability to understand the underlying nature of the problem – see the inevitable trend – and plan ahead, and early on put the right structures and strategies in place.

There is a risk that current pressures to seem “green” push companies towards doing the wrong things better, rather than learning to do the right things. This we cannot afford. Instead we need to dare to think about business in new ways.

The problem

In the past business has proven very effective in creatively designing solutions to relatively well defined problems, within existing frameworks. When the problems are vaguely described and the solutions involve the coordination of a multitude of actors, the record of business is less impressive.

Rapid progress in developing the right business models for the transition is now necessary. This includes, for example, business models for rethinking and rebuilding infrastructure, for driving new habits and behaviours, for handling disruptions and catastrophes. More generally it will require business models for managing and driving systems wide change at a hitherto unseen scale and pace.

There are a multitude of promising initiatives emerging, including social businesses, hybrid structures for financing, innovative supply chain management, etc. Yet, promising as many of these initiatives are they have not so far been successfully scaled up to have the impact

Workshop contributions from:

Diane Osgood, Vice President, CSR Strategy, USA

Tom Cummings, Founding Partner, Executive Learning Partnership, Belgium

William Drayton, CEO, Founder and Chair, Ashoka, USA

Workshop schedule:

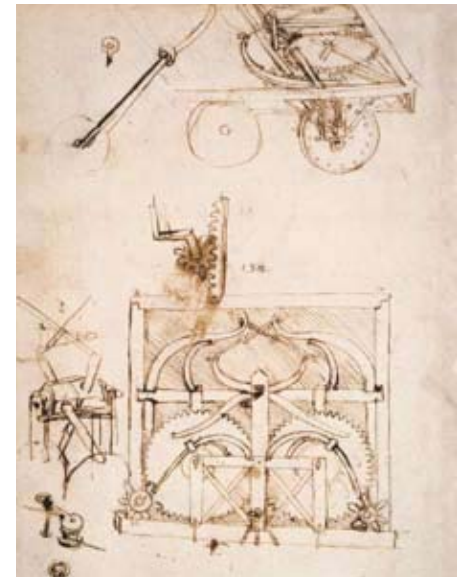
Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00
Saturday, 14.00 – 17.30

Sunday, 8.30 – 12.00

Location:

Green Hotel



required, nor have they so far been sufficiently successful at penetrating mainstream institutions. Much greater progress must therefore be made in affecting mainstream institutions and in shifting the general view of value creation. This must take companies significantly beyond “corporate social responsibility” and instead integrate at the very heart of their business model the respect for nature’s boundaries and moral principles, as well as for the diversity of stakeholders involved.

The focus of the workshop

The aim of the workshop is to produce concrete prototypes of business models that would help successfully scale up a response to the transition. These will explore alternative ways to deliver of products and services that currently drive demand for materials and energy.

The workshop will seek to identify the new problems that we need to solve for the transition; developing the business models that can help us provide the answers. This requires us to think simultaneously about the wider business, financial and social environment – all of which may need to evolve to accommodate the new business practices we need.

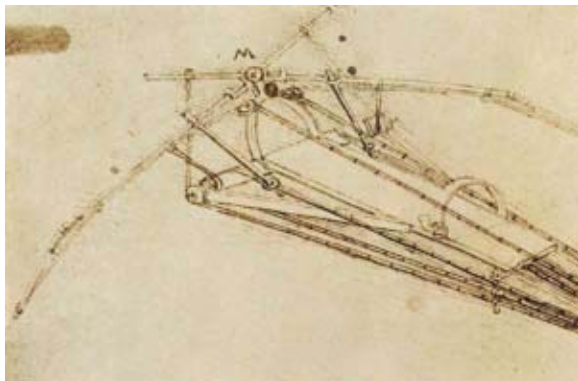
My prototype ideas:

4. A new kind of executive program

Corporations are today managed by a generation of business executives with impressive abilities to build effective global structures and boost return on capital. Business education and executive programs have over the past few decades been focused largely on achieving short-term financial objectives, with too little wider values and perspectives. Going forward, business leaders need to develop a new mindset, and our task is to design the ideal executive program to help them do so.

Background

Sustainability is much more than the latest management fad or business school buzzword. Re-designing the value-creating systems of business and industry so that they can operate within nature's boundaries is an enormous task. The transition will require technologies, regulatory frameworks, capital flows, consumer behaviors, supply chains, etc. that are radically different from today's. But not much will happen without new thinking and new behaviors among the men and women running large corporations (today and in the future). The universality of many key business concepts and the dominance of a single homogeneous school of thought have played a central role in the overwhelming success of the corporate sector over the past half-century, when measured according to the usual criteria of business. However, we now see that these performance indicators (growth, profitability, etc.) are of little help in guiding us through the transition to sustainability.



The problem

The problem is twofold. First, there is an obvious lack of understanding among top managers of the whole-systems approach. Shaped by business education and training programs, far too many executives still emphasize the linear before the cyclical, the compartmentalized before the systemic. How can they be helped in learning to view their corporation in the context of the wider systems, be they ecological or social?

Second, there is generally far too little fundamental ecological understanding among today's executives. Tackling sustainability-related issues will require some basic knowledge about the natural system among leaders. How can this be provided?



Workshop contributions from:

Göran Carstedt, Senior Director, Clinton Climate Initiative and Chairman, The Natural Step International, Sweden

Sandra Geisler, Manager, Leaders for Nature, IUCN, The Netherlands

Göran Gennvi, CEO, Nature Academy Learning Lab, Sweden

John P. Milton, Author and Ecologist, USA

Workshop schedule:

Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00
Saturday, 14.00 – 17.30

Sunday, 8.30 – 12.00

Location:

Hotel Gyllene Hornet



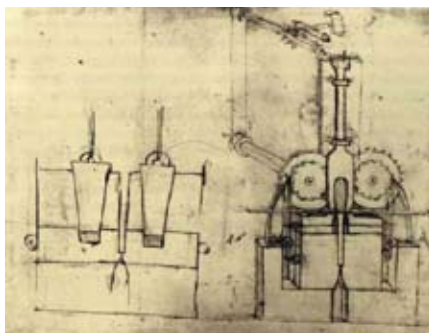
The focus of the workshop

The aim of the workshop is to produce an idealised curriculum and format for an executive programme.

The workshop aims to bridge the gap between theoretical “sustainability concepts” and business practice. It will do so by showing how sustainability concepts can be broken down and adapted so as to be used effectively in executive training programs.

The workshop will also discuss the learning methods and pedagogical tools that can be developed to be used in educating business leaders and executives.

My prototype ideas:



5. A zero carbon energy system

Nature demands an energy system with zero carbon emissions. At the same time, a growing population legitimately calls for expanded access to a stable energy supply. Reconciling these interests will require major re-design in how we apply new technological inventions and a rethink of how we deliver services and welfare. We propose to design an idealised system, where the barriers that hamper progress must be addressed.

Background

We need an energy system that satisfies the global energy demand from a growing population – the growing numbers of better-off people as well as the marginalised - while not infringing on nature's boundaries. Realizing this system requires major re-design. We will have to apply new technology, rethink business models, review regulatory frameworks and change behaviors to achieve the changes needed - in supply as well as demand.

An energy generation system with zero CO₂-emissions must be characterized by higher use of renewables, but also include increased use of combined heat and power, and be able to deal with decentralized energy production. It will also require significantly higher efficiency in energy use and intelligent demand management.

Scientific/technical solutions are constantly being developed, showing that energy generation with no fossil carbon emissions is technologically possible - even on a large scale. However, political, economic, institutional barriers and conflicting interests are significantly slowing down the necessary shift away from the current system. The main challenge ahead therefore lies in finding ways to resolve the conflicts of interest, and unlock institutional blockages.



Workshop contributions from:

Ged Davis, Co-President, Global Energy Assessment, IIASA, Austria

Peter Warshall, Founder and Manager, Peter Warshall and Associates, USA

Antonella Battaglini, European Climate Forum and Scientist, Potsdam Institute for Climate Impact Research (PIK), Germany

Jesse Fahnestock, Climate Policy Advisor, Vattenfall AB, Sweden

Kjell Aleklett, Professor in physics, Global Energy Systems, Uppsala University, Sweden

Workshop schedule:

Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00
Saturday, 14.00 – 17.30

Sunday, 8.30 – 12.00

Location:
Hotel Åkerblads



The problem

To ensure energy generation with zero carbon emissions, we need to identify and solve the institutional blockages, conflicts of interests and incentive structures that hinder large scale innovations in eg virtual power plants, intelligent grids, adoption of solar/wind energy or combined heat and power. We must also unlock the financial and regulatory obstacles preventing the realization of a decentralized energy production system and intelligent demand management, and preventing the phase-out of fossil-fuel generated energy. What are the steps to get around these barriers to change?

While the focus tends to be on energy generation, naturally, a part of the solution must be a decreased energy demand, through significantly increased energy efficiency and carbon-free growth.

The focus of the workshop

The aim of the workshop is to develop an idealised design for a zero carbon emission energy system that meets the legitimate demands of a growing population – from the more well-off to the very poorest.

The workshop will explore the principles that must underpin such a system and investigate political and financial frameworks that enable a step change in the structuring of the global energy system.

My prototype ideas:

6. A framework for sustainable bio-fuels

Growing transports are coming up against nature's boundaries and the limits to easily available oil. Biofuels have come to be seen as an important part of the solution. However, there are potential negative secondary effects of large scale biofuel production. Furthermore there are questions regarding what role biofuels can play in the wider transportation system. We need a robust framework for sustainable production, distribution and consumption of biofuel. We propose to design an idealized solution.

Background

Biofuels have been presented as a part of the solution to the global problem of an unsustainable, oil-based transport infrastructure. We have recently seen an explosion in biofuel demand and the enormous growth potential creates new local income opportunities in developing countries. However, ecological issues as well as social and economic side effects are also emerging.

Alarms have been raised about the direct or indirect competition between food/water and fuel – an issue underlined by the drastically increased food prices globally. Risks emerge that traditional local livelihoods face new challenges as competition for water increases, and that local farmers switch from food to biofuel production if that pays better.

Secondary eco-systems consequences are also increasingly highlighted. Bringing previously uncultivated land into biofuel production – such as the cutting of trees with

the resulting loss of carbon sinks and biodiversity – has unknown effects. There is also a wider question of the viability of large-scale use of biofuel. The global and local infrastructure we now build must be designed with these uncertainties in mind.

In response to the new challenges, The European Union is developing criteria for the sustainable production of biofuels. There is a significant risk that any agreed criteria will only be a weak compromise between conflicting interests, while what is desperately needed is a set of criteria that can help us stay within the physical and moral boundaries for the long term.

The problem

The need to move beyond fossil fuels for our transportation needs has, and will continue to, increase demand for biofuels. The great challenge we face is to move to a transport energy system where biofuels form a sustainable part, where the secondary, often unintended, consequences arising from production, distribution and consumption are allso managed.

It is therefore critical that we identify the underlying ecological and moral principles that must guide legal frameworks and business strategies. If properly designed, these will ensure that biofuel plays a useful role in the transition to a sustainable transport system. Undesired effects on the eco-systems or local societies must be avoided.



Workshop contributions from:

Jacqueline McGlade, Executive Director, European Environment Agency, Copenhagen

Anna Langenius, Manager, BioPower, Saab Automobile, Sweden

Hans-Eric Almebäck, President/CEO, Toyota Sweden AB, Sweden

Anders Wijkman, Member of the European Parliament, Sweden

Phillippe Vandebroek, Partner, Shiftn, Belgium

Workshop schedule:

Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00
Saturday, 14.00 – 17.30

Sunday, 8.30 – 12.00

Location:

Hotel Åkerblads



Large scale infrastructural developments must not divert from the path towards true sustainability in the search for short term gains. This requires us to navigate a difficult path between short-term potential and long-term needs, locally as well as globally. Experience tells us that it is far too easy to become hostage to narrow interests, while what we need is the search for the “common sense”.

The focus of the workshop

The aim of this workshop is to develop an idealized design of a framework for sustainable biofuel production, distribution and use.

This design should strike the balance between transport needs and sustainable production. This requires considerations of fuel mix, production processes and distribution infrastructure, as well the overall role of bioenergy in transportation. The framework must stem from nature’s boundaries and the need for sustainable livelihoods, and not be a weak compromise between conflicting short-term interests.

My prototype ideas:

7. Guidelines for “Forestry as sustainable”

A forest is a perfect example of a complex, adaptive eco-system. More than that, it is part of a wider system, interacting with other natural habitats, water systems, local weather, global climate – and the lives and economic activities of billions. Forest-based products and services must continue to create jobs, livelihoods and value – possibly to a greater extent than today. But it must do so while preserving the central role of forests for a stable, global ecosystem. To do so, a shift from “Forestry as usual” to “Forestry as sustainable” is a necessity.

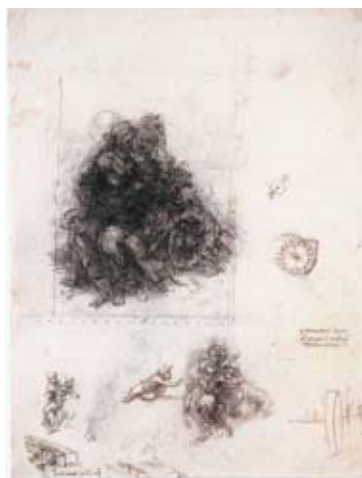
Background

About one third of the earth’s landmass is covered with forests. They are a source of invaluable raw materials for energy, building materials, consumer products, pharmaceuticals and more. They are the homes for many indigenous peoples who have lived in harmony with their local ecosystems for centuries. They are also home to animals and plants; a haven of biodiversity valuable for science and tourism in addition to their often unknown roles in preserving a functioning ecosystem. Forests form the “carbon sinks” in the global climate system that absorb some of the excess carbon emissions from fossil fuels and agriculture.

Still, forests continue to be threatened in many parts of the world. A growing and wealthier population world-

wide is demanding increasing volumes of wood-based products; new food consumption patterns trigger expansion of grazing and farming land; and the interest in large-scale biofuel production increases with growing energy/climate concerns. Illegal logging, as well as general mismanagement of resources due to extremely short-term interests, seems unstoppable in many parts of the world.

These great threats to the world’s forests have potential to further increase in scale if the wider question of sustainable economic development is not dealt with. Forests of the South as well as of the North require sound management if they are to play the role required for the stability of both social and natural systems. To realize such sustainable management, key challenges in the supply as well as demand side must be dealt with. There is an urgent need for a systems approach to forestry and forest management.



The problem

The complex web of interdependencies that characterize forests and forestry demands a systems view. Complexity brings conflicts of interest, which we are unable to solve with strictly sectorial approaches. How do we find the balance between prosperous local livelihoods in the South, efficient long term management of forests, and democratic and secure national development? What role should national governments, multinational corporations and international organizations play? What is required of international agreements and mechanisms, such as the Kyoto Protocol’s Clean Development Mechanism? All these questions are intrinsically interlinked and the

Workshop contributions from:

Christer Ågren, Senior Executive Vice President, StoraEnso, Sweden

Hafid Abbas, Director General, Agency of Research and Development on Human Rights, Ministry of Law and Human Rights, Indonesia

Alice Evans, Director, Writing and Research, Plowshares Institute, USA

Robert Evans, Founding Executive Director, Plowshares Institute, USA

Sten Nilsson, Acting Director, International Institute for Applied Systems Analysis, Austria

Workshop schedule:

Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00

Saturday, 12.00 – 17.30
(learning journey to nearby forests, lunch served during journey)

Sunday, 8.30 – 12.00

Location:

Hotel Åkerblads
(except Saturday 12.00)



underlying question is, how we can cast new light on the challenge through a broad systems-based approach?

The focus of the workshop

The overall aim of the workshop is to create a better understanding of the breadth and complexity of the global forestry challenge. Several threads will form the basis of the work, which aims to deliver an innovative systems overview of forestry today and a vision of what forestry could look like in the future. From this, clarity about the dilemmas and key conflicts of interest will emerge and enable us to think about possible initial steps to address these.

The workshop will present a number of different forestry-related perspectives, including the problem of deforestation, global negotiations, the role of industry and trade. Participants will discuss a forestry-related case study from Indonesia along with key decision-makers from the largest tropical forests in Asia, and a section of the workshop's conversations are planned for a learning journey to the Swedish forest on Saturday afternoon, 28 June.

My prototype ideas:

A large empty rectangular box with a thin black border, intended for participants to write their prototype ideas.

8. A new “market place” for investments in developing economies

The small and medium sized enterprise (SME) sector is crucial for employment and the creation of sustainable livelihoods in developing economies. While developments in philanthropy, foundations and financial institutions open up new opportunities for financing this sector, significant obstacles remain to a large scale flow of funds. Further advances are needed to connect sustainable investment opportunities with capital sources. We propose to design the new “market place” to turn potential into reality.

Background

In the last ten years, a triple revolution in entrepreneurship, private equity and information technology has created a totally new scenario for investors and private operators in developing countries. Advances made in corporate social responsibility and social enterprise, as well as the entry of new types of capital and foundations into the development landscape, means that a door has opened for a new age of development.

This presents new opportunities for investors and for pro-poor growth. A more efficient flow of capital into the SME sector in developing regions holds the promise of creating a significant number of labour opportunities on the ground, stimulating the local economy in a stable and long-lasting manner. However, to translate investment flows into economic opportunities and livelihoods large scale, new frameworks and structures are needed.

At the same time, the urgency of the sustainability challenge calls for a new set of rules and norms governing

investment flows into the developing world, and more generally, the thinking within the investment community. There is no time to address the poverty challenge independently from the wider sustainability challenge. Combating climate change must simultaneously generate an economy that lifts people out of poverty. This requires an integrated approach for the wider “economic eco-system”, able to combine business efficiency, accountability to local stakeholders and respect for natural boundaries.

The problem

Major actors, be they multinational corporations, pension funds or donor agencies, often because of size, are slow to take full advantage of the opportunities unfolding. A new mindset is required in these institutions, to go together with more efficient intermediation between emerging opportunities and investors. There is also a big gap in today’s market for relevant information to guide investors in this field – mainstream as well as new players, such as philanthropists, foundations and social venture capitalists

Significant structural barriers also persist, both in terms of risk and transactional costs. Here innovation in financial products are needed to serve both investors and SMEs on the ground.

Furthermore, current investment flows which do penetrate into developing markets could have much greater development and sustainability benefits if the right frameworks existed on the ground to protect the translation



Workshop contributions from:

Arthur Wood, Social Financial Services, Ashoka, USA

Herman Mulder, Senior Adviser, United Nations Global Compact, New York

Reema Nanavaty, Director, Economic and Rural Development, SEWA, India

Dacil Acevedo Riquelme, Global Coordinator-Networks, Youth Employment Summit (YES), Panama

Vijay Chaturvedi, Programme Director, Development Alternatives, India

Workshop schedule:

Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00
Saturday, 14.00 – 17.30

Sunday, 8.30 – 12.00

Location:

Hotel Långbers



of capital into livelihoods and labour opportunities. This requires civil society and entrepreneurial organisations to adapt both their culture and focus to help create the right frameworks to connect the SME sector and grassroots levels.

The focus of the workshop

The aim of the workshop is to prototype the mechanisms or “market place” that can facilitate for radically increased flows of funds to sustainable small business ventures in developing countries.

The workshop will proceed from a general characterisation of the problem, highlighting advances and promising practices in the field, while also raising the challenge of integrating the sustainability imperative in investment decisions.



My prototype ideas:

A large, empty rectangular box with a thin black border, intended for participants to write their prototype ideas.

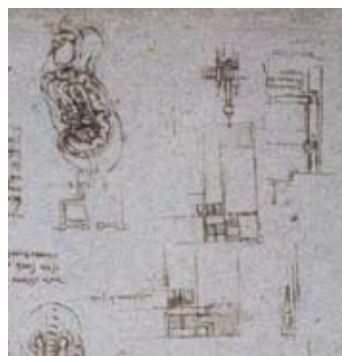
9. A new deal for urban slums

Urban development encapsulates the full set of challenges of governing interdependence. Conflicting interests must be navigated and disparate perspectives, ranging from health concerns, economic development, climate change and democracy, must come together. These conflicts are most clearly crystallised in the way we deal with slum areas. Here, too often, the interest of the weakest are neglected. We propose the design of a new deal for urban slums helping us better overcome the conflicts and concerns involved.

Background

In an integrated and resource constrained world, the need for systems solution is more obvious than ever. Rarely is this as evident as in the context of urban development, where the strive for health, well-being, employment opportunities, economic growth, and infrastructural developments etc. must be reconciled and be pushed through arduous democratic processes. The imperative to adjust to a shifting climate – both through adaptation and mitigation - is rapidly adding complexity to this already daunting task.

The WHO Commission on the Social Determinants of Health (CSDH) is working to bring attention to the challenge of urban slum development. They look at the systems challenges involved, and do so from a health perspective. Raising this perspective does not only have a democratic virtue, allowing better representation to issues and groups that are too often neglected. It also underlines the importance of slum areas to the wider economic and social systems within a city.



The underlying issue that CSDH raises – which goes beyond the health agenda – is how to approach urban development with a systems perspective, and design processes and institutions for implementing such a systems view. To put it differently, and to link it to the main theme of the Tällberg Forum 2008, where the commission will share its preliminary recommendations: to move from “systems thinking” to “systems doing”.

The problem

The health perspective on urban development complements the rapidly growing voices calling for investments programmes for climate mitigation. Both perspectives now need to be integrated with the legitimate interests of economic actors on the ground, local communities and wider political concerns. With the climate mitigation perspective given such prominence, there may be a danger that narrow based energy efficiency trumps too many other legitimate democratic concerns. We may therefore find ourselves moving from one narrow perspective (economic growth), to another (energy efficiency). This same danger is also visible in the wider climate debate, with poverty/ redistribution receiving far less attention than direct climate mitigation.

Developing an urban vision based on a systems perspective thus offers a concrete example of how to bring climate mitigation, democracy and climate adaptation into greater harmony in the wider context.

Workshop contributions from:

Sir Michael Marmot, Chair, Commission on Social Determinants of Health, WHO, London

Arun Nanda, Executive Director and President, Infrastructure Development Sector, Mahindra & Mahindra, India

Simon Reddy, Manager, C40 Secretariat, United Kingdom

Michael Northrop, Program Director Sustainable Development, Rockefeller Brothers Fund, USA

Nafis Sadik, Special Adviser to the UN Secretary-General and Special Envoy for HIV/AIDS in Asia

Workshop schedule:

Friday, 14.00 – 17.30

Saturday, 8.30 – 10.00
Saturday, 14.00 – 17.30

Sunday, 8.30 – 12.00

Location:
Hotel Långbers



The challenge here is taking the step towards effective strategies for implementation, ie. “systems doing”. In this process, administrative and governance obstacles are often more important than technological shortcomings or lack of financing. In particular, we need to develop the business models that can help us accomplish the transition we need. This in turn, is likely to require not only new regulation, but also additional financial resource to help create new markets.

The focus of the workshop

The aim of the workshop is to design the idealised “new deal” for slum areas in the developing world.

The workshop will start by integrating the perspectives of the various actors involved, including corporations, local communities, political actors, and international organisations, and reconcile these with nature’s boundaries.

It will thereafter proceed to identify the core conflicts of interests involved in the development of a slum area and seek arrangements that allow us to overcome these. The basic assumption underlying the approach is the need to break out of existing frameworks to be capable of the institutional leap-frogging that is necessary.

My prototype ideas: