



THE DEPUTY SECRETARY-GENERAL

18 June 2014

Dear Ambassador Schaefer,

Thank you for your letter of 5 June 2014 inviting me to participate in the 2<sup>nd</sup> Global Table on *Limited Resources – Opportunities without Borders*, which will take place from 30 October to 2 November 2014 in Lago di Como, Italy.

I am honoured by your invitation and ~~would~~ have liked to attend. Regrettably, I will not be able to participate due to prior commitments during this time.

I appreciate your understanding and send my best wishes for a successful event.

Yours sincerely,

Jan Eliasson

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Ambassador Michael Schaefer  
Chairman of the Board of Directors  
BMW Foundation Herbert Quandt  
Berlin

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OF THE SECRETARY-GENERAL

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Ambassador Jan Eliasson

Deputy **Secretary-General** of the United Nations

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June 5, 2014

**Invitation to the 2nd Global Table in Lago di Como, Italy**

*Your Excellency Ambassador Eliasson, Dear Jan,*

I would like to extend this personal invitation to 2nd Global Table on **Limited Resources – Opportunities without Borders** from **October 30 to November 2, 2014** in **Lago di Como, Italy**.

The Global Table brings together a carefully selected group of 30 high-level personalities from politics, business and civil society, both from Europe and the Emerging **Economies**.

We are organizing the Global Table in cooperation with the **Earth** Security Initiative, a London based think tank with a strong profile in the field of resource security and international risk assessment. To give you a better idea of their research focus, we have attached a digital copy of the **Earth** Security Index Report, which was successfully launched in London and Munich at the highest levels of politics, business and finance. The report illustrates the growing interdependencies of resources, countries and companies across silos and sectors, providing a possible holistic framework to guide our **Global** Table.

I am also attaching a recently published article by Mr. Alejandro Litovsky, Chief **Executive** Officer and Founder of the Earth Security Initiative, and myself, outlining our perspective on the issue of resource scarcity and its implication for international security.

The astonishing growth trajectory of China followed by other G20 countries such as India, Brazil, South Africa, Turkey, Mexico and Indonesia is changing the nature of our globalized world. This power shift is challenging the political and economic ground rules of the inherited Western **liberal** order, and the growing need to consider new

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actors, from multinational corporations to an increasingly digitally connected civil society. The megatrends have long been identified; sustainability imperatives lie at their core, but progress globally is stalled by the lack of mutual understanding.

We would very much appreciate if we could draw on your expertise as a renowned opinion maker and visionary within the United Nations structures. As Deputy Secretary-General you have gained important insights into the policy making mechanisms and compromises underlying complex international negotiations. In view of your deep understanding of the necessity of addressing the multi-layered risks endangering the preservation of natural resources, and considering the dual perspective you have been able to develop during your active career as a state representative of the Swedish Foreign Ministry and then as a high-ranking official on a multilateral level, we would be honored to count you among our distinguished participants.

The location for the 2nd Global Table is the beautiful Villa Vigoni at **Lago** di Como, Italy. The Villa Vigoni is home to events of high thematic diversity, where the guests enjoy the fascinating environment and the historical charm of the ancient building with its natural surroundings. I am enclosing two pictures of the venue in order to give you a *[Not attached]* better idea of the inspiring atmosphere.

By creating this innovative space for multilateral collaboration, the Global Tables seek to facilitate the transition of old and new global actors towards a multi-polar **world** of joint responsibility and converging interests.

I can assure you that you can already look forward to an exciting debate with confirmed participants such as:

- Mr. Stephan Contius, Head of Division E III at the **German** Federal Ministry for the Environment, Nature Conservation and Nuclear Safety
- Prince Jaime de Bourbon Parme, Special Envoy for Natural Resources of the Dutch Ministry of Foreign Affairs
- Mr. Antoni Estevadeordal, Manager Integration and Trade Sector at the Inter-American Development Bank



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- Mr. Roberto Klabin, President of LIDE SUSTAINABILITY at LIDE - Grupo de Líderes Empresariais
- Ms. Zoe Knight, Head of Climate Change Strategy, Global Banking and Markets at HSBC
- Ms. Lina Li, Consultant at ECOFYS
- Mr. Joaquin Molina, Senior Officer at NATO HQ
- Ms. Katherine Tweedie, Executive Director of Investec Asset Management
- Dr. Abiodoun Williams, President of The Hague Institute for Global Justice

Furthermore, I would like to share with you that the 2nd Global Table will be followed by further meetings, the next taking place in Brazil in February 2015.

It would mean a lot to us to count you among our distinguished participants!

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Schaefer".

Dr. Michael Schaefer

Ambassador (ret.)  
Chairman of the Board of Directors  
BMW Foundation Herbert Quandt

# PROJECT SYNDICATE

THE WORLD'S OPINION PAGE

## WORLD AFFAIRS



### ALEJANDRO LITOVSKY

Alejandro Litovsky is Founder and CEO of the Earth Security Initiative.



### MICHAEL SCHAEFER

Michael Schaefer is the Chairman of the BMW Foundation and former Ambassador of Germany to China.

JAN 29, 2014

# Assured Mutual Dependence

LONDON – During the Cold War, the certainty of “mutually assured destruction” steered the nuclear arms race away from catastrophe: a would-be attacker would face immediate retaliation, inevitably ending in both sides’ annihilation. Today, a very different race is taking place – a race for the earth’s vital resources, and it threatens to undermine stability in key regions of the world. The growing dependence of countries on one another’s food, water, and energy requires that the global response to sustainability is taken to the highest political level.

Unlike the nuclear arms race of the twentieth century, the resource-security agenda is not linear. Mutually assured destruction was explicitly acknowledged during the Cold War in statements from both sides. In the race for resources that defines the twenty-first century, no actor is directly or indirectly threatening other players to curtail food or energy exports, but all bear the systemic risks.

Countries have become unavoidably interdependent, and climate change, water stress,

and the loss of ecological resilience all increase the volatility of this mutual dependence. In a world of limited and scarce resources, countries and companies will be forced to make decisions that affect one another's security.

In order to navigate this interdependence, the Earth Security Index 2014, produced by the Earth Security Initiative, shows countries' combined vulnerabilities that might increase the risk exposure of governments and companies, unless more strategic approaches and sustainable investments are put in place. The ESI identifies four areas of mutual dependence that will likely shape global security in the coming decades:

- *Choke points.* Countries' growing demand for energy, water, food, and land cannot be satisfied without incurring tradeoffs among limited available resources. Choke points are reached when the available resources are insufficient to satisfy demand. In China and India, for example, this means that in certain regions there may not be enough water in the short term to run coal-fired thermal power stations and irrigate large fields to grow crops. In China, 60% of planned coal-fired power plants will be built in water-stressed regions.

- *Food.* The growing dependence of many countries on food, water, and energy imports creates new opportunities for trade and investment, but it also exposes countries to critical vulnerabilities. Australia, for example, is a large coal exporter but imports most of its refined fuels and holds just three days of fuel stockpiles. The challenges of mutual dependence are particularly acute with respect to food. As the ESI shows, some countries – including Egypt, Peru, and the United Arab Emirates – are heavily dependent on cereal imports from a small number of suppliers.

Moreover, grain suppliers' exposure to extreme weather may compromise their ability to sustain supplies, with knock-on effects for import-dependent countries. In 2010, for example, Russia imposed an export ban on wheat, following a severe drought. The resulting food-price increases are believed to have played a role in Egypt's revolution.

- *Teleconnections.* Anticipating systemic ecological risks will be increasingly important for sectors such as reinsurance and infrastructure investments. "Teleconnections" refer to weather events that are related to one another over large geographic distances. They are well known to science but not properly discussed by the industries, investors, and governments whose security depends on environmental stability.



For example, tropical rainforests play a crucial function in maintaining stable weather and rainfall, acting as a “pump” that helps moisture travel between different regions. Deforestation can thus have a destabilizing effect on weather patterns, amplifying the frequency and severity of extreme events such as floods and droughts.

The resulting liabilities to key industries and the financial sector are clear. In Brazil, for example, deforestation in Amazonia has slowed significantly over the last five years, but Brazil has already lost more than 11 million hectares of rainforest; its exposure to extreme weather has also steadily risen, with floods causing \$4.7 billion in losses in 2011 alone.

• *Land productivity bottlenecks:* Agriculture systems are reaching resource limits, and persistent governance gaps compromise their ability to ensure food security, dignified livelihoods, and ecological stewardship. Companies, investors, governments, and communities confront a series of critical barriers to increasing the food availability that the world needs: Local populations’ insecure land ownership; receding water tables, owing to unsustainable extraction rates; inefficient use of pollution-causing inputs like fertilizers and pesticides; the loss of vital ecosystems, affecting the resilience of food production; and certain areas’ inability to cope with extreme weather.

In some regions of India, for example, these issues are playing out in tandem. Insecure land tenure acts as a disincentive for smallholder farmers to commit to productivity-enhancing investments; water extraction rates are depleting aquifers as a result of permissive policies; and food security remains out of reach for millions of people, despite rapid economic growth in urban areas. Countries and companies will increasingly need to invest in sustainable land in order to hedge their resource risks.

In 2015, global frameworks are due to be agreed to address climate change, coordinate responses to natural disasters, and guide the world’s development agenda. Some of these multilateral processes – in particular, those seeking an ambitious global climate agreement – appear to be moving in slow motion and against the grain of geopolitical interests.

In the past, the case for high-level nuclear governance was urgent and clear, but required processes for creating a common understanding of risks and opportunities across national borders. Successful multilateral responses, like the Nuclear Non-Proliferation Treaty, continue to be supported by more flexible global platforms, such as the Nuclear Threat Initiative, based on relationships and trust established outside the

box of formal multilateralism.

This year, as world leaders discuss the next generation of sustainability, development, and climate frameworks, they will need to put their security and mutual dependence at the heart of the responses. Here, too, the world will need to create informal platforms that supplement traditional multilateralism.

In particular, the outdated divisions between rich and poor countries and their responsibilities must be revised. As new powers like China, Brazil, India, and other G-20 economies bid to reform global governance systems, their vulnerability to resource security must invigorate these processes. Only then will the world be on track to improve the security of all.

*<http://www.project-syndicate.org/commentary/alejandro-litovsky-and-michael-schaefer-warn-that-growing-resource-interdependence-among-countries-leaves-many-vulnerable-to-new-threats>*