

On 28 January, 2009, UNEP Finance Initiative member company Innovest co-hosted with Corporate Knights, an independent Canadian media company, the fifth annual Davos dinner to recognise the 100 Most Sustainable Companies in the World -- the Global 100. The dinner was attended by UNEP Executive Director Achim Steiner and included three keynote guest speakers: George Soros, Investor and Philanthropist; Lord Nicholas Stern, author of the landmark 2006 Stern Report on the economic implications of climate change; and Nobel Laureate Joseph Stiglitz of Columbia University. Representatives from some of the Global 100 were present also.

In a wide-ranging set of presentations during the two-hour dinner the speakers covered their perspectives on many of the opportunities and challenges created by the current financial crisis in the context of the new environmental and carbon-related markets. The dinner discussion was held under Chatham House rules with an agreement not to attribute comments. Some of the key issues covered in the discussion included:

- The fact that environment policy, economic policy and energy security can exist in harmony and, yet, the real world challenges for policy-makers and the business world to make that happen in the current context of a financial crisis, possible global recession and the threat of deflation, was also noted.
- The threat posed by global warming and the renewed interest in energy independence was seen as an opportunity for innovative policy-making across the world while the real world challenges of achieving new policies that work in the current economic environment were clear.
- In the midst of the financial crisis, the importance of the "diplomatic clock" with the developed world needing to send positive signals to the developing world at this time was also stressed.
- The urgency of the need to see an effective fiscal stimulus kick in -- ideally with high level coordination between policy-makers across the globe -- was highlighted. The focus of the next 2-3 months will be to get across arguments and reflate the economies of the world.
- The budgetary urgency of the next two to three months, when many of the larger developed economies will begin to set their year ahead budgets, was stressed from the standpoint of ensuring a well structured and realistic green element to the various stimulus packages is in-built.
- The importance of the timing of the stimulus was stressed by the speakers noting that too little too late or a stimulus kicking in when growth begins to re-appear could both create significant problems in public finance. In two-years the public financing environment would be a "very tough one" with everyone focused on the national debt.
- The new challenges for the clean energy, renewables and alternatives community with the "real politik" of an oil price at or below USD40 was noted.
- A range of views of the need for a carbon tax were presented although the political difficulty of selling such a tax at this time was accepted. The need to tax bad (carbon) rather than good (labour) was suggested.
- A carbon tax on its own would not be sufficient as we also need innovation funds, building codes, emission standards that promote energy efficiency and "things that deliver". The need to be "shovel ready", as they say in the US, was noted.
- What we'll see over the next two decades is a Schumpeterian growth story". People should see low carbon as a growth story and a driver of growth. High carbon growth will kill itself in a few years. This is not growth versus environment and if we attempt to sell it as "hair shirts" then the political argument will be lost.
- We need two to three concrete policies and a USD 2 trillion boost of which 20% or USD 400 billion could be green: energy efficiency; carbon capture and storage; sustainable transport; and infrastructure ( bring forward prototypes).
- What can we do to get out of the crisis? Twenty years ago it was almost embarrassing to call yourself a Keynesian and now we are all Keynesian's but some are "true" and some are "not."
- There should be tax cuts directed at investments to restructure the economy around green infrastructure. We need a new zoning system (the current one is from the 1950s and is based on moving manufacturing workers away from the "smoke"). We need to change the structure of cities with reinvented zoning and a move to public transport.