

Shifting perceptions: the power of public-private collaboration

“Thanks to a hundred or more institutions based in the city and its surrounding areas, decision-makers, experts from inter-governmental organizations, businesspeople and civil society representatives are able to put their ideas and proposals concerning the future of the planet to the test on a day-to-day basis. For these people, whose actions have worldwide ramifications at all levels of society, it is possible to have a global impact as a result of their joint efforts here in Geneva.”

Micheline Calmy-Rey

President of the Swiss Confederation in 2007.

Source: www.partnerships4planet.ch

The city of Geneva has become well known world-wide as a centre for international organizations. They are intergovernmental organizations, non-governmental organizations, international business associations, and research bodies all focused on addressing global issues and promoting sustainable development. Due to a fundamental shift of paradigms in the international debate on environment and development, many of these organizations now work collaboratively with each other - - and increasingly, with the business community. The private sector is today considered to be an essential pillar in the societal architecture needed to achieve sustainable development. These new partnerships are markedly different

than just 30 years ago when many of the same Geneva-based international bodies saw the role of business in development and environment as marginal, or even counterproductive.

Climate change, human rights, poverty and other global challenges are important issues for society, and are becoming increasingly important for business. Severe constraints on energy, water, and ecosystems are expected to impact current economies, societies, life-styles and general well-being. The new perception of a broader role of business in society is indeed mutual: not only do societies require a thriving and responsible private sector to develop; equally, businesses need developing societies to thrive. Heightened awareness of the immediate impacts and long-term risks associated with global climate change, as well as constraints on energy, water, and ecosystems is causing business leaders to consider, what systems do we have in place to address the magnitude of such problems?

It is becoming clear that only those businesses contributing to sustainability in its 3 dimensions – planet, people, profit – will be the winners of the evolution of roles throughout the 21st century. In 2005 CEOs of global businesses, and members of the World Business Council for Sustainable Development (WBCSD), concluded that leading global companies of the future will be those that provide goods and services and reach new customers in ways that address the world's major challenges. Why? Because, in tomorrow's society, companies that are part

of the solution will be rewarded and those contributing to the problem, sanctioned.

What about sustainable finance?

Progress towards sustainable development, and addressing the world's most urgent challenges, must especially involve the heart of today's economic system: the capital markets. Only if these adequately capture the sustainability performance of companies will the latter have the ultimate incentive to entirely integrate sustainable development considerations into their core business strategy; in turn, only if business valuations on the capital markets link environmental and social performance with business value, will investors be able to identify the corporate winners and losers of the coming decades and remain winners themselves. What is needed is a broader definition of value and a new philosophy of returns that includes value to society.

Yet today few capital market actors include sustainability factors in their investment decisions or valuation procedures – despite many initiatives and businesses working towards this goal. That's why the efforts of some of Geneva's international organizations will continue to be dedicated to engaging with private sector practitioners in order to better understand how sustainable development issues are material to core business and to promote the truly “mainstream” integration of ESG issues into investment practice. UNEP Finance Initiative (UNEP FI) and the World Business Council for Sustainable Development

(WBCSD), for instance, provide platforms for business and the financial sector to discuss their roles and responsibilities in addressing sustainable development issues. The appointment of a Special Representative of the UN Secretary-General on Business & Human Rights is another example of this shift in paradigms.

There is unprecedented opportunity today to leverage the vast information, expertise, and resources available in Geneva, through the international organizations, and to make this information more accessible to the financial community – and vice versa. Sustainable Finance Geneva provides a needed platform to foster these important connections to advance sustainable and responsible finance.

Cheryl Hicks
Remco Fischer

“From climate change to chemicals, from water to weather, from banking and business to wildlife conservation and law – the Geneva region has established itself in the past 40 years as a world-class city for international initiatives on the environmental aspects of sustainable development.”

**Partnerships for the Planet:
Stories from Geneva, June 2007**