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Ms. Patel's views reflect her personal opinions as a climate finance expert, and not those of her employers.



What event most shaped the course of the global environment?

Ms. PATEL: Climate change is the biggest challenge facing humankind today. The industrial revolution changed the course of human life, and of our environment. Within decades, massive productivity increases brought about by mechanization resulted in economic growth that was much better distributed; it allowed for advances in a number of spheres of human life, and improved welfare for many. However, it also marked the beginning of increasing environmental degradation. Coal began to replace wood and biomass as a source of energy; a growing demand for iron led to advances in metallurgy to support all that mechanization—and mining activity rose to meet those needs. We have treated our planet's resources as limitless, and have paid little heed to dealing with the huge amounts of waste that we generate. We have begun to pay the price for this disregard now, but our responses to a finite earth are too few and too timid. Mostly they have been limited to local level action, where the consequences of our recklessness are visible in polluted waterways, poor air quality, denuded hillsides, and ravaged landscapes. But CO₂ is invisible, and far too many of us do not even recognize the link between our use of fossil fuels and climate change. Most scientists agree that we need to limit atmospheric concentrations of CO₂e to 450 ppm in order to have a decent chance of containing global temperature rise to 2°C. We are already at 400 ppm, and increasing daily.

If we are to meet environmental challenges on a global scale, what one policy initiative do you think would have the most significant impact?

Ms. PATEL: We need to recognize that there is a cost to our use of resources because they are finite. We need to put a price on the externalities we generate. The single most important policy initiative that can begin to redress the imbalance we have created in the global atmosphere is a price on carbon. Ideally, we would have a carbon tax, and every activity that generates CO₂ would need to incorporate that cost. Quite apart from creating a more level playing field for alternative energy sources and energy conservation, such a tax would generate significant revenue that can be put to other productive use, or redistributed to cover the most vulnerable. In a utopian world, such a tax would be global, but in the meantime, border tax adjustments would be needed to not penalize countries that do institute carbon pricing. I do not mean to imply that this is a panacea, or that nothing else needs to be done, but this is in my view the single most important thing we could do for climate change.

Given that the public and governmental debates on environmental issues are mired in indecisiveness, what do you think is the most constructive path to achieving active working relationships with all members of society?

Ms. PATEL: We need to tackle this on two tracks. One is more effective messaging. Scientists, environmentalists, and policy analysts—people who approach the topic with a rational, science- or economics-based orientation—have so far led the discourse on climate change. Much of what we hear focuses on the terrible calamities that face us if we do not act. I'm not sure that "gloom and doom" is a winning strategy, however. Martin Luther King Jr. did not inspire the world by talking about his nightmare! Let's learn a lesson from the slick marketing campaigns of corporate giants—we really do need better messaging, and we need to figure out how to reach people at an emotional level. We need to impress upon all members of society that addressing climate change is truly the most important challenge facing the future of our planet. Let's find champions in every sphere of civil society, and get them to embrace the cause—so that they can in turn raise awareness with their constituents.

The other track is money. Money talks—as we have seen with the lobbying efforts of fossil fuel interests. Let's get those who control capital—endowments, pension funds, institutional investors—to really understand and act on the power they can wield in the

fight against climate change. If the investment community required investees to really quantify and explain the climate impact of their activities, if the investment community directed investments away from carbon-intensive activities, we could see some real impact on the ground. A vicious circle has set in today: governments are distracted by short-term problems and have dropped the ball on climate change; the market appears to doubt that climate regulations will be binding and therefore continues to finance carbon-intensive industry; big oil and fossil fuel interests make money hand over fist and can fund disingenuous misinformation campaigns (to put it mildly); the public is weary of messages of gloom and doom in some undefined future. We need to break this vicious circle.

BIOGRAPHY

Shilpa Patel is a climate finance expert whose work focuses on understanding how best to mobilize private capital for climate-related investments, thus helping countries move to lower-carbon growth trajectories. She is currently Principal Advisor at the World Resources Institute in their Climate Finance and the Private Sector practice, and Senior Advisor to the Climate Business Department at the International Finance Corporation. She is also an independent consultant for other financial institutions. Previously, she worked at the International Finance Corporation, where she headed IFC's work on climate change strategy and metrics, supporting the corporation's climate change agenda and commitment to increase its climate-friendly lending.

Ms. Patel helped build IFC's analytical capacity to better understand the climate change impacts of its activities, as well as the impacts of climate change on private business and IFC's operations. She was the key architect of IFC's portfolio greenhouse gas accounting initiative and on its metrics to better assess development and climate change trade-offs in developing countries. She helped launch IFC's first green bond and worked with institutional investors and other stakeholders to define green bond criteria and standards. Prior to this, Shilpa managed the Sustainability Business Innovator, an incubator for innovative investment activities that could demonstrate commercial viability and deliver environmental and social benefits.

Shilpa started her career in the World Bank, where she worked on private sector development across a number of sectors, regions, and economies in transition. In Morocco and Tunisia, she worked on structural reforms in the agriculture sector, including pricing

policy and credit, as well as on public enterprise reform. In Vietnam, she worked on market transition issues, with a particular focus on the modernization of the banking sector and the reform of the public enterprise sector. She also managed the Lao country program, and wrote the World Bank Group's Country Assistance Strategy for the country. Other notable activities that she headed include the conversion of the Subic Bay Naval Base in the Philippines to civilian use, which involved significant infrastructure repurposing and institution building.

In 1997, Shilpa moved to the IFC to work on the downstream oil and gas sector. She was transaction lead for several petrochemical projects in Brazil and Mexico, and handled a major restructuring effort for a large petroleum refinery in Thailand. Promoted to Manager of the Chemicals practice in 2000, she focused her efforts on building a strong pipeline of projects in India and China. She then moved to the newly created Health and Education Department, where she was involved in a number of innovative transactions, such as the first securitization of university tuition receivables in Chile and the first guarantee facility for K–12 school financing in Ghana.

In addition, Shilpa has held the position of Adjunct Professor at Georgetown University's McDonough School of Business, where she taught courses on Project Finance. She also served on the Board of Trustees of the Washington International School for four years.

Ms. Patel was born in India, grew up in Sri Lanka, Malaysia, and Mauritius, and speaks English, French, Spanish, Hindi, and Gujarati. She received a B.S. (Economics) and an MBA from the Wharton School of the University of Pennsylvania. She is married and has one daughter. She now lives in Washington, DC, and is a regular volunteer at Miriam's Kitchen, which provides hot meals and counseling services to DC's homeless.