

Sustainability Matters

Compiled and published by Ray Skinner, FCA

Business achieving a tomorrow for tomorrow's children

18th February 2021



Designed by
www.vecteezy.com

Prosperity comes at 'Devastating' Cost to Nature

"The long-awaited review by Prof Sir Partha Dasgupta, of the University of Cambridge, says prosperity has come at a 'devastating' cost to the natural world.

"The report proposes recognising nature as an asset and reconsidering our measures of economic prosperity.

"It is expected to set the agenda on [UK] government policy going forward.

"At its heart is the idea that sustainable economic growth requires a different measure than Gross Domestic Product (GDP).

"Truly sustainable economic growth and development means recognising that our long-term prosperity relies on rebalancing our demand of nature's goods and services with its capacity to supply them', Prof Dasgupta said in a statement.

"It also means accounting fully for the impact of our interactions with nature across all levels of society.'....

"The *Dasgupta Review on the Economics of Biodiversity* was commissioned by the UK Treasury in 2019, the first time a national finance ministry has authorised a full assessment of the economic importance of nature.

"The report, which has been compared with the influential 2006 *Stern Review on the Economics of Climate Change*, sets out the ways in which we should account for nature in economics and decision-making.

"Recommendations include:

- Making food and energy systems sustainable through technological innovations and policies that change prices and behavioural norms
- Investing in programmes that provide community-based family planning
- Expanding and improving access to protected areas
- Implementing large-scale and widespread investment in nature-based solutions to address biodiversity loss
- Introducing natural capital into national accounting systems

"Sir David Attenborough, who wrote the foreword to the review, said: 'This comprehensive and immensely important report shows us how, by bringing economics and ecology face-to-face, we can help to save the natural world and, in doing so, save ourselves.'

"The 600-page review argues losses in biodiversity are undermining the productivity, resilience and adaptability of nature. This is in turn putting economies, livelihoods and well-being at risk.....

More: www.bbc.com/news/science-environment-55893696 plus www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review 606 pages 26.8Mb. There is also an abridged version and headline messages.

Source: *Carbon News*, 3rd February 2021.

Editor: There are very important messages here for policy advisors, economists, accountants, bankers and others. Note to self: Make sure you read this in depth! 

'Terra Carta' – For Nature, People & Planet

"As part of the Sustainable Markets Initiative, HRH The Prince of Wales, announces the 'Terra Carta' – a charter which puts sustainability at the heart of the private sector.

"HRH The Prince of Wales's urgent appeal comes as HRH marks 50 years of campaigning for the environment.

"Marking a year since HRH announced his Sustainable Markets Initiative at Davos, the Terra Carta offers the basis of a recovery plan to 2030 which puts Nature, People and Planet at the heart of global value creation.

"Speaking at the One Planet Summit in France on 11th January 2021 – HRH The Prince of Wales unveiled the Terra Carta (Earth Charter) – which provides a roadmap to 2030 for businesses to move towards an ambitious and sustainable future; one that will harness the power of Nature combined with the transformative power, innovation and resources of the private sector.

"HRH The Prince of Wales is making an urgent appeal to private sector leaders around the world to join this endeavour and to give their support to the Terra Carta.

"One of Terra Carta's actions was initiated at the One Planet Summit in Paris, with the creation of a Natural Capital Investors Alliance targeting \$10 billion by 2022.

"Deriving its name from the historic Magna Carta, which inspired a belief in the fundamental rights and liberties of people over 800 years ago, the Terra Carta aims to reunite people and planet, by giving fundamental rights and value to Nature, ensuring a lasting impact and tangible legacy for this generation. ...

More: www.sustainable-markets.org/terra-carta/ plus www.sustainable-markets.org/TerraCarta_Charter_Jan11th2021.pdf 18 pages 134.4kb; ten articles. Also www.thenationalnews.com/world/europe/prince-charles-unveils-terra-carta-action-plan-in-urgent-appeal-over-environment-1.1143792 There are 16 industry roundtables www.sustainable-markets.org/roundtables/

Source: Capitals Coalition, 27th January 2021.

Editor: There are currently 198 named supporters. 

Water Warning: The Looming Threat of the World's Aging Dams

"Writer Fred Pearce explores a new report which finds tens of thousands of large dams are reaching the end of their expected lifespans, leading to a dramatic rise in structural failures and collapses. These deteriorating dams pose a serious threat to hundreds of millions of people living downstream, yet, as Pearce reports, safety inspectors cannot keep up with the workload. Globally, there are an estimated 19,000 large dams more than 50 years old, which is beyond the typical lifespan before a dam needs major repairs or removal. According to the report, 'By 2050, most of humanity will live downstream of large dams built in the 20th century' which are 'at increasing risk of failure.'

More: <https://e360.yale.edu/features/water-warning-the-looming-threat-of-the-worlds-aging-dams>

Source: *Yale Environment 360*, 5th February 2021. 

New US Bank to Centre on Climate and Sustainability-Focused Businesses

"Climate First Bank, the first bank in the US to focus primarily on the climate, will open in Florida's Tampa/St. Petersburg region in the spring of 2021. In addition to offering standard banking services, the company will place a special emphasis on non-governmental organisations (NGO) and businesses which are committed to sustainability.

"Eco-conscious customers will find dedicated loan options for solar photovoltaic (PV), energy retrofits and infrastructure to help combat the climate crisis. The bank will be built to the highest practical sustainability standards in LEED, Green Globes and Energy Star, the company says.

"The bank's mission is to elevate the typical banking model by 'supporting local communities, encouraging green infrastructure and promoting sustainable business practices.'

....
"Though ESG investing is on the rise, not every investor thinks it's a good idea. The climate focus of the new bank has driven away some potential investors, ...

More: www.environmentalleader.com/2021/02/first-us-bank-to-center-on-climate-will-cater-to-sustainability-focused-businesses/

Source: *Environmental Leader*, 17th February 2021

Rich Nations 'Hugely Exaggerate' Climate Adaptation Funding for Developing Nations

"Rich countries and institutions have over-reported funding to help developing countries adapt to the impacts of climate change, leaving vulnerable communities underfunded, a report by non-profit organisation CARE International has found.

"In 2009, developed countries pledged to scale up financial resources for developing nations by providing \$100 billion annually by 2020 – to be split evenly between mitigation and adaptation projects.

"According to Organisation for Economic Co-operation and Development (OECD), a group of wealthy countries, donors had only committed \$16.8 billion in 2018 to annual climate adaptation finance, a far cry from the original goal of \$50 billion.

"The report found the true figure is even lower. After factoring in inflation by developed nations, only \$9.7 billion was donated that year.

"The world's poorest people are not responsible for the climate crisis yet are the hardest hit. Not only have rich nations let countries in the Global South down by failing to deliver enough adaptation finance, but they have tried to give the impression that they are providing more than they do. It is truly embarrassing", said John Nordbo, senior advocacy adviser at CARE Denmark and co-author of the report. ...

More: www.eco-business.com/news/rich-nations-hugely-exaggerate-climate-adaptation-funding-for-developing-nations/

Source: *eco-Business.com*, 27th January 2021.

Fonterra – 'Ghost Farms' Pollution

"Fonterra has been caught out discharging waste water with high levels of nitrogen on to at least 16 farms they bought, removed the cows from, and used to spread waste water.

"The trouble with nitrates is they are mobile and move with water and end up in the water table and contaminate farm water table and surrounding wells. ...

"The Radio NZ story sets out the health problems associated with nitrate in drinking water. These include: ...

More: <https://mailchi.mp/eco.org.nz/tieke-eco-news-alerts-events-12-february-817964?e=e02a97980b>

Source: *Tieke: ECO News, Alerts & Events*, 12th Feb. 2021

Editor: Read the very fulsome Radio NZ report linked to the article at www.rnz.co.nz/news/in-depth/436030/fonterra-discharging-nitrogen-heavy-water-onto-ghost-farms

Wairakei Dairy Farmer Taking as Much Waikato River Water as Auckland

"Should one big dairy corporation, owned by millionaire rich-listers, be allowed to take more water from the Waikato River than the entire city of Auckland? ...

More: www.greenpeace.org/new-zealand/story/wairakei-pastoral-the-dairy-company-competing-with-auckland-for-drinking-water/

Source: Greenpeace, 12th February 2021.

How to 'Fairly' Share Emissions from Goods Traded around the World

"Each year, close to \$20tn worth of traded goods are driven, shipped and flown across the world. The global value of trade in goods has tripled during the 21st century alone.

"But, as the world attempts to curb its greenhouse gas emissions, its increasing interconnectedness can complicate matters.

"A key debate is who should be held responsible for greenhouse gas emissions of internationally traded goods. In a globalised economy, should responsibility for emissions lie with those that produce goods?

"Or should it rather be accounted for by those which consume final goods and services?

"In a new paper, published in *Global Environmental Change*, we suggest an exclusive focus on producers or consumers falls short as a method of allocating trade-related emissions to individual countries.

"Instead, we propose an accounting scheme which divides trade-related emissions among trade partners in proportion to the economic benefits they derive from these emissions.

"Where should emissions be counted?

"Traditionally, emissions are attributed to the country where they are released. This is the 'production-based accounting' (PBA) method used by governments to report their greenhouse gas 'inventories' to the United Nations Framework Convention on Climate Change (UNFCCC).

"However, products manufactured in one country are often consumed elsewhere. This prompts the question of whether the producer or consumer should take responsibility for the emissions associated with that product.

"Take the example of a cotton T-shirt produced in India then shipped to, and sold in, the UK. Growing and processing the cotton produces greenhouse gases, as will the factory where the garment is made.

"As manufacturing in many sectors has increasingly shifted from developed to developing countries, a PBA approach means the associated emissions have also shifted. In the case of the T-shirt, it means India counts the emissions rather than the UK.

"There is a long-standing concern that countries could use this approach to meet their commitments to reduce emissions by merely shifting the production of carbon-intensive goods and services elsewhere.

"As production in rich countries is usually less carbon-intensive, this also risks 'carbon leakage' – where production is moved to countries with fewer environmental controls, thus causing an increase in emissions.

"A 'consumption-based accounting' (CBA) method instead counts emissions for a product or service where it is used. In the T-shirt example, this would be the UK. ...

More: www.eco-business.com/news/how-to-fairly-share-emissions-from-goods-traded-around-the-world/ plus www.sciencedirect.com/science/article/abs/pii/S0959378020307901 *Sharing responsibility for trade-related emissions based on economic benefits* → US\$35.95

Source: *SnippETS*, 28th January 2021.

International Lawyers Drafting Plan to Criminalise Ecocide

"An expert panel of top international and environmental lawyers have begun working this month [November 2020] on a legal definition of 'ecocide' with the goal of making mass ecological damage an enforceable international crime on par with war crimes, crimes against humanity, and genocide.

"The time is right to harness the power of international criminal law to protect our global environment."

—Philippe Sands QC, University College London

"Assembled by the Stop Ecocide Foundation at the request of several Swedish parliamentarians, the initiative to criminalise the destruction of ecosystems at the global level has already garnered support from European countries as well as small island nations highly vulnerable to rising sea levels.

"The drafting panel is co-chaired by Philippe Sands QC, a professor at University College London, and Justice Florence Mumba, a former judge at the International Criminal Court (ICC).

"The 20th November launch date of the project coincided with the 75th anniversary of the beginning of the Nuremberg trials of Nazi leaders, where the terms 'crimes against humanity' and 'genocide' were coined.

"The time is right" Sands said recently at an event commemorating the Nuremberg trials, 'to harness the power of international criminal law to protect our global environment.'

"Seventy five years ago, 'crimes against humanity' and 'genocide' were spoken for the first time, in Nuremberg's Courtroom 600", Sands added, 'and my hope is this group will be able to draw on experience since that day to forge a definition which is practical, effective, and sustainable, and that might attract support to allow an amendment to the ICC Statute to be made. ...

"Preparatory work is now underway, and the panel plans to deliver a draft of a legally enforceable definition of ecocide in early 2021. ...

More: www.commondreams.org/news/2020/11/30/end-impunity-deliberate-destruction-planet-international-lawyers-drafting-plan plus <https://docs.google.com/forms/d/e/1FAIpQLSeVvd918yG6vtyqtSNwchtC6SW6nJ9u65roq7eAJBuKhwd2Hw/fozmResponse> and www.stopecocide.earth/expert-drafting-panel

Submissions close: 18th February 2021

Source: *Carbon News*, 1st December 2020.

Tiny Houses are Very Cute, but there is a Dark Side

"Megan Carras, a doctoral researcher at the University of St Andrews, reports that there are down sides to the tiny house movement.

"Tiny houses are everywhere. They've received heavy coverage in the media and there are millions of followers on dozens of pages on social media.

"Tiny houses are promoted as an answer to the affordable housing crisis; a desirable alternative to traditional homes and mortgages. Yet there are many complexities and contradictions which surround these tiny spaces, as I discovered when I began investigating them.

"I have toured homes, attended tiny house festivals, stayed in a tiny house community and interviewed several dozen people who live inside them.

"Here are three things I unexpectedly discovered along the way:

More: www.stuff.co.nz/life-style/homed/latest/109914594/tiny-houses-are-very-cute-but-there-is-a-dark-side

Source: Forever Project, 22nd January 2021.

Nasa Photos Reveal Amazon 'Gold Rivers'

"Stunning rare photographs published by Nasa have revealed the extent of gold mining – much of it thought to be illegal – in Peru's Amazon rainforest.

"The 'rivers of gold' captured in the images are actually pits believed to have been dug by unlicensed miners, the space agency says. The pits, usually hidden from view, were illuminated by reflected sunlight. ...

More: www.bbc.com/news/world-latin-america-56030334

Source: Editor, 12th February 2021.

Climate Math: What a 1.5-degree Pathway Would Take

"Amid the coronavirus pandemic, everyone is rightly focused on protecting lives and livelihoods. Can we simultaneously strive to avoid the next crisis? The answer is yes – if we make greater environmental resilience core to our planning for the recovery ahead, by focusing on the economic and employment opportunities associated with investing in both climate-resilient infrastructure and the transition to a lower-carbon future.

"Adapting to climate change is critical because, as a recent McKinsey Global Institute report shows, with further warming unavoidable over the next decade, the risk of physical hazards and nonlinear, socioeconomic jolts is rising. Mitigating climate change through decarbonisation represents the other half of the challenge. Scientists estimate limiting warming to 1.5°C would reduce the odds of initiating the most dangerous and irreversible effects of climate change.

"While a number of analytic perspectives explain how greenhouse-gas (GHG) emissions would need to evolve to achieve a 1.5-degree pathway, few paint a clear and comprehensive picture of the actions global business could take to get there. And little wonder: the range of variables and their complex interaction make any modelling difficult. ...

More: www.mckinsey.com/business-functions/sustainability/our-insights/climate-math-what-a-1-point-5-degree-pathway-would-take [30th April 2020], 18 pages 1.017Mb

Source: *McKinsey Quarterly*, 22nd December 2020.

Ranked: The Most Populous Cities in the World

"More than half of the world's population currently lives in cities – and as time goes on, it's clear more urban dwellers will find themselves living in megacities.

"Megacities are defined as urban areas with a population of more than 10 million people. This means the world's top 20 most populous cities are all megacities.

"This visualisation, using data from Macrotrends, shows the 20 most populous cities in the world.

"While Tokyo only gained 559,000 people between 2010 and 2020, Delhi gained over 8 million people in the same time frame.

"Shanghai grew by over 7 million people. Meanwhile, São Paulo grew by more than 2 million, and Mexico City gained just over 1.6 million people.

"Interestingly, Mexico City placed third on the top largest cities list in 2010, but has since experienced slower growth compared to its competitors, Shanghai and São Paulo.

"While Tokyo is the world's most populous city with 37,393,000 people, this number is leveling out due to declining birth rates and an aging population.

More: www.visualcapitalist.com/most-populous-cities-in-the-world/

Source: Malcolm Rands, Facebook, 20th January 2021.

Editor: 'Spectacular' graphic. Auckland's growth?

An Ethical Investment Framework and Procurement Programme

"1. Introduction and Summary

"The New Zealand Labour Party's Election Manifesto states;

- Labour will develop an ethical investment framework for all government-controlled investments so New Zealanders know that all the public's shared investments are into things we can stand proudly behind.
- Labour will use the government's procurement programme to support improved social and environmental outcomes, and good employers who model modern, worker-friendly businesses practices.

"The development of a framework and programme is important because current investments include companies with environmental and human rights abuses and corrupt behaviour. The Government Charter for Procurement omits responsibilities for proper treatment of animals, good governance, to act fairly towards its stakeholders, or to be honest in its promotional activities.

"Responsible Investment frameworks are numerous (over 1700) and overwhelming exhibit conceptual confusion and invalid measures. Instead an ethical organisation is defined with core moral principles based on New Zealand's support over many years for human rights, and human-animal and human-environment responsibilities. This provides the content validity for the ethical framework. Implementing this framework involves four steps: defining values; choosing what to exclude; engaging to bring change and divesting when this is not possible; reporting. This process should be carried out by a separate agency from those funds that choose what to invest in for the best financial return, on grounds of independence and efficiency.

"The Government Charter for Procurement describes those responsibilities expected towards the environment and meeting good employment practices. It however omits responsibilities for human-animal relations, good governance, to act fairly towards its stakeholders, or to be honest in its promotional activities. In order to avoid government agencies establishing different ethical standards and duplicating the ethical evaluation process, the separate agency for establishing an ethical framework for Government investment, should also set the standards for the Government procurement procedures. Companies that tender should be required to meet these standards or show meaningful commitment in working towards them.

2. Current Major Government Investments and Procurements

.....

3. An Ethical Framework

4. Responsible Investment and Procurement: Core Moral Rules and Standards

5. An Ethical Organisation Defined

6. Implementing an Ethical Investment Portfolio and Procurement Procedures

7. Utilising the Ethical Investment and Procurement Framework ... There is no point in each Fund or government agency establishing different ethical standards and duplicating the ethical evaluation and engagement process.

More: <https://issues-behind-the-news.blogspot.com/2021/01/an-ethical-investment-framework-and-22.html> plus an expanded version at <https://issues-behind-the-news.blogspot.com/2021/01/an-ethical-investment-framework-and.html>

Source: Robert Howell, 5th February 2021. 

Reith Lectures 2020 – How we Get What we Value

"Mark Carney's Reith Lectures will chart how we have come to esteem financial value over human value and how we have gone from market economies to market societies. He argues this has contributed to a trio of crises: of credit, Covid and climate. And the former Bank of England governor will outline how we can turn this around.

[The lectures are all 57 min and were recorded in December.]

Lecture 1: From Moral to Market Sentiments

Mark Carney reflects that whenever he could step back from what felt like daily crisis management, the same deeper issues loomed. What is value? How does the way we assess value both shape our values and constrain our choices? How do the valuations of markets affect the values of our society? ...

Lecture 2: From Credit Crisis to Resilience

Dr Carney takes us back to the high drama of the financial crisis of 2008, which ended a period when bankers saw themselves as unassailable Masters of the Universe.

Lecture 3: From Covid Crisis to Renaissance

Dr Carney observes the pandemic has forced states to confront how we value health, wealth and opportunity....

Lecture 4: From Climate Crisis to Real Prosperity

In this final lecture, Dr Carney turns his attention to climate change, arguing the roots of our environmental emergency lie in a deeper crisis of values. He suggests how we can create an ecosystem in which society's values broaden the market's conceptions of value. ...

More:

www.bbc.co.uk/programmes/articles/43GjCh72bxWVsqS84ZDJw0/reith-lectures-2020-how-we-get-what-we-value

Source: Ronald Ainsbury, 8th February 2021.

Insight: The Reith Lectures were inaugurated in 1948 by the BBC to mark the historic contribution made to public service broadcasting by Sir John (later Lord) Reith, the corporation's first Director-General. John Reith maintained broadcasting should be a public service which enriches the intellectual and cultural life of the nation. It is in this spirit the BBC each year invites a leading figure to deliver a series of lectures on radio. The aim is to advance public understanding and debate about significant issues of contemporary interest. 

Dunedin Stepping Up with Amsterdam

"One evening in December, after a long day working from home, Jennifer Drouin, 30, headed out to buy groceries in central Amsterdam. Once inside, she noticed new price tags. The label by the zucchini said they cost a little more than normal: 6¢ extra per kilo for their carbon footprint, 5¢ for the toll the farming takes on the land, and 4¢ to fairly pay workers. 'There are all these extra costs to our daily life which normally no one would pay for, or even be aware of', she says.

"The so-called true-price initiative, operating in the store since late 2020, is one of dozens of schemes Amsterdammers have introduced in recent months as they reassess the impact of the existing economic system.

"Copenhagen's city council decided to follow Amsterdam's example in June, as did the Brussels region and the small city of Dunedin, New Zealand, in September, and Nanaimo, British Columbia, in December. In the U.S., Portland, Oregon, is preparing to roll out its own version of the doughnut, and Austin may be close behind

More: www.carbonems.com/single-post/snippets-for-11-february-2021 plus <https://time.com/5930093/amsterdam-doughnut-economics/>

Source: *Snippets*, 11th February 2021. 