

RIETI BBL Seminar Comments Handout

“Voice Through Divestment”

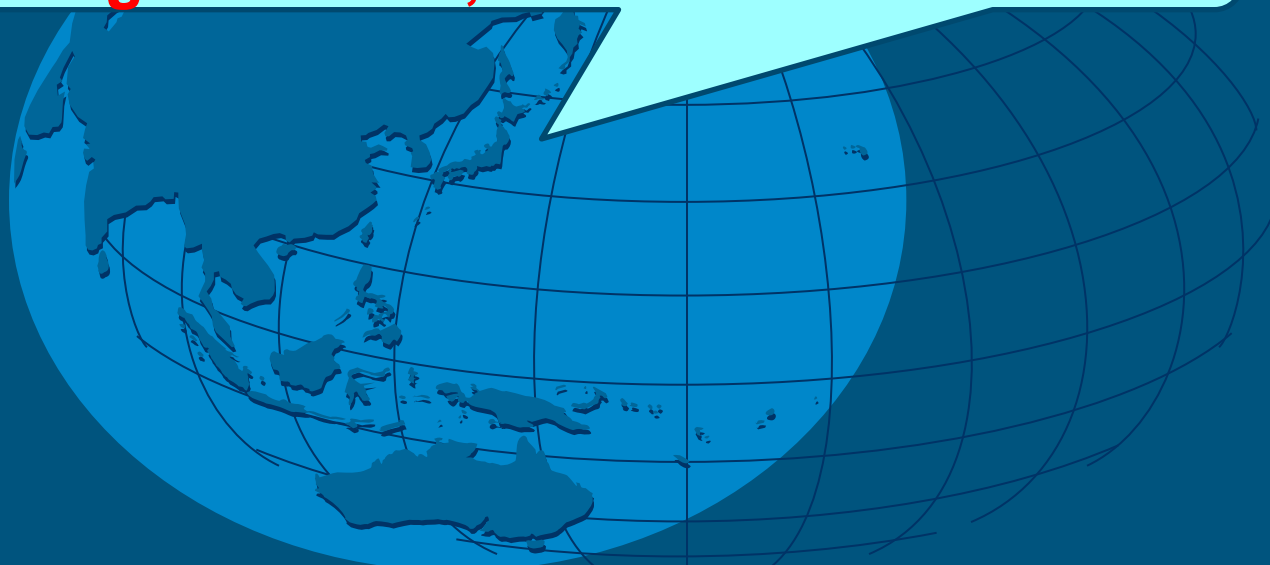
November 22, 2022

FURUSAWA Koyu

Comments for Prof. Marco BECHT : ***Voice Through Divestment***

Change for Sustainability

Corporate governance, finance and economics



FURUSAWA Koyu (Chief Executive of JACSES; Japan
Center for a Sustainable Environment and Society /
Visiting Professor, Kokugakuin University)



**No Coal,
Go Green!**

JACSES

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(JACSES)

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What is JACSES?

- Founded in 1993 after the Rio Earth Summit
- Independent, non-profit and non-governmental organization
- Seeking to realize a sustainable environment and society through broad cooperation of citizens
- Engaged in policy research concerning Japan's ODA and MDBs
- Engaged in policy dialogue with NGOs and policy-makers

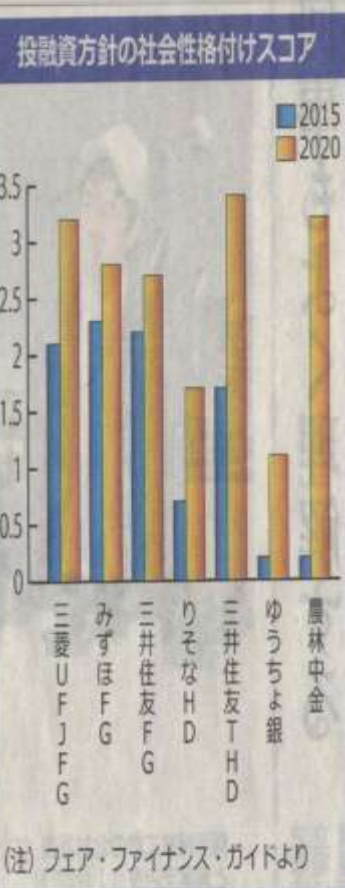
Programs :

Development & Aid , Green Tax Reform , Climate Change, Earth Summit, **SDGs**, Consumption, **Fair Finance**, etc

Strategic approach for sustainability

- (A) Technological innovation:** Technological pollution control, ecological design and planning of industrial product and processes, recycling technology, eco-efficient technology, mitigation technology, environmental management technique; such as LCA, environmental accounting and audit, etc.
- (B) Legal regulation:** Environmental law and regulation such as prohibition, permission, penalty, restrictive control, etc.
- (C) Economic method of control:** Economical incentive and disincentive; such as subsidy, charge and eco-labeling, environmental tax, usage of market mechanism; such as emission trading, ***ESG***; ***Finance & Investment, Divestment***, etc.
- (D) Socio-cultural adaptation:** Environmental and social ethics, cultural value system, social capital and capability, cooperative life-style, education, religion, media & advertisement, etc.

フェア・ファイナンス・ガイド
2022年版スコアをまとめた格付け



NGO4団体 社会性で投融資格付け 大手行や農林中金引き上げ

銀行の社会性を、まるっと格付け

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日本初！ 銀行の社会性を格付け

2022年版スコアを発表！ 農林中金は首位を維持。メガバンク間にも差が

【ケース調査】海より深い欲望 - 深海探検への投資

え、わたしの貯金って、こんなことに使われてたの？

News 2022年版スコア改定：農林中金・第一生命が2年連続首位 | [もっと読む](#)

2022 総合点

三菱UFJ	みずほ	三井住友	りそな	三井住友トラスト	ゆうちょ銀行	農林中央金庫
3.0	3.5	3.2	2.5	3.5	1.1	3.8

Fair Finance Guide 2022（日本版）スコア一覧

A FUTURE WITHOUT COAL

Banking on Asia's Just Energy Transition



FAIR FINANCE ASIA

Why develop a green taxonomy?

The development of a green taxonomy is envisaged as one of the policy approaches to potentially reorient more capital towards meeting the Paris climate goals and the SDGs. Moreover, it's also aimed at promoting:

No Coal, Go Green!

VARFÖR PUMPAS DINA PENGAR IN I ARKTIS?



FairFinanceGuide
Sverige

1

Harmonization and
standardization

Of the many definitions of environmentally sustainable activities to prevent misleading or ineffective classification systems.



2

Avoidance of false
claims

More commonly known as "greenwashing", i.e., the act of persuading the public that certain activities, projects or companies are ecologically friendly.



3

Increased
transparency of
financial flows

Which is critically important to track the financial sector's progress towards just transition and reorienting finance towards sustainability.

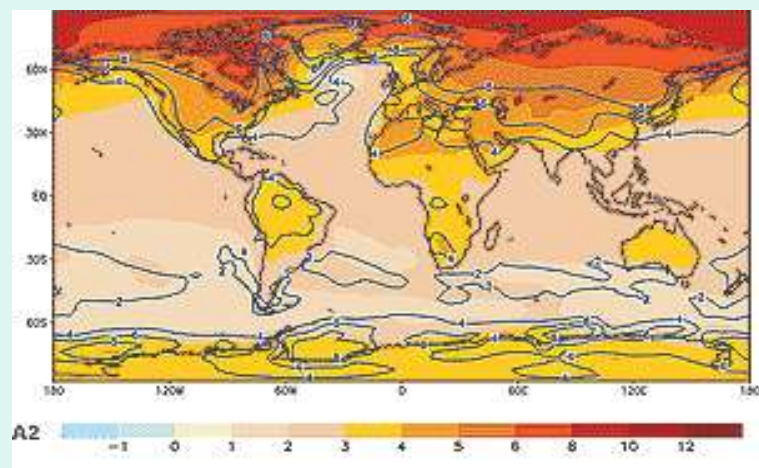
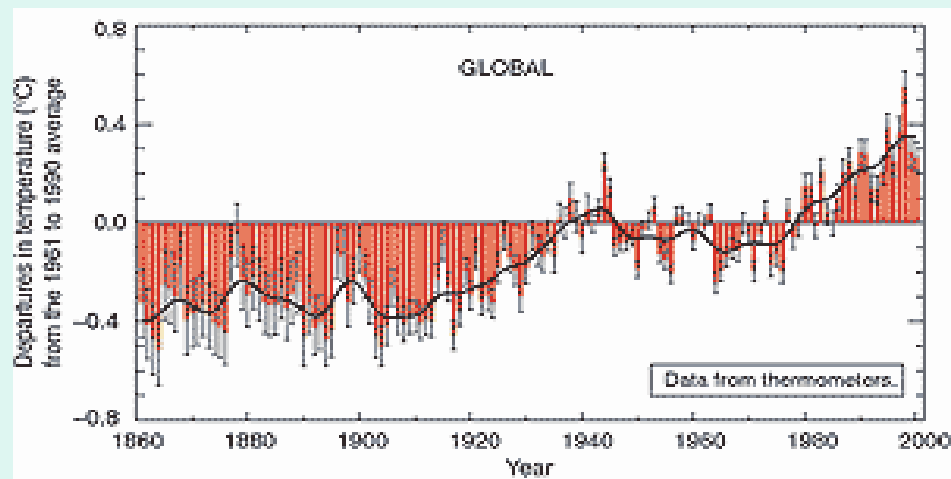
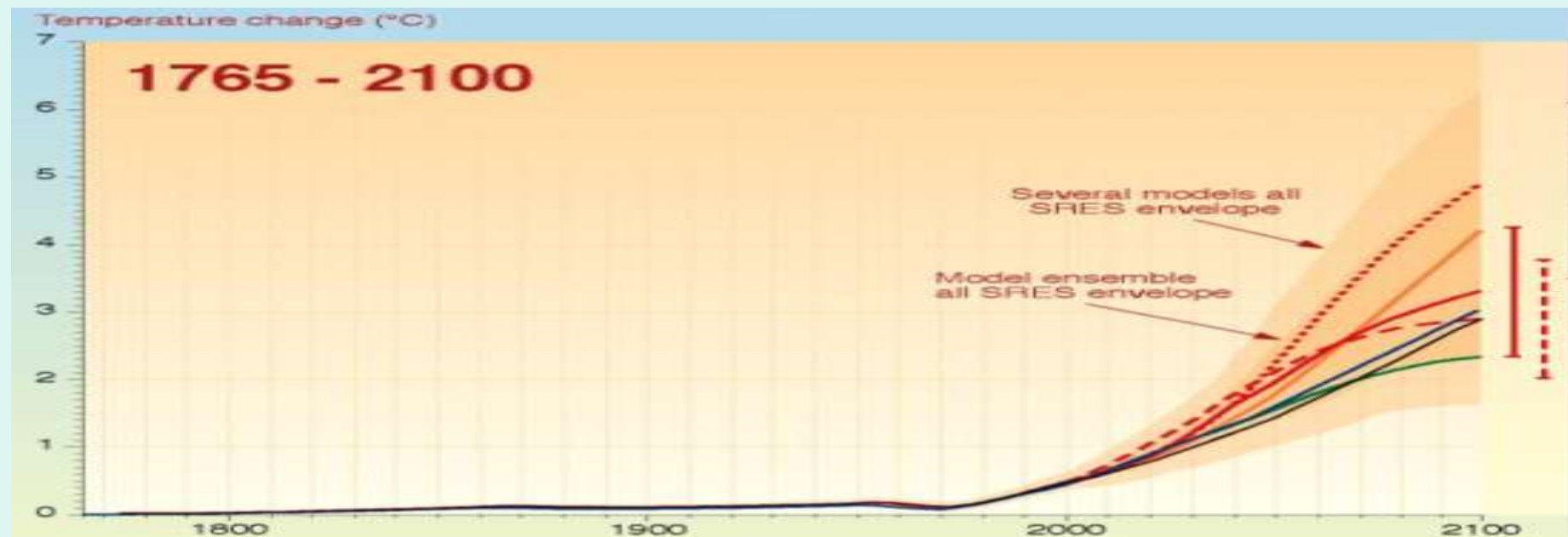


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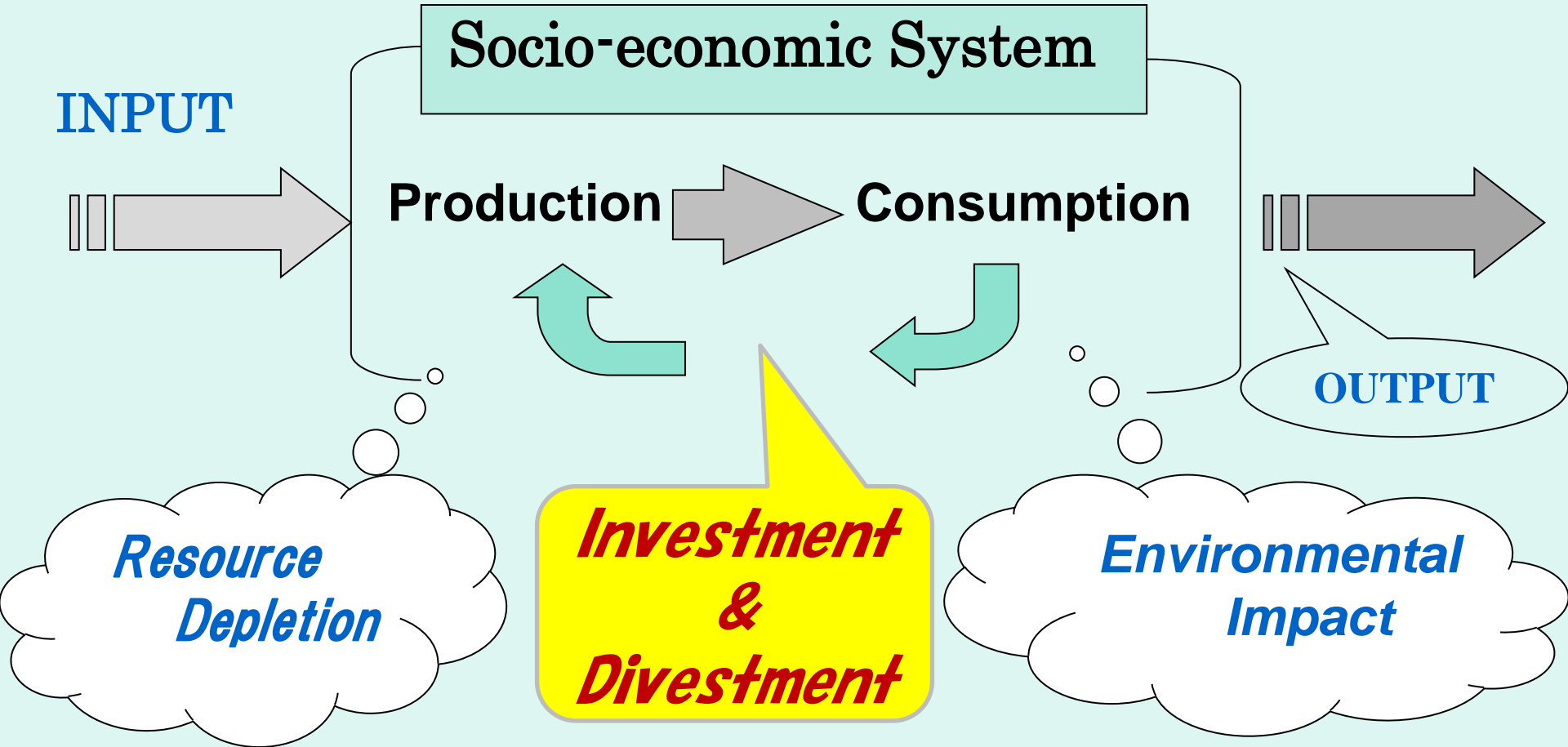
More effective
regulation & policy
coordination

In order to support relevant authorities and stakeholders that need to monitor progress in line with taxonomy-aligned financing.





Modern Production & Consumption Pattern



Trend analysis of world structure (regime shift)

1972

1980

1992

2000

2011

2015

2020

UN Conference on Human Environment (1972)

Earth Summit(1992) ⇒

Green consumer/Ecical consumer ⇒

★ world financial crisis *Covid19*

MDGs(2000-2015)⇒SDGs(2015-2030)

Green economy ★Rio+20

CSR, SRI ⇒ UN Global Compact(2000) ~

★ ESG PRI(Principles for Responsible Investment, 2006) ~
UN; Guiding Principles on Business and Human Rights , 2011 ~

Sustainability Regime Shift ⇒

UN FCCC(Convention on Climate Change)
(TCFD; **Task Force on Climate-related Financial Disclosures**)

UN CBD(Convention on Bio-Diversity)
(TNFD; **Taskforce on Nature-related Financial Disclosures**)

GATT,WTO(1995-), FTA,TPP, etc ?

The End of the Cold War Structure ⇒

★***Expansion of global capitalism ?***

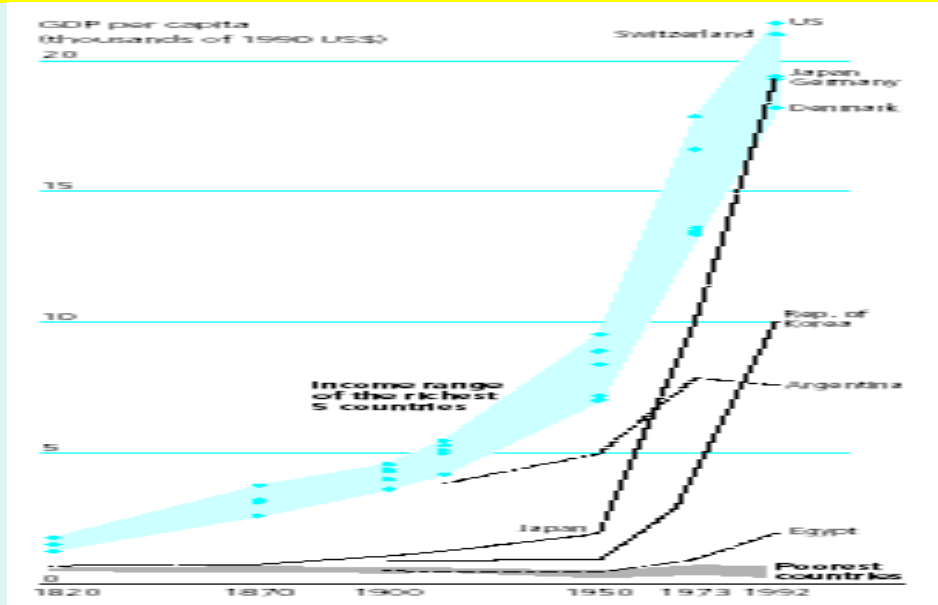
Fluctuations on Environmental and Social Justice ??

Characteristics of the Civilization



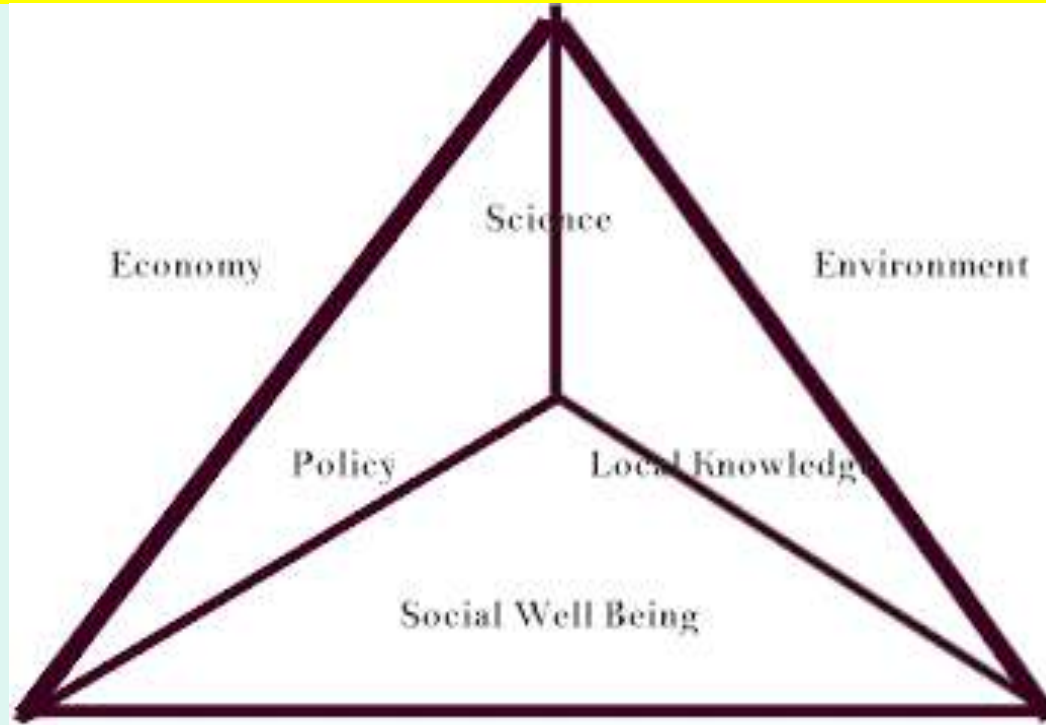
図4-28 人類の発展とエネルギー等の交差の歴史 (C.A.A. 世界文明の発展とエネルギーの消費)

Three characteristics of modern civilization



- **Rapid growth and expansion**; this development pattern has a tendency of logistical rapid growth and enlargement.
- **Global inequity and large gap**; it has been creating a big gap within human beings.
- **Linier maximization**; mono-cultural value & lost of diversity.

Three dimensions of Sustainable Development



Sustainable development is seeking for the harmony among **Economical** development, **Environmental** adjustment and **Social** justice.

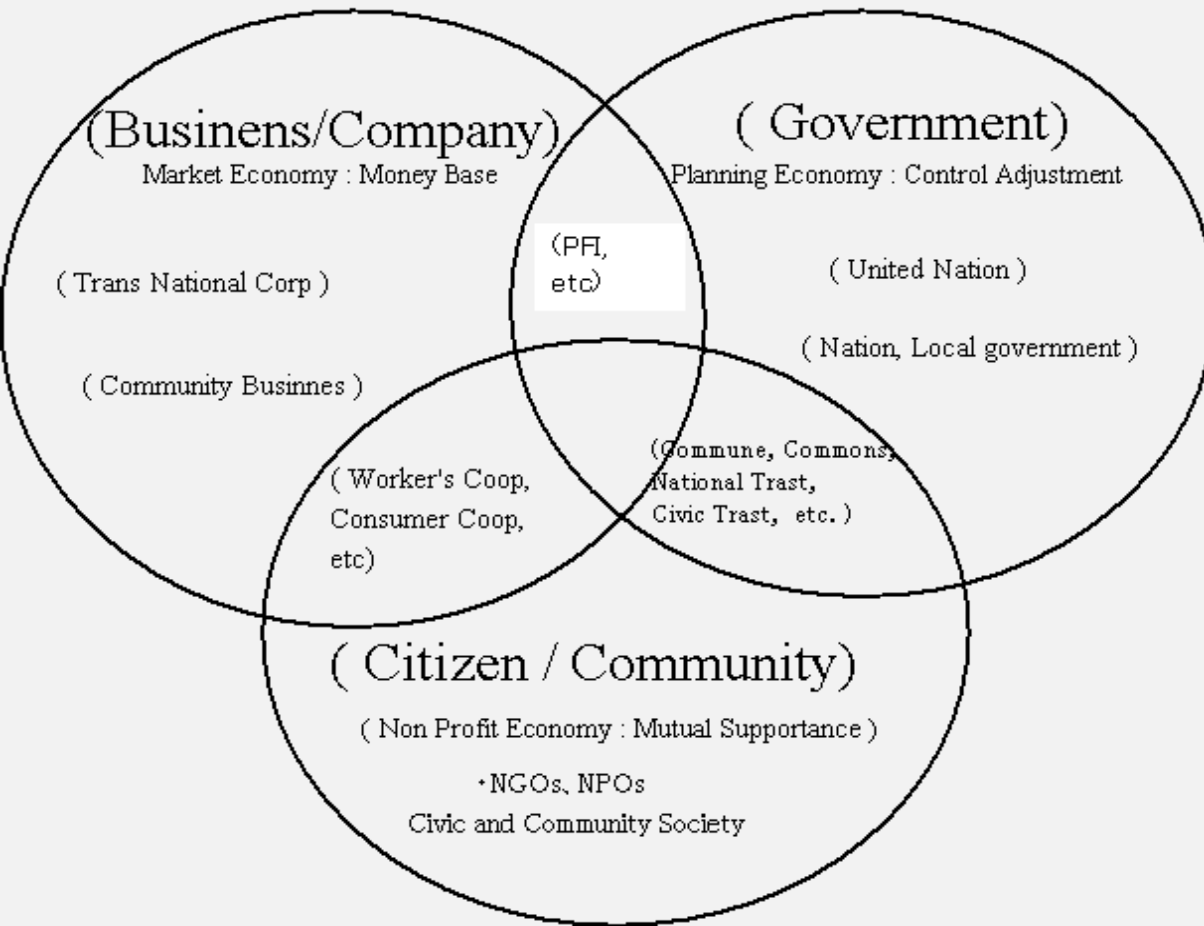
Comprehensive sustainable approach; *micro to macro*

- (1) **Products / production process level**; such as LCA approach, eco-labeling evaluation, eco-design approach, etc.
- (2) **Person / family level**: Green & Ecical Consumerism etc.
- (3) **Enterprise and business level**: Eco-products, design and Green Business, **CSR, SRI, PRI, ESG, Divestment**, etc.
- (4) **Industrial organization / relation level**: Zero-emission (no waste) model and Eco-industrial complex, etc.
- (5) **Regional planning / national level**: Eco-city, Sustainable community, Bio-regionalism and to create strong environmental law and regulation system, SEEA; System of Integrated Environmental and Economic Accounting (green GDP,GNH, Better Life Index, etc.)
- (6) **International level**: International treaty, agreement, organizational activities (from NGOs to UN), SDGs, etc.

New mixed socio-economic system

—Collaboration in 3 socio-economic sectors—

【3 Socio-Economic Sectors】



There is a limit to resolve the modern age problems by top-down regulation and business based on market economy.

How can we resolve the problems smoothly and effectively?

Voices through the active involvement of citizens based on partnership and cooperative actions in many areas of our global society.

For Sustainable Society

Comments & Discussions

- *Are there any different **Divestment Effects** among different country's political system internationally.*
- *How are the Covid-19 & Ukrainian crisis affecting Divestments from short-term and long-term view in our unstable world?*
- *What are the possible strategic developments in the relationship between investments and divestments for **sustainable corporate governance**?*

Thank you for your attention.

Please visit our web-site, more information.

<http://jacs.es.org/>

<http://jacs.es.org/en/>

★Coming soon two events, *social solidarity economy*,12/2,
https://note.com/rentai_economy22

after 50th anniversary of *the Limits to Growth*,12/17.
<https://atfj.jp/news/14thforum/>