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## **Using Financial Markets and Consumer Pressure to Realize Conservation Goals**

By Philip Clement, AWA Conservation Biologist

The Commission for Environmental Cooperation (CEC) of North America held a public workshop titled "Investing in North America's Future: Innovative Financing for Sustainable Development" on December 9, 2002 in Monterrey, Mexico. The workshop highlighted the power of using financial markets and consumer pressure to realize conservation goals.

The workshop also illustrated the importance of understanding the link between financial markets and sustainable development, something which, although it has tremendous implications, needs significantly more research. Speakers discussed activities on understanding investment and environmental linkages in North America, and financing environmentally preferable goods and services.

Socially responsible investing was also discussed at the workshop. According to Micheal Jantzi Research Associates Ltd., in 1989 socially responsible investment mutual fund assets in Canada totalled about \$102 million, a number that increased to \$3.8 billion by the end of 1999. This represents a growth rate of more than 3,700 per cent during the 1990s. Further, a survey done by a Montreal pollster revealed that 53 per cent of Canadians are interested in ethical mutual funds, even if they provide a lower rate of return.

Investors and mutual fund managers need information about the investments they recommend. To this end, Albertans for a Wild Chinchaga, CPAWS-Edmonton Chapter, and AWA recently sent a letter to over 50 investors letting them know that "Alberta's forest policy and practice must be changed to provide a sustainable industry for the long-term benefit of our forests, forest industry and forest dependent communities. Endangered forests need to be protected to meet the demands of many retailers. Forest management needs to be improved to meet the certification standards of FSC. These measures will ensure more secure investment opportunities."

John Ganzi, the executive director of the Financial Institute for Global Sustainability, discussed the increasing potential of "shareholder activism." For example, AWA and its members could purchase stocks in a company and attend shareholder meetings where decisions on the management of the company are made. As shareholders, AWA and its members would be able to directly voice opinions about specific issues and topics of concern to company management (i.e., do not drill in the Bighorn or the Castle).

The CEC was established by Canada, Mexico and the United States to build cooperation among the North American Free Trade Agreement (NAFTA) partners in implementing the North American Agreement for Environmental Cooperation, the environmental side accord to NAFTA. The CEC addresses environmental issues of continental concern, with particular attention to the environmental challenges and opportunities presented by continent-wide free trade.

