



Key Subject Area: Jersey's Finance Sector

13 March 2021

Dear fellow Citizens

Submission to Jersey's Citizens' Assembly (CA) on Climate Change

A. Go Beyond Politics

Extinction Rebellion Jersey would like to thank you for undertaking this important work on behalf of all Island Citizens. We are truly grateful because the setting up of Citizens' Assemblies to deal with the Climate and Ecological Emergency (CEE) is the third demand of Extinction Rebellion (XR) here, in the UK and across the world.¹

The growing number of Citizens' Assemblies in various countries at long last indicates a recognition on the part of governments that thirty years of national legislation and international agreements have not halted carbon emissions and ecological destruction. Ideological, economic and cultural shackles have prevented meaningful progress in averting this existential threat.

Free from the shackles of vested interests, independent Citizens' Assemblies are thus one of the shrinking number of options that will truly make a difference **but only if you, fellow citizens, recognise that our current system has to change fundamentally and globally if we are to survive and thrive.**

In this global context, it may seem that the steps you take over the coming weeks will be fairly small. But we urge you to view your deliberations as part of a great leap for mankind.

We urge you to use the power that you have been granted to be as courageous and ambitious as you possibly can when you submit your recommendations to the Government of Jersey.²

B. Scope 1 and 2 Emissions

As our representatives, **you have our complete trust that you will fulfil your mandate** as outlined in the Carbon Neutral Strategy (CNS) in relation to Scope 1 and 2 emissions as well as to consider 'how a full transition to zero (or almost zero) emissions in key sectors might be achieved'³.

¹ Our three demands are: Tell the Truth, Act Now and Go Beyond Politics. See <https://rebellion.global/>

² Take courage too, from the fact that ahead of COP26 in Glasgow in November, the 1000-strong Global Citizens' Assembly will be taking place. <https://www.globalca.org/> and <https://www.theguardian.com/environment/2020/dec/10/cop26-global-citizens-assembly-planned-to-address-climate-crisis>

³ Carbon Neutral Strategy 2019, Appendix 3, p. 93. Hereafter CNS

C. Scope 3 Emissions

As you know, Scope 3 emissions ‘do not form part of the baseline for carbon neutrality’⁴ and therefore, strictly speaking, do not fall within the remit of the CA. This is a cause for great regret and concern for us in XR Jersey. We have consistently made clear our view during the series of five meetings, between November 2019 and February 2021, which we held with government officials from the Department for the Environment.

We were therefore **extremely heartened to be told that the CA could, if it were so minded, consider and recommend action on the impact that Jersey has on global emissions.**

D. Fossil Fuel Investments – the burning issue

With this in mind, we urge you to use your power on one of the most important issues of the Climate and Ecological Emergency as it relates to our Island of Jersey: **the role of Jersey’s finance sector in fossil fuel investments.**

First though, it is important to say that we welcome the following points made in the CNS:

1. that ‘it is important to have a strategic focus on all emissions’⁵;
2. that Jersey’s finance sector is a major driver of its global environmental impact.
3. that Jersey Finance is positioning Jersey as a specialist in socially responsible investing (SRI) and impact investing;
4. that the Jersey Financial Services Commission (JSFC) has in place its Sound Business Practice Policy and Sensitive Activities List, which make it clear that ‘the island will not host companies that invest or trade in illegal activities or those that are classified as high risk in terms of global reputational positioning.’⁶

We put it to you that point 4 provides the Citizens’ Assembly with a powerful opportunity for deliberation and recommendation.

If you agree, the question then is: **would it be feasible for the JSFC to define fossil fuel investments and lending as ‘sensitive activities’?**

The CNS would have you believe that it is not feasible:

...it is difficult to measure the global environmental impact of financial centres. Beyond direct emissions from their everyday operations, there is very little publicly available information regarding where their funds are invested, the process of allocating funds and what impact all of this could have on the environment.’⁷

Historically, it has been difficult but that is changing rapidly.

⁴ CNS, p. 29

⁵ CNS, p. 77

⁶ CNS, p. 80

⁷ CNS, p. 80

E. The Global Coal Exit List

The German environmental group Urgewald⁸ has produced the Global Coal Exit List (GCEL), a powerful information tool that is playing an influential role in shaping new policies by financial institutions on coal and related industries (such as coal ports, coal railways, construction of coal-fired power plants, components etc)⁹. By November 2021, Urgewald will publish a similar list (GOGEL – Global Oil and Gas Exit List) of financial institutions investing in oil, gas, fracking and drilling exploration.

To repeat the question then: **would it be feasible for the JSFC to define fossil fuel investments and lending as ‘sensitive activities’?**

In the case of coal, the answer is **Yes!** And for oil and gas, the answer is **Yes, soon!**

The CNS relegates this most important of issues to its ‘long-term action plan’, saying that the JSFC’s ‘guidance does not currently include activities that increase climate risk, [but that] further consideration will be given to a framework to monitor international progress in this area.’¹⁰

There is absolutely no reason why this cautious ‘consideration’ of ‘a framework to monitor international progress’ cannot be turned into urgent and time-bonded action.

Underlying the JSFC’s caution is the almost religious belief that the global market will naturally make investment in fossil fuels untenable. Even if this myth¹¹ is partially true, **there is simply no time to wait for this to happen.**

‘Delay is the deadliest form of denial’ as the historian Cyril Northcote Parkinson noted.

In this regard, we commend to the Citizens’ Assembly three datasets from the Global Coal Exit List published by Urgewald earlier this year:

1. Financing of GCEL 2020 - Tax Havens [*sic*]
<https://drive.google.com/file/d/1a55K7XCD0vxVSQrlzqjBCp9WYcJ0phuH/view?usp=sharing>
2. Financing of GCEL 2020 – UK
<https://drive.google.com/file/d/1K6yaA7y8H2jGcXZD7I1DPNq8or2boWf6/view?usp=sharing>
3. GCEL 2020 Financing - Top 30 Financial Institutions and Country Ranking – Lending and Underwriting
https://drive.google.com/file/d/1dhpH0-KZUDmoe_QiZIH0wYX1P8_WG5Or/view?usp=sharing

As yet, the first dataset contains little detail on coal investment specific to Jersey investors but it is updated periodically. The second dataset for the UK is extensive. Because it lists only banks

⁸ <https://urgewald.org/english>

⁹ <https://coalexit.org/>

¹⁰ CNS, p. 80

¹¹ See for example, Kate Raworth, *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist* (2017), Chapter 6.

and investors headquartered in the UK, Jersey does not feature, at least at first glance. But of course, as Jersey Finance itself says, this island ‘represents an extension of the City of London’¹².

The logical conclusion then, is a relatively easy task: use the dataset ‘**Financing of GCEL 2020 – UK and cross-reference with the JSFC’s Registry that lists all currently active registered companies in Jersey**’¹³

F. Oil, Gas, Fracking, Exploration and Drilling

In addition to the detailed information of the above two datasets, there is of course a wealth of more general information on how banks in particular continue to fund fossil fuels. It goes without saying that a large number of banks involved in fossil fuel lending and underwriting dominate Jersey’s financial landscape. We commend to you just two sources that demonstrate this:

4. Rain Forest Action Network: Banking on Climate Change 2020 (Global Report)
<https://www.ran.org/bankingonclimatechange2020/>
5. Useful videos:
https://www.youtube.com/results?search_query=urgewald+abc+of+finance

G. Tell the Truth and Act Now

Our first and second demands - Tell the Truth and Act Now - are the *cri de Coeur* of our submission to the Citizens’ Assembly.

In summary, we thus urge that your recommendations to the Government of Jersey include:

1. **Coal and related industries:** place on the JFSC’s Sensitive Activities List all companies registered in Jersey **investing, lending and underwriting in coal and related industries**, as described in the datasets of Global Coal Exit List and any other available databases.
2. **Oil, gas, fracking, exploration and drilling:** stop merely considering ‘a framework to monitor international progress in this area’ and take urgent time-bonded action (as described above) when the Global Oil and Gas Exit List is published in November 2021.

Fellow Citizens, we pass to you the torch of courage and of the love that we, like you, have for our Island home, our earth and all its people.¹⁴


On behalf of Extinction Rebellion Jersey
and in the name XR UK and XR International

¹² <https://www.jerseyfinance.je/media/PDF-Brochures/Jersey%20for%20Banking.pdf> . It is worth noting that Britain as a whole, not just the City of London, counts as what used to be called a tax haven but is better described these days as a ‘secrecy jurisdiction’, according to the definition used by the International Monetary Fund. See Ahmed Zoromé, ‘*Concept of Offshore Financial Centres: In search of an Operational Definition*’, IMF Working Paper, WP/07/87, 2007.

¹³ <https://www.jerseyfsc.org/registry/>

¹⁴ **WORD COUNT: 1473**