Intergenerational Finance (IGF)

Operating system for a business partnership with future generations.

"What are the key financing policy reforms and solutions that the fourth International Conference on Financing for Development should deliver?

"*You have to make it profitable.*" Bridgewater's Ray Dalio.

How might market incentives be practically applied to the accelerating systemic problems that threaten human security, resource stewardship and planetary system stability?

Traditional tools of moral suasion and industry-constrained regulation are clearly not sufficient.

Estimates of as much as 10 trillion in annual capital investment would be required to meet the sustainable development commitments unanimously adopted by the community of nations in 2015.

When nations met in Paris, equity in the coal industry was $230B (225 companies) and in the oil and gas industry $4.3T (1500 companies). Three years before Paris, the Climatewise Reinsurance Alliance (then aggregate assets $3+ trillion) stated that less than .01% of the $95T bond market had been positively identified by issuers or market observers as contributing to low carbon growth.

The scale of this future-blind investment problem has only increased. The competitive attraction of such investment depends on their short term cash return orientation, and the freedom to externalize massive real costs into ecosystems and off the books, at the expense and security of future generations.

But what if the elimination of such externalized costs could become profit centers? Might biddable intergenerational services, measured by vetted science and funded through long term financial instruments, become redeemable in the current quarter? Using a dedicated card at the point of purchase, products that deliver value to future generations would be cheaper and more competitive.

A business partnership with future generations is possible. Such a partnership is also a richer wealth creation engine than the standard model on offer.

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Access to long term wealth and security requires new tools in finance, and a critical partnership with the global science and expert measurement communities.

Given there is more real wealth created by managing resources for the long haul, how can Finance for Development unlock a profitable intergenerational marketplace?

There are three fundamental structural problems to be overcome:

(1) Trapped equity: Capital and Jobs are stuck in the old hardware and dangerous fuels—as are the parliaments and politics.

(1s) Solution: The global finance community uses long term science-based instruments to support voluntary rapid retirement of high carbon infrastructure and related dependent employment.

(2) Unmeasured consequences: We don't measure, therefore cannot value (or make markets in) the life-cycle effects of investments—good and bad.

(2s) Solution: A catalog of vetted third-party science-based metrics that support the competitive bidding and deliver of intergenerational outcomes.

A software package has been designed to support this purpose, which the author would be honored to share with the Co-Facilitators and Preparatory Committee. The creators envision the sale of this desk top tool as a permanent income to a science-based secretariat whose mission would be to build and maintain in perpetuity an earth catalog of biddable contract metrics for intergenerational service.

The IP would be a gift to such a secretariat.

(3) No transactional framework: There is no buyer for integrated value distributed broadly across sectors and deep in time.

(3s) Solution: The development of a planet-wide network of locally controlled Community Ecosystem Redevelopment Districts empowered by global finance to solicit and fund competitive proposals to relocate trapped equity in infrastructure and employment. Built around the foundational goal of restoring ecosystems and their vital services, old or missing infrastructure would be replaced by fully integrated radically efficient systems, locally designed and culturally appropriate, that optimally deliver both contemporary and intergenerational outcomes.

There is no shortage of capital in the global economy. If a minimum return were assured, the aforementioned 10 trillion could be accessible to asset owners within the proposed global network of community ecosystem redevelopment districts to rapidly retire and replace existing facilities and jobs.

We might then set upon the business of building a global economy based upon the permanent stewardship of our planet's finite resources and abundantly generous living systems.

Respectfully submitted,

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