

Earth Institute, Institute for Global Sustainability (EICES)

Scenarios for a Sustainable World

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**Thursdays, 6:10 to 8:10 pm - Jan 31, Feb 7, 14, 21, 28
2013**

**Columbia University Morningside Campus, NYC &
Online via EICES Distance Learning Technology**

Traditional regulatory solutions, NGO & related UN activity, investor behavior, as well as voluntary corporate efforts, do not seem sufficient to stave off the worst effects of potential environmental limits & changes. While there is growing awareness among global investors, consumers, families & corporates that significant problems exist in the not too distant future, solutions are lacking.

We face likely worsening effects from resource constraints and potential climatic change, as well as issues of increasing inequity affecting economies, lack of trust in institutions and other governance challenges, etc. Unhelpful noise also increases (the Do the Math tour, for example). ESG factors also are increasingly seen as potential indicators of investor & corporate success even while data is insufficient. Tipping points are unclear but seemingly critical to measure and understand.

This class is will examine three scenarios:

- 1) Business as Usual, and what are the Implications if we continue on our present path
- 2) Incremental Change, can it be enough, or if not,
- 3) Radical Transformation and what can that look like as a positive remedy.

What are the implications of this three scenarios will be explored, including criteria & timeframes of what could be anything from very difficult to impossible steps to achieve that we may just have to try at some point soon.

Winners and losers emerge from these three scenarios, and a prime focus will be placed on implications for investors who take no action versus the potential for investing as a whole to facilitate a positive dynamic for all stakeholders and lead us to a sustainable future.

Student products: Students are required to achieve towards three categories of work as follows:

Readings, Participation & Personal Reflection: Assigned chapters, case studies & articles to be read, and active participation in class is expected. We will aim to facilitate as much interactive discussion & conversation both live and with our virtual classmates. At class end, a short paper on your personal reflections on this subject will be requested.

Readings to be assigned in advance of each class and will be made available through the university website, along with recommendations for purchasing the optional & mandatory texts involved.

Initial Projects: For the 3rd class, each student will be required to analyze one public company of choice, and discuss why they feel it is well positioned for success in all of these three scenarios. For the 4th class, we will look to form sustainable portfolios among different asset classes.

Final Project: Class will be divided into two or more groups, each of which will create what they see as the scenario most likely to lead to a sustainable future.

Grading: Grades will be based 25% for the first category above, 25% for the second, 50% for the final project - Pass/Fail within EICES Certificate Program

Office Hours: Anyone interested in a separate meeting or discussion can feel free to contact me at the email address above.

The topics to be covered in the course sessions are described below.

Class I/Jan 31: the State of Affairs

- What is the State of Affairs on Environmental, Social & Governance issues - parsing through what is important and not
- What is the state of Global Investing in this regard, and why that is critical
- Guest Speaker - Andrew Aulisi/Credit Suisse, Director of Sustainability
- Review of GRI guidelines, other standards & indicators - parsing through what is material and not
- A review of the Principles for Responsible Investment, and the UN Global Compact's Ten Principals
- Course structure/future assignments

Recommended Readings:

Krosinsky/Robins - Sustainable Investing: The Art of Long Term Performance
(Earthscan, 2007)

Krosinsky/Robins - Evolutions in Sustainable Investing: Strategies, Funds & Thought
Leadership (Wiley, 2011)

Krosinsky @ Greenbiz.com on the Do the Math tour (two pieces)

Krosinsky, Apple/Bloomberg

+ Yale Videos (Robert Costanza, Pavan Sukhdev)

Class II/Feb 7 - Case Discussions / First Assignment

- Class Discussion of Two Investment Cases
 - HBS/Generation Investment Management
 - HBS/A123
- First Class Assignment - Present next class your vision of 1 Sustainable company & why
- Guest Speaker - Katie Schmitz Eulitt/SASB

Class III/Feb 14 - Scenarios & Mechanisms

- Students to present their chosen sustainable company with reasoning - guest speaker from investment industry to attend and advise
- A review of global Feed-In Tariff regulations, and the work being done by Dan Esty in CT on reverse auctions & energy efficiency financing
- Review of B Corporations & Impact Investing + the scale challenge
- Review of Scenario work being performed by Shell, IEA, BP, WBCSD, others
- Implications for Infrastructure, PE and other asset classes (video - Jeremy Grantham)
- Guest Speaker - Stephen Viederman, Christopher Reynolds Foundation
- Review of next class/assignments

Recommended Readings:

To be discussed in class

Class IV/Feb 21 - Portfolios for a Sustainable World

- Students Portfolio Presentations
- Guest speaker - Jeffrey Cherry, The Porter Group
- Further Scenarios discussion - how investing can play a role - what are investors doing now?
- What role if any should Governments play & how? What global organization can regulate effectively? If none, what does this need to look like? What voluntary efforts can be enough?
- Next class/assignments - Build Final Scenarios

Recommended Readings:

To be discussed in class

Class V/Feb 28 - Final Scenario & Asset Allocation Discussion

- Students to present their final scenarios towards attempting to find consensus
- Guest speaker - Amy Larkin, Author of the Forthcoming *Environmental Debt: The Hidden Costs of a Changing Global Economy*
- Future techniques including Biomimicry, Naked Value
- Future effects of technology/automation, globalization trends
- Where are we headed short, medium, longer term & other future considerations