

STATES OF JERSEY



COMMON STRATEGIC POLICY (P.98/2022): FIFTH AMENDMENT

Lodged au Greffe on 8th November 2022
by Deputy R.J. Ward of St. Helier Central
Earliest date for debate: 22nd November 2022

STATES GREFFE

COMMON STRATEGIC POLICY (P.98/2022): FIFTH AMENDMENT

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After the words “report of this Proposition” insert the words –

“, except that, on page 15 of the report, following the fifth paragraph, after the words “utility services.” there should be inserted the following new paragraph –

“We will also:

- actively promote and action the disinvestment from fossil fuel linked investments from Jersey linked businesses;
- adopt a policy of opposing investment in fracking; and,
- enable Jersey as a pioneer and global leader in sustainable finance and introduce the legislation required for sustainable finance.”.

DEPUTY R.J. WARD OF ST. HELIER SOUTH

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

in accordance with Article 18(2)(e) of the States of Jersey Law 2005, to approve the statement of the Common Strategic Policy of the Council of Ministers as set out in the report of this Proposition, except that, on page 15 of the report, following the fifth paragraph, after the words “utility services.” there should be inserted the following new paragraph –

“We will also:

- actively promote and action the disinvestment from fossil fuel linked investments from Jersey linked businesses;
- adopt a policy of opposing investment in fracking; and,
- enable Jersey as a pioneer and global leader in sustainable finance and introduce the legislation required for sustainable finance.”.

REPORT

In 2019 the States of Jersey Assembly declared a climate change emergency;¹ the Common Strategic Policy (CSP) is a key indicator of the principles of governance in Jersey and should reflect this sentiment.

One of the Island's major source of influence is finance, and in particular investments beyond Jersey, but transacted here, that include fossil fuel production and fracking. These actions are widely agreed to contribute to climate change. By stating the principle of disinvestment in these ventures, the States of Jersey can send a clear signal of the importance of this environmental change and lead the Island's financial sector to do the same.

Including this principle in the CSP can be seen as problematic, as tracking this sort of investment can be difficult. However, by Government making clear to investors that there will be an active encouragement to divest, future "Greener" investments will be attracted and our place in addressing climate change is enhanced.

The States of Jersey manages the public funds of Islanders. Fossil fuel investments are becoming increasingly risky as the cost of extraction increases and international treaties restrict the use of such fuels. Not only does it make moral sense not to invest in an industry that is driving the production of Greenhouse Gases, but it also makes financial sense. The extent of investment within the Common Investment Fund is indicated through a Freedom of Information Request (FOI) published in February 2018. The FOI detailed a £69.377 million investment in companies that identify their primary industry as Coal, Oil or Gas.²

By divesting from fossil fuels, the States of Jersey will join New York City and public institutions such as the British Medical Association, Glasgow University and Oxford City Council, amongst many others, in leading by example to help create a sustainable future for the citizens of Jersey and beyond.

Jersey's Citizens' Assembly on Climate Change highlighted the importance of developing Sustainable Finance, with the main themes highlighted by that assembly being:³

1. Jersey establishes itself as a sustainable finance hub
2. Jersey as a pioneer and global leader in sustainable finance
3. Jersey introduces the legislation required for sustainable finance
4. Jersey provides education and awareness on sustainable finance
5. Investors should have choices

Further details on how Jersey should achieve those themes can be found on pages 56 and 57 of the report from Jerseys Climate Change Assembly ([R.95/2021](#)).

This proposition does not seek to specify the way that the Government of Jersey implements and promotes disinvestment from fossil fuels or fracking, but it is important that the States Assembly's will is reflected within the CSP.

¹ [P.27/2019\(Rpt\)](#)

² <https://www.gov.je/government/freedomofinformation/pages/foi.aspx?ReportID=1946>

³ <https://statesassembly.gov.je/assemblyreports/2021/r.95-2021.pdf#page=57>

Financial and manpower implications

As a principal agreement it is impossible to identify financial and manpower implications at this stage, these would need to be developed based upon the Government of Jersey's chosen implementation. Potential items will include policy production, promotion and communication, as well as implications of divesting from relevant shares held in the Common Investment Fund.