GJOP Global Justice Overcoming Poverty

Network BULLETIN

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INVESTOR STATE DISPUTE SETTLEMENTS (ISDS) REFORM IS URGENTLY NEEDED

Many international investment and trade agreements include provisions for convening international tribunals to settle disputes between corporate investors and governments. These ISDS provisions give foreign investors the right to sue states for billions of dollars of compensation when they anticipate that their profits will be adversely affected by public measures such as green regulation. This controversial arbitration system is largely carried out behind closed doors, with some judgments kept secret. But, according to a global ISDS tracker, $114 billion has so far been paid out of the public purse to investors – about as much as rich nations provided for climate aid in 2022.

Fossil fuel companies have been by far the biggest beneficiaries of the ISDS system, raking in $80.21 billion since 1998, according to the tracker site. If current trends continue, at least another $48 billion will be disbursed to settle cases currently under litigation, the research finds. Lucia Barcena of the Transnational Institute, one of the three groups that created the tracker, said:
'The ISDS mechanism continues a system where corporate perpetrators get paid for finally doing the right thing, or at least for stopping doing the wrong thing. This money should pay for reparations for the innocent victims of global heating, not handed out to the corporations causing it.'

Tom Wills, the Director of the Trade Justice Movement, which co-created the tracker, said:
'The data backs up what we've been saying for years: ISDS is the secret weapon for fossil fuel companies against climate laws. This needs to stop. The data shows reform is urgently needed.'

The ISDS system is reeling after European Union countries last week withdrew *en masse* from the Energy Charter Treaty, one of the most significant sources of investor-state claims, although the mechanism remains a feature of most modern international investment agreements.

Unlike in national courts, ISDS tribunals allow investors to shape the panels that will hear their case. This creates 'obvious risks of bias, conflicts of interest, potential misconduct and other abuses of power', according to a United Nations report last October. The ISDS system has prevented states from taking climate action, even when it has been 'necessary and foreseeable for decades', the report found.

The tracker has a searchable archive of all 1,362 ISDS cases filed. It shows that investors have so far tried to claim $857 billion from national governments, with 129 claims registered for $1 billion or more. Some of the most eye-catching cases include:
A $15 billion compensation suit by TC Energy against the United States government for cancelling the Keystone XL pipeline which would have carried 830,000 barrels of highly polluting tar sands oil from Alberta to the US coast every day. The permit was withdrawn by Joe Biden on his first day in office.

Ruby River Capital (RRC) claimed for 'no less than $20 billion' after the Quebec government cancelled a natural gas liquefaction plant on the St. Lawrence River. An environmental impact assessment found that the plan would increase greenhouse gas emissions, hurt Indigenous Canadian communities and destroy biodiversity. RRC's claim was the largest ever under the North American Free Trade Agreement (NAFTA).

The most lucrative ISDS claim currently being heard is Zeph Investment's $200 billion case against Australia over a huge, planned mine in Western Australia, which Zeph Investment claims the Australian government "effectively destroyed', in breach of the Association of South East Asian Nations (ASEAN) free trade agreement.

Avima Iron Ore is seeking $27 billion from the Republic of the Congo, after it revoked iron ore mining licences for three Australian-owned firms, handing them instead to a small Chinese investment group. The sum is almost twice as much as the country's Gross Domestic Product (GDP) last year.

It is widely understood that the current ISDS had its origins in efforts to prevent former colonies in the Global South from appropriating industrial projects after independence. The Office of the US Trade Representative even lauds ISDS as a peaceful alternative to the gunboat diplomacy of the 19th century, but it has largely evolved to constrain the efforts of nations to achieve social and environmental regulation.
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Fabian Flues, of PowerShift, the non-government organisation (NGO) which co-compiled the analysis, said, 'The injustice is glaringly obvious: countries in the Global South are the main victims of ISDS, while corporations from Europe and North America benefit. It transfers public money into the hands of a few corporations and their shareholders. It is high time for countries everywhere to leave the treaties that include ISDS…'

Source: Article originally published by The Guardian and reprinted in Canada's national Observer. Arthur Nelson, June 18, 2024. Condensed and edited by Mary Boyd.

BIG CORPORATIONS PRODUCE INADEQUATE FINANCIAL REPORTS

New research has revealed that nearly 140 companies, among the world's top emitters of carbon, are falling short in disclosing the extent of climate risks in their current operations, with major auditors also failing to address investor inquiries regarding climate risks Nearly 63% of investors are unable to discern whether balance sheets accurately reflect climate impacts.

This is according to Carbon Tracker's third Annual Report, assessing how companies and their auditors address climate change in financial statements and audits for the 2022 financial year. These companies, subject to similar accounting and auditing requirements, are predominantly audited by one of the big four firms: Deloitte, EY, KPMG or PwC.

Thirty-seven per cent of companies' financial statements provide investors insights into their climate-related financial risks, leaving investors in the remaining 63% unable to discern whether balance sheets accurately reflect climate impacts.

Among the companies offering minimal or negligible information are Berkshire Hathaway, ExxonMobil, Procter & Gamble and Walmart in the USA; Toyota, Hitachi and Honda in Japan; Reliance Industries and Coal India in India; Bayer and Thyssenkrupp in Germany; Danone in France; and Saudi Aramco in Saudi Arabia. Companies based in the United Kingdom (UK) and Europe generally provide more climate-related information compared to those in the USA and Asia-Pacific regions.

Auditors lag behind the companies, with a significant 80% of audit reports providing little or no information about their assessment of climate impact.

Source: edie.net news alert, United Kingdom

MARINGA 'MIRACLE' TREE IN AFRICA

In the heart of Africa, where climate change is wreaking havoc on communities already grappling with water scarcity and desertification, a humble tree is emerging as a beacon of hope: the moringa tree.

Originating from the foothills of the Himalayas, the moringa tree, also known as the drumstick tree, has found its way to Africa, Asia, and the Middle East, where its extraordinary properties are capturing global attention. Among its 13 species, *moringa oleifera* stands out for its remarkable ability to thrive in arid environments with minimal water, presenting a promising solution in the fight against desertification.

The moringa tree is exceptionally versatile. Every part tree serves a purpose. The **roots** are a culinary delight, reminiscent of horseradish when properly prepared. They're also valued for their medicinal properties, offering relief and remedy. Delicate and fragrant, moringa **flowers** are not just a sight to behold, but also a source of wellness. They are used in a variety of ways: for honey and teas, medicines and perfumes.

Dubbed as a superfood, moringa **leaves** boast an unparalleled concentration of essential nutrients. Whether consumed fresh, cooked, or as a dried powder, they provide a nutritional powerhouse for communities in need. The long and slender **pods** of the moringa offer culinary diversity. Whether simmered in soups or served as a vegetable, these pods are a testament to nature's bounty. Beyond their role in propagation, moringa **seeds** are hailed for their medicinal properties. From anti-inflammatory to immune-boosting effects, these seeds offer a holistic approach to health and wellness.

But the moringa tree's benefits extend far beyond its nutritional and medicinal value. Scientific research has uncovered its potential *to purify water effectively*, offering a lifeline in regions plagued by waterborne diseases. Additionally, its seeds can be harnessed for *bio-ethanol production,* providing a sustainable alternative to traditional fuel sources. Incorporating moringa into livestock feed has been shown *to enhance milk production and growth rates,* offering a boon to agricultural communities. As a fertiliser, moringa *enriches soil quality and prevents erosion,* promoting sustainable agriculture practices.

Recognising its immense potential, numerous organisations are championing the proliferation of the moringa tree across Africa. From combating desertification to alleviating malnutrition and fostering economic development, the moringa tree stands as a testament to nature's resilience and generosity.

In a continent grappling with the impacts of climate change, the moringa tree offers a glimmer of hope — a simple yet potent ally in the quest for a sustainable future. As we harness the power of this miracle tree, we unlock Africa's potential, one moringa leaf at a time.

Source: Wolfgang Schonecke, M.Afr posted by Africa Europe Faith and Justice Network (AEFJN), 15 February, 2924.

Contributions to the Bulletin and responses to its content are welcomed. Deadline: 14th of each publication month. Publication office in Sydney.

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Design: Thanks to Marian Kelly (Sydney) for the gift of her talent and time.