

EcoSmartCard™

ONE PEOPLE, ONE PLANET, ONE FUTURE



INFO SHEET



The EcoSmartCard™ is an affinity credit card program under development by the Eco-Insurance Initiative to be launched in cooperation with a network of public and private partners to achieve desired scale. The EcoSmartCard™ will offer both people and organizations a practical and rewarding market-based opportunity to engage in the creation of a more secure, stable and sustainable future.

Members pay a modest annual eco-insurance premium to enjoy EcoSmartCard™ membership privileges which include discounts on eco-friendly goods and services, eco-incentive points, monthly eco-sweepstakes, access to micro-finance facilities, and participatory governance of the Planet2025 Fund, a large scale global community investment program focused on stabilizing the planet's stressed life-supporting ecosystems by 2025.

Why We Need It

- Healthy ecosystems sustain an intricate yet fragile web of life that provides us with food, shelter, water, medicines, clean air, fertile soils, and a stable climate;
- Humankind is dependent on the globe's life-supporting ecosystems for its economic, environmental and human security, but fails to invest sufficiently in their proper maintenance and restoration; experts estimate this 'eco-investment gap' amounts to \$ 50-100 billion per annum or more; perverse subsidies in excess of \$ 700 billion widen this gap even further;
- People, organizations and nations stand to benefit greatly – financially and otherwise -- from reducing the increasingly costly environmental, economic and human risks associated with an accumulated ecological debt now exceeding 2.7 years of ecological production, but it requires an investment program of a sufficiently large scale;
- The world's ecological deficit has now grown to be 20 percent of the Earth's capacity; this means humanity is consuming resources 20 percent faster than the Earth is able to generate; more and more people are deeply concerned about the impacts of humankind's consumption, production, investment, and trade patterns on the Earth and are increasingly eager to promote change;
- Market research shows that 25-33% of consumers in the US and Europe will spend in excess of a total \$ 1.2 trillion on lifestyles of health and sustainability. The EcoSmartCard™ is a practical mechanism for concerned citizens, corporations, educational institutions, government, NGOs and international development organizations to join in a cooperative effort to facilitate a more stable, secure and sustainable future for their individual and collective benefit.

How it Works

- Participating EcoSmartCard™ organizations promote a co-branded EcoSmartCard™ to their employees (the EcoSmartCard™ in cooperation with [Name Organization] by [Name Credit Card Company]);
- Employees/consumers sign up as EcoSmartCard™ members to access multiple membership privileges; they pay an annual (tax deductible) Eco-Insurance fee in proportion to the size of their Ecological Footprint, income levels and a global Eco-Insurance risk factor (less than \$ 50 for OECD and \$ 2.00 for non-OECD citizens on average);
- Global Eco-Insurance risk represents the amount of money the world community needs to invest annually (based on estimates provided by internationally recognized expert organizations) in the proper maintenance and restoration of the globe's life-supporting ecosystems;
- The Eco-Insurance fee is payable to the Planet2025 Fund to finance a catalytic global community investment program tasked to build a balanced portfolio strategic investments in for example nature parks and biodiversity hotspots, the water and renewable energy sector, enabling environmental technologies, eco-enterprise development, and funds composed of securities and indices of companies internalizing triple bottom line performance (people, planet, profits) objectives; and,
- The Planet2025 Fund will feature representative governance by participating people, organizations and nations for and on behalf of the globe's citizens as beneficiaries; the catalytic Global Community Investment Program is to be implemented via a network of multilateral development organizations, the private sector and NGOs pursuant to competitive bidding procedures.

“Recommendations

Consider the introduction of financial mechanisms such as eco-insurance, facilitated by complementary fiscal and economic incentives.....”

From *Pathways to Environmental Security*, Chairman's Summary, The Hague Conference on Environment, Security, and Sustainable Development, 9-12th May, 2004

TO CONTACT US

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What are the benefits?

People

- Access to all customary credit card facilities, including ATM, online statements, reporting and transactions;
- Membership makes economic sense: its cost usually qualifies as a tax deduction and pays for itself or more through special programs, including eco-incentive points, eco-sweepstakes, microfinance facilities and discounts from a network of vendors of eco-friendly goods and services;
- Opportunity to participate in the governance of the planet's common assets: EcoSmartCard™ members select online how the Planet2025 Fund should allocate the annual eco-insurance fee amongst focal areas of the global community investment program;
- Ability to show family, friends and peers you are part of a growing network of responsible global citizens which sees the planet as a living being and all of humanity as one people committed to the realization of a more secure, stable and sustainable future.

Organizations

- Private sector organizations, educational institutions, international development organizations as well as government and non-governmental organizations are eligible for participation;
- Credit card companies and issuing banks can augment their current product offerings and make a difference;
- Organizations participating in the program receive a negotiable share of the payments received by the credit card companies to finance sustainability projects of their choice and many may be eligible to compete for the management of the assets of the Planet2025 Fund;
- The EcoSmartCard™ program enhances organizational reputation and good will as it represents a tangible commitment to -- and engages the workforce in -- advancing sustainability goals, including timely realization of the Millennium Development Goals and more sustainable consumption, production, trade and investment patterns;
- The program lowers uninsurable (systemic) financial risks to the economy; can increase business performance, promotes fiscal responsibility and facilitates long term access to the capital markets of both private sector and public sector entities, or even nations;
- Participation strengthens the license to operate of private as well as public sector entities within a world economic context increasingly impacted by the consequences of poor environmental governance, such as climate change, deforestation, fresh water scarcity, collapsing fisheries, biodiversity loss, food insecurity, and poor health.

Towards Implementation

- The EcoSmartCard™ is expected to be developed -- and implementation challenges will be addressed -- in close cooperation with a growing network of 'Launch Partners' drawn from government, the private sector, NGOs, multilateral development institutions and academia;
- Please contact us via www.eco-insurance.net to indicate your interest to participate in the EcoSmarCard™ program.

Learning Links

Eco-Insurance for a Sustainable Future -- A Contribution to the Johannesburg Plan of Implementation; Eco-Insurance: Risk Management for the 21st Century downloadable via www.eco-insurance.net • Living Planet Report 2002: www.panda.org/downloads/general/LPR_2002.pdf • Commission on Ecosystem Management: www.iucn.org/themes/cem • Millennium Ecosystem Assessment: www.millenniumassessment.org • UN on Sustainable Development: www.un.org/esa/sustdev • The Insurability of Ecological Damage: www.swissre.com • Ecological Footprint Network: www.footprintnetwork.org • Measure your Footprint: www.myfootprint.org • Perverse subsidies: http://www.ecouncil.ac.cr/ECON/sud/subsidizing_unsd.pdf • Contraction & Convergence: The Global Commons Institute at www.gci.org.uk



The Eco-Insurance Initiative started in 2003 as a public private cooperation between the Institute for Environmental Security -- a foundation based in The Hague, the Netherlands dedicated to advance global environmental security and TransGlobal Ventures, Inc, -- a Washington DC-based finance and eco-enterprise development company

To date, development of the Initiative has been facilitated with financial support from The Ministry of Housing, Spatial Planning and the Environment (VROM) of The Netherlands and TransGlobal Ventures, Inc.