



## Developing Sharia Compliant Environmetrics

Substantial research by Probus seeking a solution to the increasing lack of non-conflict of interest, non-self-serving common, consensus driven environmental investment standards, established that, of the 41 International Banking & Investment “standards”, agreements, codes of practice, declarations and Financial Stewardship schemes implemented by the global financial investment industry as “proof of their good stewardship of Natural Capital” practiced by the Banking & Investment Industry”, all contained no basis for being described as standards and no basis to be described as providing any meaningful assurance to investors and are in fact self-developed and self-reported by the financial industry itself. For the first time, 2013 saw significant corporate members of the General Reporting Initiative, (GRI) realizing that without third party verification, (audit) of reporting, this initiative was merely Greenwash.

The ISO Organisation has become seriously concerned that it continues to permit the production of Private Standards which are based upon ISO methodologies, but are not actual ISO Standards, this facility has been substantially abused in terms of self-serving Private Standards being developed and marketed and sold as real ISO Standards. This situation is described in the GHG Report issued by Probus in 2012.

Learning from the western experience and collapse of the global carbon markets, the debate regarding establishment of accurate Climate Change and Alternate Energy sharia compliant metrics within MENA countries was a central point of discussion at the May 2013 International Financial Symposium held at Sousse, Tunisia where Probus Managing Partner, Chris Yates-Smith provided the keynote address to a distinguished audience of International Professors of Economics, Government Ministers of Finance and representatives from several MENA Countries.

Post the symposium meetings, Probus has developed MENA Academic Partnerships to assist in developing accurate, common, Sharia compliant investment risk metrics for Climate Change and Alternate Energy Projects within MENA Countries and especially North African Countries, Probus and several influential Islamic governing financial entities will be announcing significant initiatives related to implementing Shari’a compliant Standards which will address many of the issues demonstrated within this article.



In some 95% of Western Universities offering higher economic qualifications in Sustainable Development related subjects, there is a strong presence of corporate, banking and Investment Market influence or potential influence, similar to the Rio Tinto example above. These points towards a more fundamental problem of academic research in general but here it highlights how such an important subject matter is being influenced by short-term and commercially driven interests.

There is no attempt to deal with these influences or negate their ability to impact research results. This has led to the circulatory effect of embedded interests, with one University imitating the results of other competing University's, in a bid to attract outside funding and students, therefore repeating (what Probus would see as) the basic flaws of the subjective academic approach to producing quantified Financial and Technical solutions to Climate Change Investment.

Describing from empirical evidence how use of these Private Standards actually increase investor risk, later in 2013 Chris Yates Smith Managing Partner at Probus Environmetrics authored an academic paper for the Law & Financial Markets Review, the highly respected publication aimed at the global law firms who act for the largest Pension and Investment Funds. The Yates Smith paper clearly pointed out the risks and contingent liabilities inherent within the larger scale players within the global investment Industry who fail to recognise the lack of real standards and instead implement pseudo standards (Socially responsible investment: good corporate citizenship or hidden portfolio risk? ) .

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