

Comment on Notice 2021-17

from Joyce Coffee, Climate Resilience Consulting

on Friday, December 17, 2021

Comment:

Where an investor seeking to identify bonds that explicitly created racial and social equity, how would she do so? The S in ESG frequently identifies projects that improve health, education or workforce outcomes.

However, these outcomes could be ascribed to any demographic.

Given a: the historic racism embedded across the financial system and b: the disproportionate risk that "frontline" minority and lower income communities face to the growing impacts of climate change, ESG without equity is frail and ineffective.

Disclosure systems that include, for instance, measures related to the social vulnerability index: <http://artsandsciences.sc.edu/geog/hvri/sovi%C2%AE-0> (or search the Center for Disease Control, NOAA and others) could help.

So would embedding principles of targeted universalism (Targeted universalism means setting universal goals pursued by targeted processes to achieve those goals. Within a targeted universalism framework, universal goals are established for all groups concerned. The strategies developed to achieve those goals are targeted, based upon how different groups are situated within structures, culture, and across geographies to obtain the universal goal. Targeted universalism is goal oriented, and the processes are directed in service of the explicit, universal goal. From <https://belonging.berkeley.edu/targeted-universalism>)

Finally, ESG that uses traditional CBA or even holistic CBA is one key to inequity. Ascribing greater benefit value to beneficiaries who are subject to historic racism can begin to create equity within municipal bonds.