Long Finance
Evidence Of Worth 2020

The Z/Yen Group
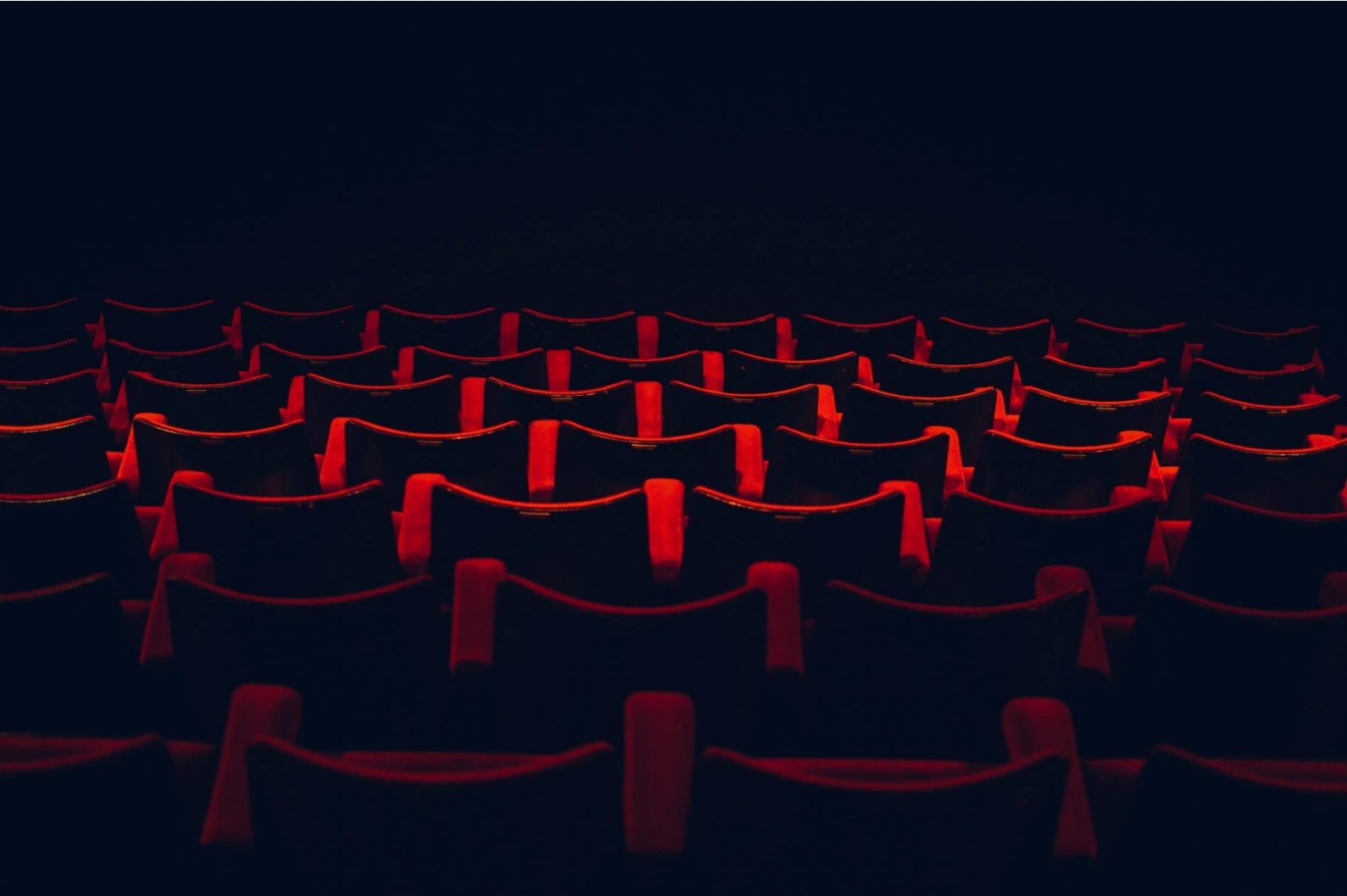
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The Long Finance Programme

Long Finance is a community that explores building a sustainable financial system - one which delivers the outcomes mankind needs over the long-term. We operate openly, encourage discourse and debate, and emulate scientific ideals.

2020 was a challenging year. We hope that Long Finance has helped people connect and continue to challenge the accepted paradigms of risk and reward.
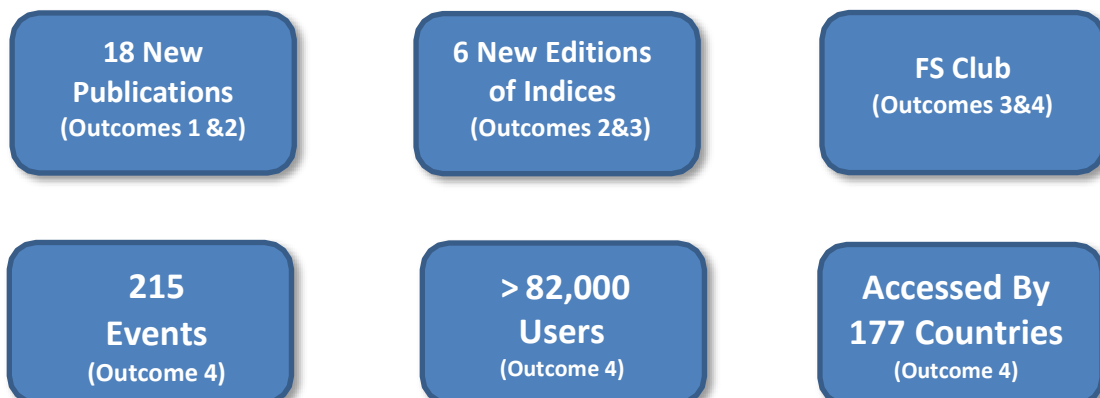
In order to maximise impact, Long Finance is free to join and resources are free to access. Organisations can support the work of the Long Finance programme by joining FS Club.

Not-for-profit programmes, such as Long Finance, need to set practical and achievable objectives. There is strong pressure to maximise the impact of limited resources. To satisfy individuals and organisations who donate their time and money to supporting them, they must record and measure results to prove that they are meeting the objectives they have set[1].

Z/Yen has worked extensively with not-for-profit clients to implement practical approaches to measuring the impact of their work. For the last eight years, we have published an "**evidence of worth report**" for our Long Finance programme. This document reviews the achievements of the Long Finance Programme over 2020. We assess the value of the Long Finance programme across the four following 'evidence of worth' outcomes:

1. expanding frontiers to mitigate needs;
2. changing systems to remove or release needs;
3. service delivery to meet needs;
4. communitarian to address needs for or through communal activity.

2020 In Summary

|		
18 New Publications (Outcomes 1 &2)	**6 New Editions of Indices** (Outcomes 2&3)	**FS Club** (Outcomes 3&4)
215 Events (Outcome 4)	**>82,000 Users** (Outcome 4)	**Accessed By 177 Countries** (Outcome 4)

[1] Harris I, Mainelli M and O'Callaghan M (2001), "Evidence Of Worth In Not-For-Profit Sector Organisations", Journal of Strategic Change, Volume 11, Number 8, John Wiley & Sons, pages 399-410. https://www.longfinance.net/publications/professional-articles/evidence-of-worth-in-not-for-profit-sector-organisations/

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> ## Programme - Financial Centre Futures
> This programme initiates discussion on the changing landscape of global finance, seeking to explore how finance might work in the future. There are two vibrant projects in this programme:
> ♦ **The Global Financial Centres Index**
> ♦ **The Smart Centres Index**
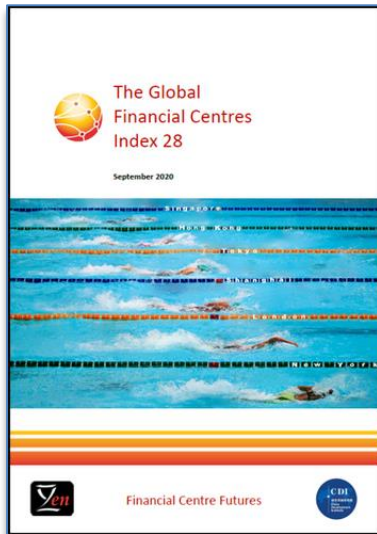
The Global Financial Centres Index is published twice per year, reaches a global audience and is the subject of significant press coverage including the Financial Times, CNBC, Irish Times, Wall Street Journal, and The Washington Post.

The twenty-eighth edition of the Global Financial Centres Index (GFCI 28) was published on 25 September 2020. 121 financial centres were researched for GFCI 28 of which 111 are now in the main index. The GFCI is compiled using 138 instrumental factors. These are combined with financial centre assessments provided by respondents to the GFCI online questionnaire. GFCI 28 uses 54,509 assessments from 8,549 respondents.

China Development Institute (CDI) in Shenzhen and Z/Yen Partners in London collaborate in producing the GFCI.

The Smart Centres Index was developed as part of our Distributed Futures programme. It is published twice per year and is an initiative which aims to help investors, governments, and regulators track the attractiveness of technology centres for new technologies and products by measuring how attuned centres and their regulatory systems are to attracting innovation and growth in Science, Technology, Energy Systems, Machine Learning, Distributed Ledgers, and Fintech.

The index builds on the pilot Smart Jurisdictions Index, which was published in 2018, and uses the same methodologies that have helped our Global Financial Centres Index and Global Green Finance Index establish themselves as world-leading benchmarks.

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Programme - Meta-Commerce

Meta-Commerce aims to identify and structure the critical questions underlying the long-term viability of the financial system. Inspired by David Hilbert's 23 questions project of 1900, the Meta-Commerce programme brings together financial experts across a range of disciplines, with a view to producing a framework of questions in order to prioritise future research and direct action.

By helping to identify a set of core questions that link economics, finance and society, and that need solving in order to have a working financial system, Meta-Commerce maps the road to Long Finance and contributes to its overarching goals – to *expand frontiers, change systems, deliver services and build communities*.

2020 continued Meta-Commerce's focus on green finance with the publication of two reports:

How Government Policy Performance Bonds Could Save The Planet by Michael Mainelli & Djellil Bouzidi, is a summary of 11 years of work by Z/Yen and Long Finance to explore and publicise the idea of policy performance bonds. A cut down version of the document was published by the Official Monetary And Financial Institutions Forum (OMFIF) Sustainable Policy Institute in September 2020, and the concept is beginning to gain traction, with a number of jurisdictions beginning to explore their application to sovereign bonds in more depth in advance of COP26.
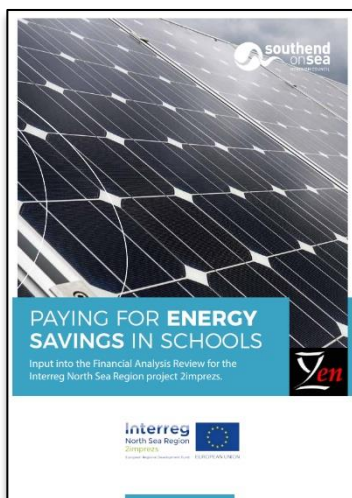
Paying for Energy Saving In Schools was commissioned by Southend on Sea Borough Council as part of the Interreg 2imprezs programme. The report is aimed at decision-makers and non-specialists. It lays out the case for investment in energy-saving in educational facilities, identifies techniques for delivering reductions in energy use and details public and private sources of capital for local authorities seeking to embark on energy-saving programmes. Key barriers to action are examined and recommendations are included for overcoming them. This report, and the related 2019 report on **The Financing Of Green Infrastructure,** have formed the basis for a series of conversations with UK local authorities on the delivery of regional "Net-Zero" programmes.

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Programme - Sustainable Futures

Sustainable Futures focuses on ways in which the financial system supports the transition to a sustainable economic model, addressing green finance, and environmental, social and governance systems. There are currently two active projects in this programme:

♦ **The Global Green Finance Index**
♦ **The London Accord**

The Global Green Finance Index seeks to measure perceptions of the quality and depth of green financial products across the world's financial centres and to chart the progress of financial centres towards a financial system that delivers sustainable development, and values people and the planet as much as profit.

The index is updated and published twice a year. The sixth edition of the index ranked 74 centres based on 4,219 ratings, combined with 135 instrumental factors.

Since its launch, the GGFI has grown in stature to become the world's most authoritative measure of the green finance performance of financial centres. A number of global financial centres have now set targets for improvement based on their ranking within the GGFI

The GGFI was initiated with the assistance of a generous grant from the MAVA Foundation. This grant came to an end in 2020. The GGFI is currently supported by Z/Yen. A new sponsor, or sponsors, from within the financial services sector would be welcome.

The London Accord is the world's largest open-access library of environmental, social, and governance analytics reports. The reports have been donated by a global community of businesses, academic institutes, governments, think-tanks and NGOs. All reports on this site are available to download in full, for free, under our terms of use.

The London Accord aims to encourage better policy creation by enhancing policy-makers' and academics' access to reports which highlight the role that the financial services industry can play in assisting society on the road to sustainable development.

22 reports were added to the London Accord over the course of 2020, with several new organisations joining the London Accord family, including FTSE Russell, Orbitas, Yield Brook and Enertechnos.

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Table 1 - London Accord Downloads

Of note, is that the long-term value of the London Accord is apparent from the range of publication dates for the top downloads:

Top 10 Downloads From The London Accord In 2020		
Title	**Organisation**	**Publication Year**
The Logistics of Supply Chain Alpha	Deutsche Bank	2015
Volkswagen Downgraded To CCC	MSCI	2015
Fragile Planet Scoring Climate Risks Around The World	HSBC Global Research	2018
Social Infrastructure Finance And Institutional Investors Global Perspective	Inderst Advisory	2020
Financing Credible Transitions How We Ensure Transition Label Has Impact	Credit Suisse & Carbon Bonds	2020
Foundations ESG Investing Part 2 Integrating ESG Benchmarks	MSCI	2018
The Halo's Creed	UniCredit Group	2010
Concerns Misplaced: Will Compliance With The TCFD Recommendations Really Expose Companies And Directors To Liability Risk?	Commonwealth Climate And Law Initiative	2017
Stranded Assets Fossilised Revenues	Kepler Cheuvreux	2014
Financing Tomorrows Cities Meta-Analysis	City of London Corporation	2014

The Long Finance Community

Long Finance seeks to engage our community of financial services professionals, policy makers, academics, and interested lay-people in debate, discussion and interaction. 2020 was a challenging year and we are proud to have provided a strong online channel to allow individuals and organisations to discuss, analyse and debate society's paths to an equitable and sustainable future.

The Long Finance website use has increased substantially from 45,000 users in 2018 to more than 82,000 in 2020. This traffic has been driven by the quality of the research available, as well as innovations such as an AI-generated newsfeed focusing on the UN Sustainable Development Goals.

The past year has seen a significant rise in traffic from the UK, the USA, and Asian countries. Details of the country of origin of Long Finance users is contained in Table 2.

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Table 2 - The Top 10 Countries Accessing The Long Finance Website

Top 10 Countries		percentage of total 2020 (2019)
	United States	**18.72**% (20.21%)
	United Kingdom	**12.61%** (12.45%)
	China	**6.99%** (7.34%)
	Japan	**5.19%** (5.73%)
	Hong Kong	**5.01%** (2.31%)
	Taiwan	**4.28%** (4.04%)
	South Korea	**4.44%** (3.85%)
	India	**4.11%** (3.36%)
	Canada	**2.62%** (1.12%)
	Singapore	**3.11%** (2.81%)

The Long Finance blog The Pamphleteers attracted significant attention in 2020. Table 3 shows the top 10 most popular articles submitted by our community members

Table 3 - The Pamphleteers 2020

Title	Date	Author	Downloads
The Impact Of Covid-19 On "A Tale Of Two Middle Classes"	11-May-20	Patricia Lustig & Gill Ringland	3045
Post-Covid-19 Calcs - Beat The SEIR In Forty Days: Naïvely Modelling Covid-19	11-Apr-20	Michael Mainelli & Henry Price	2491
How Covid-19 Affects The Future Of London	18-May-20	Patricia Lustig & Gill Ringland	1441
2020 Vision & The 21st Century: Looking Back To 2000 And On To 2040, A Gresham College Event Two Decades On	20-May-20	Michael Mainelli	1425
Post-Covid-19 Calcs - Forgotten Finance	03-Apr-20	Michael Mainelli & Paul Taffinder	1407
The Cold Equations - Covid-19: When The Value Of Statistical Life Changes All Our Lives.	20-Apr-20	Mark Freeman & Ben Groom	1381

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Sustainability, Distributed Ledgers, And Shea Butter Pricing	06-Jan-20	William Kwende & Sarah Jones	1365
Foresight In The Time Of Covid-19: Prediction And Uncertainty	02-Apr-20	Patricia Lustig & Gill Ringland	1310
Post Covid-19 Calcs - Has Financial Services Lost Purpose & Plot?	01-May-20	Paul Taffinder	1204
The Limits Of Comparative Advantage & Dead Economists	27-Mar-20	Chris Yapp	1181
Could A New Bretton Woods Agreement Contribute To Global Economic Recovery?	08-May-20	Bob McDowall	1101

Long Finance runs three separate Twitter feeds to deliver news and connect to the more than 74,000 individuals in our communities of interest. Table 4 illustrates their themes.

Table 4 - Long Finance Twitter Feeds

Twitter Handle	Theme
@ZYen_LF	Social, technical, economic, and political news from around the world on making technology and finance work to social benefit
@ZYenResearch	Z/Yen research reports and events
@ZYen_DF	The commercial 'Think-Do' Tank that runs the Global Financial Centres Index, Global Green Finance Index, Long Finance, & FS Club

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Events

The covid-19 pandemic and bans on international travel meant that Long Finance markedly increased online events. With the kind permission of FS Club members, Long Finance, threw open the doors to an online programme which enabled anyone to attend over **200 webinars and debates** covering topics as diverse as machine-learning (AI), public health, anti-money laundering, and climate change. All of these were free, and attracted a formidable line up of speakers.

Table 5 - Top 10 Events By Attendance 2020

Topic	Date	Speaker(S)
Immunising Your Investments: Sensible Investing Through A Global Pandemic (And Everything Else Besides)	13 May	Andrew Craig
Financial Centres Of The World 2020: Focus On GIFT-City, Gujarat	29 Apr	Dipesh Shah
Life Is Wonderful: Mandela's Unsung Heroes	18 Nov	Sir Nick Stadlen
Building A Global Britain – What Can Actually Be Made Of The Global Britain Concept?	27 Jul	Madeleine Moon, Francis Tusa, Professor Michael Mainelli
Building A Global Britain	10 Jul	Graham Stuart, Kate Adie, Marc Lee, Madeleine Moon
What The Belt And Road Initiative Looks Like On The Ground	04 May	Douglas McWilliams & Mike McWilliams
2020 Vision & The 21st Century: Looking Back To 2000, Ahead To 2040	20 May	Professor Tim Connell
The Economic Road To Post-Covid-19 Recovery: Fast or Slow?	07 May	Prof Fan Gang, Professor Michael Mainelli
Climate and Covid-19	04 May	Sean Kidney, Simon Mills
Banks, Blunders and Lessons Learned: Misadventures In A Data-Driven World And How To Solve Them	22 May	Jennifer Liu, Kieran Seaward, Paul Hudson

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Thanking Our Partners

We would like to express our gratitude to the FS Club Members, The China Development Institute, Gresham College, and Z/Yen Group for their long-standing support.

We would like to thank all the London Accord contributors for sharing research, and members of the Long Finance Advisory Board for their wise guidance. Finally, we would like to thank those in our community who contribute their thoughts and time to the Long Finance events and blogs.

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"When would we know our financial system is working?" is the question underlying Long Finance's goal to improve society's understanding and use of finance over the long term. In contrast to the short-termism that characterises today's economic views, the Long Finance time-frame is roughly 100 years.

Long Finance aims to:

♦ expand frontiers - developing methodologies to solve financial system problems;
♦ change systems - provide evidence-based examples of how financing methods work and don't work;
♦ deliver services - including conferences and training using collaborative tools;
♦ build communities - through meetings, networking and events.

Long Finance runs programmes exploring four major themes:

1. **London Accord** – looking at environmental, social, and governance investment research issues;
2. **Financial Centre Futures –** seeking to explore how finance might work in the future;
3. **Meta-Commerce** – aiming to identify and structure the critical questions underlying the long-term viability of the financial system;
4. **Eternal Coin –** encouraging a global discussion on the nature of money and the concept of value.

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