

“PROXIMITY OF DESIRE” (“POD”)

https://www.linkedin.com/posts/davehuer_new-1-page-proximity-pricing-explainer-activity-6886057621225250816-1iWv

The assets that deliver Nature's services are most often public real property managed by government. We developed a framework to assign market-equivalent valuations of public property, so as to develop the ability to calculate costs and return-on-investment targets; and to develop defensible validations of the value-for-money that could be obtained by spending money to sustain access to the services. This was hard because public property is not taxed so there is no valuation history.

POD was developed to develop market-equivalent valuation histories for public property. This is the tying of value of services delivered to residents and property owners by public assets (such as a park) *to the market desire to obtain those services*; using proximity of private assets to public assets to put a tax-equivalent price on public assets. This can range from the smallest village to States-Party and internationally-shared resources which are managed by all sovereigns but owned by none.

The method arises from a first principles' re-think about the nature of the nature of fences and boundaries in the common law. POD uses human *desire for proximity to “Natural Commons Assets” (NCA)* as a means of valuation; the price and cost data is then matched to type of NCA x tax assessments' along time series.

This financial data is used to determine costs that must be incurred to sustain access to services, and these in turn can be used to construct budgets to spend public, private, and P3 money. The ProxP method extends the definition of “commons assets” to include other types of public assets and services.

The key step is to define the primary focus of investment, to extend out proximities of value and worth out from it. There will be tradeoffs to consider. Contact David Huer if help is needed to unpack the framework.

A) Ecological Accounting Process (EAP Method, public domain) = see link, above

POD informs the EAP metrics framework; which is used to cost, budget, and spend public money to sustain continuing access to cost-superior services delivered by Nature. Assets that deliver Nature's services are defined as *Natural Commons Assets* or NCA ("commons" = assets owned by everyone).

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The local focus is watersheds. Conceivably there are many different types of NCA.

B) ProxP Method (open-sourced) = see link, above

Independently written up by David Huer; using extended thinking about the subject matter; after noticing that it was not understood that POD calculations could be used for reverse-engineering analysis ($x = y$) and/or circular supply chain analysis.

ProxP is for companies, private investors, and public-private partnerships (P3) seeking to finance investment in “ESG commons assets” and activities. ProxP can be applied to investments to sustain ESG activities; including value (economic), social (expressing human values, defined as "worth"), and governance (duty to serve the commons—the political expression of the will of the community and interests ranging from business owners to corporations and homeowners—all the way from a local village to the

international community). It can be applied to various matters of *nearness*, including social desire (example: minimizing industrial activity near a protected place) and for business location planning (example: nearness to a desired street intersection). It can be combined with the EAP method.

ProxP is being evaluated for various applications; ranging from street-level to international. For example, there has been a suggestion that it could be used to finance “Pandemic Preparedness Prevention” activities [ex. helping to develop new forms of farming or to purchase wildlands’ areas, to mitigate *Zoonosis Risk* (viruses jumping to humans) in regions where wild animals are a valued source of protein].

ProxP Example for Landowners:

Riparian easements (financial incentives to persuade landowners to protect waterway shorelines). A farmer could obtain financial incentives to fence off 2-metres of shoreline beside a pasture, to prevent herds from eroding the shoreline when going to water.

- *Benefits to farm family includes:* mitigate against soil loss (hard to observe/measure but can add up to many tonnes over several years), protect herd, protect inheritance (investment) value, cashflow.
- *Benefits to the State, government and the public (representing society) includes:* mitigate against soil loss using root tangles, improve contaminant control, improve water quality in fish-spawning channels, create wildlife habitat, improve food security & ecosystem health.
- *Benefits to Vendors and Investors:* bonds to all levels of government; services to all levels of government; market intelligence including risks, liabilities and investment opportunities.

DAVID HUER – CONTRIBUTIONS

My tasks were research and to use my first principles’ thinking skills to unpack the deep logic problems. This extended to such aspects as:

- Persuading PM to change the original name (*Ecological Accounting Protocol*) to (*Ecological Accounting Process*);
- Developing the fundamental concept of “Proximity of Desire” (POD) which drives the EAP metrics framework and the ProxP valuation method [original post: [link](#)]. Development of “Proximity of Desire” additionally flows from previous original work, including:

- (a) Developing a novel competitive ‘business model canvas’ to analyze whether Patagonia Corp. had engaged in greenwashing¹ (2006-07: conclusion: No). The canvas combines several models including Tibbs’ [Industrial Ecology](#) framework and Grun’s [The Timetables of History](#): See QTBLA Endnote #1). Created for a Royal Roads University B.Comm course. This led to independent new work, such as:
- (b) 2007-14: *Quality-driven Triple Bottom Line Accounting (QTBLA)*: Method to tie budgeting to spend [link](#);
- (c) 2009-14: *Sacred Priorities Protocol (SPP)*: Method to mitigate risk to investors posed by a company’s refusal to consider social license (“worth”) in environmental approval applications [link](#)); and
- (d) 2014: Development of the *Anticipated Future Value of Public Resources (AFVPR)* framework [link](#).

- Unpaid post-contract in-kind contributions (unpacking stumper problems when EAP team called asking for help).
- Preventing future liabilities and current era damage to City of Duncan and Crown agency assets by discovering an undocumented buried river, directly beneath a planned flood control construction site, in the dataflows in my imagination [summary entry at job description: [link](#)], details: [link](#)];

¹ <https://www.investopedia.com/terms/g/greenwashing.asp>