

London Green Fund

Supporting Sustainable Infrastructure



Climate Finance for Cities

1 October 2015



MAYOR OF LONDON

About London

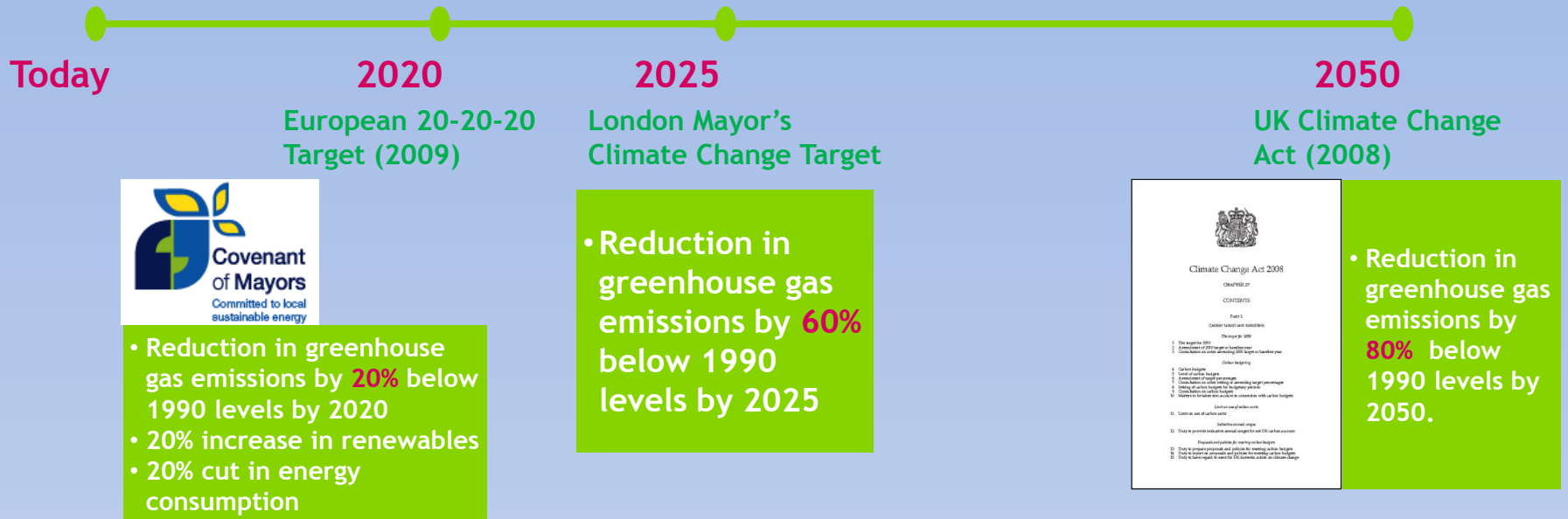


- Just over 8 million people
- 1570 km²
- 300 languages spoken
- power house of the UK economy....*but*
- has areas of real deprivation

Regional Governance:

- Elected Mayor and Assembly (*Greater London Authority*)
- 32 Local Authorities

London Climate Change Target



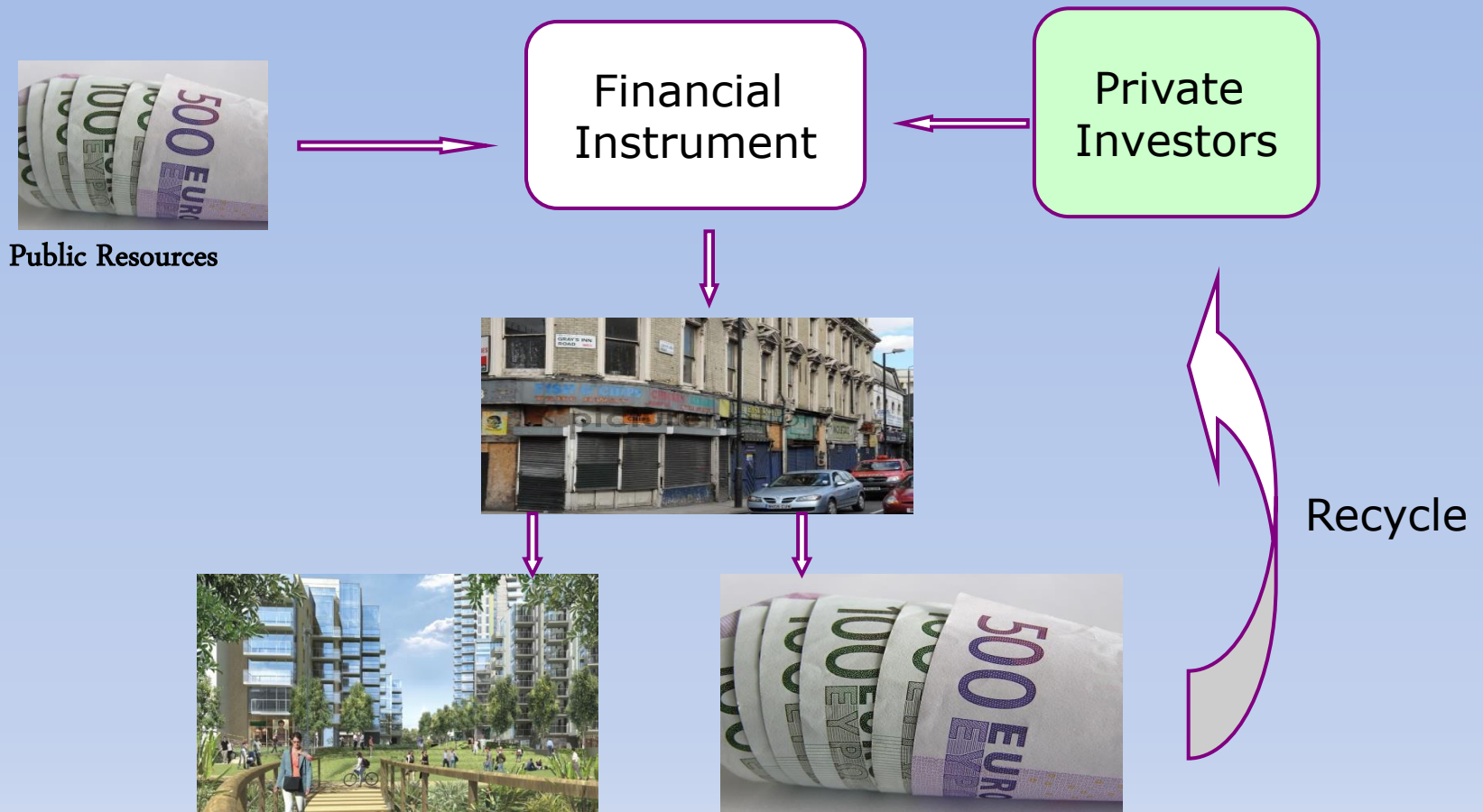
Finance Challenge

Private investors not investing in areas such as retrofitting and decentralised energy

Projects are too small, too risky, and lack sufficient precedents to attract finance

Solutions & investment cannot be addressed by the public sector alone

Future Funding Model?



Why use Financial Instruments (FIs)?

Sustainability

- **generate returns** to be reused for other activities.

Leverage

- able to **secure funding from other sources**, especially private investors.

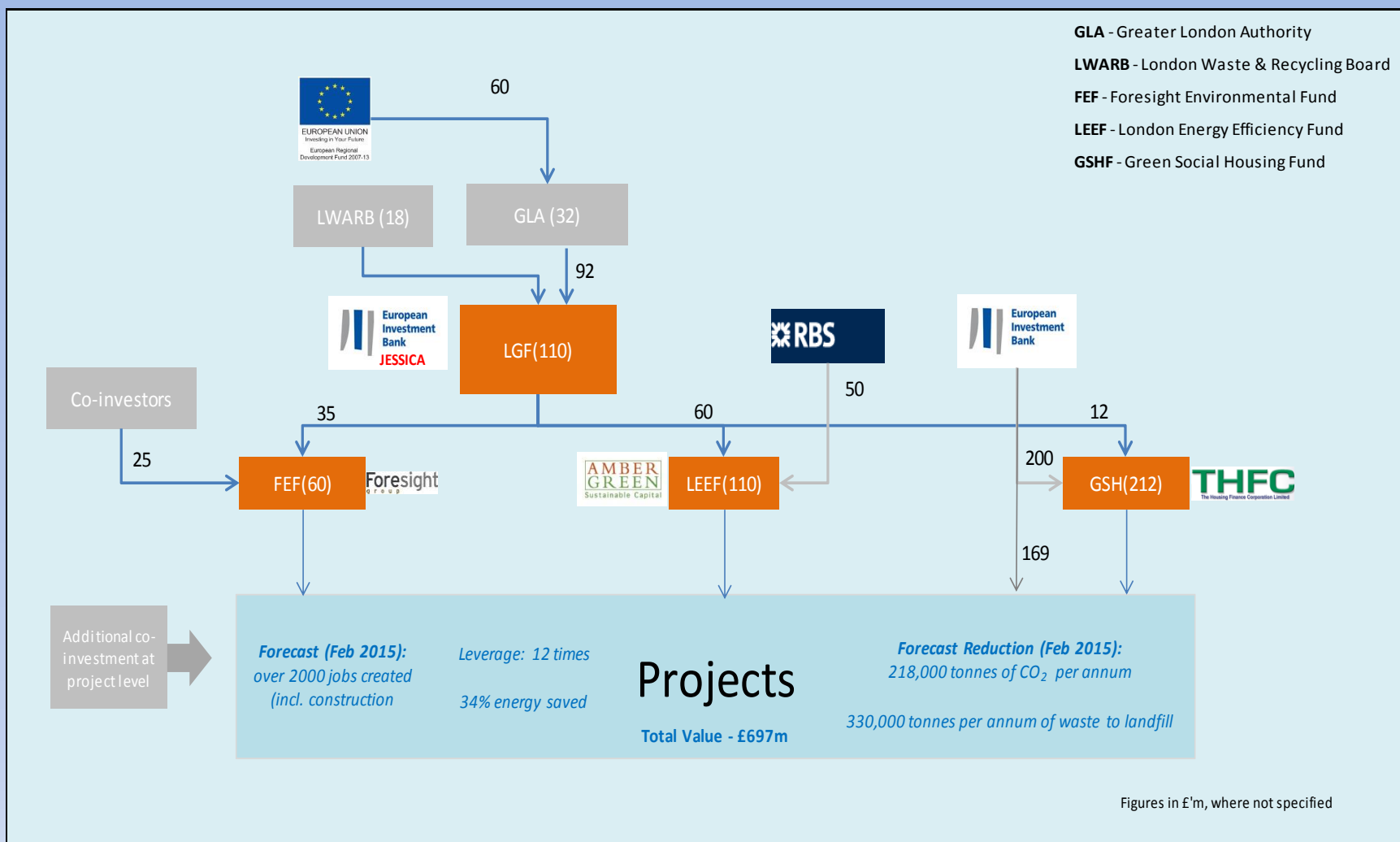
Expertise

- benefit from range of **skills and experience** from specialist institutions.

Performance

- incentives to enable **better performance** e.g. greater financial discipline at project level.

London Green Fund



LEEF Investment Portfolio

Saved 37,000,000 kWh of **energy**;
the equivalent of
2,000 homes

Invested
**throughout
the Capital**
(72 buildings
across 8 London
Boroughs)



Backed **6
major** carbon
saving projects



Supported over **1,600
construction and
operational jobs**



Reduced CO2
emissions by
20,000 tonnes;
equivalent to taking
**18,000 cars
off the road**



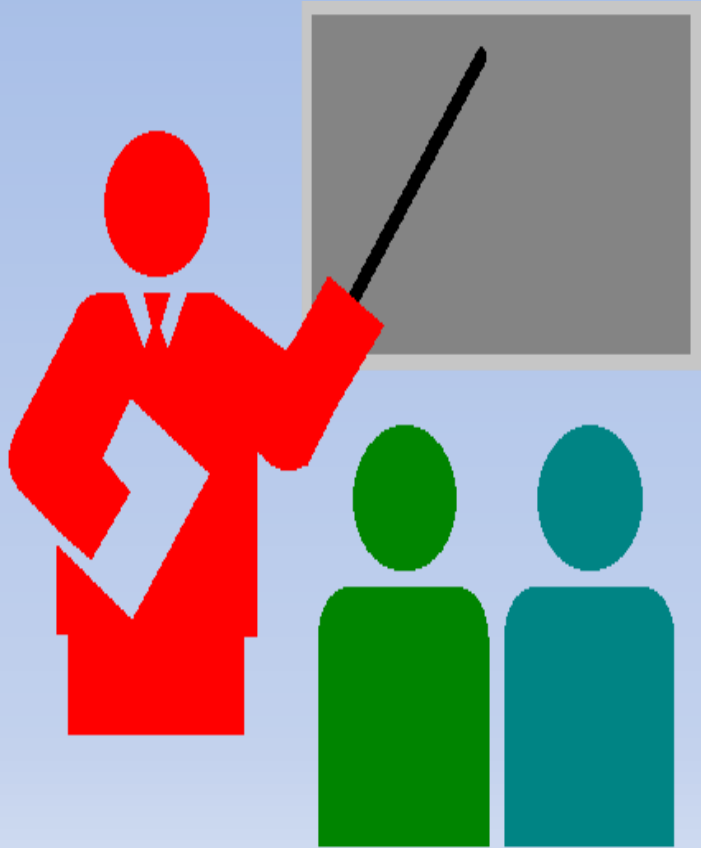
Committed
**£69
million** of
capital



**Mobilised
£400m**
external finance
through our
capital



Some Lessons



Need to know what you want – but also what market can deliver.

Low carbon funding initiatives not only need funding, but also management-know-how and technical guidance.

Formulate clearly defined investment strategy, but recognise market can change.

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