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

Today

2020
European 20-20-20 Target (2009)

2025
London Mayor’s Climate Change Target

• Reduction in greenhouse gas emissions by 60% below 1990 levels by 2025

2050
UK Climate Change Act (2008)

• Reduction in greenhouse gas emissions by 80% below 1990 levels by 2050.
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?

Public Resources → Financial Instrument → Private Investors → Recycle

500 EURO
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

Forecast Reduction (Feb 2015):
- 218,000 tonnes of CO₂ per annum
- 330,000 tonnes per annum of waste to landfill

Forecast (Feb 2015):
- over 2000 jobs created (incl. construction)
- 34% energy saved

Projects

Total Value - £697m

GLA - Greater London Authority
LWARB - London Waste & Recycling Board
FEF - Foresight Environmental Fund
LEEF - London Energy Efficiency Fund
GSHF - Green Social Housing Fund
LEEF Investment Portfolio

- Backed 6 major carbon saving projects
- Committed £69 million of capital
- Mobilised £400m external finance through our capital
- Invested throughout the Capital (72 buildings across 8 London Boroughs)
- Saved 37,000,000 kWh of energy; the equivalent of 2,000 homes
- Supported over 1,600 construction and operational jobs
- Reduced CO2 emissions by 20,000 tonnes; equivalent to taking 18,000 cars off the road

Sustainable 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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