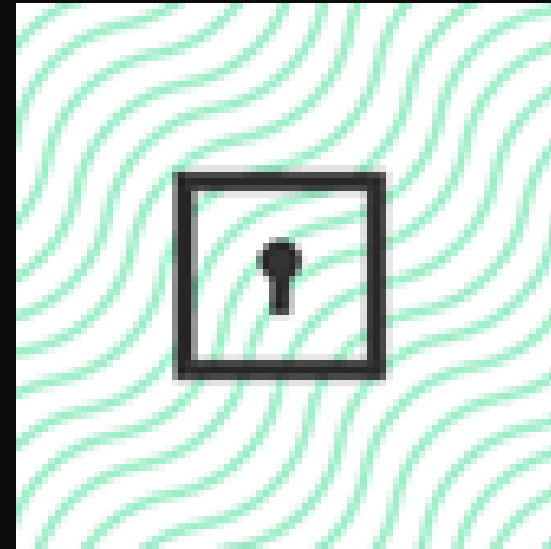


# Reaching Net Zero: a London case study

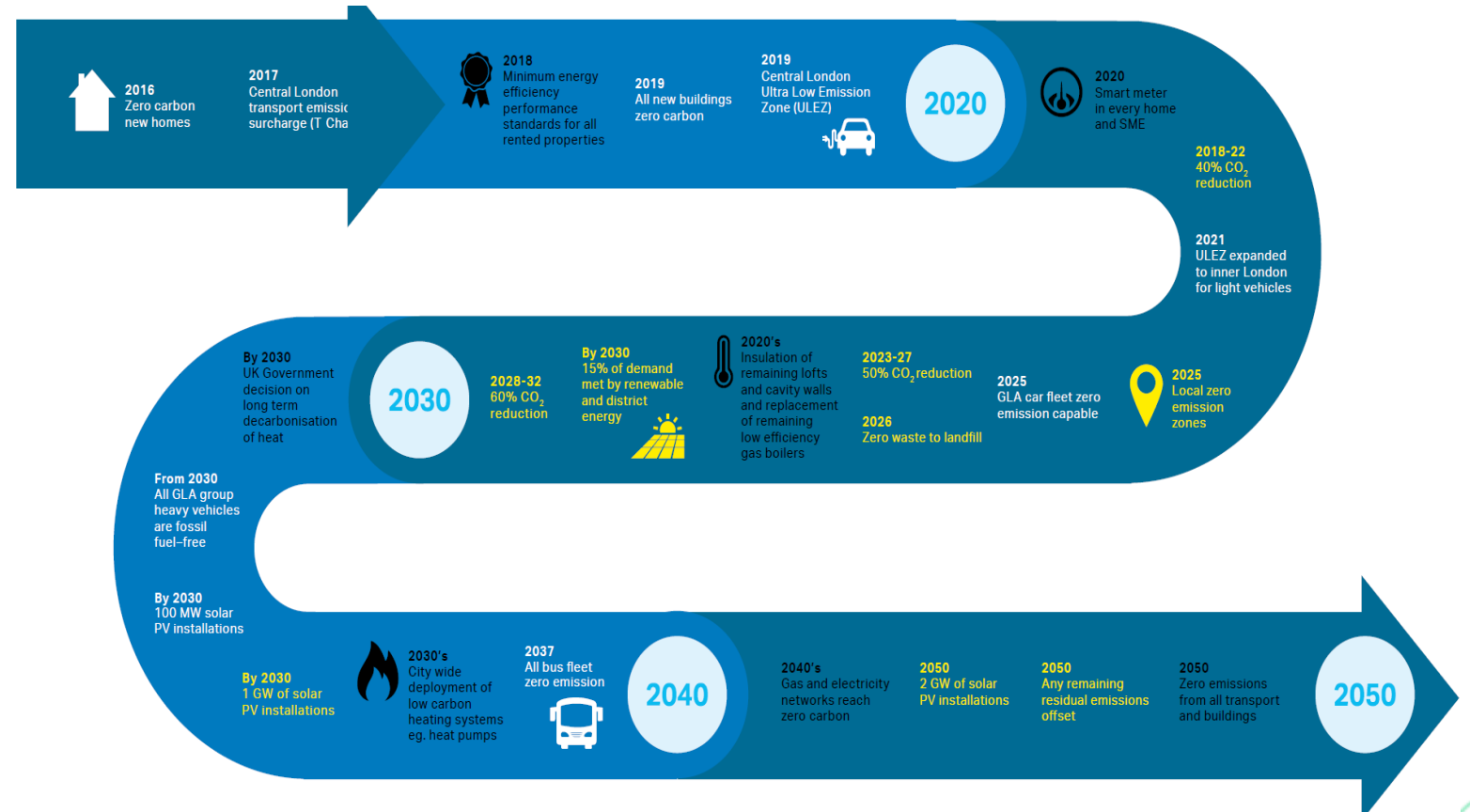
2023 Public Finance Live

28 June 2023



London Treasury Limited

# Environment Strategy: Pathway to Net Zero



Yellow text = London lead    Dark blue text = UK government lead



# An Updated Net Zero Pathway

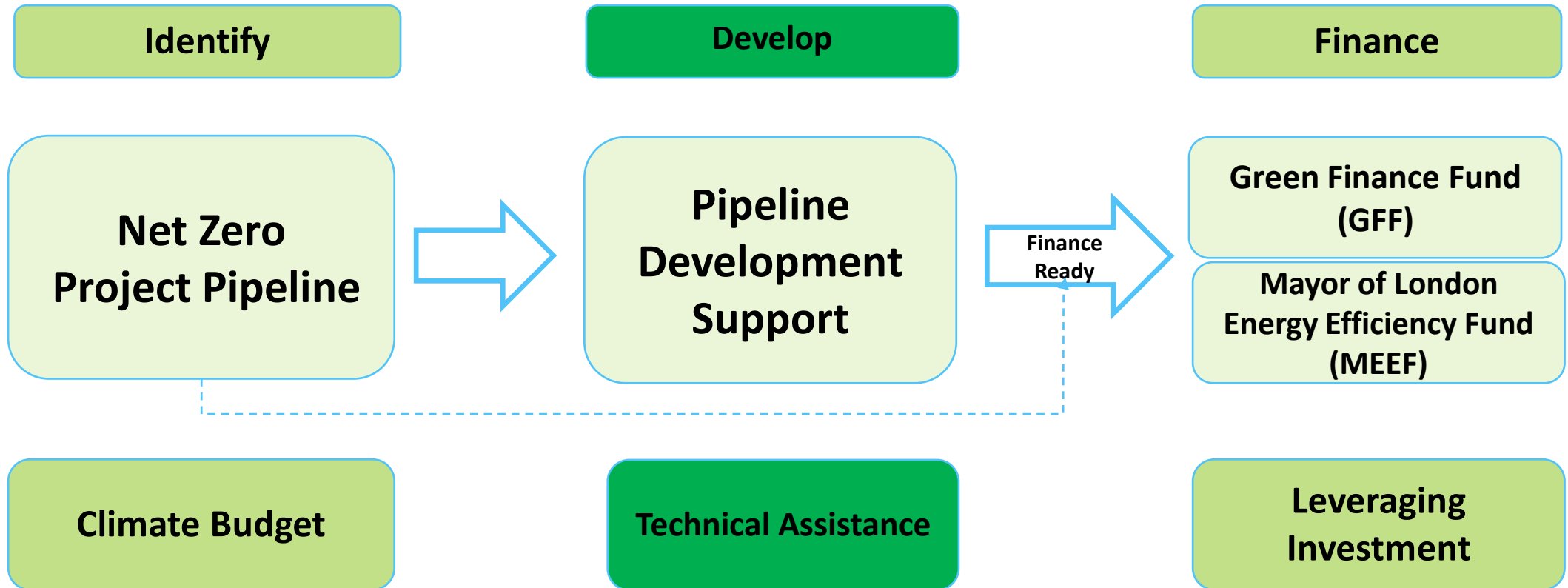
MAYOR OF LONDON

## London Net Zero 2030: An Updated Pathway

- Declared Climate Emergency
- Brought forward net zero target to 2030
- Accelerated Pathway
  - urgency, ambition, social justice and deliverability
  - requires at least £75bn investment

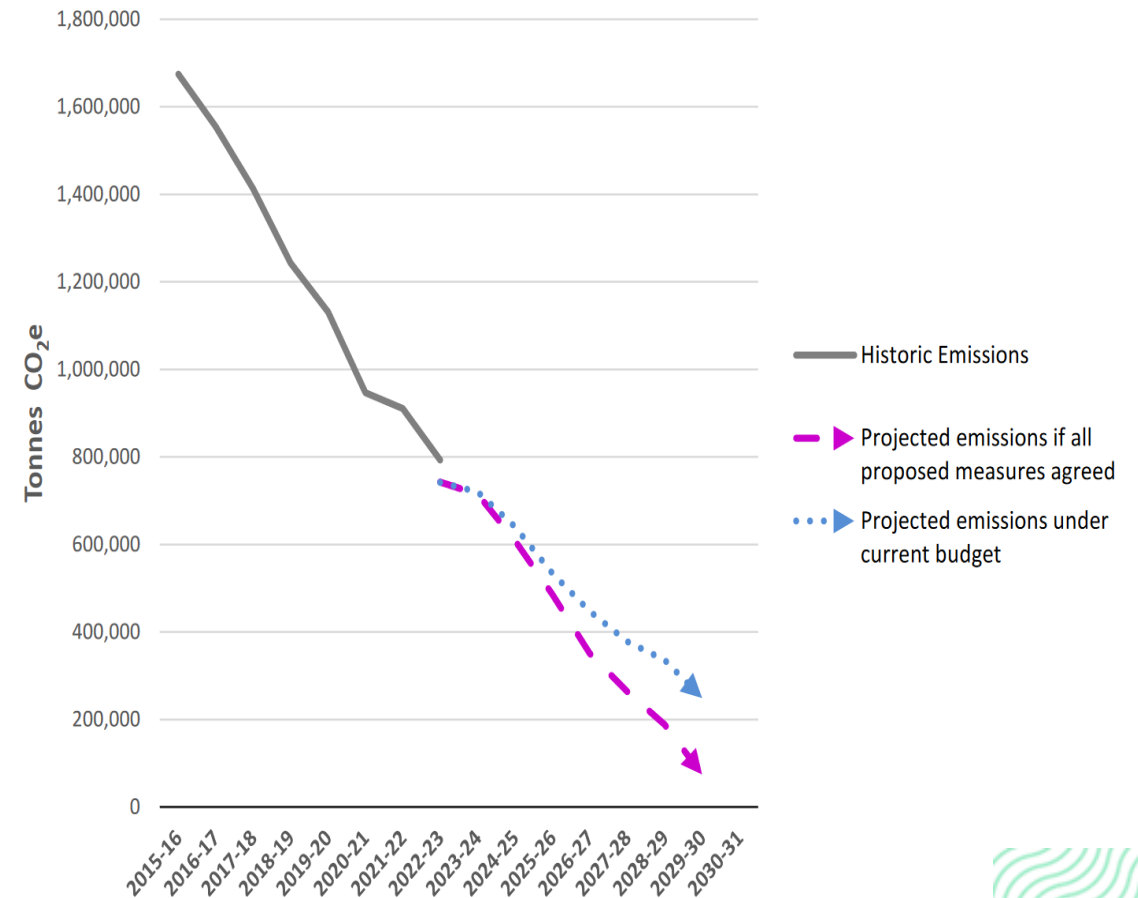


# An Integrated Approach to Reaching Net Zero

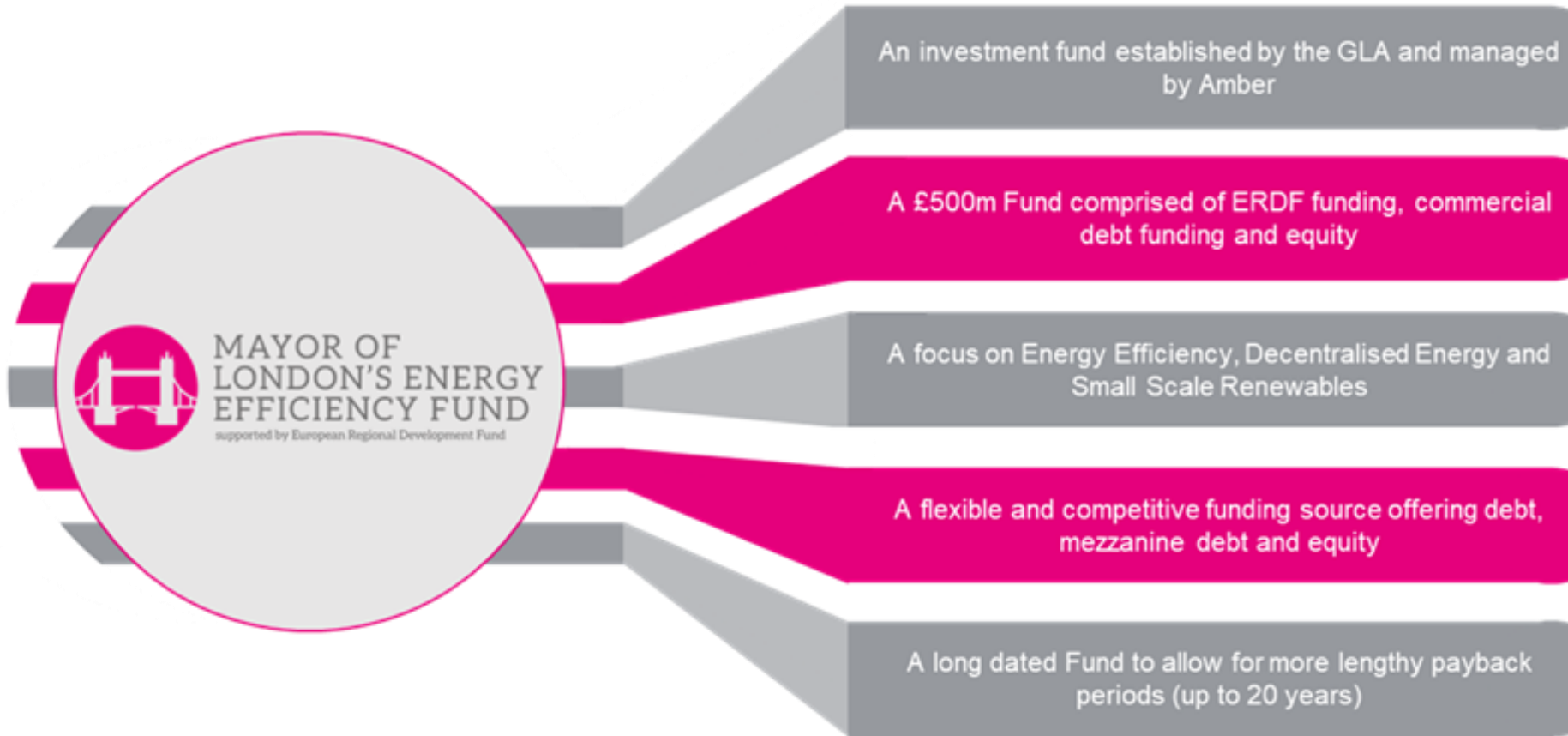


# Reaching Net Zero – Climate Budget

- Identify and highlight decarbonisation measures as part of normal financial budget setting process
- Budget also outlined all unfunded measures to net zero by 2030



# Reaching Net Zero – MEEF



# Reaching Net Zero – Green Finance Fund

- Mayor committed to raise up to £500m for green projects
  - intends to issue green bonds to secure lower interest rate
  - given current market, will initially use GLA cash resources
- Draft green bond framework setting out how funds will be allocated
- Will be deployed via Green Finance Fund (managed internally by London Treasury)

| Criteria  | Detail  |
|---|---|
| <b>Eligible Organisations<sup>+</sup></b>   | GLA Group, London local authorities, Social Housing Providers, NHS bodies, Universities, and Colleges.  |
| <b>ICMA Green Project Category</b>  | Involve at least one of the following green project categories: renewable energy, energy efficiency and/or clean transportation.                        |
| <b>ICMA Core Indicators:</b>  | Projects must deliver against at least one core indicator   |
| <b>Minimum loan Size</b>  | £1m (Eligible organisations are encouraged to aggregate measures into a single project)   |
| <b>Use of Funding</b>   | For capital expenditure   |
| <b>Project Timescale</b>  | Procurement starting within 6 months of finance allocation, construction within 18 – 21 months, and operational within 3 years <sup>++</sup>            |
| <b>Exclusion</b>  | fossil fuel boilers, energy from waste infrastructure, brown, black and blue hydrogen, and vehicles powered through fossil fuel combustion and ethanol. |
| <small>*Finance will not be provided in cases where it is deemed that doing so would negatively impact the GLA's credit rating.</small> |   |
| <small>**Where projects are delivered in phases, at least the first phase should be completely within this timescale.</small>           |   |



# London Treasury



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