

Committee:	Date:
Policy and Resources Committee	7 June 2018
Subject:	Public
Green Finance Taskforce	
Report of:	For Information
Director of Economic Development	
Report author:	
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Summary

In October 2018, as part of its ‘Clean Growth Strategy’, the Government tasked the Green Finance Initiative (GFI), chaired by Alderman Sir Roger Gifford and vice-chaired by Alderman Alison Gowman and Deputy Catherine McGuinness, with running a dedicated Green Finance Taskforce (GFT). The aim of the taskforce was to come up with recommendations for government and for the private sector to both grow London as a centre for green capital markets and to support the UK’s own transition to a low carbon economy. The GFT membership was predominantly drawn from the GFI membership and EDO officers provided the secretariat.

The GFT produced its report on schedule, delivered to Government on 29th March. It produced 30 recommendations ranging from creating a new Green Finance Institute to issuing a UK Sovereign Green Bond, to greening the UK’s infrastructure. The Government will now consider its response to the GFT recommendations and will publish a response in due course.

Recommendation

The Committee is asked to note the progress made by the GFI in promoting London as a centre for green finance. It is also asked to note the City of London Corporation’s role as a leading voice in the debate, acting as a credible partner for government in furthering this important agenda through our central role in the GFT.

Main Report

1. The City of London’s GFI seeks to promote what is a fast-growing and increasingly vital sub-sector in our financial services industry. A 2014 New Climate Economy report estimated some \$90tn needs to be raised ahead of 2030 to meet global sustainable development and climate change objectives. To remain relevant and to capitalise on the commercial opportunity green finance presents, the GFI engages in advocacy to create a policy and regulatory environment that will encourage green finance investment in London.
2. In October 2018, as part of its ‘Clean Growth Strategy’, the Government tasked the Green Finance Initiative (GFI), chaired by Alderman Sir Roger Gifford and vice-chaired by Alderman Alison Gowman and Chairman Catherine McGuinness, with running a dedicated Green Finance Taskforce (GFT). The Task Force was set up for a six-month period and aimed to come up with recommendations for government and for the private sector to both grow London as a centre for green capital markets, and to support the UK’s own transition to a low carbon economy. The GFT membership was predominantly drawn from the GFI membership.

3. The GFT consulted with 140 organisations, from financial services firms to academia to civil society. This resulted in a report delivered to government in March, with 10 themes and a total of 30 recommendations. Notable recommendations include:
 - Government and City of London to create a new Green Finance Institute brand to boost the capacity and output of the GFI
 - Government to provide new incentives to consumers for taking out green mortgages
 - Government to issue a UK sovereign green bond
 - Government to establish a public private venture capital scheme for green investments
 - FCA, FRC and other relevant regulators to ensure that fiduciary duties clearly state the importance of Environment, Social and Governance (ESG) issues
 - The Government should issue a national capital raising plan to align the infrastructure pipeline with the Clean Growth Strategy.

The full report with its complete recommendations can be found here: <http://greenfinanceinitiative.org/wp-content/uploads/2018/04/Report-of-the-Green-Finance-Taskforce-1.pdf>

Next Steps

4. The Government will now consider the report in full and decide which of the recommendations it will support and where necessary, implement policy, regulatory, fiscal and legislative change to implement them. A response is expected to be published before the Budget, likely to be in November. The GFI and its members will work with the Government to provide further evidence to demonstrate the benefits and impact of these recommendations and engage an even wider group of stakeholders to build support and sustain momentum. We also expect an interim update from government speakers at the Green Finance Summit, to be held at Guildhall on 17th July.

Corporate and strategic implications

5. This activity supports Outcome 5 of the Corporate Plan, 'businesses are trusted and socially and environmentally responsible', and Outcome 7, 'we are a global hub for innovation in financial and professional services, commerce and culture'.

Conclusion

6. Clean Growth is one of the four national challenges that form the core of the Government's Industrial Strategy. It is vital that financial and professional services play their part in helping deliver it. The Green Finance Taskforce provides a roadmap for this and through the continued work of the GFI, the City of London Corporation will play a central role in delivering not just a financial services centre with green credentials, but green growth across the UK.

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