

Government launches new £40 million Clean Growth Fund to supercharge green start-ups

- Government to contribute half of initial £40 million fund pot together with one of the UK's largest charity investors, CCLA to be managed by Clean Growth Investment Management (CGIM)
- Fund could reach £100 million by next year with additional private sector investment

The government is launching a new effort to support green start-up companies across the UK, joint-funding a £40 million venture capital fund to supercharge the development of next generation clean, low-carbon technologies.

The Clean Growth Fund will contribute towards the UK's plans to reach Net Zero by 2050 and will be accessible to UK-based companies driving green technology across the power, transport, waste, and building energy efficiency sectors. Potential examples of projects the fund could support include:

- energy storage and smart grid systems to bolster resilience in the power system
- renewable heating and ventilation technologies across homes and commercial buildings
- bio-fuels and bio-energy systems

With £20 million of government investment matched pound for pound by CCLA, one of the UK's largest charity fund managers, the fund could reach £100 million by Autumn 2021 through private sector fundraising.

Business Secretary, Alok Sharma, said:

The need for innovative and ambitious ideas across green industries has never been greater. I am pleased that with the help of this fund, promising clean growth start-ups will be able to step up to accelerate the UK's recovery, while supporting our path to Net Zero by 2050.

This pioneering new fund will enable innovative low-carbon solutions to be scaled up at speed, helping to drive a green and resilient economic recovery.

James Bevan, the CCLA's Chief Investment Officer said:

We decided it was time for CCLA to invest in the very best early stage technologies to support the UK Net Zero objective. In

partnership with BEIS, we have developed a solution, the Clean Growth Fund. Through the Clean Growth Fund, we now look forward to working with other investors to support these exciting young UK companies aiming to reduce carbon emissions.

The Fund is seeking to make investments at early stage, seed or Series A rounds in exciting, innovative clean growth start-ups. The fund will invest in businesses with a prototype product or service demonstrating a clear contribution to reducing greenhouse gases together with compelling evidence of market demand. It will be managed by Clean Growth Investment Management LLP (CGIM).

Beverley Gower Jones, Managing Partner of CGIM, said:

The Clean Growth Fund is a significant boost to the country's low carbon sector and is a clear signal from the UK Government that new and innovative technologies will be crucial to deliver Net Zero and the clean growth agenda. We want to hear from the very best clean technology businesses from across the UK.

The Fund is now seeking wider private sector investment and will aim to balance its portfolio across clean growth sectors. Investment parameters for the Fund focus on clean growth technologies, hardware, products and services in sectors including power generation, waste, energy networks, buildings management, industries, bioenergy and alternative fuels.

Notes to editors