

# Leeds and London set to become global centres of green finance

- £10 million UK government investment for new world-class green finance research hubs based in Leeds and London
- banks, lenders and insurers encouraged to invest in clean innovations and green technologies from renewable power to sustainable agriculture
- encouraging private investment in green projects will drive growth across the economy and support new jobs as the UK builds back greener from the pandemic

Leeds and London will be home to a new UK centre for driving global green finance and investment, Energy Minister Anne-Marie Trevelyan announced today (Monday 15 February), thanks to £10 million in government investment.

The new UK Centre for Greening Finance and Investment will begin in April 2021, with physical hubs in Leeds and London opening a matter of months later led by a partnership with a number of UK institutions including University of Oxford, the University of Leeds and Imperial College London.

The research hubs in the 2 cities will provide world-class data and analytics to financial institutions and services such as banks, lenders, investors and insurers around the world to better support their investment and business decisions by considering the impact on the environment and climate change.

For example, the new centre will equip banks with the latest environmental and scientific intelligence to help companies of all sizes, including start-ups, anticipate, adapt and gear up for the risks posed by climate change. This pioneering research will also help create new world-leading products and services that tackle climate change, such as cutting-edge technologies that measure severe storms and flood risks for property investors and tools that can improve data on industrial pollution linked to investment portfolios.

These new green finance hubs will also attract and develop new green finance talent from around the world to the UK's major cities.

This will unlock brand-new opportunities for Britain to lead internationally in greening global finance, positioning Leeds and London as global centres for green finance while also protecting the UK economy and society from climate and environmental risks such as extreme weather events, flooding, major biodiversity loss and water crises.

Following the ambitious commitments laid out in the Prime Minister's [Ten point plan](#) and the government's [Energy white paper](#), today's announcement is the latest development in the UK's drive to build back greener, driving the creation of thousands of new green jobs and leading the world in tackling climate change.

Energy and Clean Growth Minister Anne-Marie Trevelyan said:

Climate change is the biggest issue that we need to tackle to protect our planet for our children and grandchildren. While the government has invested billions of pounds so we can end the UK's contribution to climate change, we will not reach our net zero target without mobilising private capital and unleashing the power of the free market.

The UK Centre for Greening Finance and Investment in London and Leeds will encourage financial services to turn the tide of their investments and focus on sectors and companies that have a smaller environmental footprint. Doing so will support industries and businesses to develop clean green innovations, creating thousands of jobs across the country – ensuring we build back greener.

Economic Secretary to the Treasury and City Minister John Glen said:

We've set the ambition for net zero – now we must ensure our financial sector has the tools and information to get behind the transition. We're already improving the climate data available by mandating TCFD-aligned disclosures across the economy and implementing a green taxonomy.

This new centre will advance the UK's leadership in green finance and bring forward the day when firms can access environmental data and analytics for every place on Earth, past, present and future.

It is estimated that successfully reducing climate change and adapting to life in a changing climate will deliver multi-trillion pounds of additional private sector investment every year. The new Centre for Greening Finance and Investment will help divert investment away from unsustainable activities such as deforestation and fossil fuels, and towards low carbon sectors, creating green jobs, building industries of the future, and ensuring the climate and environment at the heart of UK financial decision making.

The Bank of England's executive sponsor for work on climate change Sarah Breedan said:

Integrating climate and environmental data and analytics into decision making will allow financial institutions to identify, measure and manage the financial risks and opportunities from climate change, and so support the Bank's objective to ensure the financial system is resilient to these risks and supportive of the transition to net zero.

The Bank of England is delighted that the CGFI will support firms' efforts in this important area, including for the forthcoming Climate Biennial Exploratory Scenario.

Lord Mayor of the City of London William Russell said:

As we look to build a more resilient post-pandemic global economy, it's clear that it must also be a more sustainable one. The demand across the sector for deep expertise in the green finance space – such as that which will be provided by the CGFI – demonstrates that the UK is well-placed to take advantage of this opportunity. I'm therefore delighted that the CGFI will introduce a new layer of innovation to the City of London in sustainable finance.

Today's announcement delivers on commitments made in the government's [2019 Green Finance Strategy](#) to deliver a pioneering research and innovation programme aimed at enhancing data and analytics on climate and environmental hazards, as well as vulnerability and exposures.

The Centre for Greening Finance and Investment also furthers the Chancellor's [new chapter for UK financial services](#).

## **Additional quotes**

Chair of the Environment Agency and Chair of the CGFI Advisory Board, Emma Howard Boyd said:

We don't have time to lose, the benefits of properly pricing climate and environmental risk are estimated to be worth trillions of dollars every year. Closing investment gaps, by avoiding investments in at-risk assets and improving the efficiency of capital allocation across society, will speed up net zero, nature recovery and our preparations for climate impacts like storms and droughts.

Director and Principal Investigator of CGFI and the Lombard Odier Associate Professor of Sustainable Finance at the University of Oxford, Dr Ben Caldecott said:

The Centre for Greening Finance and Investment will allow financial institutions to access scientifically robust climate and environmental data for any point on planet earth now and projected into the future, and for every major sector of the global economy. Doing so will create public goods and unlock innovation.

The UK is perfectly placed to transform the availability of climate and environmental data in finance. We have world-leading capabilities in all the various areas that need to come together to solve the problem.

Executive Chair of the Natural Environment Research Council (NERC), part of

UKRI Professor Sir Duncan Wingham said:

Good data and analytics – based on the best science – is fundamental to understanding and managing climate and environmental risk exposure in support of the transition to a more sustainable global finance system.

This investment by NERC and Innovate UK will enable improved access to, and understanding of, physical and transition climate and environmental risks as they impact both sides of the balance sheet. It will help the finance sector to support delivery of a low carbon economy and the recovery and restoration of our natural environments.

## **Notes to editors**

The government has invested £10 million into the UK Centre for Greening Finance and Investment through UK Research & Innovation (UKRI).

### **About the UK Centre for Greening Finance and Investment (CGFI)**

- CGFI will involve a consortium of major UK institutions, led by the University of Oxford, and including the University of Leeds, University of Bristol, University of Reading, Imperial College London, The Alan Turing Institute, Satellite Applications Catapult, and the Science and Technology Facilities Council
- funding for the CGFI was allocated through the Climate and Environmental Risk for Resilient Finance programme launched by the Natural Environment Research Council (NERC) and Innovate UK in February 2020
- the CGFI is the UK national centre established to accelerate the adoption and use of climate and environmental data and analytics by financial institutions. It will unlock opportunities for the UK to lead internationally in greening finance and financing green
- the CGFI is a global initiative. Our partners include international organisations that will help us accelerate our reach globally, such as the World Bank and the UN Environment Programme Financial Initiative (UNEP FI)
- to achieve this exciting vision, the CGFI consortium brings together a world-leading, multidisciplinary team, particularly through 6 flagship projects covering all the main material risks. The senior leadership team are all globally recognised experts in their respective fields with a track record of delivering high-impact research, tools, analytics, and information relevant to a range of financial institution needs
- 5 major UK universities plus a range of partner institutions reflects our strategy to bring together the diverse range of expertise, across climate and environmental risks, disciplines, financial institutions, and geographies, required both to meet the needs of financial institutions now and to create the strong, broad foundation necessary to scale-up the envisioned world-leading national centre for the long-term
- our broad base of expertise includes climate, earth systems and

environmental science, geography, computing, data science, mathematics, water, engineering, systems science, statistics, economics, business, innovation, decision science, and finance, and our team includes both career researchers and those with practitioner backgrounds