

UK for a green future: Landmark Green Finance Strategy announced

Further cementing the UK's position as a global climate leader, the UK Government has announced its landmark Green Finance Strategy setting out plans to increase investment in sustainable projects and infrastructure. The Strategy will ensure financial risks and opportunities from climate change are integrated into mainstream financial decision making and increase availability of finance to make the most of this economic opportunity, one which brings together the UK's low carbon and environmental expertise and world leading financial services sector. Making the announcement at the third Green Finance Summit in London yesterday, the Economic Secretary to the Treasury and City Minister John Glen argued that financial services will have a bigger role to play than any other sector in tackling climate change.

Last week the UK also became the first country in the G7 to legislate to move to net zero emissions by 2050. The UK has shown that going green can be a win-win, reducing emissions by 42% while growing the economy by 72%, making the country the strongest performer in the G7. The UK Government has further committed to spend at least £5.8 billion on International Climate Finance, encouraging other nations to act on climate collaboratively. This builds on the £3.87 billion that the UK spent on climate activities between 2011 and 2015.

The Green Finance Institute, co-funded by the UK Government and the City of London Corporation, was also launched at the Summit. As the world looks to shift to clean and sustainable economic growth, the Institute will create new opportunities for mobilising finance for sustainable projects around the world – and will lead on the City of London's Green Finance Partnerships with countries including India. The Green Finance Strategy is also a call for collective action, setting out how the UK will work with industry, regulators, academia and international partners – like India – to deliver the urgent and far reaching change that is needed.

The UK and India are already working together to lead the fight on global challenges including climate change. As the global home of capital, London welcomes Indian organisations looking to access green financing. Indian issuers have raised £1.5 billion on the London Stock Exchange through green bonds over the past two-and-a-half years – including through Indian Renewable Energy Development Agency's (IREDA) groundbreaking £216 million green masala bond. The UK and Indian governments have also established the Green Growth Equity Fund, which intends to raise capital from institutional investors for investment in green and renewable energy projects in India. Harnessing green finance to raise capital for India's infrastructure investment requirements will be a central theme at the landmark India Day on 16 July hosted by the UK Government and the City of London Corporation at Mansion House.

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

The UK has a long history of leading the way in tackling climate change, but we need to do more to protect our planet for future generations. The City [of London] has a vital role to play in securing a greener future for us all. By investing more in sustainable projects it can not only protect our environment, but also help establish London as the preeminent international centre for green finance. Today's Green Finance Strategy will support this ambition, with new initiatives to boost funding for green ventures and ensure the environment is at the centre of all financial decision-making.

Economic Counsellor at the British High Commission New Delhi, Natalie Toms, said:

The Green Finance Strategy is another welcome addition to the long list of actions the UK is taking domestically and internationally – including in partnership with India – to tackle climate change. Both the UK and India are working together as a joint Force for Good on issues from renewable energy to climate resilience. I'm delighted that the new Green Finance Institute will help create even more opportunities for Indian organisations to raise green finance in London.

Further information

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