

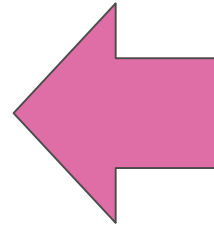
Green Bonds for flood defence and climate adaptation projects

Version 1.0 01/07/15

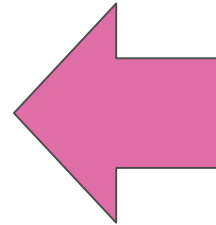
Abundance is authorised and regulated by the Financial Conduct Authority (525432)

abundance.

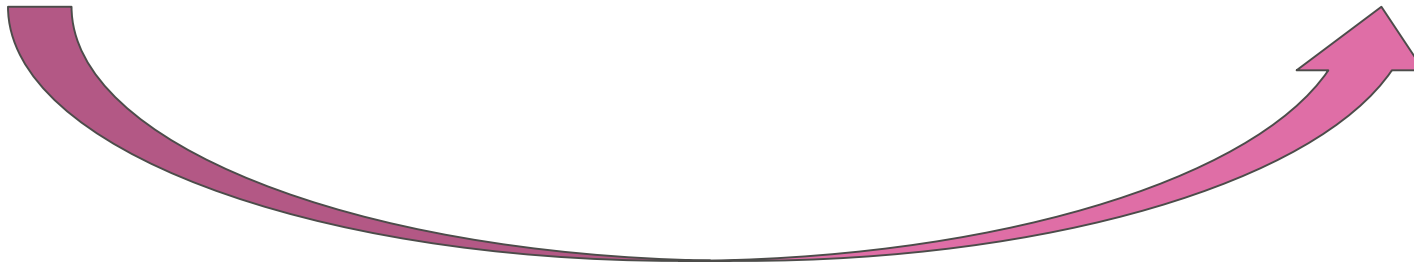
Matching Projects to Money



Matching Projects to Money



- Grant
- Borrowing
 - Loan or Green Loan
 - Bond or Green Bond



What is a Green Bond

- The bonds *use of funds* meets certain standards and therefore the Bond is accredited as a Green or Climate Bond.
 - Renewable energy & energy efficiency
 - Forestry & land conversation
 - Adaptation and resilience
- Standards are increasing in sophistication and new initiatives coming to market e.g. EU Green Bond Standard
- Accreditation comes at a cost to set up and monitor

Why accredit a bond green

- Cost of accreditation should provide a lower debt price :
 - With growth of climate awareness and ESG investing more broadly, bigger pools of capital looking for Green Investors
 - Evidence to date is mixed as to whether green bonds achieve a discount or raise money more quickly. This might change as ESG investing increases.
- Communication & Stakeholder Engagement – signaling to your community and stakeholders you are taking climate and flood defence seriously.

Linking people to the financing of flood defence

- Community Municipal Bonds – working with Leeds and Bristol City Council developed the concept.
 - Cheaper capital than PWLB
 - Easy method of raising funds
 - Connects and engages communities directly to the measures taking place in their area.
 - £680bn held in UK ISAs.
- West Berkshire Climate Emergency Bond – funding solar, but giving people opportunity to donate interest back to adaptation.
- Potential grant money to pilot concept and use with NFM projects

Market research

“We are interested in your reaction to the idea of Community Municipal Bond. This would be an investment bond which would be backed by local authorities, which would pay regular interest over the long term, and be very low risk.

The outcome would be funding for local social and green infrastructure such as climate adaptation, green energy, health and education.”

62% of UK investors said they would be interested or very interested in this product.

89% of UK Ethical Investors said they would be interest or very interested in this product

Survey by OnePoll of 2,000 demographically representative UK adults, March 2019