

PART A - Initial Impact Assessment

Proposal Name:	Evaluation of Local Climate Bonds (LCBs) for financing climate projects
EIA ID:	2847
EIA Author:	Leila Gunnewicht
Approval Status:	Approved

Proposal Outline: This report evaluates the potential of Local Climate Bonds (LCBs), also known as Community Municipal Investments (CMI), as a funding mechanism for the delivery of climate-related projects in Sheffield. Developed by the Green Finance Institute and managed by Abundance Ltd, LCBs offer a tested approach for financing climate projects while engaging local citizens and diversifying financial strategies. As the demand for sustainable solutions grows, LCBs present a unique opportunity to bridge the decarbonisation funding gap and make tangible progress toward local net-zero commitments.

Proposal Type:	Non-Budget
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Year Of Proposal:	24/25
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Lead Director for proposal:	Niki Rust
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Service Area:	Sustainability & Climate Change
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EIA Start Date:	10/2/2024
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Lead Equality Objective:	Understanding Communities
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Equality Lead Officer:	Ed Sexton
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Committees:

Other (Please Specify)

Strategy & Resources

Portfolio

Primary Portfolio:

Investment, climate change and planning

EIA is cross portfolio:

Yes Finance and commercial services

EIA is joint with another organisation:

No

Overview of Impact

Overview Summary:

The project is expected to have an overall positive impact on communities, however the mechanism of LCBs means that investors may not be from a diverse background and therefore may feel excluded from the projects funded through this.

Impacted characteristics:

- Poverty & Financial Inclusion

Consultation and other engagement

Is consultation or other engagement required:

No

Although no formal consultation has taken place for this report, a motion was passed at full council in Feb 2023 asking for local climate bonds to be explored as an option to funding decarbonisation projects. Many community groups have also expressed an interest in this option being explored. A formal consultation process will begin once this report has been approved by committee. Work will be done to identify a suitable project to be funded through climate bonds, and a full consultation will be done

to mitigate any equality issues and ensure the bond and project is delivered equitably. This report isn't delivering anything so equality impacts, although important to consider early on, are not anticipated to be significant at this stage. This report purely seeks to get approval from committee to go forwards with identifying a project and issuing a climate bond.

Cumulative Impact

Does the proposal have a cumulative impact: No

Impact areas:

Initial Sign-Off

Full impact assessment required: No

Review Date: 10/2/2024

Action Plan & Supporting Evidence

Outline of action plan:

Action plan evidence:

Changes made as a result of action plan:

Mitigation

Significant risk after mitigation measures:

Outline of impact and risks:

Review Date

Review Date:

10/2/2024