

City Professionals join forces to promote low carbon bond market

Paradigm Change Capital Partners (PCCP) is pleased to announce the formation and launch of the *Low Carbon Bond Group (LCBG)*, with founding members Clifford Chance, European Investment Bank (EIB), International Investors Group on Climate Change (IIGCC), KPMG, Moody's Investors Service and Norton Rose.



Based out of London, LCBG is the first of its kind, bringing together a range of senior practitioners committed to delivering a variety of capital market solutions for funding the significant debt requirements of the low carbon sector. The group, consisting of specialist arrangers, lawyers, tax advisors, rating agencies and institutional investors, represents the stakeholders required to consider and devise an array of practical solutions required to scale up this promising market.

Dima Rifai, Managing Partner at Paradigm Change Capital Partners, says: *“Low carbon bonds have the potential to make a vital contribution to the global investment required in mitigating climate change. Bonds could fund a significant portion of the debt for low carbon assets such as generation facilities and their transmission, ecological resources, as well as energy efficiency. While this market remains relatively untapped, the tightening regulatory environment for banks, plus the considerable capex required to meet decarbonisation targets is incentivising various stakeholders to promote and support its development. At PCCP we are working with the key participants in our industry to create depth and breadth in the bond product offering, appropriate across a range of sophistication and risk/return appetites.”*

Emma Matebalavu, a Partner in the Capital Markets group at Clifford Chance adds: *“We are delighted to be founding members of LCBG at such an interesting time in the development of this bond market. The scale of funding required, and regulatory challenges to bank funding going forward, means the bond market must grow significantly from its current c. 1% share of financings in this sector. We look forward to sharing our experiences and developing structures which enable a larger number of low carbon projects and their sponsors to look to bond investors to meet their funding requirements.”*

Simon Currie, Global Head of Energy at Norton Rose Group says: *"The low carbon revolution is just beginning and the funding requirement of the sector cannot be met without mobilising debt capital markets. At LCBG, we intend to educate investors as to the characteristics of the asset class. Taking the solar PV industry as an example, LCBG will help structure innovative debt capital market solutions which will be attractive to long term investors."*

Stephanie Pfeifer, IIGCC Executive Director, says: *"We are looking forward to working with other stakeholders on LCBG in order to better understand the low carbon bond investment opportunity and to solve important issues of liquidity, pricing, size and duration."*

Andrew Davison, Senior Vice President in Moody's Infrastructure Finance Group says: *"The investment needs to fund a low carbon future are challenging. As a leading provider of credit ratings, research and risk analysis, we are pleased to provide a rating agency perspective to the Low Carbon Bond Group."*

Simon Brooks, European Investment Bank Vice President for the United Kingdom underlines the importance LCBG will have to play, saying: *"The European Investment Bank recognises the importance of shared expertise and cooperation to build a low carbon economy. We welcome the formation of the Low Carbon Bond Group and look forward to contributing to debate crucial for a sustainable future."*

Darryl Murphy, Associate Partner at KPMG adds a final point: *"The transition to a low carbon economy is one of today's great global challenges and requires a significant investment in energy and transportation infrastructure. Achieving this in the current economic climate needs wider access to the capital markets to reach traditional institutional investors (i.e. pension funds and insurance companies) seeking diversified asset portfolios. There are a number of important issues to debate working out how to best secure the vital investment for this transition and we are very pleased to be part of this process."*

LCBG members bring deep expertise in their fields. Collectively, they have structured, advised on, rated and invested in a wide range of project and securitisation bonds, infrastructure and renewable energy projects, as well as other nascent bond markets. LCBG aims to continue building on this knowledge base and exploring possibilities to grow the low carbon bond universe, whilst providing objective, factual feedback based on decades of practical experience regarding the type of support mechanisms and structures likely to encourage the highest formation of private capital in this asset class.

For further details please contact:

Paradigm Change Capital Partners LLP

info@paradigmchangeccp.com

Notes to Editors

About LCBG Group Members:

1. Clifford Chance

Clifford Chance is one of the world's leading law firms, with unrivalled scale and depth of legal resources across the Americas, Asia, Europe and the Middle East. The firm has 33 offices in 23 countries with some 3,200 legal advisers, and operates a co-operation agreement with Al-Jadaan & Partners Law Firm in Saudi Arabia.

2. European Investment Bank

The European Investment Bank (EIB) is the European Union's financing institution. Its shareholders are the 27 Member States of the Union, which have jointly subscribed its capital. The EIB's Board of Governors is composed of the Finance Ministers of these States. The EIB's role is to provide long-term finance in support of investment projects.

3. International Investors Group on Climate Change

The International Investors Group on Climate Change (IIGCC) is a forum for collaboration on climate change for European investors with over 70 members, including some of the largest pension funds and asset managers in Europe, representing around €6 trillion of assets under management.

4. KPMG

KPMG is a global network of professional services firms providing Audit, Tax and Advisory services, with more than 140,000 professionals working together to deliver value in 146 countries worldwide.

5. Moody's Investors Service

Moody's Investors Service ("Moody's") is a leading provider of credit ratings, research, and risk analysis. Moody's commitment and expertise contributes to transparent and integrated financial

markets. The firm's ratings and analysis track debt covering more than 110 countries, 12,000 corporate issuers, 25,000 public finance issuers, and 106,000 structured finance obligations.

6. Norton Rose

Norton Rose is a global law firm headquartered in London. The firm has 2,500 lawyers and 39 offices worldwide. It is recognised as an international leader in low carbon and renewable energy advisory services.

7. Paradigm Change Capital Partners

Paradigm Change Capital Partners is a leading specialist financial services firm focussed on the Low Carbon sector, with expertise in raising capital for funds, advising investors on investment strategies and arranging specialised funding vehicles for this sector.