



**Glasgow City Council**

**City Administration Committee**

**Report by Councillor Richard Bell, City Treasurer**

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**Item 6**

**21st October 2021**

**C40 “Divesting from Fossil Fuels, Investing in a Sustainable Future”  
Declaration**

**Purpose of Report:**

To present Committee with the proposal to sign the C40 “Divesting from Fossil Fuels, Investing in a Sustainable Future” Declaration.

**Recommendations:**

It is recommended that the Committee:

- (1) notes the report; and
- (2) agrees that the Council signs the “Divesting from Fossil Fuels, Investing in a Sustainable Future” Declaration.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

**PLEASE NOTE THE FOLLOWING:**

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## **1 Introduction**

- 1.1 The purpose of this report is to present Committee with the proposal to sign the C40's "Divesting from Fossil Fuels, Investing in a Sustainable Future" Declaration.
- 1.2 Strategic Plan priority 67 commits the city to becoming a carbon neutral city, and investigating membership of international networks, such as C40.
- 1.3 Cities and local authorities across the world are invited to sign up to C40's Declaration to take all possible steps to divest city assets from fossil fuel companies and calls on city pension funds to do the same and increase financial investments in climate solutions to help promote decent jobs and a just and green economy.
- 1.4 Council considered and [agreed on 01 April 2021 a motion](#) to call on the Strathclyde Pension Fund to make a formal commitment to fossil fuel divestment and to reinvest the Pension Fund to drive a green recovery for the wider Strathclyde region.

## **2 Background C40 Cities network**

- 2.1 C40 is a network of nearly 100 of the world's leading cities who are working to deliver the urgent action needed right now to confront the climate crisis and create a future where everyone, everywhere can thrive. C40 cities are committed to using a science-based and people-focused approach to help the world limit global heating to 1.5°C and build healthy, equitable and resilient communities.
- 2.2 C40 supports cities to collaborate effectively, share knowledge and drive meaningful, measurable and sustainable action on climate change.
- 2.3 In December 2019 Glasgow was invited to join the C40 Cities Climate Leadership Group to encourage and inspire other cities to commit to support the implementation of the Paris Agreement.
- 2.4 On [21 July 2020, 100 days before the opening of COP26](#), thirteen mayors and union leaders, including Glasgow City Council, committed to a decade of action focused on creating good quality jobs; tackling inequality; raising international climate ambition and calling on other cities to join them.
- 2.5 As part of its ongoing commitment to grow a cleaner, greener economy and society, [Glasgow's participation in the Thriving Cities Initiative \(TCI\) was also announced](#). Through the pilot, work will take place amongst communities, businesses and academic institutions to foster new policy and governance, community activity and business models to reduce overall levels of consumption and create an economy where everyone is given an opportunity to thrive without harming other people or the planet.

- 2.6 The C40 network has been a key partner for the Council on the journey to COP26 and has provided a platform for the city to engage with a global constituency of urban peers. The Council will be welcoming mayors from the network during COP-time and linking in to numerous policy debates with them. This relationship will continue beyond COP and thereby ensure that Glasgow has a lasting legacy of its host city role in enhanced international connections and a raised profile in key urban debates on delivering a net zero, climate resilient and just future.

### **3 Background: Divesting from Fossil Fuels, Investing in a Sustainable Future” Declaration**

- 3.1 Launched at Climate Week NYC 2020, twelve cities signed C40’s declaration, “Divesting from Fossil Fuels, Investing in a Sustainable Future”, committing to lead the way by divesting from fossil fuels and championing investments in the green economy wherever possible. Signatories pledge to use their financial might to promote a just and clean energy transition through concrete actions at the city, national and international levels. Signatory cities are: New York City, London, Berlin, Bristol, Cape Town, Copenhagen, Durban (eThekweni), Los Angeles, Milan (COP26 Youth co-host), New Orleans, Oslo, Pittsburgh, Seattle, and Vancouver. Each city has developed an action plan, upon which they will regularly report.
- 3.2 The C40 Divest/Invest Forum is a first-of-its-kind initiative to help urban leaders make the leap to effective and efficient divestment and accelerate green investment. Launched in close partnership with London and New York City, the Forum is designed to support cities and their pension funds in developing and delivering Divest/Invest strategies. Besides the lead cities London and New York City, the cities of Auckland, Boston, Cape Town, Copenhagen, Durban, Los Angeles, Melbourne, Oslo, Paris, Pittsburgh, San Francisco and Stockholm are involved to date. Joining is open to any city, non-regarding of whether they have yet made a commitment to divest.
- 3.3 The Divest/Invest Forum is partnering with Wallace Global Foundation, who are launching a report on the Divest/Invest movement. There will be a high-profile online event on 26th October 2021 which will emphasise the importance of divestment from fossil fuels and investment in climate solutions, providing both financial and social imperatives to call on pension funds and cities alike to pursue divest action. If agreed Glasgow’s signing of the Declaration would be platformed at it.
- 3.4 The Declaration asks signatories to:
- Take all possible steps to divest our city assets from fossil fuel companies and increase our financial investments in climate solutions to help promote decent jobs and a just and green economy.
  - Call on our pension funds to divest from fossil fuel companies and increase financial investments in climate solutions to help promote decent jobs and a just and green economy.

- Advocate for fossil-free and sustainable finance by other investors and all levels of government, including by promoting the importance of strong, long-term climate policies and demanding greater transparency.
- 3.5 Becoming a signatory to the Declaration would give prominence to Glasgow's role in realising the vision for a Global Green New Deal, announced October 2019 at the C40 World Mayors Summit in Copenhagen, Denmark. Endorsed by a broad coalition of business and labour leaders, youth activists, and civil society representatives, the Global Green New Deal reaffirms a commitment to protecting the environment, strengthening the economy, and building more equitable communities through inclusive climate action.

## **4 Commitment**

- 4.1 Signing the Declaration would signal our commitment to deliver transformative actions in order to achieve the aims and ambitions set out in our Climate Emergency Plan and agreed motion.
- 4.2 The Declaration itself is voluntary, non-binding, has no legal status and does not in itself place additional asks on Councils. It commits the City Council to continue to build upon our previous efforts, and to deliver transformative actions:
- Make a commitment to increase our investments in climate solutions and the green economy, and to divest municipal investments from fossil fuel companies.
  - Encourage the city — or other relevant — pension fund to develop a policy to divest from fossil fuel companies, as part of a wider climate risk management strategy.
  - Monitor progress and communicate this progress to C40 on an annual basis, by requesting regular progress reports on how the relevant portfolios are managing climate-related financial risks and opportunities.
  - Use our influence to advocate for investments in climate solutions and divestment from fossil fuels by other actors, such as private financial institutions and our regional and national governments.
- 4.3 All potential signatories will be subject to a short vetting process to authenticate their representation. Divesting from fossil fuels and increasing sustainable assets is a long-term commitment. To make progress on the above actions, upon endorsement of the Declaration, we will develop and share an action plan with C40.
- 4.4 The first step may be to assess the exposure of relevant portfolios to fossil fuel companies and other climate-related financial risks, as well as to green and sustainable assets, for example by following the Taskforce for Climate-related Financial Disclosures. Glasgow has already begun doing so via the Strathclyde Pension Fund Committee and demonstrated on [08 September 2021](#) how it was using the TCDP framework: standards would be set and

companies would be assessed under the 4 key areas of governance, strategy, risk management and metrics and targets. Feedback from C40 is that Strathclyde Pension Fund's Climate Change Strategy and Glasgow's approach is further ahead than many of the original signatories when they signed the Declaration.

- 4.3 It is recommended that the Council signs the Declaration as it would help to advance and further strengthen the existing divestment work within Glasgow through providing opportunities for knowledge exchange and sharing best practices across different signatory cities. It would further enhance Glasgow's reputation on an international stage and promote our positive work around achieving carbon net zero ahead of COP 26.
- 4.4 It would also complement our recently launched Greenprint for Investment' prospectus spanning £30bn of investments and place-based development opportunities as it by distinguishing Glasgow as a committed frontrunner city in the Race to Carbon Zero, enhancing the potential for international investment in the run up to COP26, the UN Climate Change Conference.

## 5 Policy and Resource Implications

### Resource Implications:

*Financial:* There are no financial commitments in signing the C40 Declaration.

*Legal:* There are no legal implications as the C40 Declaration is voluntary and nonbinding.

*Personnel:* There are no new personnel requirements expected in signing the C40 Declaration.

*Procurement:* There are no procurement implications.

**Council Strategic Plan:** The C40 Declaration supports the theme 'A Sustainable and Low carbon City' and Priority 67.

### Equality and Socio-Economic Impacts:

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.* Yes, generally supportive.

*What are the potential equality* Positive impact. Divestment from Fossil Fuels, Investing in a Sustainable Future will benefit all of Glasgow's Citizens.

*impacts as a result of this report?*

*Please highlight if the policy/proposal will help address socio-economic disadvantage.*

The range of benefits from divestment are wide ranging, positioning Glasgow at the forefront of the Green economy and related investment opportunities, and, potentially improving health and wellbeing outcomes.

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

The C40 Declaration takes forward Climate plan Theme 2: Just and Inclusive Place (Action 34).

*What are the potential climate impacts as a result of this proposal?*

The Declaration strengthens best practices of responsible and climate resilient investment with resulting benefits for people and our planet.

*Will the proposal contribute to Glasgow's net zero carbon target?*

Yes.

### **Privacy and Data Protection Impacts:**

No immediate impacts.

## **6 Recommendations**

6.1 It is recommended that the Committee:

- (1) notes the report; and
- (2) agrees that the Council signs the C40 "Divesting from Fossil Fuels, Investing in a Sustainable Future" Declaration.