From: Dorothea Hackman <dhackman@btinternet.com>
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Sent: Thursday, February 10, 2022, 01:32:50 AM GMT+1
Subject: Urgent: “green bonds” for Edmonton incinerator incompatible with UK’s emerging taxonomy for sustainable finance

Dear Sir Merrick Cockell and UKMBA Board Members:

As the claimant in the proposed judicial review of the North London Waste Authority’s decision to execute a contract for the construction of a new energy-from-waste incinerator in Edmonton, in the London Borough of Enfield, I was shocked and saddened to see that the UK Municipal Bonds Agency is preparing to issue “green bonds” for said incinerator on behalf of NLWA.

Issuing “green bonds” for the Edmonton incinerator is **incompatible with the UK’s emerging taxonomy for sustainable finance**, which Rishi Sunak pledged would be at least as strict as the EU’s. As you are certainly well aware, energy-from-waste incinerators are explicitly excluded from the EU’s sustainable finance taxonomy (see https://zerowasteeurope.eu/2021/05/wte-incineration-no-place-sustainability-agenda/). The European Investment Bank will also follow the EU taxonomy and exclude energy-from-waste incineration from their loans (see Table 5.1 in https://www.eib.org/attachments/thematic/eib_group_climate_bank_roadmap_en.pdf). The proposed UKMBA bonds would thus place the UK below the developed-world average in terms of sustainable finance criteria.

Moreover, issuing the proposed bonds would expose investors and north London taxpayers to **high financial risk**. Meeting net zero while issuing “green bonds” for the Edmonton incinerator could mean the plant would have to be closed or its operation significantly scaled back from the planned capacity, as excess incineration capacity in London and the UK suggests the plant would either not be required or would operate at significantly reduced capacity, especially since the NLWA's own updated forecast from December 2021 indicates that the planned capacity is 15% greater than required for NLWA boroughs and, if north London achieves London's 65% recycling target for 2030, then the planned capacity would be 35% greater than required.

For details on the serious environmental shortfalls of the Edmonton incinerator project, please see the **judicial review pre-action letter** sent by Richard Buxton Solicitors to NLWA on my behalf on 28 January: https://stop-edmonton-incinerator.org/wp-content/uploads/2022/01/Judicial-Review-Pre-Action-Protocol-letter-to-NLWA-28-01-2022-1.pdf. NLWA’s response is due this Friday, 11 February.

As you may know, all these concerns were raised in today's **Westminster Hall debate about the Edmonton incinerator**, particularly by Iain Duncan Smith, Jeremy Corbyn, Alan Whitehead, and Geraint Davies, who chairs the All-Party Parliamentary Group on Air Pollution. See https://www.parliamentlive.tv/Event/Index/c429fdeb-7c38-4c07-832e-cd3694696d00 (beginning at 16:30).

Given the above, I call on UKMBA and the associated parties to prevent the proposed bonds from being issued as “green bonds” by immediately:

- withdrawing the Edmonton incinerator prospectus and calling off the related roadshow;
- amending the UKMBA Sustainable Finance Framework to reflect the emerging UK sustainable finance taxonomy, namely by excluding energy-from-waste incineration from “eligible green projects”; and
- releasing a public statement to explain to potential investors and interested parties why no “green bonds” will be issued for the Edmonton incinerator or any other energy-from-waste incinerators in the UK.

By calling off these "green bonds", UKMBA will be able to safeguard not only its own reputation, but also those of green bonds and investors. Otherwise, there is great potential for public backlash once investors, their customers, and other stakeholders realise the bonds are not environmentally sound.

I have cc’d potentially interested parties, including officers and councillors in NLWA’s seven constituent councils; Barclays, HSBC, and Bank of America, as they are joint lead managers of the issuance; PFM, UKMBA’s managed service provider, as they would oversee the bond issue; Moody’s, which assigned an A1 issuer rating and an a3 baseline credit assessment to NLWA; the London Stock Exchange, which apparently specifies what information must be in the investor prospectus that is currently being presented to potential investors; and HM Treasury.

I look forward to receiving your urgent reply to this letter.

Sincerely,
Dorothea Hackman