

Sarah Boyack on the Green Investment Bank

✘ by Lothians MSP Sarah Boyack

Earlier this month, Business Secretary Vince Cable announced that Edinburgh was to be home to the headquarters for the UK's first Green Investment Bank.

The decision has been welcomed by politicians from across the political spectrum and is testament to the hard work and determination of the Edinburgh Chamber of Commerce who were the driving force behind the bid to bring the bank to Scotland's capital.

Alongside the Edinburgh headquarters it has been announced that the main transaction team will be based in London. According to the Business Secretary, this decision will allow for the harnessing of strength between the two capitals and I hope that the decision will make the bank's operation more effective.

The decision could be read as cautionary, acknowledging the uncertainty that the SNP's agenda to separate Scotland from the UK is beginning to bring to decisions on whether to invest here in the lead up to the referendum. Against that backdrop, we need to be vigilant against the possibility of the Edinburgh operation being treated as second fiddle to the main player in London. Edinburgh must be a headquarters for the GIB in action as well as in name. This week's big drop in Edinburgh's international ranking as a place to do business by the Global Financial Centres Index highlights the fact that we cannot afford to be complacent.

Irrespective of the political context, however, what is clear is that the Green Investment Bank must bring opportunities, not only for Edinburgh, nor even for Scotland, but for the UK

as a whole.

Within Edinburgh, the green, financial and research sectors are well developed. Bringing together this expertise in conjunction with the finance sector in London, the bank should be well placed to take forward its goal of driving investment to address the market failures and risks which are associated with developing green industries.

Having secured Edinburgh as the location for the GIB, we urgently need to see the remit and ambition of the institution finalised in order to ensure that it lives up to its potential. That is why I lodged the motion which we are debating in Parliament today.

Chief among the concerns highlighted by business leaders, economists and campaigners is the need to revisit the decision to delay borrowing powers until 2015.

That decision has been described by Transform UK as akin to waiting for a seriously ill patient to recover before administering life-saving medicine. Without borrowing powers for the bank, we risk missing the boat as overseas countries pursue these technologies and reap the rewards.

By giving the bank borrowing powers from the start the UK Government would provide investors with the confidence to put money into the bank allowing it to provide stimulus to emerging green technologies while creating jobs, promoting growth and helping to cut emissions.

Considerable concern has also been raised over the ambition of the institution with Sir Adrian Montague, the financier tasked with overseeing the launch of the bank, reported as saying it will err on the side of caution in its dealings.

This has led to accusations that the bank will be little more than a pot of money that, while helping to fund many admirable projects, will not provide sufficient reassurance to overcome

the barriers faced when seeking finance for green developments through traditional banks.

Part of the rationale behind the bank was to provide an environment that would encourage investors to take a risk in emerging technologies. Without this function the bank risks being irrelevant.

With the right encouragement, the bank provides an ideal opportunity to put great momentum behind the green revolution and to build strong relationships with industries across Scotland, the UK and beyond. As the birthplace of the Industrial Revolution I want to see Scotland playing a leading role in delivering low carbon technologies.

Sarah addressed the Scottish Parliament on Thursday in a debate on the following motion:-

“S4M-02277 Sarah Boyack: Green Investment Bank—That the Parliament welcomes the announcement that the first ever UK Green Investment Bank (GIB) will have its headquarters based in Edinburgh; considers that the city of Edinburgh is ideally suited to deliver the key objectives of the GIB, which aims to encourage and stimulate investment in low-carbon technologies; further considers that the green, financial and research sectors of the capital are already well established and that the decision will strengthen the links between the financial centres of Edinburgh and London; believes that the GIB provides an ideal opportunity to put great momentum behind the green revolution and to build strong relationships with industries across Scotland, the UK and beyond; further believes that the announcement clearly showcases the strengths of Edinburgh and also the potential for the green industry to grow significantly and bring a great boost for jobs, and congratulates what it considers the sheer hard work and determination of the Edinburgh Chamber of Commerce, which it sees as a successful driving force behind the bid.”

Sarah issues an e-newsletter each month the latest of which you can see below

[e Newsletter February 2012](#)