


# Green Investment Bank launched officially today



Despite the fact that it has been working away recruiting staff and finding a space in the council's Waverley Court building, the UK Green Investment Bank (UKGIB) is only officially being launched at the Heriot-Watt conference centre this morning.

Business Secretary Vince Cable has now declared the bank officially open for business and announced two new investments.

The ground breaking institution has been funded with £3 billion of Government money and will mobilise additional private capital to make a significant contribution to the development of a green economy.

 Speaking in Edinburgh Dr Cable revealed that UK GIB had made its first investment since becoming operational, committing an initial £8 million to a project in the North East of England that will generate energy from waste. This will attract a further £8 million of matching private sector funding.

The construction of an Anaerobic Digestion (AD) plant at Teesside is the first of six planned over the next five years, making it the largest single AD project in the UK. The investment, made through fund manager Greensphere Capital, is part of a £80 million investment programme by UK GIB in small waste projects.

Vince Cable said:

“The Green Investment Bank – a key coalition pledge – is now a

reality. It will place the green economy at the heart of our recovery and position the UK in the forefront of the drive to develop clean energy.

“Three billion pounds of government money will leverage private sector capital to fund projects in priority sectors from offshore wind to waste and non domestic energy efficiency, helping to deliver our commitment to create jobs and growth right across the UK. Having the headquarters in Edinburgh is a powerful vote of confidence in the Union, and a testimony to our commitment to helping Scotland lead the green revolution.”

The Business Secretary also announced that UK GIB will invest £5 million to retrofit Kingspan’s UK industrial facilities with systems and services that will reduce its energy consumption by as much as 15 per cent. This investment, through Sustainable Development Capital, is UK GIB’s first project supported in its £100 million non-domestic energy efficiency investment programme.

Dr Cable made the investment announcements with the Bank’s Chair Lord Smith of Kelvin and Chief Executive Shaun Kingsbury at a stakeholder event in Edinburgh to officially launch UK GIB. They were joined by Energy Secretary Edward Davey, Scotland Secretary Michael Moore and Energy Minister Greg Barker.

The Secretary of State for Energy and Climate Change Edward Davey said:

“The Green Investment Bank will help attract the capital required to allow the green economy to blossom, encouraging investors to market and kick-starting low-carbon and energy efficiency projects. In combination with our electricity market reforms, there will be lasting economic benefit as a result, with new expertise and jobs created, that will give the UK a competitive edge.”

The Secretary of State for Scotland Michael Moore said:

“The UK Green Investment Bank is now ready to have a real and positive impact on investment in our green and renewables sectors that will take them into new areas and opportunities. We have the best of both worlds: a headquarters in Edinburgh, at the centre of Scotland’s thriving businesses and asset management, coupled with a team based in London, the world’s leading financial centre.

“The next step is to put that expertise into action and mobilise the additional investment we need to take the UK towards a greener economy. This is the first bank of its kind in the world and this government has delivered it for Scotland and the rest of the UK.”

UK Green Investment Bank Chair Lord Smith said:

“The Green Investment Bank has the potential to be a game-changing component of the UK’s low carbon economy, and a profitable centre of excellence in specialist and renewable investment.

“Over the coming months and years, I am confident that our

excellent team will put its many years of expertise to work on building the foundations of that sustainable economy, and facilitating the important investments that will ensure its long-term good health.”

But the Scottish Greens are urging caution in light of today’s launch.

Patrick Harvie, MSP for Glasgow and enterprise spokesperson for the Scottish Greens, said:

“It’s hard to see how this bank will live up to the hype. Investing in sustainable, clean forms of energy is obvious but this bank isn’t being allowed to borrow from the markets so its full potential is being restricted.

“It was also disappointing to hear Vince Cable on his visit to Scotland today refusing to rule out using the bank to support nuclear projects. And of course we know the Chancellor is openly hostile to a green route out of recession.

“You really have to question whether this bank will help us shift to a low carbon economy, when both the UK and Scottish governments continue to support fossil fuel extraction and aviation growth.”

Earlier this year the Bank was established as a public company, UK Green Investment Bank plc. Following state aid approval from the European Commission last month it is now operational as an independent bank and open for business.

In the period before state aid approval for UK GIB, investments have been made on commercial terms by BIS’s UK Green Investments team (UKGI). To date, UKGI has committed £180 million to specialist fund managers to co-invest equity in smaller waste infrastructure, energy from waste, and non

domestic energy efficiency projects. Assets built up by UKGI have transferred to the UK GIB.