

“POLITICIANS NEED TO CREATE THE RIGHT KIND OF ENVIRONMENT TO GET THE RIGHT KIND OF INVESTMENT”

Leading investor trade body’s reaction to key Parliamentary report on “green finance”

London, 6th March 2014 – Today, the House of Commons Environmental Audit Select Committee led by Joan Walley MP published its “Green Finance” report advising the Government on how to boost investment into the low-carbon economy. The UK Sustainable Investment and Finance Association (UKSIF), quoted in the high-profile report, welcomed the Committee’s response and noted that it had clearly listened to many of the investor community’s concerns.

Caroline Escott, UKSIF Head of Government Relations, said:

“It’s great news that the Committee seems to have taken on board concerns from UKSIF, its members and other investor representatives, about the necessity of having a stable and coherent policy framework in order to boost investment in the ‘green’ economy.

“Mega-trends – such as climate change or resource depletion – could have a significant impact on investors’ portfolios and, ultimately, on people’s savings and pensions. It’s therefore vital that policymakers create the right kind of environment to get the right kind of investment.

“Urgent legislative and regulatory action – such as clarifying legal duties to encourage investors to take environmental, social and governance issues into account – is now needed to ensure the UK remains a global leader in the field of long-term investment for a sustainable and prosperous future.”

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Notes to Editor

About the UK Sustainable Investment and Finance Association (UKSIF)

The UK Sustainable Investment and Finance Association (UKSIF) supports the UK finance sector as a global leader in advancing sustainable development through financial services. We promote and support responsible investment and other forms of finance that advance sustainable economic development, enhance quality of life and safeguard the environment. Founded in 1991, UKSIF has over 250 members including pension funds, asset managers, research providers, financial advisers, banks and non-governmental organisations. For more information, please visit www.uksif.org.

About the Environmental Audit Committee’s Inquiry into Green Finance

In 2013 the Committee launched an inquiry into Green Finance, following on from previous Committee’s inquiries on the green economy, environmental taxes and the environmental aspects of the Autumn Statement 2012. Issues under examination at the time included:

- (i) What are the main drivers behind institutional investors' decisions on the type of investments they include in their portfolios? Where they contemplate supporting energy or environmental projects, what relative weights do they give to questions of possible financial return, environmental/carbon impact, energy security, or other factors?
- (ii) How effective are the financial markets in matching available finance to the required investment in renewable energy and other green projects? To what extent is a potential ["carbon bubble"](#) a real risk?
- (iii) What should the Government be doing to help redirect finance to help fill the £-multi-billion green finance gap?
- (iv) What can the Government do to help increase the flow of finance to small and community-based renewable energy and green projects?
- (v) What impact is the Green Investment Bank likely to have on the green finance gap? Does it have the right investment strategy?
- (vi) How should progress against that green finance requirement be monitored? While the Committee on Climate Change monitor progress on emissions reduction via the Carbon Budgets, and the Office for Budget Responsibility monitors progress on Government debt reduction, who should monitor progress on delivering the necessary green finance?

For a copy of the report and further information about the inquiry see [here](#).

As part of the inquiry, UKSIF submitted [written evidence](#) which was then quoted in the Committee's report, published on the 6th March 2014.