COMMENT ON BUDGET STATEMENT ON GREEN INVESTMENT BANK

GIB borrowing delay weakens signal to investors

London, 23 March 2011 – The UK Sustainable Investment and Finance Association (UKSIF) has commented on announcements in today's budget about the planned UK Green Investment Bank.

UKSIF has welcomed the government statement that the Green Investment Bank will have borrowing powers and increased capitalisation; but it is concerned that borrowing will not be allowed until 2015 at the earliest with the exact timing uncertain as it will be linked to reduction of the UK deficit.

Penny Shepherd MBE, UKSIF chief executive, said: "While there is much to welcome in the announcement, it represents a lost opportunity to make the step change needed to green the UK economy and support UK leadership in green financial services. In particular, the delay and uncertainty about when the Bank can start borrowing does not send the right signals to pension funds and investment managers."

Earlier this week, UKSIF called for the Green Investment Bank to have the power to issue bonds as soon as it is fully operational and to ramp up to large scale bond issuance within the next three years.

About UKSIF
UKSIF, the sustainable investment and finance association, promotes responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment. Founded in 1991, UKSIF has over 250 members including pension funds, asset managers, investment consultants, financial advisers, research providers, banks and non-governmental organisations. For more information, visit www.uksif.org.

About other recent UKSIF comment on the Green Investment Bank
Please see

- *UK Leadership in Green Finance needs credible Green Investment Bank* at http://www.uksif.org/about/Latest_News#5389019
- *UKSIF welcomes Environmental Audit Committee report on The Green Investment Bank* at www.uksif.org/about/Latest_News#5388978
- *Investors signal appetite for UK Green Investment Bank* at www.uksif.org/about/Latest_News#5388747.

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