

UK Green Investment Bank

Introduction

The UK is to set up the world's first investment bank solely dedicated to greening the economy.

The initiative is part of the Government's commitment to setting the UK firmly on course towards a green and growing economy, while also delivering long-term sustainable growth. This transition to a green economy presents significant growth opportunities for UK-based businesses, both at home and abroad. It will require unprecedented investment in key green sectors - an estimated £200 billion is needed for the energy system alone over the period to 2020.

The UK Green Investment Bank (GIB) will be a key component of the progression towards a green economy, complementing other green policies to help accelerate additional capital into green infrastructure.

Its mission will be to provide financial solutions to accelerate private sector investment in the green economy. Capitalised with £3 billion, the GIB will play a vital role in addressing market failures affecting green infrastructure projects in order to stimulate a step up in private investment.

It will build the necessary deep expertise in financial markets and green investments, working towards a 'double bottom line' of both achieving significant green impact and making financial returns.

Following best practice, the UK Green Investment Bank has been established under the Companies Act and operate at arm's length from government.

The Government expects to obtain state aid approval for the GIB by autumn 2012. In advance of this, the Government is investing directly, on fully commercial terms through BIS's [UK Green Investments \('UKGI'\) team](#).

The GIB is one of a number of key policies designed help meet environmental objectives and promote economic growth. Other initiatives include the creation of a National Infrastructure Plan, reforms to the electricity market, changes to the climate change levy, the introduction of a renewable heat incentive, the review of waste policy and the reviews of Ofgem and Ofwat.

Several non-green specific policies also support our growth and environmental objectives, including banking reform, support for early stage innovation and skills provision.