



Green Infrastructure Fund

For a stronger economy

The Green Party's ambition is for New Zealand's economy to be carbon-neutral by 2050. It's time to speed up investment in big projects that will kick-start the green economy and create jobs.

The Green Infrastructure Fund is a key way to begin that transition. We value innovation and action that delivers a clean economy and creates jobs. Thanks to climate change, this is more important than ever.

The clean technology sector has been taking off internationally. In the USA, the clean energy industry is creating jobs 10 times faster than the rest of the economy. With the Green Infrastructure Fund, we could see that kind of job creation in New Zealand. But without the right policy, price signals, and supportive partner institutions in place, private capital has continued to fund carbon and resource intense investments in New Zealand, while starving the emerging cleantech sector of the capital it needs to thrive.

The Green Party will establish a government-owned, financially sustainable Green Infrastructure Fund with a social and environmental mandate: a magnet to attract private finance to transformational low carbon, climate resilient projects.

- The Fund will provide opportunities for long-term investors, including iwi, to achieve good financial returns, positive environmental outcomes, and create jobs.
- In time, the Fund will invest billions of dollars of (mainly) private sector finance into funding new renewable energy plants, solar panel installations, energy efficiency retrofits, biofuels, and other clean technology projects.
- The fund will have a minimum target rate of return of five percent, a goal of reducing emissions by one million tonnes of CO2 annually, and generate thousands of jobs.
- Establishing the Fund will cost \$10 million plus a \$100 million line of credit over three years, paid for by raising royalty rates on oil drilling.

The Green Infrastructure Fund will provide capital and will share risk, through providing loans and/or equity financing. It will become the 'Kiwibank' of the green economy, creating a cleaner more prosperous future for today and for generations to come.

Similar green investment funds and banks can be found in Europe, Australia, Japan, Malaysia, and the United Arab Emirates. Six states of America — California, New York, Hawaii, New Jersey, Rhode Island, and Connecticut — have newly established green banks. The experience from overseas suggests that every \$1 of government finance can attract up to \$10 of private finance.

With the help of green funds, these countries are learning how to achieve greater economic prosperity while at the same time reducing their contribution to climate change. Here at home the National Government has chosen to subsidise the dairy, coal, and oil industries instead. Rather than building smart infrastructure that reduces our impact on climate change, National has prioritised motorways that increase pollution and have low benefit cost ratios.

What kinds of projects will be funded?

Fund directors will be completely independent of government but are likely to fund the following types of profitable clean economy investments, given the goal of emissions reduction and climate resilience:

- Renewable energy projects like wind and solar power
- Energy efficiency building and housing retrofits
- Smart LED street lighting in cities and towns
- Innovations in recycling, waste resource recovery, and diversion from landfill
- Sustainable agriculture projects

Part of a bigger plan

The Green Infrastructure Fund is one of a number of initiatives that will help finance the infrastructure needed to clean up and decarbonise New Zealand's economy. New measures already proposed by the Green Party include:

- A credible price on carbon and agricultural emissions
- Removing fossil fuel subsidies and raising royalties
- A 100% by 2030 renewable electricity target
- Setting stronger targets for greenhouse gas reduction
- Taxing capital gains more comprehensively
- Investing in light rail, freight rail, and other clean transport options.

The Fund will complement other government infrastructure investments.

[www.greens.org.nz/
green-infrastructure](http://www.greens.org.nz/green-infrastructure)

The logo for the Green Party, featuring a stylized green leaf above the word "Green" in a white serif font.