

Green, Social and Sustainability Lending Programme – Asset Assessment Summary

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New Zealand Local
Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

A commitment to assist councils and council-controlled organisations to finance projects that promote environmental and social wellbeing in New Zealand.

Through its Green, Social and Sustainability (GSS) Lending Programme, New Zealand Local Government Funding Agency Limited (LGFA) will lend funds to its member councils and council-controlled organisations (CCOs) (together, Borrowers) to enable them to undertake green, social and/or sustainability (GSS) projects that will help drive forward ambitious climate, environmental and social targets in the New Zealand local government sector (GSS Loans). The GSS Loans will be documented as debt securities under LGFA's Multi-issuer Deed, however, we refer to these debt securities as 'GSS Loans' in this Asset Assessment Summary.

LGFA's GSS Lending Programme – Criteria document (Criteria) sets out the basis on which LGFA may provide Borrowers with a GSS Loan, including criteria for such qualifying projects.

The Criteria is available at www.lgfa.co.nz

Projects may be financed in whole or in part by LGFA.

Projects may include projects delivered, or in the process of being delivered, or assets owned by Borrowers.

Project categories are summarised below.

What project categories qualify for an LGFA GSS Loan?

LGFA offers GSS Loans for a wide range of projects across nine green project categories and three social project categories. The criteria any project must satisfy to qualify for a GSS Loan are set out in section 3 of the Criteria.

Summary List of Eligible Green and Social Categories:

Green Categories¹

Energy Efficiency – For more information, please see section 3.4.1 of the Criteria. Investments in this category are intended to manage demand for energy and/or reduce the energy requirements of projects, buildings, assets and/or activities. This may include reducing reliance on, or phasing out, the use of fossil fuel energy sources and to generally encourage more efficient use of energy.

Green Buildings – For more information, please see section 3.4.2 of the Criteria. Investments in this category are intended to support the development and operation of low carbon, energy efficient or sustainably designed buildings.

Clean Transportation – For more information, please see section 3.4.3 of the Criteria. Investments in this category are intended to create transport solutions that produce zero GHG emissions, with no fossil fuels used.

Sustainable Water and Wastewater Management – For more information, please see section 3.4.4 of the Criteria. Investments in this category are intended to deliver future-oriented water, stormwater and wastewater systems that are designed to accommodate higher precipitation levels and/or droughts. Such projects may use innovative technologies to make good use of the resources contained in wastewater.

¹ For more information, please see section 3.4 and Appendix I of the Criteria for Green Bond Principles (GBP) High Level Mapping to United Nations Sustainable Development Goals (UN SDGs).

Renewable Energy – For more information, please see section 3.4.5 of the Criteria. Investments in this category are intended to utilise the energy potential of the sun, the wind, the ground, the sea, biomaterials and other renewable energy carriers, thereby to replace energy produced from fossil fuels and other energy sources that produce GHG emissions.

Pollution Prevention and Control – For more information, please see section 3.4.6 of the Criteria. Investments in this category are intended to ensure sustainable, energy efficient and resource-saving waste management.

Environmentally Sustainable Management of Living Natural Resources and Land Use – For more information, please see section 3.4.7 of the Criteria. Investments in this category are intended to ensure sustainable land use.

Climate Change Adaptation – For more information, please see section 3.4.8 of the Criteria. Investments in this category are intended to ensure local communities are adapting to climate change.

Terrestrial and Aquatic Biodiversity Conservation – For more information please see section 3.4.9 of the Criteria. Investments in this category are intended to prevent loss or degradation of ocean biodiversity, coral reefs, mangrove forests, coastal wetlands, habitat loss and degradation, as well as preventing unsustainable harvesting of species, climate change and pollution. This may include investments to improve plant management strategies or management of invasive species.

Social Categories²

Affordable Basic Infrastructure – For more information see section 3.5.1 of the Criteria. Investments in this category are intended to support projects, assets or programmes that enable affordable and equitable access to basic infrastructure in the relevant region, that will also benefit economic development and human wellbeing.

Access to Essential Services – For more information see section 3.5.2 of the Criteria. Investments in this category are intended to support projects, assets or programmes that enable accessibility to services that are deemed essential to the relevant region.

Affordable Housing – For more information see section 3.5.3 of the Criteria. Investments in this category are intended to support projects, assets and programmes that enable the construction, retrofit and/or operation of low-cost and social housing.

² For more information, please see section 3.5 and Appendix II of the Criteria for Social Bond Principles (SBP) High Level Mapping to the UN SDGs.

LGFA Contact Details

LGFA will provide assistance in answering any questions on the Criteria or the process for applying for a GSS Loan. We also welcome queries to assist Borrowers in assessing which projects in its asset portfolio could potentially qualify for a GSS Loan. We can also look at the measures you could take in relation to future projects so that they may qualify for a GSS Loan.

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About this Report

This LGFA Green, Social and Sustainability (GSS) Lending Programme – Asset Assessment Summary (Asset Assessment Summary) provides a short form overview of the project categories under the LGFA GSS lending programme.

This document is available at www.lgfa.co.nz