

# Green, Social and Sustainability Lending Programme – Criteria Summary and Loan Application Process

30 March 2023

**LGFA**



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.

New Zealand Local Government Funding Agency Limited (LGFA) recognises the risks inherent in climate change for both New Zealand and local Councils and supports New Zealand's shift to a low-carbon economy. LGFA also recognises it has a role to play in New Zealand's contribution to meeting the United Nations' Sustainable Development Goals (UN SDGs) and helping its members to build a stronger and more resilient society.

The full version of LGFA's Green, Social and Sustainability (GSS) Lending Programme – Criteria document (Criteria) sets out the basis on which member councils and council-controlled organisations (CCOs) (together, the Borrowers) can access a GSS Loan (as defined below) and is available at [www.lgfa.co.nz](http://www.lgfa.co.nz)

## What is a GSS Loan?

LGFA offers financing to its Borrowers to enable them to undertake green, social and sustainability projects that will help drive forward ambitious climate, environmental and social projects in the New Zealand local government sector (GSS Loans). There may be pricing benefits available for GSS Loans. In this summary, we set out the process requirements for applying for a GSS Loan. 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 Criteria Summary.



The Ōtakaro Avon River was named one of the most improved waterways in New Zealand recently.  
Environment Canterbury

## How to apply for a GSS Loan?

All Borrowers are eligible to apply for a GSS Loan and applications for GSS Loans will be subject to a separate assessment process. The steps below summarise the simple process of applying for GSS Loan approval:



### Identify the category and type of project that apply to your project.

LGFA will work with a Borrower to help ascertain the right category in the Criteria and then the right type of project. You only need to meet the criteria specified for your type of project. A summary of the categories is outlined in the Green, Social and Sustainability Lending Programme – Asset Assessment Summary (**Asset Assessment Summary**), which is available at [www.lgfa.co.nz](http://www.lgfa.co.nz).



### Complete an application form.

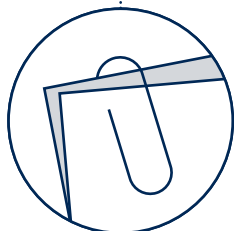
There are specially designed application forms for each of the nine categories of green projects and one for the three categories of social projects. If a Borrower wants to apply for a GSS Loan for several projects or a project covered by more than one category, a separate form is required for each project/category (as applicable). Application forms are available at [www.lgfa.co.nz](http://www.lgfa.co.nz).

The purpose of GSS Loans is for financing new green or social projects, and as a general rule GSS loans are not eligible for financing projects that were completed more than eighteen months prior to the application date. When existing GSS loans mature these can be refinanced within the economic lifetime of the project, but the projects will be reassessed against LGFA's latest Criteria.

Our aim has been to ensure the application forms are easy to complete and that the information requested is easily available from proposals from contractors etc.

If a project changes during the construction or use phase, such that it is probable that it will no longer satisfy the necessary criteria, the Borrower is required to notify LGFA.

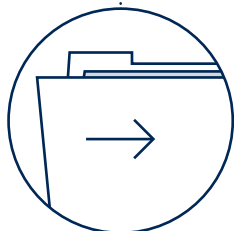
For all projects LGFA requires information on the processes by which the Borrower identifies and manages perceived, actual or potential environmental and social risks associated with the relevant project.



### Attach the required documentation.

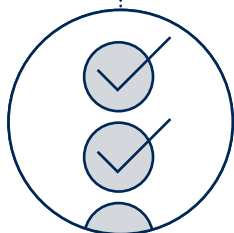
The Criteria and the relevant application form specify the information for which supporting documentation must be provided and what needs to be described for each project type.

To qualify for a GSS Loan, a project must meet the criteria that apply to its type of project. In addition, the project's designated climate or environmental impact must be documented or described in more detail in a separate attachment. Attachments should be provided to verify information provided as far as possible. For example, we expect the energy needs calculated for new builds and the expected reductions resulting from energy efficiency measures to be documented by an energy report from a contractor. For other types of investment, impact calculations in the proposals submitted by contractors, project descriptions or similar can be used as supporting documentation.



### Submit the completed application form to allow LGFA to process your request for a GSS Loan.

We will normally be able to determine whether the project does or does not qualify in the course of ten working days. If we need more information to decide whether the project qualifies, we will be in touch to request the necessary information and the process may take more time.



### We process your application and then let you know whether your project qualifies for a GSS Loan.

Where a project satisfies our GSS Loan criteria, we will confirm that a GSS Loan can be made to the Borrower. Where a project does not satisfy LGFA's GSS Loan criteria, the Borrower can continue to borrow under our normal financing terms. By borrowing a GSS Loan, a Borrower agrees to the project information provided by them being used in our reporting. You can find more information on how we use this information in section 4 of the Criteria.

## What project categories qualify for a GSS Loan?

LGFA offers GSS Loans for a wide range of projects across 10 green project categories and six social project categories. The criteria any project must satisfy in order to qualify for a GSS Loan are set out in section 3 of the Criteria (these are also summarised in the Asset Assessment Summary).

### Summary List of Eligible Green and Social Categories:

#### Green Categories

- Energy Efficiency
- Green Buildings
- Clean Transportation
- Sustainable Water and Wastewater Management
- Renewable Energy
- Pollution Prevention and Control
- Environmentally Sustainable Management of Living Natural Resources and Land Use
- Climate Change Adaptation
- Terrestrial and Aquatic Biodiversity Conservation

#### Social Categories

- Affordable Basic Infrastructure
- Access to Essential Services
- Affordable Housing

### 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 – Criteria Summary & Loan Application Process (**Criteria Summary**) was developed to provide answers to a few initial questions regarding access to funding under the LGFA GSS lending programme.

This document is available at [www.lgfa.co.nz](http://www.lgfa.co.nz)