



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

Cost Estimate of Election Campaign Proposal

Publication date:	2019-10-11	
Short title:	Green Technology and Innovation Fund	
Description:	The federal government will provide \$250 million to establish a fund for Canadian green technology companies. The fund will be managed by the private sector. Private companies will be required to invest \$4 for each \$1 invested by the government. The government will borrow the money needed to establish the fund and it will receive returns on the venture capital investments.	
Operating line(s):	Other Transfer Payments	
Data sources:	Marginal effective interest rate:	PBO economic and fiscal model
	Clean technology gross investment return rate:	Bank Development Canada report on Canada's venture capital land
Estimation and projection method:	The cost of the federal contribution to the green technology fund is the difference between the cost of borrowing the \$250 million to establish the fund and the return on the capital from investments in green technology companies.	
Uncertainty assessment:	The estimate has moderate uncertainty. The uncertainty is inherent in the projected investment return rate of the green technology companies.	

Cost of proposed measure

\$ millions	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Total cost	-	8	9	6	5	4	4	3	3	3

Supplementary information

	Operating line	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029
Borrowing cost	Other transfer payments	-	8	9	9	10	10	10	11	11	11
Return on capital	Other revenues	-	-	-	-3	-5	-6	-7	-7	-8	-8
Total cost	Other transfer payments	-	8	9	6	5	4	4	3	3	3

Notes:

Estimates are presented on an accruals basis as would appear in the budget and public accounts. Totals may not add due to rounding.

Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.

"-" = PBO does not expect a financial cost