

1. Name of measure

Green Technology Financing Scheme (GTFS)

2. Purpose of measure

Sustainable economic development is essential in Malaysia's long-term development plans and green technology has been envisaged as one of the emerging drivers of economic growth not only to ensure sustainable energy growth for the future through energy interdependent and promote efficient utilization, but also the sustainability of the country economically, socially and environmentally. The transformation of the economy to be driven by green technology have been spelled out as the main agenda under the National Green Technology Policy which was launched in July 2009 and various programmes have been implemented to promote the application and development of green technology including the establishment of the Green Technology Financing Scheme in 2010.

The purpose of the Scheme that offers a 60% guarantee of the financing amount and a rebate of 2% on the interest/profit rate charged by the financial institutions, is to accelerate the expansion of green investments by providing easier access to financing from the private and commercial financial institutions. The Scheme which is available until 31 December 2017 or upon reaching a total financing approval amount of RM3.5 billion whichever is earlier, facilitates the growth of local green businesses and generates new markets and job creation.

Malaysian Green Technology Corporation (GreenTech Malaysia) and Credit Guarantee Corporation Malaysia Berhad (CGC) are the agencies tasked with administering the Scheme. GreenTech Malaysia is responsible for the promotion, assessment, certification and monitoring of producers and users of green technology under the Scheme, while CGC administers the guarantee and rebate payments.

3. Outline and applicable sectors (transport, buildings, manufacturing, etc.)

There are four key sectors which are:

- i. Energy
- ii. Water and waste management
- iii. Building
- iv. Transport

The GT policy has defined that any product, equipment or system which satisfies the following criteria is categorized as GT;

- i. Minimises the degradation of the environment
- ii. Reduces greenhouse gas emissions
- iii. Safe for use and promotes a healthy and improved environment for all forms of life
- iv. Conserves the use of energy and natural resources and;
- v. Promotes the use of renewable resources

4. Financial resources and budget allocation of measures

The GTFS is a special financing scheme introduced by the government to support the development of Green Technology (GT) in Malaysia. It was proposed by the Right Honourable Prime Minister during the tabling of the 2010 Budget with a total financing amount of RM1.5 billion. Subsequently, in Budget 2013, with YAB Dato' Seri Mohd Najib Tun Haji Abdul Razak announcing that the fund for GTFS will be increased by RM2 billion and the application period extended for another three years ending 31 December 2015. During the Budget 2016 speech on 23 October 2015, YAB Prime Minister once again had announced the extension of the implementation period of the Green Technology Financing Scheme (GTFS) until 31 December 2017.

5. Method to measure effects of measures (reduction in energy consumption and energy cost, etc.)

1. Project Monitoring and Verification

All successful applicants shall submit monthly Project Progress Report to GreenTech Malaysia during project implementation in accordance to the format as specified. Upon successful commissioning of the project, the applicant shall submit Project Outcome Report at every three (3) month to GreenTech Malaysia according to the format and dateline as specified.

2. Project Impact

The Project Outcome Report shall be prepared in accordance to the monitoring and verification procedures and baseline as agreed during the application stage.

6. Results of measures

- i. Accelerate the expansion of green investments
- ii. Facilitates the growth of local green businesses and generates new markets and job creation.

7. Future tasks

8. Others

9. For further details about measures, please contact:

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43650 Bandar Baru Bangi,
Selangor Darul Ehsan

Attention : GTFS Secretariat