



**Asia-Pacific
Economic Cooperation**

2020/SOM1/PPSTI/044

Agenda Item: 13.3

**Presentation on Green Technology Financing by
Malaysia Green Technology and Climate Change
Centre**

Purpose: Information
Submitted by: Malaysia



**15th Policy Partnership on Science,
Technology and Innovation Meeting
Putrajaya, Malaysia
13-14 February 2020**



Green Technology Financing by Malaysia Green Climate Change

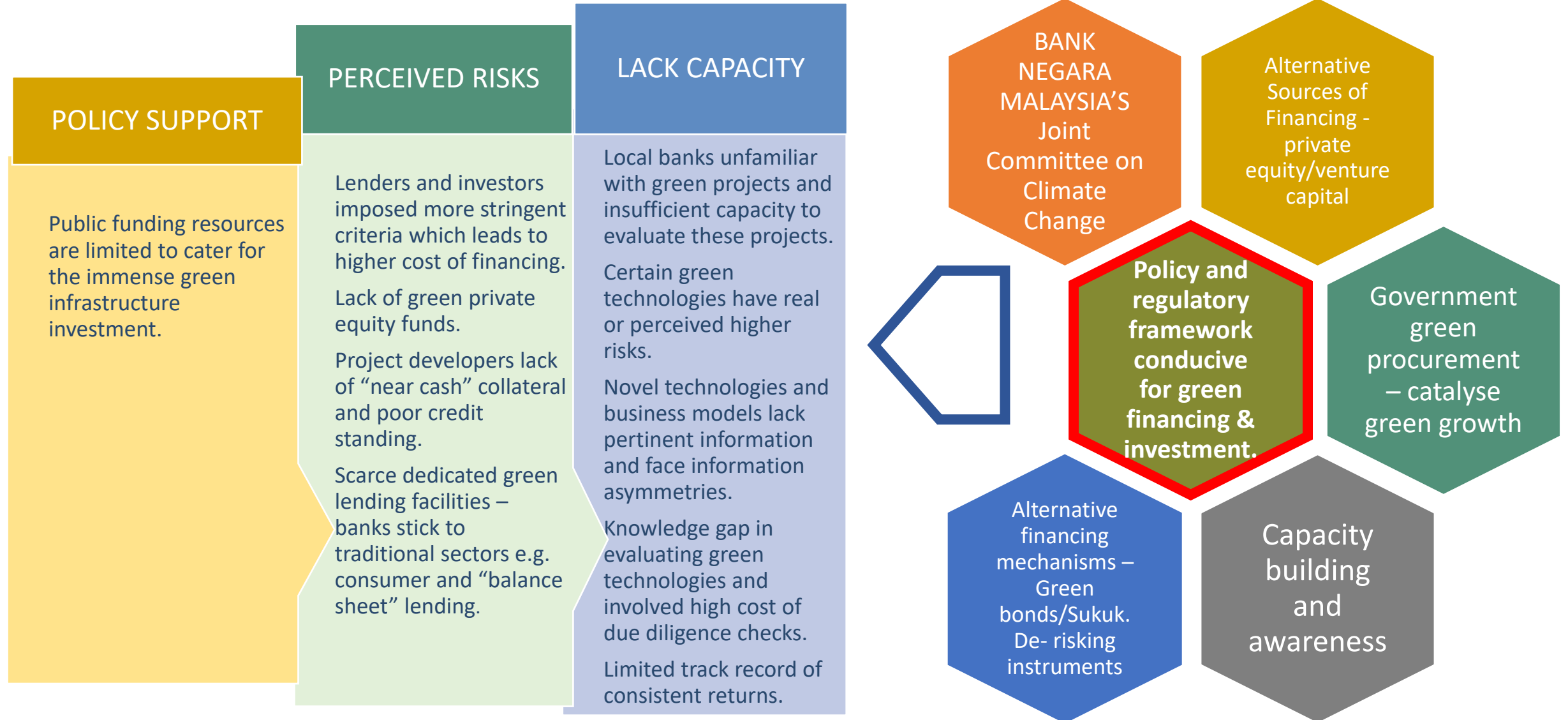
SYED AHMAD SYED MUSTAFA
Chief Operating Officer

13th February 2020

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FINANCING GAPS AND CHALLENGES FOR GREEN INVESTMENTS

ISSUES & CHALLENGES TO ACCELERATE GREEN INVESTMENTS

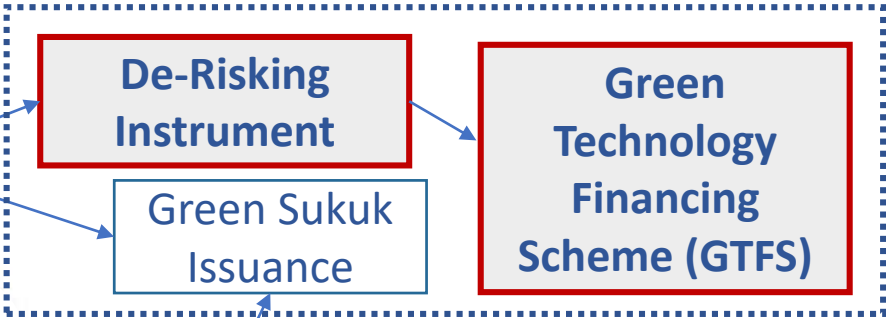


POLICY SUPPORT MECHANISM FOR GREEN FINANCING & INVESTMENTS

- POLICY**
- National Green Technology Policy 2009
 - National Renewable Energy Policy And Action Plan 2009
 - National Policy on Climate Change 2009
 - Renewable Energy Act 2011
 - 11th Malaysia Plan 2016-2020



- Feed in Tariff
- Large Scale Solar
- Net Energy Metering
- Government Green Procurement



- Green Investment Tax Allowance
- Green Income Tax Exemption
- Tax deduction until year of assessment 2020 on issuance costs of SRI sukuk approved or authorised or lodged with the Securities Commission
- Tax exemption for the recipients under the Green SRI Sukuk Grant Scheme from year of assessment 2018 to 2020
- MYR6 million Green SRI Sukuk Grant Scheme to defray independent expert review costs incurred by issuers

POLICY SUPPORT AND FRAMEWORK FOR GREEN FINANCING & INVESTMENTS

GREEN TECHNOLOGY FINANCING SCHEME (GTFS) PERFORMANCE 2010 – 2017

28 financial institutions

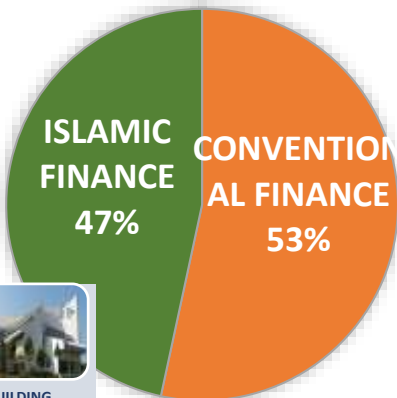
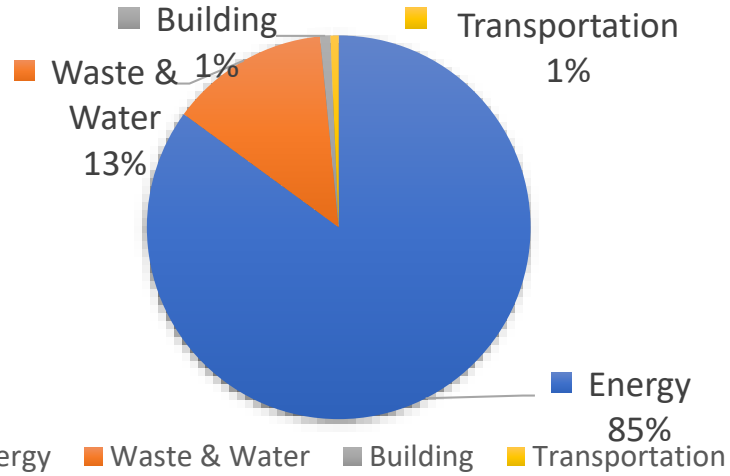
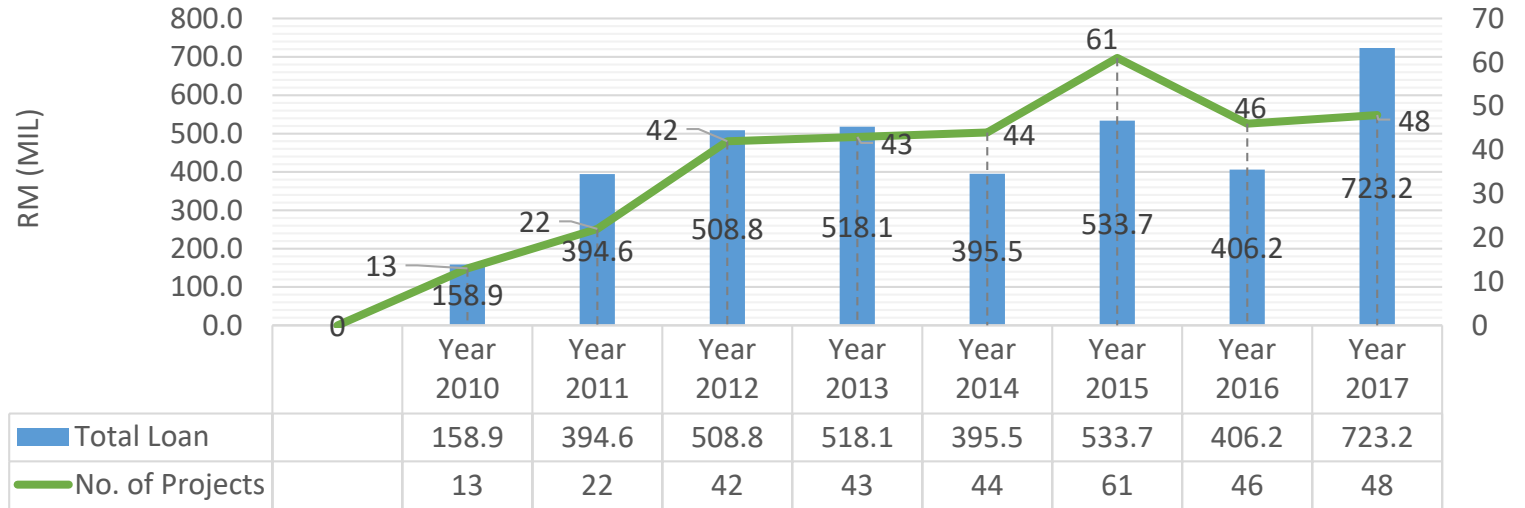
319 projects

MYR3.6 billion

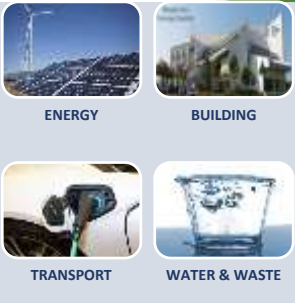
92% SME's

Mobilise green investment and mitigate financial risks

Financing Approvals (MYR million)



EXPECTED IMPACT



GREEN TECHNOLOGY FINANCING SCHEME 2.0 (GTFS 2.0) 2019-2020



Objective is to promote green investments by providing easier access to financing and at a lower financing costs.



PRODUCERS

To finance investment for the production of green products



USERS

To finance investment for the utilization of green technology



ENERGY SERVICE COMPANIES (ESCO'S)

To finance investment or assets related to energy efficient project and/or energy performance contracting

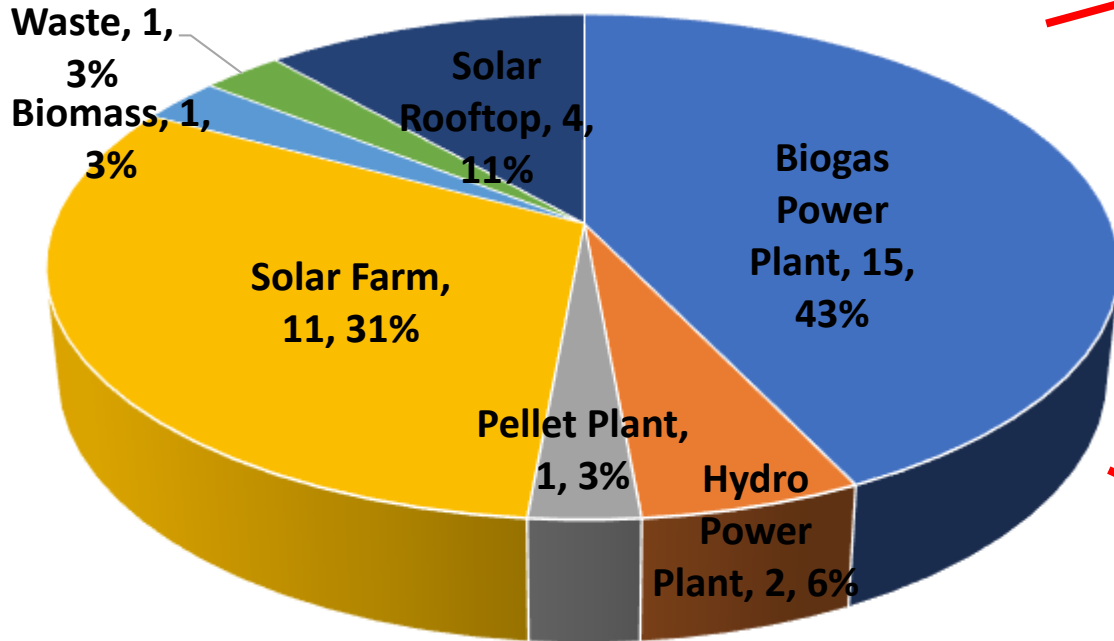
INCENTIVE

- 60% Guarantee on loans provided by banks
- 2% p.a subsidy on the interest cost

<https://www.gtfs.my/>

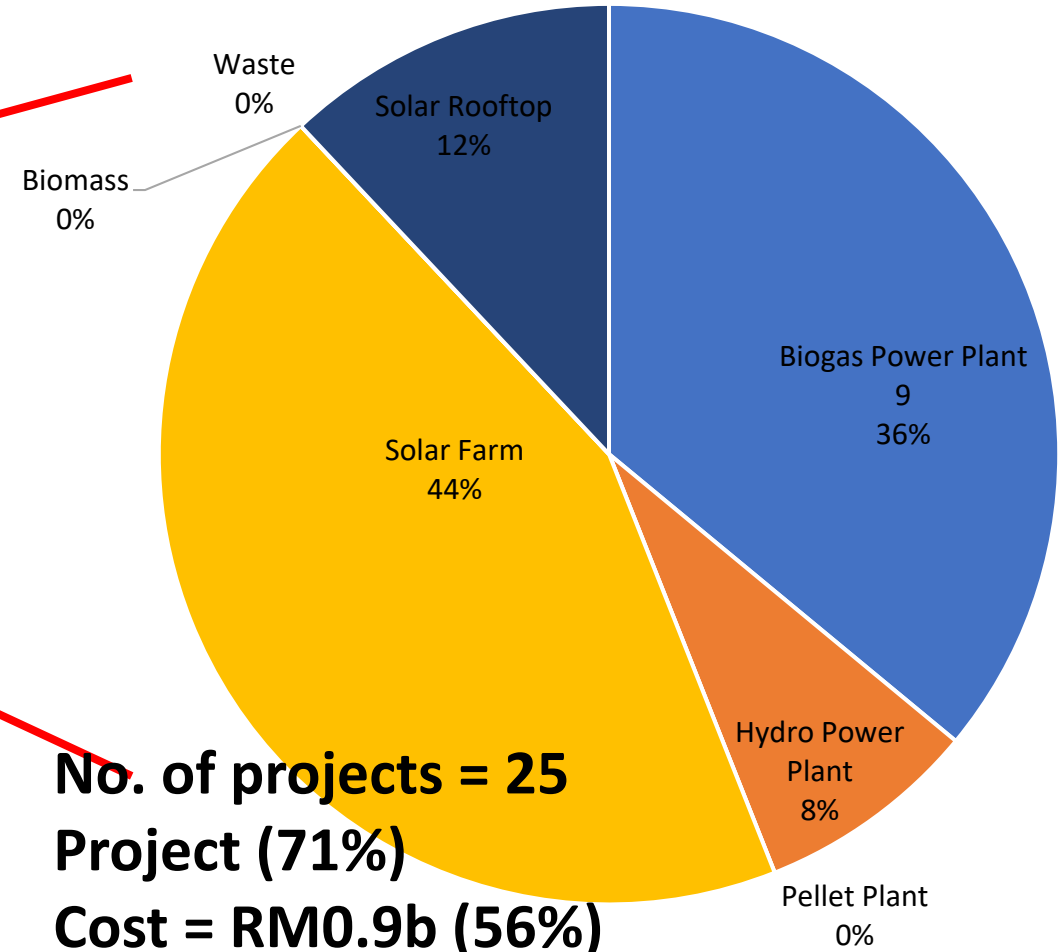
GTFS 2.0 PERFORMANCE as at Dec 2019

GTFS CERTIFIED PROJECTS



No. of projects = 35
Cost = RM1.6b

BANK LOAN APPROVALS



No. of projects = 25
Project (71%)
Cost = RM0.9b (56%)

GTFS 2.0 EXPECTED IMPACT (As at Dec 2019)



Renewable Energy
Generated:
667,866 MW/Year



Green Investments:
RM1.33 Billion

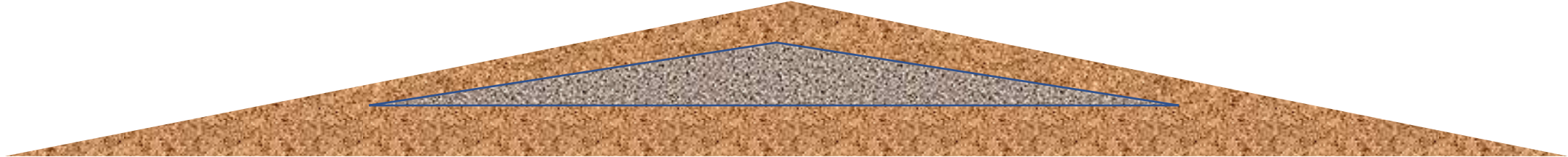


Waste Minimization:
29,690 MT/Year



GHG Reduction: 8.55 m
tCO2e/Year

EMINENT ROLE OF BANKS AND FINANCIAL INSTITUTIONS



Drive investment in and growth of new technologies and solutions to climate change.

Preference given to financing projects that do not degrade the environment.

Adopt green practices promoting the green culture within its organisation.

Measuring the bank's carbon impact of investments (carbon footprint), enable it to manage its portfolio, with further understanding on climate risk associated with it and sets the right targets.





Syed Ahmad Syed Mustafa

GO GREEN TO SAVE THE BLUE

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