

ENTERPRISE FINANCING SCHEME GREEN (EFS-GREEN)

Frequently Asked Questions

1. What is the objective of EFS-Green?

ESG is launching EFS-Green to enable better access to green financing for enterprises that are Project Developers, System Integrators and Technology & Solution Enablers which develop enabling technologies and solutions to reduce waste, resource use or greenhouse gas emissions, especially in sectors of Clean Energy, Circular Economy, Green Infrastructure and Clean Transportation. This is part of the Enterprise Sustainability Programme (launched on 1 Oct 2021).

The efforts are aligned to the Singapore Green Plan 2030, which identifies a focus on helping local enterprises develop capabilities, build track-record and capture growth opportunities within the green economy to develop a strong pool of enterprises within these sectors, with the aim to generate economic value-add, environmental impact and good jobs for Singaporeans.

ESG will provide 70% risk-share to catalyse the lending from partner financial institutions. Eligibility criteria are indicated in Annex A.

2. What is the risk sharing from ESG and for which financing products?

Risk-share for EFS-Green will be at 70% (enhanced from the 50% for existing EFS facilities) for Developmental Capital, Fixed Asset Financing, Trade Loans, Venture Debt Loans, Project Finance and M&A Loans. The parameters of the scheme coverage are indicated in Annex B.

3. Which are the eligible partner Financial Institutions (FIs) on this programme?

The eligible partner FIs for EFS-Green are DBS, UOB, OCBC and HSBC.

These eligible partner FIs have developed Green and Sustainable Financing Frameworks for enterprises. These frameworks have been approved by an MAS-recognised SPO (Second Party Opinion) provider. Loans under the scheme should be classified as a Green Loan as assessed by the partner FIs in accordance to their Green and Sustainable Financing Frameworks.

4. When is EFS-Green open for application? How long is the scheme available for enterprises?

EFS-Green is open for applications from 1 Oct 2021 until 31 Mar 2024. All applications must be approved by a partner FI by 31 Mar 2024.

5. Can EFS-Green support my company's projects overseas?

Yes, EFS-Green supports both overseas and domestic projects, so long as they meet the qualifying criteria indicated in Annex A.

6. What is the difference between EFS-Green and other EFS products?

EFS-Green is a targeted scheme to support eligible enterprises (i.e. Project Developers, System Integrators, Technology & Solution Enablers) in Green Growth Sectors such as Clean Energy, Circular Economy, Green Infrastructure and Clean Transportation to capture opportunities and enable access to green financing. The loan provided by the partner FIs will be structured as a Green Loan.

The Enterprise Financing Scheme, on the other hand, provides broad-based support to local enterprises across all sectors and where the utilisation of the loan is only tied to the type of loan facility which the enterprise applied for.

7. Can enterprises apply for EFS-Green and other Enterprise Financing Scheme facilities at the same time?

Yes, enterprises can apply for EFS-Green and other facilities under the Enterprise Financing Scheme if they meet the criteria for each scheme, subject to assessment by the partner FIs.

8. Can enterprises apply for EFS-Green multiple times with different partner FIs?

Yes, enterprises can approach the partner FIs to apply, with the total aggregated amount borrowed under the scheme together with other Enterprise Financing Scheme products capped at S\$50 million per borrower group, subjected to the assessment by the partner FIs.

9. Partner FIs are not willing to approve my company's loan application even though it is eligible for the EFS-Green. What can I do?

All eligible enterprises applying for the EFS-Green are subject to assessment by the partner FIs. Enterprises which require further support may approach Enterprise Singapore at (65) 6898 1800 or submit an enquiry through <https://go.gov.sg/helloesg>.

10. As Enterprise Singapore provides 70% risk share for the EFS-Green, are borrower/guarantors only responsible for the remaining 30% of the loan?

No. The borrower and guarantor are responsible to repay 100% of the loan amount. When defaults occur, the partner FIs are obligated to follow their standard commercial recovery procedure, including the realisation of security, before they can make a claim against Enterprise Singapore for the unrecovered amount in proportion to the risk-share percentage.

11. Why do banks require a 100% Personal Guarantee (PG) when the government covers 70% of the loan amount?

A PG is not only a means of security but also signals commitment by the guarantor(s) that they are committed to the loan obligation.

Annex A: Eligibility Criteria for EFS-Green

Eligible enterprises must:

- (i) be a business entity that is registered and physically present in Singapore,
- (ii) (have at least 30% local equity held directly or indirectly by Singaporean(s) and/or Singapore PR(s), determined by the ultimate individual ownership,
- (iii) have group annual sales turnover of not more than S\$500 million,
- (iv) and meet the criteria in both Tables 1 and 2 below

Table 1: Qualifying Green Sectors and Activities

Qualifying Sector	Qualifying Activities:
<p>1) Clean Energy & Decarbonisation</p> <p><i>Energy obtained from renewable, zero-emissions sources and energy saved through measures in energy efficiency, to reduce carbon emissions through technologies, and decarbonisation technologies.</i></p>	<ul style="list-style-type: none"> • Energy Efficiency Technologies • Smart Grids and related technologies • Technologies and Solutions for green energy storage • Renewable Technologies and Solutions (e.g. Solar, Wind, Geothermal, Hydropower, Hydrogen, Bioenergy) • Production of Electricity from Renewables • Low carbon and Decarbonisation Technologies to cover value chain of Carbon Capture Utilisation and Storage (CCUS) and related transportation
<p>2) Circular Economy & Resource Optimisation</p> <p><i>Maximise the value of resources in the ecosystem through reusing, refurbishing and recycling materials, products and resources; Optimise resource usage and efficiency.</i></p>	<ul style="list-style-type: none"> • Water / Wastewater recycling technologies • Technologies to improve water quality and/or water use efficiency including monitoring and treatment • Resource efficient packaging • Recycling, reutilisation, remanufacturing and refurbishing of materials and waste • Waste to Energy solutions / technologies
<p>3) Green Infrastructure</p> <p><i>Development of advanced materials and technological solutions for resource-efficient and green infrastructure.</i></p>	<ul style="list-style-type: none"> • Advanced fabrication and material technologies related to green construction and prolonged life of buildings and infrastructure • Technologies and solutions related to reduction of construction waste management • Development of technologies and solutions related to reduction and optimisation of resource use by infrastructure

<p>4) Clean Transportation (Land, Sea and Air)</p> <p><i>Transportations to reduce carbon emissions and enhance air/water/land quality.</i></p>	<ul style="list-style-type: none"> • Green Maritime transport technologies and solutions, e.g. using LNG, Solar, Hydrogen, Electric or Hybrid engines; green fuel bunkering, maritime decarbonisation, development of biofuel blends; • Green Aviation technologies, e.g. green aviation fuel, green and sustainable aviation designs, green MRO solutions and technologies; • Electric Vehicles technologies and solutions, e.g. charging infrastructure, charging technology, grid integration solutions, critical EV components manufacturing, such as EV batteries
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Table 2: Qualifying Borrower Types

Qualifying Borrower Types	Definition under EFS-Green
Project Developers	Local Enterprises that develop, manufacture, build and operate capital-intensive green projects (which can be integrated projects across the value chain), incorporating proprietary engineering / technologies / solutions with a positive environmental impact.
System Integrators	<p>Local Enterprises that provide engineering designs, procure equipment, install, and construct facilities for project owners.</p> <p>This also include Local Enterprises who develop the design, procure components, integrate solutions, and assemble the final system / product, for both consumer and business clients.</p> <p>The enterprise should provide unique technological value-add, resulting in a positive environmental impact.</p>
Technology & Solution Enablers	Local Enterprises that develop and deploy technology and solutions for other enterprises, which result in a positive environmental impact.

Enterprises which are adopters of green solutions or technologies will not be supported under this programme. These enterprises can still tap in existing EFS facilities.

Annex B: Government risk-share for EFS-Green will be at 70% for the below financing products

Table 3: EFS-Green Parameters

Financing Products	Supportable Areas	Loan Parameters
Developmental Capital	<p>Expenses related to green initiatives</p> <ul style="list-style-type: none"> • New Product Development • Technology Development expenses • Consultation & Certification fees 	<ul style="list-style-type: none"> • Max Product Cap per borrower: S\$3m <i>(Note: Borrowers are subject to an overall borrower group¹ limit of \$5m)</i> • Max Loan Period: 5 years
Fixed Assets Loan	<ul style="list-style-type: none"> • Purchase of equipment and machinery related to green initiatives • Construction of factories or purchase of land related to green initiatives 	<ul style="list-style-type: none"> • Max Product Cap per borrower: S\$30m <i>(Note: Borrowers are subject to an overall borrower group¹ limit of \$30m)</i> • Max Loan Period: 15 years
Trade Loan	Trade financing for green and sustainable products, inventory and raw materials	<ul style="list-style-type: none"> • Max Product Cap per borrower: S\$10m <i>(Note: Borrowers are subject to an overall borrower group¹ limit of \$20m)</i> • Max Loan Period: 1 year
Project Loan	Finance fulfilment of overseas and domestic green projects	<ul style="list-style-type: none"> • Max Product Cap per borrower: S\$50m • Max Loan Period: 20 years
Venture Debt Loan	Finance the growth of innovative enterprises with green initiatives using Venture Debt & Warrants	<ul style="list-style-type: none"> • Max Product Cap per borrower: S\$8m <i>(Note: Borrowers are subject to an overall</i>

		<i>borrower group¹ limit of \$20m)</i> <ul style="list-style-type: none"> • Max Loan Period: 5 years
Merger & Acquisition	Finance the mergers and acquisition of target enterprises related to green initiatives	<ul style="list-style-type: none"> • Max Product Cap per borrower: S\$50m • Max Loan Period: 5 years
Government Risk-Share	<ul style="list-style-type: none"> • 70% • Loan must meet partner FIs Green Loan criteria 	
Total Borrower Group Cap for EFS and EFS-Green (including parent, subsidiaries, etc.)	<ul style="list-style-type: none"> • Max \$50mil 	

¹ Borrower Group consists of the following:

- a. Borrower; and
- b. Corporate shareholders holding more than 50% at all levels up; and.
- c. Subsidiaries where the Applicant company holds more than 50% shareholdings and subsequent subsidiaries at all levels down
- d. Subsidiaries where the Applicant's Ultimate Parent Company holds more than 50% shareholdings and their subsidiaries at all level down