



Monetary Authority
of Singapore

Green & Sustainability-Linked Loan Grant Scheme (GSLS)

Launched on 24 November 2020, the GSLS is an initiative under MAS' [Green Finance Action Plan](#), and seeks to accelerate green and sustainability-linked lending in Singapore.

The first of its kind globally, the GSLS supports corporates of all sizes in obtaining green and sustainability-linked loans. The grant further incentivises banks to develop green and sustainability-linked loan frameworks to make such financing more accessible to small and medium-sized enterprises (SMEs).

The GSLS comprises two tracks:

Track A



**Green & Sustainability-
Linked Loans**

Track B



**Green & Sustainability-
Linked Loan Frameworks**

**Interested applicants can apply
by contacting: fsdf@mas.gov.sg**

Track A



Green & Sustainability-Linked Loan Grant Scheme (GSLS): Green & Sustainability-Linked Loans

Up to **S\$100,000** per loan over a 3-year period¹

Eligible Expenses

Costs of engaging sustainability advisory and assessment service providers² to undertake the following activities:

PRE-ORIGINATION

POST-ORIGINATION

1

- **Develop** green loan framework
- **Set** Sustainability Performance Targets (SPTs) for SLLs

2

- External review**
- SPO
 - Verification
 - Certification
 - Rating

3

- External review**
- Assurance
 - Rating

4

- **Reporting** on use of proceeds, impact of projects or SPTs

Scheme Parameters

Eligible Applicants: All companies³ or financial institutions based onshore or offshore can apply each time there is a green loan or sustainability-linked loan which meets the following requirements:

Loan Requirements

✓ Minimum **SGD 20 million**

✓ Minimum loan tenure of **3 years**

Bank Requirements

✓ **> 50%** of gross revenue from the loan is attributable to Financial Sector Incentive (FSI) companies

✓ Assessment work⁴ of the green or sustainability-linked aspects of the loan to be performed in Singapore

Sustainability Assessment and Advisory Work

✓ **> 50%** of gross revenue from the sustainability assessment and advisory work must be attributable to Singapore-based providers

External Review Requirements⁵

Green Loan

Pre-origination

- ✓ External review to demonstrate alignment of the loan with internationally recognised green loan principles

Sustainability-Linked Loan

Pre-origination

- ✓ External review to demonstrate:
 - a) Alignment of the loan with internationally recognised sustainability-linked loan principles
 - b) Minimally 2 of total SPTs in SLL contribute to environmental objectives⁶
- **OR** ESG rating

Post-origination

- ✓ External review on an annual basis⁷ to verify the attainment of SPTs

Footnotes

¹ Funding period of three years from the applicant's first claim.

² Sustainability assessment and advisory service providers include entities that provide services such as the development of loan frameworks and SPTs, external review (second party opinion, verification, certification, rating) and reporting.

³ Includes international organisations, such as the International Finance Corporation or World Bank, but excludes sovereigns.

⁴ Bank's assessment work refers to evaluating the eligibility of projects and reviewing the allocation of proceeds for green loans based on information reported by the borrower. For SLLs, this includes identifying or assessing SPTs and reviewing the borrower's actual performance against these SPTs.

⁵ The GSLS covers pre- and post- origination costs for both green and sustainability-linked loans. This section refers to the minimum external review requirements mandated by the scheme.

⁶ Environmental objectives refer to those under the UN Sustainable Development Goals or Sustainability-Linked Loan Principles. Refer to Table 1 in Appendix for the list of environmental outcomes.

⁷ External review to be undertaken on an annual basis, for the 3 year funding period.

Track B

Green & Sustainability-Linked Loan Grant Scheme (GSLGS):

Green & Sustainability-Linked Loan Frameworks

The grant supports the development of green and sustainability-linked loan frameworks¹, with two funding tiers:



Tier 1: Green & Sustainability-Linked Loan Frameworks for SMEs & individuals

- ✓ 90% co-funding of total costs, capped at **S\$180,000** over a period of 3 years²
- ✓ Frameworks targeted at (i) individuals or firms with annual revenue up to S\$100 million³ and (ii) for loan sizes less than S\$20 million



Tier 2: Other Green & Sustainability-Linked Loan Frameworks

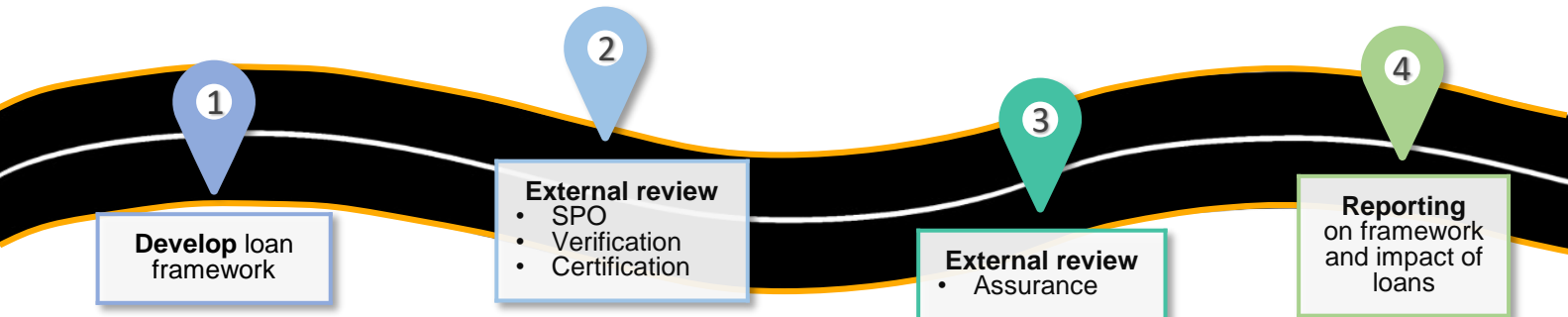
- ✓ 60% co-funding of total costs, capped at **S\$120,000** over a period of 3 years²

Eligible Expenses

Costs of engaging sustainability assessment and advisory service providers⁴ to undertake the following activities:

PRE-ISSUANCE

POST-ISSUANCE



Scheme Parameters

Eligible Applicants: All Financial Sector Incentive companies can apply each time they have a framework which meets the following criteria:

Bank Requirements

- ✓ Assessment work⁵ of green or sustainability-linked aspects of loans originated from the framework to be performed in Singapore
- ✓ Design and conceptualisation of the framework must be performed in Singapore

Sustainability Advisory and Assessment Work

- ✓ > 50% of gross revenue from the sustainability assessment and advisory work must be attributable to Singapore-based providers

External Review Requirements⁶

Pre-origination

- ✓ **External review** to demonstrate alignment with internationally recognised green or sustainability-linked loan principles OR **co-creation** of the framework with sustainability assessment and advisory service providers

Post-origination

- ✓ **External review** on an annual basis⁷ to demonstrate continued alignment of the framework with internationally recognised green or sustainability-linked loan principles

Footnotes

¹ Refers to frameworks which include green loans and/or sustainability-linked loans (excludes enhancements of existing frameworks already supported by the grant).

² Funding period of three years from the applicant's first claim.

³ Aligned with definition of SMEs by Enterprise Singapore.

⁴ Sustainability assessment and advisory service providers includes entities that provide services such as the development of loan frameworks and SPTs, external review (second party opinion, verification, certification, rating), and reporting.

⁵ Assessment work refers to evaluating the eligibility of projects and reviewing the allocation of proceeds for green loans based on information reported by the borrower. For SLLs, this includes identifying or assessing SPTs and reviewing the borrower's actual performance against these SPTs.

⁶ The GSLS covers pre- and post- origination costs for the green or sustainability-linked loan framework. This section refers to the minimum external review requirements mandated by the scheme.

⁷ External review to be undertaken on an annual basis, for the 3 year funding period.

Appendix

Table 1: Environmental Objectives

United Nations Sustainable Development Goals	Loan Market Association Sustainability-Linked Loan Principles
<ul style="list-style-type: none">• 6: Clean Water and Sanitation	<ul style="list-style-type: none">• Water Consumption
<ul style="list-style-type: none">• 7: Affordable and Clean Energy	<ul style="list-style-type: none">• Renewable Energy
<ul style="list-style-type: none">• 11: Sustainable Cities and Communities	<ul style="list-style-type: none">• Energy Efficiency• Water Consumption
<ul style="list-style-type: none">• 12: Responsible Consumption and Production	<ul style="list-style-type: none">• Circular economy• Sustainable sourcing
<ul style="list-style-type: none">• 13: Climate Action	<ul style="list-style-type: none">• Greenhouse gas emissions
<ul style="list-style-type: none">• 14: Life Below Water• 15: Life on Land	<ul style="list-style-type: none">• Sustainable farming and food• Biodiversity
	<ul style="list-style-type: none">• Global ESG Assessment