

Green grants: How hot are they?

Some are wildly popular, others have few takers

BY GRACE CHUA

GREEN funds to help companies become more environmentally friendly have received a mixed response, with some struggling to find firms willing to sign up.

The \$2.5 million Design for Efficiency Scheme – which encourages energy efficient factories – has given just \$120,000 to one project since it began in 2008.

And the \$100 million Green Mark incentive fund to help owners of existing buildings improve energy efficiency has dished out just \$6 million in the two years it has been running.

Others have proved wildly popular. The Building and Construction Authority's Green Mark incentive scheme for new buildings gave out all of its \$20 million in just three years. A National Environment Agency (NEA) grant set up in 2001 to fund innovative environmental programmes is almost fully committed, with cash going to projects like the Singapore Flyer's mercury-free lights.

Some firms may put off signing up for schemes to improve existing buildings because they need retrofitting only rarely.

As for projects to sell the carbon credits generated by cutting emissions, an NEA spokesman said one factor that could be discouraging firms from signing up is uncertainty about what will happen after the Kyoto Protocol expires next year.

This international agreement is aimed at curbing emissions, and trading carbon credits is one way to do so. But companies may be unsure how much demand there will be for the credits because the next steps after the protocol expires are still being hammered out.

When it comes to energy-efficient design schemes, the spokesman said potential projects have been affected by the global economic downturn.

The funding schemes are not suited to everyone. Small and medium enterprises, for instance, may not have information about them. They also may not be able to spare the manpower to apply for grants, said Mr Lawrence Léow, president of the Association of Small and Medium Enterprises.

INCENTIVE FUNDING

Types of green funds and their distribution

LEGEND:

■ Amount ■ % disbursed

	Amount	% disbursed
\$100M		
Green Mark Incentive Scheme for existing buildings (6% disbursed)	Agency: BCA	Started: 2009, Projects: 36
\$46.8M		
Grant for Energy Efficient Technologies (34.8% disbursed)	Agency: NEA	Started: 2008, Projects: 21
\$20M		
Green Mark Incentive Scheme for new buildings (100% disbursed)	Agency: BCA	Started: 2006, Projects: 102
\$20M		
Innovation for Environmental Sustainability (90% disbursed)	Agency: NEA	Started: 2001, Projects: 63
\$15M		
Environment Technology Research Programme (73.3% disbursed)	Agency: NEA	Started: 2009, Projects: 10
\$12.3M		
Energy Efficiency Improvement Assistance Scheme (50.2% disbursed)	Agency: NEA	Started: 2005, Projects: 215
\$8M		
Reduce, Reuse, Recycle Fund (70% disbursed)	Agency: NEA	Started: 2009, Projects: 19
\$6M		
Skyrise Greenery Incentive Scheme (16.7% disbursed)	Agency: Nparks	Started: 2009, Projects: 35
\$2.5M		
Design for Efficiency Scheme (4.8% disbursed)	Agency: NEA	Started: 2008, Projects: 1
\$0.5M		
Clean Development Mechanism documentation grant (20.3% disbursed)	Agency: NEA	Started: 2008, Projects: 4

Source: URA
ST GRAPHICS

Analyst Catrina Yeo of the Energy Studies Institute explained that energy use accounts for only small proportion of most firms' operating costs, so they have little incentive to invest in efficiency. What is more, she said the grants may not be big enough to cover the burden of paying for green technologies upfront.

So what would help overcome such barriers? More flexibility would be welcome, say businesses and service providers.

The managing director of a firm that provides hydrogen fuel-cell power plants said his equipment did not qualify as energy-saving technology under an NEA grant scheme.

Mr Philip Wong of Real Time Engineering argued that his plants should qualify, as they generate energy more efficiently than conventional ones, and produce less carbon dioxide.

The co-founder of a company

that helps building owners improve energy efficiency said few of his clients have taken up government grants. Mr Wee Teng Chuen, of GP Solutions, added that this may be because the one that most of them are eligible for – the Energy Efficiency Improvement Assistance Scheme – provides only half the cost of hiring an energy consultant to appraise the building and identify areas that need improvement.

But saving energy can be good for business, as sportswear firm Bodynits found.

Its vice-president Paul Lim explained that although it spends just 1 per cent of its operating costs on energy, energy-efficiency retrofits have enabled it to sell to international brands, such as Puma, which have strict sustainability standards. "So it makes business sense as well to be green," he added.

✉ calwj@sph.com.sg



Dr Ho Nyok Yong (left) and Dr Kelvin Lee of Samwoh, which specialises in turning construction debris into recycled concrete, took seven years to accomplish their success in sustainability projects. ST PHOTO: ASHLEIGH SIM

Seeking grant? Start small

COMPANIES wanting a green grant should start small and build on their existing work, said the director of a firm which has done just that.

Samwoh's Dr Ho Nyok Yong said it took seven years for the business to grow into a powerhouse of sustainable-construction research.

He recalled once getting a grant of just \$10,000. "But it was still important for encouragement and recognition," he said.

Samwoh has since won acclaim for its recycled asphalt and other sustainability projects.

In fact, parts of its three-storey research building are made entirely of recycled concrete. The company built it with the help of a grant from the Building And Construction Authority (BCA) and the Ministry of National Development. The structure ended up winning a Green Mark Platinum award.

But the company's road to success has not been without bumps.

"We were operating in the red for five years," said Dr Ho. For instance, Samwoh had to wait for products such as recycled concrete to be approved by regulators before they could be marketed.

And when it started out, the lab had just one researcher. Now, it has 12, half of whom have advanced degrees.

Do not rely on grants to survive, Dr Ho exhorted companies.

He added that applying for them might be easiest for large firms that are market leaders. Smaller contractors may not be aware of all the grants available, and lack the time, manpower and even the language skills to put together a proposal.

To help these companies, the Singapore Contractors' Association, which has Dr Ho as its president, organises talks by funding authorities such as the BCA and National Environment Agency.

GRACE CHUA