

Singapore: Overview of policies, initiatives, and views sustainable investment

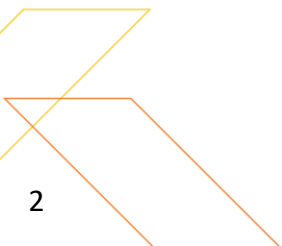
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Perspectives

Role of the Banking, Investment and Finance Industry

- Has a critical role in facilitating investments in renewable energy and carbon neutral technologies
- Growing recognition that Environmental, Social and Governance (ESG) considerations are consistent with investors' fiduciary responsibilities to their clients (to maximise returns on portfolios at a given risk)
- The government and industry still need to do more to enable Singapore's transition to low-carbon and sustainable future



Perspectives

Sustainability Needs of the Banking, Investment and Finance Industry

- **Taxonomy: Need for better clarity for investors** in the form of consistent and credible definitions of 'green' and 'transition' to provide assurance that activities really are contributing to decarbonisation objectives
- **Data: Need to improve availability, quality and comparability of data** to enable companies, financial institutions and investors to measure progress towards sustainability goals, and measure impact of their operations and investments. Data acquisition today is mostly manual, costly, and prone to errors
- **Disclosure: Need to implement consistent set of global standards for disclosures and reporting** to help investors put their money into truly green firms, ensure better allocation of capital and a faster energy transition

Perspectives

What Singapore is doing for Green Finance/Investment

- **Taxonomy: Green Finance Industry Taskforce** convened by the Monetary Authority of Singapore (MAS) is developing a taxonomy for Singapore-based financial institutions. MAS is also actively participating in developing a regional taxonomy taking into account international goals while tailoring it to ASEAN's context and circumstances.
- **Data: MAS recently launched Project Greenprint**, which aims to harness technology and data to mobilise capital for ESG projects, monitor their commitments and measure their impact.
- **Disclosure: MAS and the Singapore Exchange (SGX)** are setting out roadmaps for mandatory climate-related financial disclosures by financial institutions and listed entities.

Initiatives on Sustainable Investment

Initiatives

- **Catalysing sustainable financing and investing** to grow supply/demand for green investments: Government is leading the way by (a) laying out frameworks and rules, (b) test running such rules with its own issuances, and (c) finding ways to convene and connect different stakeholders
 - National Environment Agency is our first Statutory Board to establish a **S\$3b multicurrency medium term note (MTN) and green bond framework** in support of our green finance market.
 - MOF has also set up a new **Green Bonds Programme Office (GBPO)** to catalyse the Government efforts in the area. GBPO will develop the framework on green bond programme development, undertake industry engagement, and manage investor relations.

Initiatives on Sustainable Investment

Initiatives

- **Giving Individuals, SMEs and larger corporates access to sustainable financing**
 - MAS to facilitate the issuance of sustainable financing instruments, including green and sustainability-linked bonds and loans. This will support corporates in accessing financing as they invest in green projects and transition towards more sustainable business practices.
- **MAS' Green Investments Programme** is also attracting more green funds and asset managers with a sustainability focus, as well as good track record of sustainability investing, robust stewardship policies, and strong understanding of balancing returns objectives with sustainability goals. This helps to grow our sustainable financing ecosystem.

Initiatives on Sustainable Investment

Private Sector Initiatives

- **Recently announced Partnership between Asian Development Bank and Clifford Capital to establish a sustainable financing platform with a focus on Southeast Asia**
 - This platform will catalyse capital flows to the sustainable infrastructure space by deploying blended finance at scale over time – i.e. to bring more capital from different sources, to unlock more marginally bankable projects and create tradable asset class and sustainable infrastructure.
 - The hope is that more infrastructure projects in Asia can receive support for project development, technical assistance and blended finance solutions.

Initiatives on Sustainable Investment

Other initiatives

- **Building capacity, capability, and skillsets** to support the growth and continuity of our green finance ecosystem
 - **Our institutions of higher learning are updating their curriculum** to ensure graduates are equipped with relevant skills or expertise
 - **MAS has supported the establishment of a number of sustainable finance centres of excellence** to meet the demand for expertise and Asian-centric research in this area, including the National University of Singapore's Sustainable and Green Finance Institute – announced in Sep 2021.

Thank you!

