

Delegates

Ladies and Gentlemen

1. Good morning. I am happy to join all of you at today's conference.

#### Climate Change and Sustainable Development

2. Singapore has always designed our policies with sustainability in mind. Our founding leaders ensured that economic growth did not come at the expense of our environment. We have switched to natural gas which is cleaner, to generate most of our electricity; our city is immersed in greenery, which was by design; and we are strengthening the resilience of our water supply. All these means that we have built a solid foundation to continue being a sustainable city.

3. One of the greatest challenge that every nation has to meet is the threat of climate change. All nations have to pursue a green and sustainable growth policy. Singapore is doing our part in the global fight against climate change. Under our Climate Action Plan, we are investing in solar energy, developing more sustainable buildings, and expanding our public transport network so that 8 in 10 homes will be within walking distance from a train station. From 2019, we will implement a carbon tax to enhance energy and reduce emissions. But the Government cannot do this alone. This is why, to galvanise collective action against climate change, we designated 2018 as the Year of Climate Action and called on individuals, households and organisations in various sectors to take action together with us.

#### Role of Financial Sector

4. The financial sector, with its potential to influence decision-making and support policy makers, plays a key role in promoting climate action. Let me give three examples of how this is being done.

## National Archives of Singapore

### *Positive moves in sustainable finance*

5. First, there are positive moves being made in sustainable finance. Banks have been working with companies to support projects that promote sustainability. For instance, UOB provided S\$15 million financing to Sunseap Group for a series of solar projects in Singapore. OCBC announced in March this year that its newly set up “#OCBCCares Fund” will fund six ground-up proposals that address environmental sustainability issues in Singapore.

6. Regional and global asset owners are increasingly requiring asset managers to have strong Environmental, Social and Governance (ESG) credentials, and Singapore's asset management industry has been stepping up efforts in this area. Since March 2017, the Investment Management Association of Singapore (IMAS) has collaborated with the

World Wildlife Fund (WWF) to build industry capacity, through masterclasses on ESG and sustainable investing.

7. We are also seeing the growth of a community of impact-first investors in Singapore. For these investors, “doing well” is synonymous with “doing good”. Garden Impact Investments (GII), a Singapore-based company, invests in South East Asian businesses that create jobs and provide services and products for the poor and marginalised. In addition to the financial returns, each investment is monitored for their measurable social and environmental impact. I hope to see such investments gather momentum.

8. On the insurance front, there is ongoing collaboration between MAS and the industry to build a sustainable insurance ecosystem. MAS is working with insurers to anchor ESG research, modelling capabilities and underwriting teams here in Singapore, and catalyse the development of innovative ESG products such as insurance cover for energy efficient infrastructure and renewables. MAS is also looking to partner research institutes such as the Institute of Catastrophe Risk Management and the Earth Observatory of Singapore to factor long-term climate and environmental risks into risk models.

9. Singapore will implement the carbon tax and the first payment will be in 2020. This is not a fiscal measure to fund government expenditure. The Finance Minister has made a commitment that the expected revenue of close to S\$1 billion in the first five years will be used to help industries improve energy efficiency and reduce emissions. This is also an opportunity for the private sector to participate in co-funding industries’ transformation process.

#### *Leveraging on digital technologies as key enablers*

10. The second way the financial sector is playing a key role in promoting climate action is by leveraging digital technologies as key enablers. Let me share two examples of this in action:

- o Using Big Data, ING is working with the Building and Construction Authority (BCA) and the Singapore Green Building Council (SGBC) to introduce its Real Estate Finance Sustainability App in Singapore. The App helps commercial real estate owners move towards a sustainable portfolio by collating data such as predicted annual savings on cost, CO2 reduction, and cost recovery time, to generate insights into the profitability of green real estate investment opportunities.

- o In April this year, DBS participated in the blockchain marketplace platform demonstration for the transaction of renewable energy certificates (REC) by Singapore Power Group. This helps corporates achieve their sustainability goals by ensuring that the electricity they consume comes from renewable sources, and makes it easier for REC buyers to purchase their green credits.

#### *Mainstreaming sustainable finance in Singapore and the region*

11. The third way the financial sector is playing a key role in climate action is by mainstreaming sustainable finance in Singapore and the region. The green financing space presents an opportunity for Singapore to develop in tandem with regional and global trends. ASEAN has developed a common set of Green Bond Standards, and we have seen some success in the use of these Standards. Singapore-based Sindicatum Renewable Energy Company Pte. Limited issued the first international ASEAN green bond in January 2018. This was a 2.5 billion Indian Rupee green bond in 5- and 7-year tranches. The proceeds will be used to finance renewable energy projects in India.

12. There is scope for the green bond space to grow, and I understand that the International Finance Corporation under the World Bank Group will be holding its Green Bond Conference on 7 June. I look forward to seeing more initiatives that will advance the green bond agenda in this region. Working with Partners

13. While the initiatives I talked about hold promise, more needs to be done to develop the long-term sustainable finance agenda. It is thus important to work with partners who are key to the transition process, for example, regional development institutions and multilateral organisations like the World Bank Group, the International Finance Corporation, Asian Development Bank, and the Asian Infrastructure Investment Bank.

14. NGOs play an important role too. I am pleased that the WWF will be creating the Asia Sustainable Finance Initiative (ASFI) in Singapore, which is supported by MAS. ASFI will look to align a diverse base of stakeholders, and focus on linking sustainable finance activities, with tangible and measurable real-economy sustainable development outcomes in Singapore and the Asia Pacific region. Singapore is happy to host the ASFI as we continue to play a part in being the sustainable financing hub for the region.

### Conclusion

15. Let me conclude. Climate change is an important global issue, which requires long-term efforts from all sectors. The financial sector can play a key role in promoting climate action by helping investors realise that there is tangible value in sustainable development. I urge everyone here to play a part in advancing the role of sustainable finance.

16. I wish all of you a fruitful Conference.

Thank you.