



Monetary Authority of Singapore



The Challenges and Opportunities of going Carbon Neutral in Asia

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Hosted by Financial Services Agency Japan

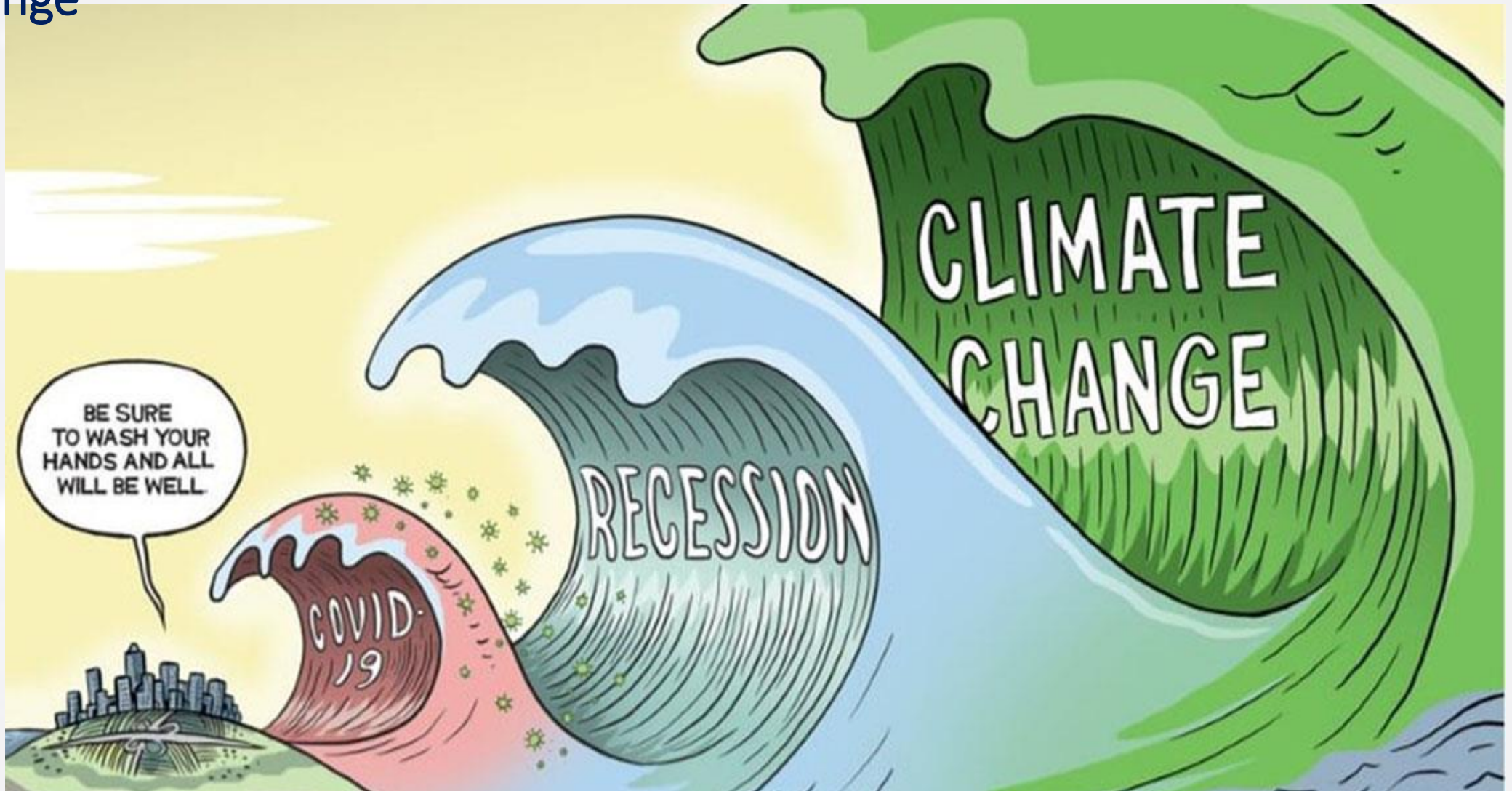




富嶽三十六景 神奈川
浪裏

江戶 葛飾 江戸

The scale of the potential impact of climate change

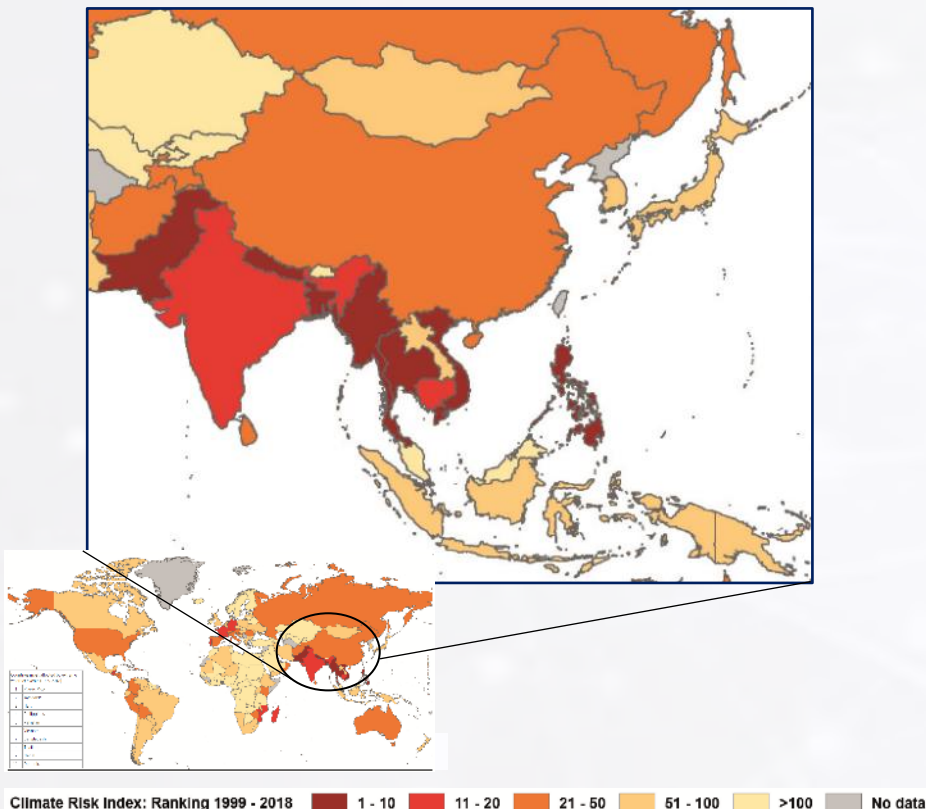


The Challenges: The scale of investment in this region to meet net zero

Significant investments required to meet climate and development objectives

GLOBAL CLIMATE RISK INDEX 2020

Countries Most Affected in the Period 1999–2018



Sources:
Global Climate Risk Index, developed by Germanwatch based on data by Munich RE NatCatSERVICE

ASEAN particularly vulnerable to effects of climate change

Physical Impact

Average losses from natural disasters:

~\$76bn a year (2007-2016), **>2X** losses from decade before

Transition Impact

Stranded assets:

Up to **\$60bn** of coal-fired generation asset in less than 10 years' time

Economic Impact

Economic impact of climate change:

Reduction of region's GDP by **11%** at end of century

Significant green investments needed to support transition

~US\$3tn

green investments needed in ASEAN up till 2030, in infrastructure, energy efficiency and food, agriculture and land use

~ US\$200bn

investments in climate mitigation and adaptation activities needed annually up until 2030 in developing Asia

Globally, sustainable finance took center stage at COP26 discussions

Major Sustainable Finance Announcements from COP26

**\$130
trillion**

Pledged by more than 450 FIs under the GFANZ to align their activities to net zero

**\$2
billion**

Emerging Market Sustainable Bond Fund to finance climate-friendly COVID-19 recovery plan, by IFC and Amundi

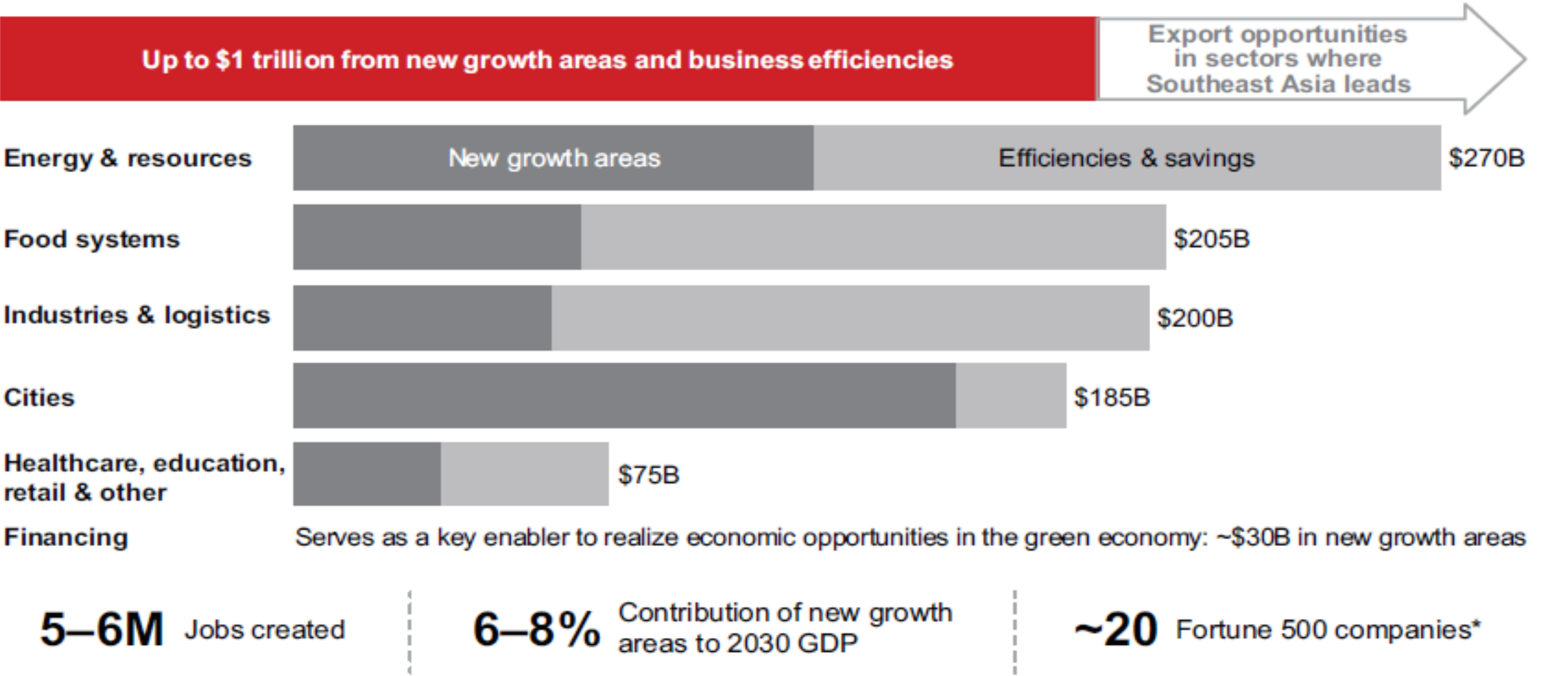


\$12 billion in public funds and **\$7.2 billion** in private investments pledged by more than 100 countries, representing 85% of world's forests to reverse deforestation and land degradation by 2030

“The flow of capital from carbon-intensive to carbon-neutral investments is probably the most dramatic and predictable economic shift in human history.”

- Janet Yellen, US Secretary of the Treasury, ahead of COP26, 2021

Southeast Asia's green economy could provide up to US\$1 trillion in annual economic opportunities by 2030



*The equivalent number of highly valued companies was calculated using weighted average P/S ratio of Fortune 500 companies (~1.9); the average market capitalization of Fortune 500 companies is about \$54.3 billion
Note: The 6% to 8% contribution to GDP includes additional growth areas as a proportion of 2030 GDP



Thank you

