

## **Ravi Menon: Singapore as convenor, catalyst and contributor for climate action**

Speech by Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore, at the launch of the COP-27 Singapore Pavilion, Sharm El-Sheikh, 6 November 2022.

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Ladies and gentlemen, good evening. Welcome to the launch of the Singapore Pavilion at COP27.

As we gather in beautiful Sharm El-Sheikh, let us remind ourselves of the task before us: to reduce global greenhouse gas emissions to net zero by 2050 in an orderly and inclusive way. Singapore is committed to the net-zero by 2050 target and has laid out our plans and strategies to get there.

This Pavilion is not just about Singapore's plans to get to net-zero. After all, Singapore's contribution to global emissions is just 0.1%. But as a global city, technology hub, and financial centre, we can play a larger role in the fight against climate change.

Singapore wants to be a convenor, a catalyst, and a contributor of solutions for global climate action. This is the broader purpose of this Pavilion.

- As a *convenor*, we will bring together partners in industry, finance, academia, civil society and the government, to spark new ideas and forge new collaborations for effective climate action.
- As a *catalyst*, we will work with partners to step up the pace of transition in this critical decade, which will substantially determine whether the world gets to net-zero by 2050.
- As a *contributor*, we will share with others the climate solutions that we have developed and may be of relevance to them.

Let me highlight three key themes at the Singapore Pavilion:

- decarbonisation technologies
- transition finance
- carbon markets

### **First, innovating decarbonisation technologies.**

The transition to net-zero will require us to transform how we live and work. It will transform how we power our homes and offices, travel, grow our food, and construct our cities. As a densely populated metropolis in the tropics, Singapore is a *living lab* to develop, testbed, and commercialise green solutions for urban living. Let me highlight two areas.

*One, decarbonising land transport.*

- In many cities, land transport accounts for a substantial portion of carbon emissions; in Singapore, it is about 15%.
- The solution lies in electrifying transportation.
- This is why, from 2030, Singapore will allow only registrations of cleaner-energy cars – namely, electric, hybrid or hydrogen fuel cell cars.
- Infrastructure solutions for charging electric vehicles on a massive scale will need to be developed and Singapore can be a good test bed for such solutions.

*Two, decarbonising power generation.*

- Globally, while the growth in renewable energy has been spectacular, fossil fuels continue to account for more than 80% of global primary energy consumption.
- This is why the production, deployment and research into low-carbon hydrogen, as well as carbon capture, utilisation and storage solutions are so critical and why Singapore has focused heavily in these areas.
- Singapore has signed MOUs with Australia and Chile and has an arrangement with New Zealand to develop and deploy low-emissions solutions and technologies, which could potentially be adopted and scaled globally.

## **Second, mobilising transition finance.**

According to McKinsey, achieving net zero in Asia by 2050 will require about US\$3.1 trillion in capital annually. As a leading global financial centre in Asia, Singapore can play a key role in mobilising this capital. Let me highlight two areas.

*One, blended finance.*

- Many sustainability projects in emerging markets pose risks that are not commensurate with their expected returns.
- We need catalytic capital to improve project bankability and crowd in private sector capital.
- We also need to recycle capital by taking loans off bank balance sheets and structuring them in a form that institutional investors can participate in.
- The Singapore Pavilion will feature innovative blended finance solutions and highlight our efforts to synergise public, private, and philanthropic capital.

*Two, credible disclosure and transition plans.*

- We must give investors confidence to invest in the transition, especially given concerns around "greenwashing".
- Corporates and financial institutions must therefore develop and disclose credible transition plans that are in line with science-based sectoral pathways.
- Singapore has been contributing to international efforts towards comparable sustainability disclosures and sound climate data and metrics.

## **Third, developing sound carbon markets.**

Carbon markets play a complementary role to channel funds to emission reduction and removal projects that would otherwise not have received funding. Singapore can play a useful role as a facilitator of carbon market services in Asia.

*One area of promise is the voluntary carbon credit market.*

- It is expected to play an increasingly important role, especially in Asia.
- The demand for credits will come from sectors where it is quite difficult to reduce emissions due to prohibitively high costs or the lack of proven technology.
- At the same time, activities like reforestation, mangrove restoration, and the early retirement of coal-fired power plants can potentially generate good carbon credits.
- We will showcase efforts by Singapore to work with global stakeholders to foster a sound and vibrant voluntary carbon credit market in Asia.

This Pavilion is a result of the close partnerships among Singapore businesses, NGOs, academics, civil society groups, and the government. Please also join me in expressing appreciation to the organising team.

I wish you a fruitful time at the Singapore Pavilion and at COP27.