Publication: Wealth Briefing Online
Date: 14 October 2020
Headline: StanChart Sees Bridge Role In Driving Green Finance

StanChart Sees Bridge Role In Driving Green Finance

Its unique global footprint is ideal for funnelling capital where it is most needed to tackle climate risk, the global lender said, while unveiling a new academic partnership in Singapore this week focused on strengthening regional green finance talent.

Standard Chartered Bank (Singapore) has become a founding partner of the Singapore Green Finance Centre (SGFC), the first national institute of its kind focused on green finance research and talent development.

Backed by London’s Imperial College Business School and the Lee Kong Chian School of Business at Singapore Management University, the new venture will tap their respective expertise in climate science, financial economics and sustainable investing in a partnership squarely aimed at strengthening the green finance talent pool in the region. MAS managing director Ravi Menon made the announcement on Tuesday.

“The Asia Pacific region needs up to $1.5 trillion investment per year to achieve the UN SDG goals by 2030 and this is an area where Singapore - as a key global financial centre - can make a difference," Patrick Lee, CEO for Standard Chartered in Singapore, said.

“As the only international bank present in all 10 ASEAN markets, Standard Chartered is able to link the financing needs of emerging economies to the more developed economies that can provide that investment,” Lee added.

The bank has already struck a four-year partnership with Imperial College on climate change risk management, which has become a mainstream concern for investors and fund managers trying to calculate the potential losses (and gains) from climate activity. The perils of stranded assets were raised again this week by Mark Carney and Janet Yellen as leading advocates for making climate-risk reporting mandatory.

“Climate change is redefining the way we do business and manage risk," StanChart's Lee said, adding his voice to these concerns. "We need to quantify the risks better so we can work with clients to devise more robust business models for the future.”

The global bank operates in more than 60 countries across Asia, Africa and the Middle East and, with around 90 per cent of its sustainable finance assets located in emerging markets, it is well placed to funnel green finance for high impact. Reducing the use of coal is one of the biggest challenges facing these markets. Although coal use has been in annual decline since 2013, thermal coal (coal that is steamed rather than burned) still supplies about a quarter of the world's primary energy and two-fifths of its electricity, according to the International Energy Agency (IEA).

“Asia is home to some of the world’s fastest-growing economies, though we also face some of the world’s most pressing environmental and social issues," Lee said. "Our ability to solve the issues here will have tremendous impact on our 2030 ambition to meet global SDGs."