



ESCAP Sustainable Business Network

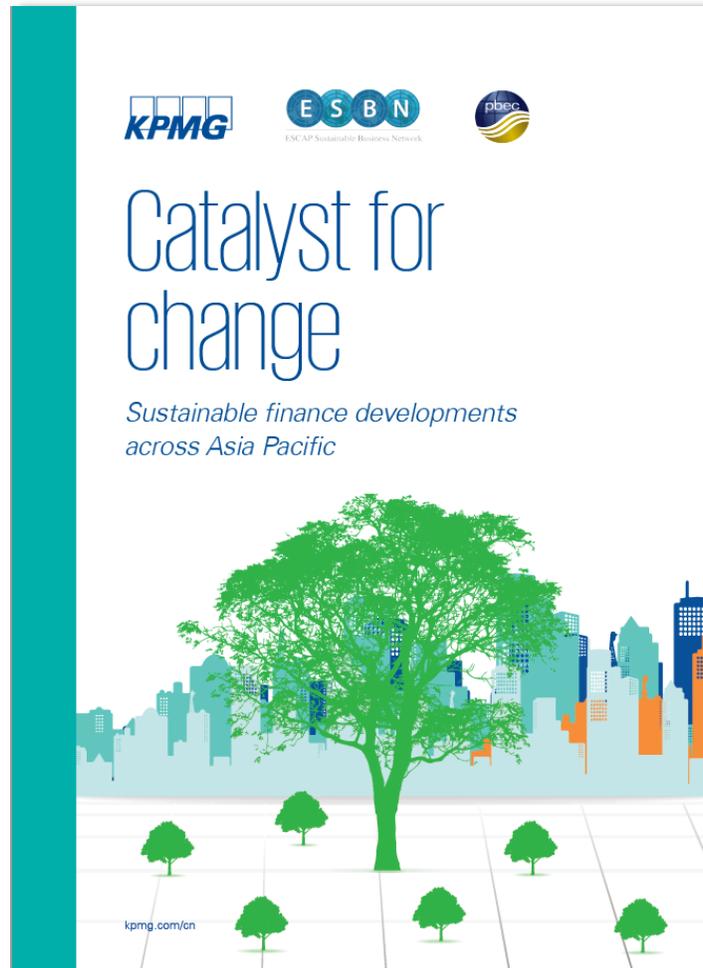
Overview of publication - Catalyst for Change

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Catalyst for Change - launched in July 2020



Source: [Catalyst for Change: Sustainable finance developments across Asia Pacific | ESBN \(unescap.org\)](#)



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Key takeaway - Incentive alignment for private funds participation

Through the trillions of dollars they invest each year, government-directed entities such as sovereign wealth funds and pension funds can and should play a leading role to drive sustainable development and limit the effects of climate change. By choosing investments that meet internationally accepted ESG criteria, these groups can create a domino effect for the entire investment industry, paving the road for wider adoption of sustainable finance in Asia Pacific and around the world.

- Around US\$4 trillion is needed annually to meet the UNSDG targets for developing countries
- Governments will need to mobilise the private sector to participate in this change
- Governments already have major pools of capital operating in the financial markets
- Governments and regulators should facilitate and incentivize private sector investments to shift into UNSDG, climate related objectives

Significant growth in the sustainable finance market

Figure 1: Global sustainable investing assets, 2016–2018, US\$ billion

	2018	2016
 Europe	14,075	12,040
 United States	11,995	8,723
 Japan	2,180	474
 Canada	1,699	1,086
 Australia & New Zealand	734	516
Total	30,683	22,838

Source: Global Sustainable Investment Alliance (GSIA)

Note: Criteria and definitions for “sustainable investing” are defined by the Global Sustainable Investment Alliance (GSIA) For more information, please refer to GSIA’s 2018 Global Sustainable Investment Review, March 2018, http://www.gsi-alliance.org/wp-content/uploads/2019/03/GSIR_Review2018.3.28.pdf.

Regional initiatives

Singapore

- MAS have set up a US\$2 billion facility to invest in climate strategies
- **MAS have issued an array of requirements to improve ESG disclosures in financial institutions including banks, insurers and asset managers.**
- Singapore have made sustainable finance a key priority and is developing strategies to attract more sustainable capital to their market.

Indonesia

- ESG reporting required for ALL listed co. starting from:
 - banking (2019)
 - listed companies (2020)
- Sustainability-related index
- **Indonesia raised the first Green Sukuk for around US\$1.25B in 2019**

Mainland China

- 2018: CSRC 'Listed Companies' **Corporate Governance Code** made it general obligation for listed companies to disclose environmental and social information
- 2021: **Mandatory stock exchange requirement is expected** for listed companies to disclose environmental information

Total **green bond** issuance in 2019: **USD70 billion**



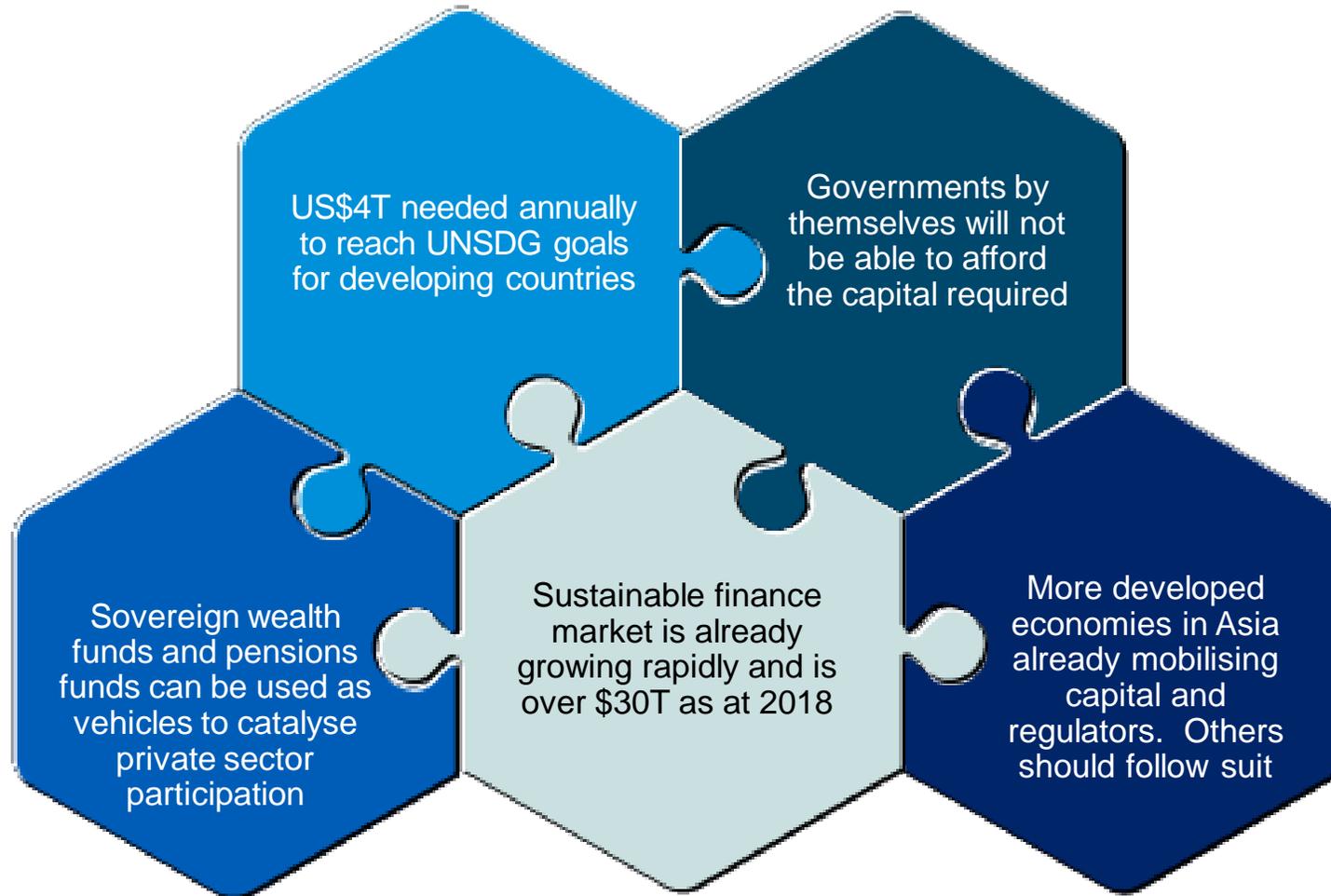
Japan

- All major Japanese listed corporates have sustainability reporting despite it not being mandatory
- **Japan's Government Pension Plan (GPIF) which has over \$1T under management have adopted ESG integrated investment approach since 2017**

Hong Kong

- ESG reporting required for ALL listed co. since 2016
- **US\$500B Exchange Fund has adopted ESG integration since 2019**
- HKMA, SFC, and other regulators have increased ESG requirements

Conclusion





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