The green finance action plan

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

A deliberate policy from 2019

Singapore's turn to green finance was announced as policy before the market demanded it. On 11 November 2019, at the Singapore FinTech Festival, Ong Ye Kung, then Minister for Education and a member of the MAS Board, presented a green finance action plan. Its first major instrument was a US$2 billion Green Investments Programme, under which MAS would place reserves with asset managers investing in public markets with a strong green focus. MAS chose its managers according to their green investment capabilities, the capabilities they would transfer to Singapore and their management of green-focused funds from Singapore. The first placement under the programme was US$100 million in the Green Bond Investment Pool of the Bank for International Settlements.[1]

The design was characteristic of Singapore's industrial policy in finance. The authority used its own balance sheet to attract managers and teams, made the transfer of capabilities a condition of its mandates and linked the programme to a broader agenda of risk management, market development and training. The same method had served the Asian Dollar Market in 1968 and the wealth management strategy of the 2000s, examined in Chapters C.IV and D.V. It treats a new field of finance as an industry to be built, with the state providing the first customers.

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The action plan had four strands. MAS would strengthen the resilience of the financial sector to environmental risks, develop green finance markets and solutions, build the necessary skills and encourage green fintech. It would also issue guidelines on environmental risk management for banks, insurers and asset managers.[2] Those guidelines followed in December 2020 and are examined below.

The public sector as issuer and planner

The financial plan was soon embedded in a national one. On 10 February 2021 the government published the Singapore Green Plan 2030, organised in five pillars: City in Nature, Sustainable Living, Energy Reset, Green Economy and Resilient Future. The plan positions Singapore to reach its long-term aspiration of net zero emissions by 2050. The government's national climate targets were tightened in the same period. Singapore committed to reduce its emissions to around 60 million tonnes of carbon dioxide equivalent by 2030 after peaking, and on 10 February 2025 it announced a target of between 45 and 50 million tonnes for 2035.[3]

The state also became an issuer. Parliament authorised the government to borrow for nationally significant long-term infrastructure, and the government announced that it would issue up to S$35 billion of green bonds by 2030 to finance public sector green projects. The first sovereign green bond, a fifty-year green Singapore Government Securities (Infrastructure) bond, was auctioned in August 2022.[4] The sovereign issues gave the local market a green benchmark curve, a function that sovereign green bonds have also served in Europe and Switzerland.

From green to transition: the Finance for Net Zero Action Plan

The second plan widened the field. On 20 April 2023 Lawrence Wong, then Deputy Prime Minister, Minister for Finance and Deputy Chairman of MAS, launched the Finance for Net Zero (FiNZ) Action Plan. It extended the 2019 plan to transition finance, defined as investment, lending, insurance and related services that progressively decarbonise sectors such as power generation, buildings and transport. The plan set four strategic outcomes. The first concerned data, definitions and

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disclosures and included a code of conduct for ESG ratings and data providers, a roadmap for disclosures aligned with the standards of the International Sustainability Standards Board and work on the interoperability of taxonomies. The second aimed at a climate-resilient financial sector through supervision, scenario analysis and stress testing. The third supported credible transition plans, while the fourth sought to expand green and transition solutions and markets, including grants, insurance-linked securities, blended finance and carbon markets.[5]

The justification was stated in the minister's launch speech. Wong cited an estimate that Asia would need more than US$3 trillion a year to reach net zero by 2050 and observed that Asia emits about half of global greenhouse gases while about 60 per cent of its electricity comes from coal. He also warned that "transition-washing is also a risk", a phrase that anticipated the debates examined in the last section of this chapter.[6] The point of the plan was that a financial centre serving Asia could not limit itself to financing activities that were already green. Its clients were power utilities, cement producers, shipping lines and commodity traders, whose emissions would fall only gradually.

Grants and the market they helped to build

Grants were the most direct instrument. MAS had earlier introduced grant schemes to cover the cost of external reviews and ratings for green, social and sustainability bonds and for green and sustainability-linked loans.[7] With the FiNZ plan, MAS set aside S$15 million until the end of 2028 for the enhanced bond and loan schemes and extended them to transition bonds and loans. To qualify, transition instruments must align with internationally recognised taxonomies and transition finance principles and be accompanied by an entity-level transition plan. Bond issuers that report under internationally recognised disclosure standards such as those of the ISSB may now receive up to S$125,000 per issuance, others up to S$100,000.[8] A separate grant scheme for insurance-linked securities, launched in December 2018, had supported 23 catastrophe bonds and was extended to the end of 2025.[9]

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The market responded. Green, social, sustainability and sustainability-linked (GSSSL) bonds issued in Singapore reached S$24.5 billion in 2021 and 2022 together, against S$9.6 billion in the three years from 2018 to 2020. Loans in the same categories exceeded S$20 billion in 2022, a record for the fifth consecutive year, while catastrophe bonds issued in Singapore totalled S$2.5 billion over 2021 and 2022. By 2023, according to the government, Singapore accounted for more than half of the cumulative sustainable debt issued in ASEAN, with over S$30 billion issued in the preceding year. In 2025 more than S$27 billion of GSSSL loans originated in Singapore, and MAS describes the city as ASEAN's largest market for such bonds and loans.[10]

These figures require two cautions. They aggregate instruments of very different ambition, from use-of-proceeds green bonds with audited allocation reports to sustainability-linked loans whose targets may be modest. They also measure bookings in Singapore, which include regional transactions arranged by banks in Singapore for borrowers elsewhere in Asia. The second point is a strength of the centre, which functions as a regional platform. It also means that the volumes say more about Singapore's role as an arranger than about the decarbonisation of the Singapore economy itself.

Institutions, talent and governance

The plans were accompanied by institutions. MAS helped to establish three centres of excellence, among them the Sustainable and Green Finance Institute at the National University of Singapore, which runs a master's programme in sustainable and green finance. A Sustainable Finance Jobs Transformation Map was launched by MAS and the Institute of Banking and Finance on 17 April 2024. By mid-2026 more than 9,200 financial sector professionals had been trained in accredited courses since its launch, and more than 13,600 skills badges had been issued.[11] The talent question, examined more generally in Chapter J.IV, is acute in this field because taxonomy assessment, emissions accounting and transition planning require engineers and scientists as much as bankers.

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Inside MAS, the subject is anchored at the top. A Green Finance Steering Committee discusses strategy, while industry is consulted through a Sustainable Finance Advisory Panel and the Singapore Sustainable Finance Association. MAS appointed Abigail Ng as its Chief Sustainability Officer with effect from 6 October 2025. The authority also publishes an annual sustainability report on its own climate risks and portfolio, the most recent of which appeared on 14 July 2026.[12]

Notes

1. Monetary Authority of Singapore, "New US$2 billion Investments Programme to Support Growth of Green Finance in Singapore", media release, 11 November 2019, mas.gov.sg (accessed November 2026): the programme is described as "a major prong of the green finance action plan" announced by Ong Ye Kung, Minister for Education and MAS Board member, at the Singapore FinTech Festival x SWITCH 2019. — MAS, media release of 11 November 2019, cited above: selection of asset managers by green investment capabilities, local capability transfer and management of green-focused funds in Singapore, and first placement of US$100 million in the BIS Green Bond Investment Pool. ↩
2. MAS, media release of 11 November 2019, cited above, on the work to build resilience to environmental risks, develop green markets and solutions and issue environmental risk management guidelines across the banking, insurance and asset management sectors. ↩
3. Wikipedia, "Singapore Green Plan 2030" (accessed November 2026): plan released on 10 February 2021 with the pillars "City in Nature", "Sustainable Living", "Energy Reset", "Green Economy" and "Resilient Future", announced together with a review of carbon tax levels. — Singapore Green Plan 2030, greenplan.gov.sg (accessed November 2026): the plan positions Singapore to achieve "our long-term net zero emissions aspiration by 2050". — National Climate Change Secretariat, "Singapore's Climate Targets: Overview", nccs.gov.sg (accessed November 2026): reduction to "around 60 MtCO2e by 2030" after peaking, and announcement of 10 February 2025 that Singapore

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will “further reduce its emissions to between 45 and 50 MtCO2e in 2035”, aligned with the Long-Term Low-Emissions Development Strategy. ↩

4. Significant Infrastructure Government Loan Act 2021 and the Singapore Green Bond Framework (Ministry of Finance, June 2022): planned public sector green bond issuance of up to S$35 billion by 2030. — Inaugural green Singapore Government Securities (Infrastructure) bond, 50-year tenor, issued in August 2022 for about S$2.35 billion. ↩

5. MAS, “MAS Launches Finance for Net Zero Action Plan”, media release, 20 April 2023, mas.gov.sg (accessed November 2026): the plan extends the 2019 Green Finance Action Plan to transition finance and defines transition finance as investment, lending, insurance and related services that progressively decarbonise sectors such as power generation, buildings and transportation. — MAS, media release of 20 April 2023, cited above, setting out the four outcomes: data, definitions and disclosures; a climate resilient financial sector; credible transition plans; and green and transition solutions and markets. ↩

6. Lawrence Wong, speech at the official launch of the Sustainable and Green Finance Institute, 20 April 2023, mas.gov.sg (accessed November 2026): McKinsey estimate of more than US$3 trillion a year for Asia to reach net zero by 2050; Asia emits about half of global greenhouse gas emissions and about 60 per cent of its electricity comes from coal. ↩

7. MAS Sustainable Bond Grant Scheme (originally a green bond grant scheme, reportedly introduced in 2017 and broadened in 2019) and Green and Sustainability-Linked Loan Grant Scheme (reportedly introduced in 2021). ↩

8. MAS, “Sustainable Bond Grant Scheme”, mas.gov.sg/schemes-and-initiatives/sustainable-bond-grant-scheme (accessed November 2026): scheme valid until 31 December 2028; cap of S$125,000 per qualifying issuance where the issuer complies with internationally recognised disclosure standards such as TCFD, ISSB or ESRS, otherwise S$100,000; transition bonds require a publicly disclosed entity-level transition plan and alignment with a transition category of the Singapore-Asia Taxonomy or an equivalent taxonomy. ↩

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9. MAS, media release of 20 April 2023, cited above: S$15 million for the enhanced schemes over five years until end-2028, extended to transition bonds and loans. — MAS, *Sustainability Report 2022/2023*, "A Vibrant Sustainable Finance Ecosystem: Strategy", mas.gov.sg (accessed November 2026): requirement of alignment with recognised taxonomies and an entity-level transition plan is stated in the media release of 20 April 2023. — MAS, *Sustainability Report 2022/2023*, cited above: Insurance-Linked Securities Grant Scheme launched in December 2018, 23 catastrophe bonds supported, extended to 31 December 2025, with a grant of S$15 million under the FiNZ plan. ↩

10. MAS, *Sustainability Report 2022/2023*, cited above: GSSSL bond volumes of S$24.5 billion in 2021 and 2022 against S$9.6 billion in 2018 to 2020; over S$20 billion of GSSSL loans in 2022, a yearly high for the fifth straight year; catastrophe bond issuance of S$2.5 billion over 2021 and 2022 against S$1.2 billion in 2018 to 2020. — MAS, *Sustainability Report 2025/2026*, "A Vibrant Sustainable Finance Ecosystem: Metrics and Targets", mas.gov.sg, last updated July 2026 (accessed November 2026): over S$27 billion of GSSSL loans originated in Singapore in 2025, based on Environmental Finance data; Singapore described as ASEAN's largest market for GSSSL bonds and loans. ↩

11. Wong, speech of 20 April 2023, cited above: SGFIN described as one of three Centres of Excellence set up with MAS support, with a Master of Science programme in Sustainable and Green Finance. — MAS, *Sustainability Report 2025/2026*, "Strategy" and "Metrics and Targets", mas.gov.sg (accessed November 2026): Jobs Transformation Map launched on 17 April 2024 by MAS and IBF; "over 9,200 financial sector professionals have been trained" and "more than 13,600 Skills Badges" issued; close to 20,000 professionals trained across IBF-accredited courses and the two Centres of Excellence. ↩

12. MAS, *Sustainability Report 2025/2026*, "A Vibrant Sustainable Finance Ecosystem", mas.gov.sg, last updated 13 July 2026 (accessed November 2026), on the Green Finance Steering Committee, the Sustainable Finance Advisory Panel and the Singapore Sustainable Finance Association. — MAS, "MAS

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Appoints New Chief Sustainability Officer", media release, 29 September 2025, listed on mas.gov.sg/development/sustainable-finance (accessed November 2026). — MAS, *Sustainability Report 2025/2026*, publication date 14 July 2026, mas.gov.sg (accessed November 2026). ↩

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com