



## MEDIA RELEASE

### **Policymakers in Singapore should act to overcome climate adaptation shortcomings, new paper finds**

**Singapore, 28 February 2023 (Tuesday)** – Far-reaching interventions are needed to overcome existing shortcomings in Singapore’s approach to climate adaptation projects, according to [a new paper](#) from the Singapore Green Finance Centre, an initiative of Imperial College Business School and Singapore Management University.

Despite Singapore’s ambitious urban adaptation approach, which is widely considered a model among capital cities elsewhere, shortcomings exist, especially in terms of knowledge and partnerships, the paper has found.

Exposure to climate hazards is of great national significance in Singapore, with the Prime Minister Lee Hsien Long projecting that Singapore would need to invest at least S\$100 billion over the next 100 years to protect the country against rising sea levels.

Accordingly, in 2019, the Singaporean Government committed S\$110 billion to adapting the city, to reduce the impact of climate change, by the end of the century. This funding commitment was made on top of generous funding in the previous decade of its ambitious water sensitive urban design (WSUD) programme (its ABC package) and activities to tackle rising sea levels.

Despite this, however, it remains unclear as to whether this commitment matches the total activity needed in the city to address the predicted scale of impacts and economic losses it could incur. Further, a recent Swiss Re report estimated that between 1-20.2% of Singapore’s GDP could be lost by the mid- century as a result of climate change.

Co-authored by researchers from the Singapore Green Finance Centre (SGFC) - which is an initiative of the Centre for Climate Finance and Investment (CCFI) at Imperial College Business School and Sim Kee Boon Institute for Financial Economics (SKBI) at Singapore Management University (SMU) - and backed by the Monetary Authority of Singapore (MAS), the report, *Are Markets Interested in Adapting to Climate? Insights From Singapore*, has collated the views of leading practitioners in Singapore and offers a number of policy recommendations.

According to the paper, co-authored by Stella Whittaker, a Visiting Researcher at Imperial’s CCFI and Dr. Tran Bao Phuong Nguyen, a Research Fellow at the SGFC and based at SMU, although a sense of urgency to tackle adaptation has been widely communicated from the top down, Singapore has not yet clearly articulated a role for the private sector and the market in financing adaptation.

*“The findings of this report highlight that more could still be done to facilitate diverse sources of finance for adaptation measures, and that Singapore could experience problems into the future realising its ambitious goals and plans without a more diverse engagement in the solutions,”* said Stella Whittaker.

*“Far-reaching ‘transformation’ of the market is required to overcome current barriers to investment and enable the market to mature. The Singapore Government needs to signal to the private sector its intentions more clearly regarding the role for private capital in adaptation in the city and the nation,” she added.*

In spite of the barriers to adaptation finance, which has rendered private sector interest in such types of investment low, the researchers identify a clear interest from the investment community to increase knowledge on financing adaptation, as well as a willingness from some to consider experimentation in deal structures and payment schemes.

*“For potential private sector investors, it’s unclear what role the private sector can play in market adaptation. There is a clear need for building expertise (mechanisms, partnerships, business model, tools etc) in this newest area of sustainable finance. This would be of value not just to Singapore but to other neighbouring nations who are all grappling with the need to finance urban adaptation,” Dr Nguyen said.*

*“Without massive investments in adaptation, cities, their economies, infrastructure, and people, are highly vulnerable to climate-induced extreme events which will be very costly to all. Even in a city such as Singapore with a well-developed publicly funded urban adaptation program, impacts and economic consequences could be much higher than anticipated and markets are surely needed to help avert catastrophic damages,” she added.*

Mike Wilkins, Executive Director of the Centre for Climate Finance & Investment at Imperial College Business School and Associate Professor Hao Liang, Co-Director of the Singapore Green Finance Centre were also involved in this research.

Assoc Prof Liang said: *“With little known about climate adaptation by financial institutions in Singapore, researchers at the Singapore Green Finance Centre have carried out a joint research project by surveying over twenty leading practitioners in the field, as well as conducting a workshop with over thirty investors, academics, and government representatives, thus deepening its understanding of the topic on the ground.*

He added: *“The outcome of these surveys has been translated into a highly relevant and practical white paper for policymakers, regulators, and practitioners. This paper gives an insight into how investors and governments can adopt different climate adaptation tools and strategies in the areas of commercial projects, regulation, knowledge growth and industry networks, which could be a good starting point for ideas, new projects and change to happen.”*

A full copy of the paper, “Are Markets Interested in Adapting to Climate? Insights from Singapore” is available to download from the [Singapore Green Finance Centre website](#).

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### **About Singapore Green Finance Centre**

The Singapore Management University, in collaboration with Imperial College London, established Singapore's first centre of excellence to support and transform businesses in Singapore and the Asian region in the areas of Sustainability, Climate and Green Finance. The Singapore Green Finance Centre does this through high-impact research, outstanding educational programmes, and new talent development.

The centre, supported by finance industry partners and the Monetary Authority of Singapore, aims to mobilise a growing community of practitioners who are armed with knowledge, hungry for action, and biased towards solutions. <https://www.singaporegreenfinance.com/>