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MAS calling for study on jobs, skills needed for green practices in finance sector

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SINGAPORE - Even as the financial sector marches on in its green efforts, the rate of adoption of sustainable practices is not uniform across financial institutions.

To shed more light on the varying practices, the [Monetary Authority of Singapore \(MAS\)](#) is calling for a study on how the trend of sustainability is influencing manpower needs and deployment in the sector now and in future, according to tender documents released on Tuesday (May 24) and seen by The Straits Times.

The tender calls for a consultancy to study how financial institutions - which include banks, insurers and asset managers - integrate sustainable finance into their organisation, the number of jobs in sustainable finance the sector could create over the next decade, and the skills employees in Singapore will need to hold jobs in sustainable finance, among other issues.

Setting a target completion date of next March for the final report, MAS said the financial sector plays a crucial role in mobilising capital to support an orderly transition towards net-zero carbon emissions as Singapore, as well as the region, becomes a low-carbon economy.

"It is therefore critical to build a deep talent pool to meet the strong and growing demand for sustainable finance jobs, as sustainable finance becomes more mainstream over the next decade."

The study will be presented to MAS management, an undisclosed inter-agency or industry platform, and a steering committee made up of MAS management, Institute of Banking and Finance (IBF) management and "key industry participants".

ST understands that the report may be released to the public as well.

Although the budget for the report was not disclosed, tendering companies should qualify under Finance Ministry regulations to submit tenders of up to \$1 million, according to MAS' evaluation criteria for this tender.

Furthermore, open tenders like this are usually called for government procurement with an estimated value of more than \$90,000.

It is not the first time that MAS is conducting a study on how new trends will affect the workforce. In 2019, one study covered the impact of data analytics and automation on Singapore's financial sector jobs.

The sustainability study will inform MAS and the finance industry on the new roles that may be created, and existing jobs that may be transformed or become redundant as sustainability becomes mainstream.

These insights would be used to facilitate discussion between MAS and the industry, and identify skills gaps and the necessary initiatives to upskill and reskill individuals in the workforce.

This is the first time a tender has been called for an in-depth study on this topic by the MAS.

The call for the study follows a framework of 12 skills and competencies needed for roles in sustainable finance set out by the MAS and IBF in February, an initiative that is part of the central bank's strategy to build knowledge and capabilities in sustainable finance under its Green Finance Action Plan.

One source of variance MAS identified for further study in the tender lies in how sustainable finance fits into the organisational structure of financial institutions.

It noted that some organisations introduce sustainable finance as a new business area with dedicated roles, while others prefer a more integrated approach where sustainability roles are interspersed across existing business areas. More On This Topic Insurers play increasingly crucial role in green finance, sustainability SGX rolls out mandatory climate reporting for financial, energy issuers from 2023

Ms Evelyn Chow, managing director of strategic human resources consultancy DecodeHR, said integrating sustainable finance roles into existing business units is a good approach as the skill sets involved intersect, and there is a lack of specialised talent in the field.

In Singapore, she added, the demand is likely driven by regulatory demands on companies to show their sustainability credentials, citing moves such as the introduction of mandatory climate reporting for financial and energy issuers on the [Singapore Exchange](#) come 2023.

Ms Cherrie Lim, associate director of corporate finance, mergers and acquisitions and corporate strategy in Asia at recruitment firm Ethos BeathChapman, said the firm has noticed more demand for finance roles that incorporate sustainability.

"Usually, such roles would encompass working closely with internal or external stakeholders to drive the sustainability agenda of the firm and promoting best-practice environmental, social and governance (ESG), and sustainability assessments through their processes and deals."

Added Ms Lim: "From my experience, most clients created a new business area or team with dedicated sustainability roles as it reflects a more focused approach in seriously growing this space."

As to whether sustainable finance talent attracts a premium, she said: "Most candidates are quite keen to make the switch to a sustainability-related role. As a result, this is how most financial services firms started their 'sustainability' teams: not by hiring external talent at higher salary but by training a core team internally to lead the ESG directive, with some spot use of external consultants." More On This Topic MAS forms sustainability group, appoints chief sustainability officer Singapore will boost its contributions on the sustainability front: Iswaran

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