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Impact investing: Asia's role in tackling the climate crisis

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By 2030, mankind wants to reduce global CO_2 emissions by 50% compared to 1990 levels. Yet, since 1990, CO_2 emissions have increased by 60%. With just six years left to reach this interim target, mankind is facing an epochal challenge.

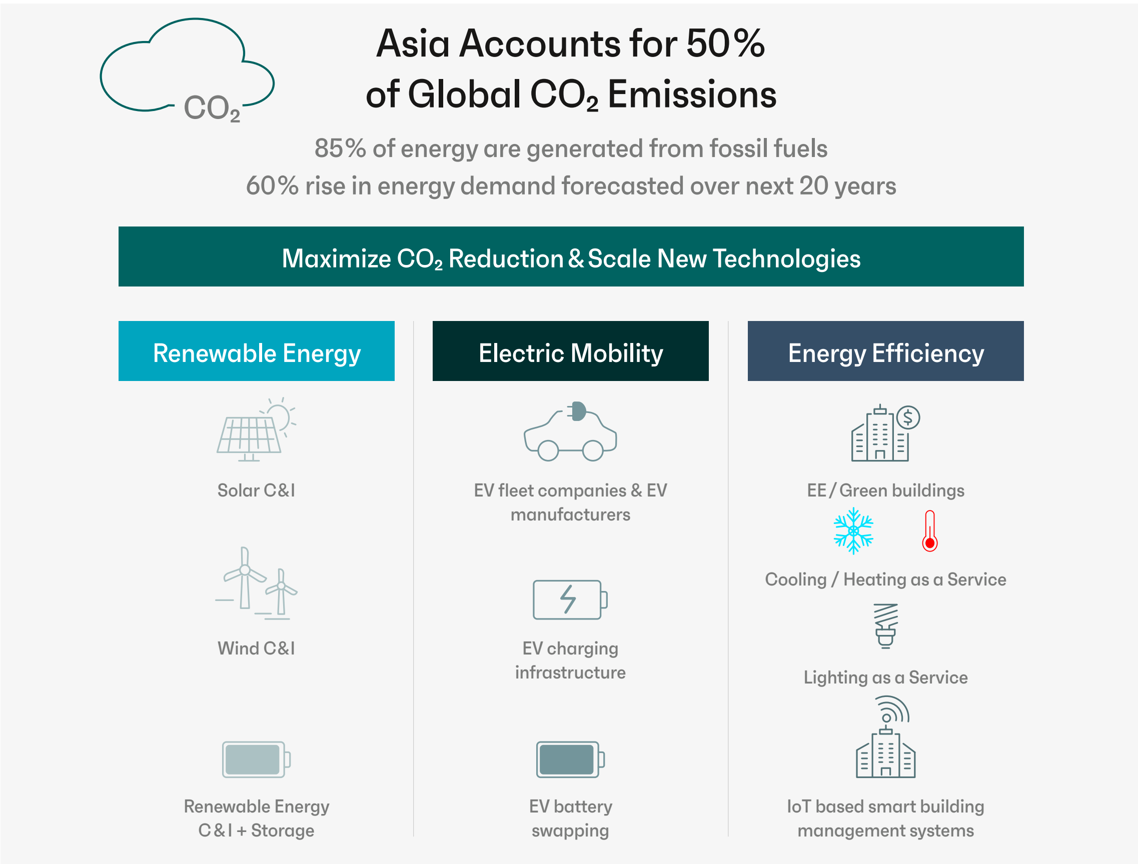
Asia, currently the largest CO_2 emitter, is both the centre of this challenge and the solution. With 85% of its power coming from coal and gas-fired power plants, electricity consumption is projected to increase by almost 60% over the next two decades. The region is on the brink of a massive increase of CO_2 emissions, a trend that will be exacerbated by population growth and the socio-economic rise from poverty.

Blended finance can offer the solution to meeting these challenges. By mixing commercial and concessional finance, blended finance reduces investment risks for private investors, thereby mobilising private capital for climate protection. This leverage effect can achieve a broad scaling of investments. The focus should be on maximising CO_2 reduction and supporting the scaling of new technologies:

a) Renewable energies such as photovoltaics, wind power and electricity storage for commercial and industrial applications to promote the spread of decentralised energy generation.
b) Electromobility, including EV manufacturing, battery exchange systems and charging infrastructure, to support the entire electromobility value chain.
c) Energy efficiency through services and technologies such as green buildings, cooling/heating as a service and smart building management systems to cut corporate energy consumption.

With the urgent challenge of tackling the climate crisis, Asia offers a unique opportunity. Investors have the chance to actively participate in the global transition to a more sustainable and low-carbon economy through targeted investments, making a positive impact and financial return.

Figure 1



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