



United Nations Development Programme
United Nations Capital Development Fund

Fintech and Local Climate Finance

December 2022



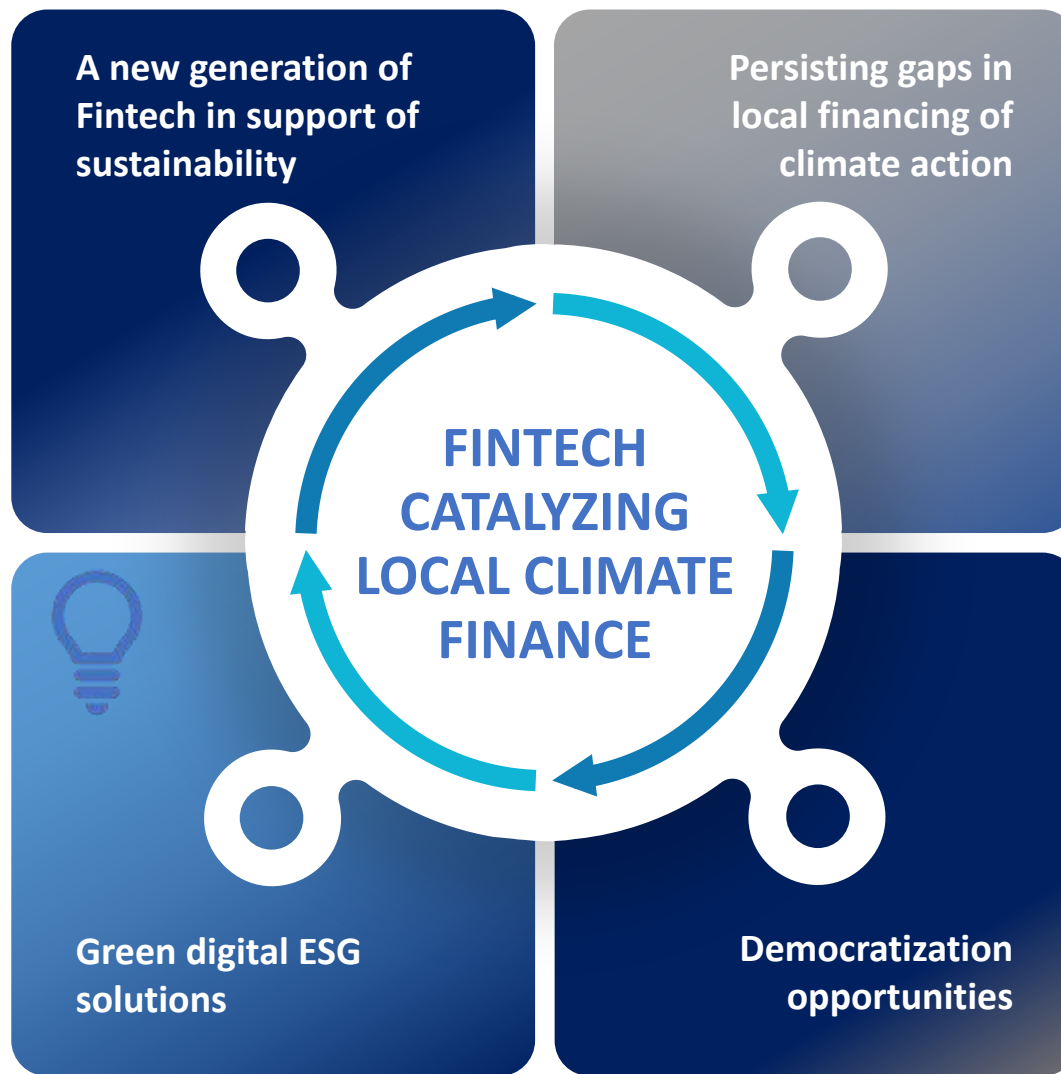
How can Fintech support financing for local climate action?

1. What are the fintech technologies in question?

- Big data
- Cloud computing
- AI / Machine learning
- Remote sensing, satellite imagery, IOTs
- Distributed Ledger Technologies

- Digital data to unlock access to green and transition finance for SMEs and smaller assets
- Start by digitizing carbon and environment SME data points
- Aggregate SMEs with similar transition needs for digital SME climate transition bonds
- Use of proceeds tied to solar installations or electrification of fleets

4. Building local climate investment pipeline



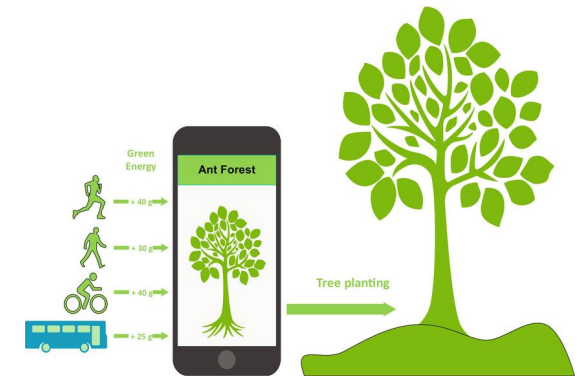
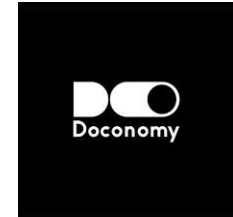
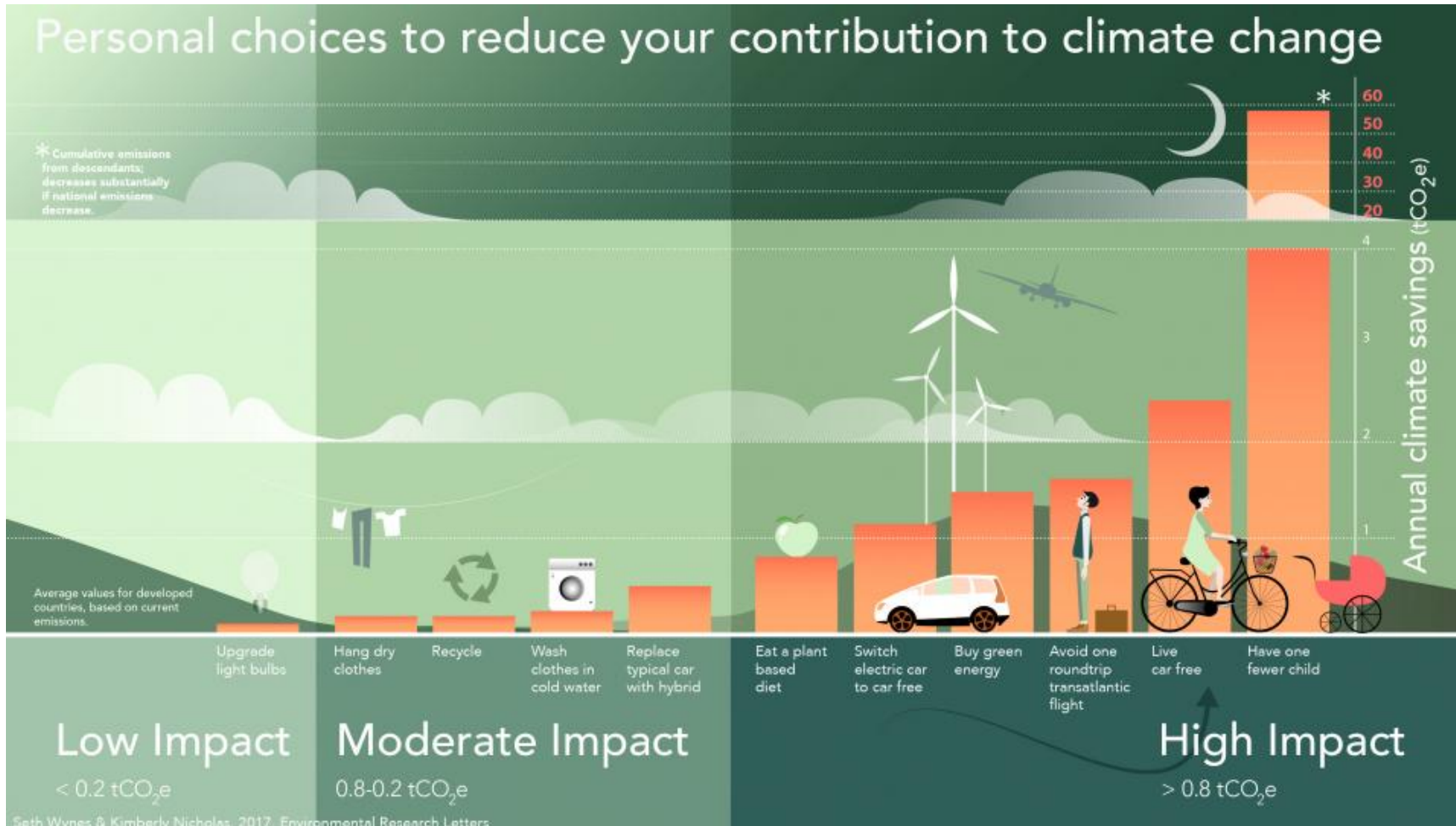
2. What are the challenges?

- Access to green and transition data on small assets at local level
- Channeling financing in cost effective ways
- Investor level: comparative view of ESG impacts for allocation

- Green digital payments solutions
- Green digital investment solutions and green crowdfunding solutions
- Green circular economy models using tokenization of green action, including recycling and zero waste approaches

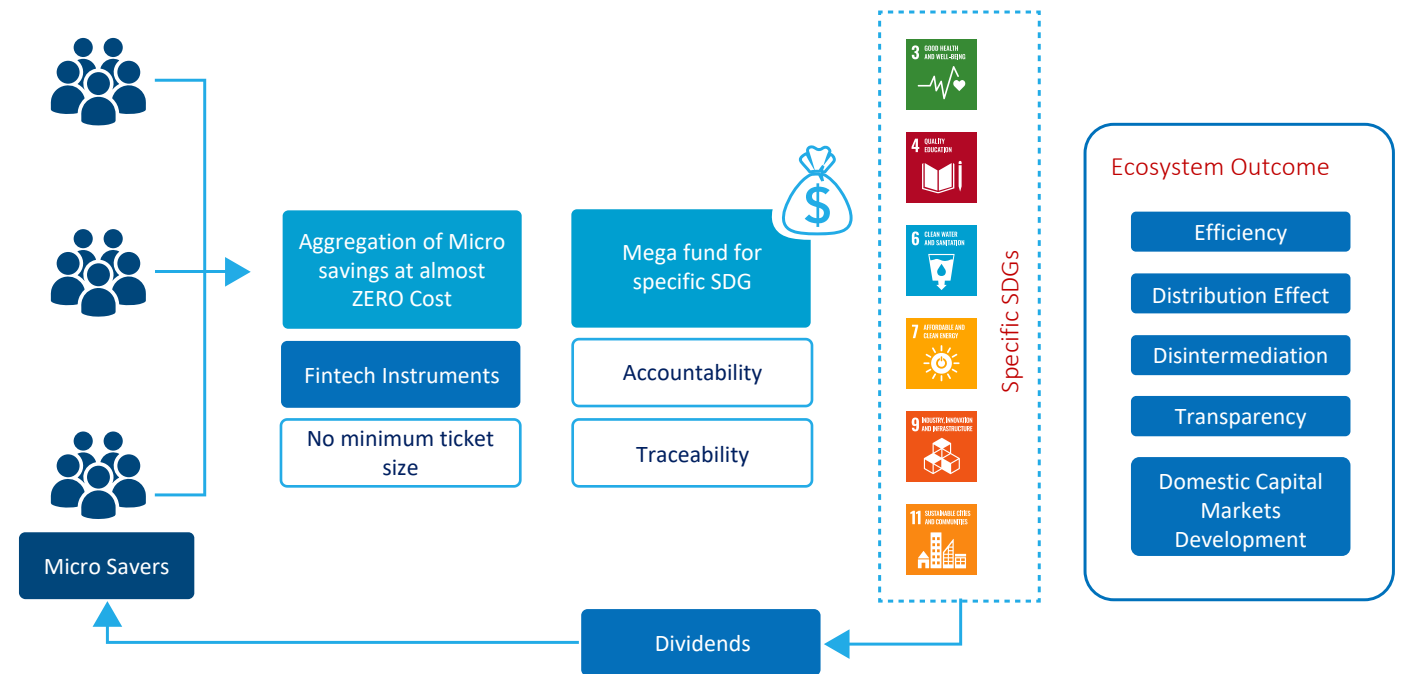
3. Democratization of local climate finance

Green digital payment solutions

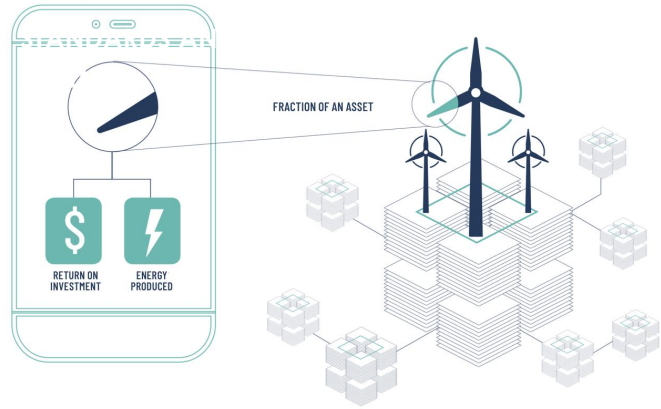


Bangladesh micro savings to infrastructure

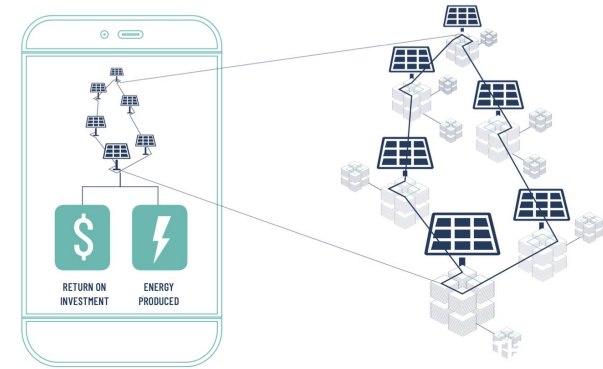
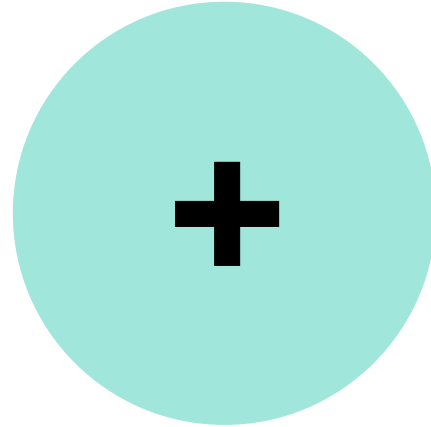
- Infrastructure budget \$20 bn today
- Currently funded 2/3 from international aid and borrowing
- International capital is 15-20% more expensive than domestic capital
- There is \$20 billion of domestic savings, and rising – only 4% is used for infrastructure investment



Digital solutions supporting new climate investment pathways

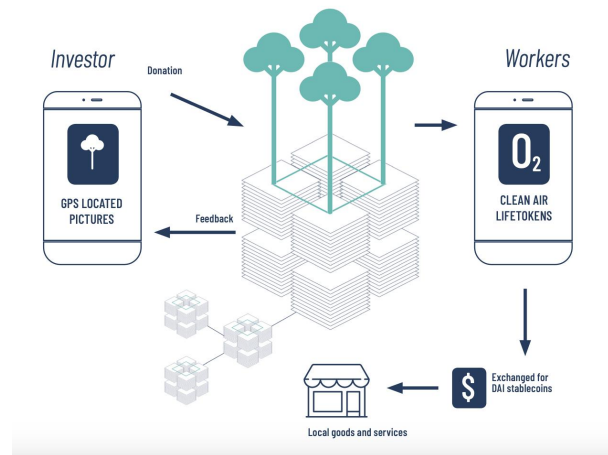


FRACTIONALIZED ASSET OWNERSHIP RATHER THAN THROUGH A PORTFOLIO PRODUCT



AGGREGATION OF INVESTABLE ASSETS

TECHNOLOGY IS OPENING UP NEW INVESTMENT PATHWAYS



THANK YOU

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