

BRIEFING FOR FINTECH COMPANIES AND GLOBAL DIGITAL PLATFORMS

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THE UNITED NATIONS SECRETARY-GENERAL'S
TASK FORCE ON DIGITAL FINANCING
OF THE SUSTAINABLE DEVELOPMENT GOALS



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on their role in harnessing digitalization to accelerate financing of the SDGs

The Task Force on Digital Financing of the Sustainable Development Goals (SDGs) was established by the UN Secretary General with a mandate to recommend and catalyse ways to harness digitalization in accelerating financing of the SDGs.

Its final report “**The People’s Money: Harnessing Digitalization to Finance A Sustainable Future**”. The Task Force’s Action Agenda includes a three-part action agenda:

- 1) **Advance catalytic opportunities**
- 2) **Build the foundations for sustainable digital financing ecosystems**
- 3) **Strengthen inclusive international governance**



This briefing sets out specific actions for Fintech companies, including early, growth stage and mature financial technology companies, as well as social media and other digital platforms moving into financial services.

THE TASK FORCE’S ACTION AGENDA: FINTECH COMPANIES & GLOBAL DIGITAL PLATFORMS

Digital disruption creates an historic opportunity to reshape finance towards empowering people in financing their goals. Finance can and should meet the priorities of the people it is intended to serve, as savers, lenders, borrowers, investors, and taxpayers.

‘Fintech’ and ‘Bigtech’ companies are in a key position to innovate products and services which meet consumer demand and channel finance to sustainable development goals, and to play a disruptive role in financial innovation. They can commit to principles of SDG-aligned digital financing and develop corporate governance mechanisms to ensure they operationalize them.



Catalytic opportunities can harness digitalization in aligning finance with the SDGs. Digitalization is already making a difference to the SDGs, but far more can be achieved by realizing key, catalytic opportunities: *mobilizing domestic savings for long-term development, enhancing accountability of public financing, making SDGs count in global financial markets, financing small and medium enterprises, and promoting SDG-aligned consumer spending.*

Fintech companies can disrupt and transform the financial system with innovative, customized, sustainable data-driven financial products and services that offer clients greater visibility and choice over the use of their funds.

- **Design innovative financial products** and services for retail investors to channel their money toward financing of local sustainable development investments.
- **Use advanced analytics and alternative data** to expand, customize, and better target SME lending and investment from financial institutions and individuals.
- **Contribute to digitalization of government finance**, by building public sector-tailored applications and designing financial products aligned with national SDG priorities.
- **Provide financial, environmental and social data** for assessing material SDG-related risks and impacts to mainstream financial institutions.



- **Create user-friendly applications** that allow ordinary people to see how private and public financial intermediaries use their money.
- **Help corporate clients improve tech-driven supply chain transparency** and develop accessible ways to share the resulting sustainability information with customers.



Foundations for sustainable digital financing ecosystems are needed to **overcome barriers and risks** to harness digitalization's potential in financing the SDGs. These include inadequate digital infrastructure, and access, affordability and capabilities, algorithmic biases which may exclude women and minorities, increased short-termism, cyber vulnerability, and market concentration.

Fintech companies play a key role by strengthening security, interoperability and reliability of digital infrastructure, developing digital financial products aligned with national sustainable development priorities and by increasing user awareness and digital capabilities.

- **Develop solutions for smooth and interoperable digital payment settlement** and advance digital identification and risk analytics practice.
- **Help collect, compile, and analyze public and proprietary financial, environmental and social data** for product design, risk management, and impact assessment.
- **Design data-driven public and private financing solutions** aligned with sector-specific sustainable development priorities and distribute them through digital channels.
- **Design innovative digital financial products** that protect consumer rights and integrate behavioural research to build clients' digital and financial capabilities.



Inclusive international governance innovations are critical for harnessing digitalization in delivering financing of the SDGs. Regulations and standards governing digital financing need to be informed by SDG commitments and goals, with a particular need to ensure that the SDGs inform the governance of a new generation of global digital financing platforms with cross-border, spillover impacts.

Fintech companies, especially global digital platforms, can experiment with governance innovations to integrate sustainability into their operations.

- **Fintech companies can engage in international efforts to develop principles** for greater consideration of SDGs in digital financial services.
- **Digital platforms can contribute to international dialogue on SDG impacts and risks of global digital platforms** that offer financial services across different countries.
- **Digital platforms can experiment with corporate governance frameworks** that anchor SDG considerations in company operations and financing decisions.



THE ACTION AGENDA FOR DIFFERENT ACTORS

ACTOR	KEY ROLES
Policy makers and regulators	Provide standards and regulatory certainty, advance cooperation with innovators, steer market development in support of national sustainable development priorities, empower citizens and mitigate risks brought by digitalization of finance.
Member States, as part of the UN system	Cooperate to share experience, coordinate and advance ambition and develop common principles and approaches, while building capacity, infrastructure, regulations and industry support at home.
Fintech companies and global digital platforms	Innovate products and services which meet consumer demand to channel finance to sustainable development goals. Commit to principles of SDG-aligned digital financing and develop corporate governance mechanisms to ensure they operationalize them.
Financial institutions	Identify and advance opportunities in own products and systems, advance interoperable digital ID and data systems. Engage with international standard setting and explore corporate governance options for stewarding the SDGs.
International development community	Technical assistance and disseminating learning, supporting governance innovation. Provide support for development of inclusive infrastructure and the capacity of citizens
Development finance institutions	Offer solutions to share risk to enable the development of catalytic solutions. Share knowledge to help governments design risk capital projects aligned to sustainable development and provide incentives via conditionality for corporate governance innovations.
Civil society organisations	Across civic, religious, youth, women’s, worker, trader consumer and other interest groups: mobilize collective voice, documenting problems and solutions to hold the powerful accountable. Build the capacity of citizens.
The United Nations	Support Member States in realizing catalytic opportunities and establishing digital financing ecosystems aligned with SDG priorities. Advance inclusive international norm-setting and governance innovations to mitigate risks. Exemplify good practice on digital financing internally. Develop a mechanism for stewarding the implementation of Task Force recommendations.

For more information explore the Task Force’s report at www.digitalfinancingtaskforce.org