



# SUSTAINABILITY FINTECH REPORT

# 20 22





# Contents

Foreword (MFTA)	3
Foreword (ADGM)	4
Foreword (DIFC)	5
<hr/>	
In conversation with the UAE Ministry of Climate Change & Environment	6
<hr/>	
Introduction	12
<hr/>	
1. How Checkout.com achieved carbon neutrality	14
2. How the Crypto technology can benefit the planet	18
3. How Fintech, innovation and partnership is addressing the refugee crisis	21
4. How BPC impacts the agricultural sector	33
5. How Codebase Technologies fosters financial inclusion in MENA	37
6. How M2P is changing the “women in tech” conversation	43
7. How Mastercard harnesses the power of partnership in saving the planet	47
8. How education plays a vital role in moving the sustainability dial	51
<hr/>	
Conclusion	55

# Foreword



At the MENA Fintech Association (MFTA) we passionately believe that the Fintech ecosystem is uniquely positioned to put technology at the service of purposeful change. That's why at the beginning of the year we launched the Sustainable Fintech Alliance with the mission of helping our members create positive impacts in the face of the increasingly urgent environmental and social challenges of today.

The Sustainable Fintech Alliance is the first Fintech community in MENA that brings together some of the most influential companies and global leading experts to have open, honest and above all action-oriented discussions about sustainability and help advance the cause of the United Nations' Sustainable Development Goals (SDGs) and Net Zero in our region.

Through a powerful network of international collaborations and partnerships with likeminded institutions, regulators and academia, the Alliance is focused on educating the Fintech community on sustainability and create a space for innovation and thoughtful policymaking.

Since its launch, the Alliance has successfully delivered a full-fledge educational programme in partnership with the London Institute of Banking and Finance MENA (LIBF), ADGM, and DIFC. Thirty students representing Fintechs from across the region and beyond, have obtained a first-of-its kind 'Sustainable Fintech Leadership' certification, fruit of a highly interactive learning programme delivered with support from specialised LIBF faculty, leading international experts, and our member companies.

This report is the next steps of this journey, which aims to showcase tangible initiatives that our members and partners are rolling out covering some of the most fundamental aspects of sustainability: preserving the environment, promoting equality, enabling access to finance for underserved communities and refugees, and more.

We're particularly proud to be featuring an exclusive interview with Her Excellency Mariam bint Mohammed Almheiri, Minister of Climate Change and Environment. This is testament to the resolute commitment of the UAE Government to fight climate change, and work with partners from across the private sector to ensure a bright, positive future for all people in this amazing country and beyond.

But far from being a self-serving exercise, through this report we want to inspire each other to do more, and do better. As technology evolves, and consumers increasingly demand more conscious products and services, there's a huge opportunity out there for Fintechs to be at the driving seat of this transformational journey.



**Nameer Khan**  
Chairman  
MENA FINTECH ASSOCIATION



**Federica Piazza**  
Chair Sustainability Fintech Alliance  
MENA FINTECH ASSOCIATION

# Foreword



ABU DHABI GLOBAL MARKET  
سوق أبوظبي العالمي

In alignment with national and international initiatives, Abu Dhabi Global Market (ADGM) has placed environmental, social and governance factors at the forefront of its strategy. Sustainable finance plays a key role in achieving these objectives, aimed at preserving the UAE's economy and environment for future generations.

In 2019, ADGM published its "Sustainable Finance Agenda" outlining its commitment to developing a vibrant and thriving sustainable finance hub that supports raising and deploying capital directed towards certain environmental and social objectives, as well as encouraging the creation and issuance of sustainable finance products aligned with these objectives.

Since embarking on its sustainable strategy journey, ADGM has achieved significant milestones with traction gained in terms of having concerted collaboration by both the public and private stakeholders of the UAE to channel attention, resources and conversation to sustainable finance. ADGM's stakeholders have also introduced new initiatives and projects, reinforcing their dedication to the purpose and objectives of sustainable finance. Furthermore, in line with its ongoing commitment to sustainable finance, ADGM has launched several initiatives which include:

- Promoting ongoing cooperation through the Abu Dhabi Sustainable Finance Declaration
- Fostering communication, knowledge and awareness through the launch of the Abu Dhabi Sustainable Finance Forum, a part of Abu Dhabi Sustainability Week and in association with the London Institute of Banking & Finance, The Certificate in Sustainable Finance.
- Creating a Sustainable Finance Ecosystem in ADGM hosting the First Social Bond Project and domicile of UAE's first sustainable Real Estate Investment Trust (REIT).
- Enhancing business development opportunities through ADGM's Digital Lab, the only regulator-led Digital Marketplace and Fintech Sandbox that provides a soft landing for sustainable finance firms looking to enter the UAE market. The Digital Lab provides sandbox resources, including synthetic data, no-code orchestration tools and a library of APIs to better engage in proofs-of-concept with prospective clients.
- Fostering transparency through the Sustainable Finance Platform to provide real-time access to essential sustainable finance data.

ADGM will continue to work with private, public, national and international stakeholders to facilitate the implementation of sustainable finance best practices and enable the financial industry to play its role in driving a resilient yet sustainable economic future.



**Mercedes Vela Monserrate**  
Head of Sustainable Finance  
Office of CEO  
ADGM Authority

# Foreword



Transitioning to a low-carbon world and promoting climate stewardship is high on everyone's agenda, and the Fintech sector is no exception, especially following the United Nations' Intergovernmental Panel on Climate Change report that calls for urgent action to limit global warming.

From introducing 'green' financial products to accelerating financial inclusion through the adoption of digital payment services, FinTech is positioned to support businesses achieve their sustainability goals and set a strong example for other industries.

At the heart of DIFC, there are more than 600 FinTech and innovation companies. In line with the UAE's Net Zero by 2050 strategic initiative, we recognise the importance of sustainability and are committed to staying at the forefront of driving positive climate action.

At DIFC, the market capitalisation of green or sustainable Sukuk and bonds is growing at a high pace and now accounts for more than 16.2 per cent of the total outstanding bonds, in excess of USD18.1 billion.

In addition, DIFC FinTech Hive – the first and largest financial technology accelerator in the Middle East, Africa and South Asia region – has launched a programme under the theme 'Impact and Sustainability' addressing a wide range of challenges, including how digital assets, metaverse, payments, WealthTech and more, can support financial inclusion and literacy.

Furthermore, DIFC and Dubai Financial Market formed the Dubai Sustainable Finance Working Group in 2019, the first initiative of its kind in the region, which includes a consortium of 25 members from leading financial institutions, global and regional banks and sustainable companies seeking to mainstream ESG and create the region's leading sustainable financial hub. With the support of the United Nations UAE, the Working Group has launched an ESG maturity self-assessment tool that makes it easy and affordable for any company to embark on their journey to integrating ESG practices in their business.

In November 2023, world leaders will congregate in Dubai for COP 28 to address climate issues. Between now and then, DIFC will be championing change across the whole finance industry through our, "Path to COP28" initiative in partnership with the Global Ethical Finance Initiative.

Through innovative Fintech solutions, organisations can channel investment in 'green' and sustainable projects to accelerate the pace of climate action and enable ethical conduct – all aligning with the social purpose that businesses must deliver in a rapidly changing world.



**Christian Kunz**  
Chair of Dubai Sustainable Finance Working Group and  
Senior Vice President of Strategy  
DIFC

# In conversation with the UAE Ministry of Climate Change & Environment

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**HE  
Mariam bint Mohammed Saeed  
Hareb Almheiri**



## **1. The UAE is taking significant steps to contribute to the Sustainable Development Goals (SDGs) and climate action. What are the country's greatest achievements and main challenges ahead?**



The SDGs provide an overarching framework to better plan and align global efforts toward a more resilient, peaceful and sustainable coexistence, as we all share one planet. This is why all countries have to look beyond what they can do on a national level and consider what they can contribute to other nations that are more vulnerable and in need. The UAE has notched up many achievements on both fronts.

Our country has made significant progress towards the SDGs since signing up to the UN SDG framework. It has taken decisive steps forward in terms of shaping the required national agenda, developing effective governance, and designing and implementing relevant initiatives. To oversee the process, we have established the UAE National Committee on SDGs, comprising representatives of 16 federal

government entities, who are in charge of the goals that are relevant to their mandate. For instance, I am responsible for the goals related to sustainability, climate, and environment – SDG 12: Responsible Consumption and Production, SDG 13: Climate Action, SDG 14: Life Below Water, and SDG 15: Life on Land. We have so many success stories, including setting up Mohammed Bin Rashid Al Maktoum Global Initiatives to support SDG 1: No Poverty. The foundation provides many facilities to mobilize efforts and resources to improve living conditions and empower communities to enhance their income and bring them above the poverty line. For SDG 9: Industry, Innovation and Infrastructure, we have built a full system and infrastructure to support international humanitarian efforts through a dedicated integrated comprehensive specialized development. Finally, Masdar City is a prime example of how sustainable cities and communities are established. It embodies sustainability in many aspects, including low-carbon development, inclusivity, and driving innovation. This project represents our contribution to SDG 11: Sustainable Cities and Communities.

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## **2. The UAE Government has always been a great champion of public-private partnerships. How do you think the financial services industry, and fintechs more specifically, can contribute to the achievement of the SDGs and net zero?**

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To achieve net zero, partnerships between civil society organizations, the public sector, and private actors are needed to create innovative solutions that leverage the power of big data. Both traditional financial service providers and new-age fintech companies could enter data partnerships with Internet of Things-based platforms to create new financial products or tailor existing ones to develop innovative financing solutions that help address climate change.

Fintech companies could also help in shifting human behavior as well as incentivizing consumers towards more sustainable activities, such as providing easier access to low-carbon solution. We all witnessed how fintech solutions

came to the rescue when COVID-19 struck, and we were using touchless technologies and digitalization in service provision. As another example, the use of comprehensive cloud solutions in the financial sector can enable financial institutions to operate in challenging conditions, including in conflict areas. In addition, fintech can leverage the power of data, data analytics, and machine learning to support financial sector regulations and initiatives, such as ensuring sustainability- and climate risk-related disclosures are correct, and checking if financial firms are engaging in greenwashing.

To increase the engagement of key finance players in achieving our national climate goals, the Ministry of Climate Change and Environment dedicated the third installment of its National Dialogue for Climate Ambition to the finance sector. The series of monthly sector-specific assemblies serves as a national platform to raise climate ambition and foster decarbonization efforts in support of the UAE Net Zero by 2050 Strategic Initiative.

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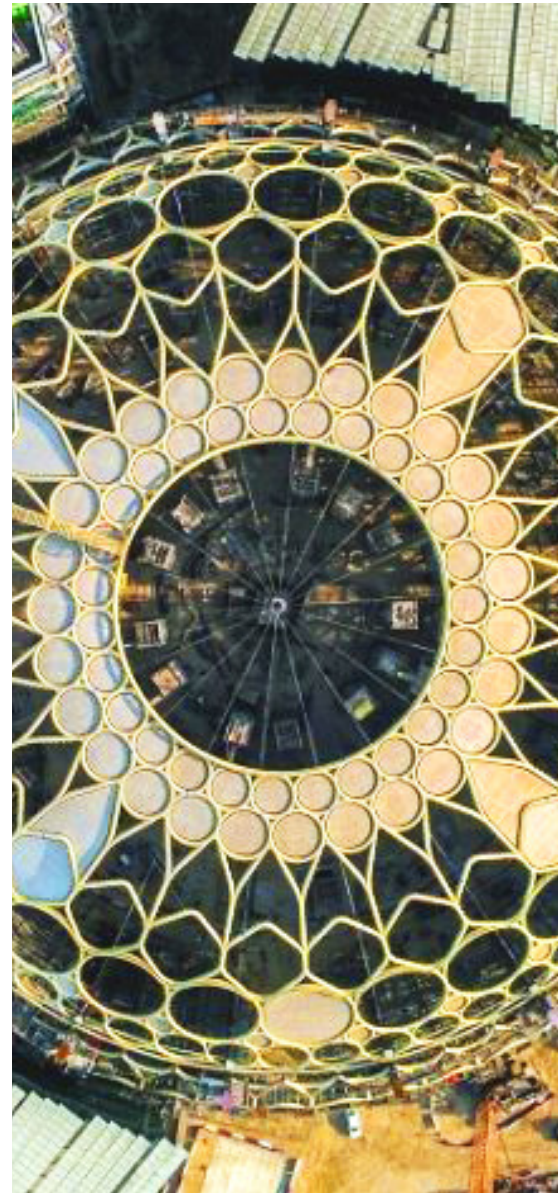


**3. With COP28, the UAE will have the opportunity but also the responsibility of leading the global fight against climate change and addressing its social impacts. What are the key objectives that the UAE wishes to bring front and center during COP28?**

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The UAE is preparing for a flagship COP with the aim of making it a point for turning climate change planning into implementation, continuing the journey started at COP27. Since COP21 in Paris, most countries have been working on advancing their climate change policy frameworks, and I believe it is time to make an actual start on a more implementation-focused approach. As His Highness Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation, said, “the UAE will apply its experience as a trusted global convener to ensure COP28 reflects the voices of all relevant stakeholders to achieve global consensus for practical climate progress”.

COP28 will be significant, as it will include the first global stocktake since the Paris Agreement, a comprehensive report card assessing progress against key global climate goals. We have great confidence in our ability to convene a COP that can take global climate action forward through deploying our own resources, utilizing our current partnerships, and building new collaboration frameworks.



**COP28 will be significant, as it will include the first global stocktake since the Paris Agreement**

By hosting the event, we seek to build an economic case for climate action and drive unified climate efforts through global initiatives aimed at turning the climate crisis into an opportunity to advance sustainable development. We plan to focus on advancing climate change adaptation, raising our collective climate ambition, and stepping up global climate finance commitments.

We intend to deliver a productive, accessible, and consultative COP with high youth engagement that mobilizes countries to increase the scale and pace of their efforts to address climate change.

We understand that each region and country has a different starting point and might move at its own pace. The event will provide an ideal opportunity to learn from our peers which path is working under what circumstances. We will ensure that the voice of every nation – whether developed or developing – and every stakeholder is heard, and that the specific geographic, climatic, and socio-economic conditions of every country are considered when charting a global roadmap to a climate-resilient future.

We see our role as a consensus builder promoting a just and inclusive transition to a sustainable way of life that truly leaves no one behind. We are committed to driving multilateral diplomacy aimed at preserving our planet for the next generations and shaping a better future for all humankind.

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#### **4. The UAE Government is heavily supportive of education as a catalyst for change. How do you see the educational sector supporting the SDGs and achieving the net-zero ambitions?**

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I have always believed in education as a tool that enables countries and communities to overcome many of the challenges the SDGs aim to address. I can confidently say that the success in implementing SDG 4: Quality Education is key to ensuring nations' ability to meet the requirements for achieving the rest of SDGs. Also, universities and other educational

institutions have an instrumental role to play in the global journey toward net zero through researching and identifying new solutions, developing pathways, and designing models. So our current education systems must have the required flexibility to make a smooth transition to systems that boost climate action so that they can empower all people, but especially youth, to take action. Education helps people make informed and evidence-based decisions, and I believe that climate education will be a key factor in our battle against climate change. In this context, the UAE joined forces with the International Renewable Energy Agency (IRENA) to develop the Educating the Educators Initiative – in other words, we will teach the teachers. Once launched, it will provide teachers, lecturers, and trainers with the necessary training and teaching resources to help them integrate renewables into their lessons and become more creative in engaging their students in renewable energy learning. And we are rolling out a brand-new climate education and youth engagement drive in the run-up to COP28. The initiative comprises three capacity-building programs covering all students in the country.

The first program, run in partnership with the Ministry of Education and the United Nations Framework Convention for Climate Change (UNFCCC), involves developing a specialized climate change curriculum tailored to each age group that includes a comprehensive explanation of the mechanisms of climate change and ways of addressing it.

The second program seeks to build an interest in COP among budding sustainability advocates. To bring COP28 to life in a fun way, we will design an immersive experience to allow students aged 10 years and above to participate in a mock summit. This will enable them to understand how a COP works, and what trade-offs are needed to reach a successful outcome of international climate negotiations.

And the last program consists of a series of climate-related events and competitions, co-hosted with the Youth Constituency of the UNFCCC (YOUNGO). The events will include youth climate debates, talks with prominent speakers, and panel discussions. Meanwhile, the competitions will focus on various topics, such as moonshot ideas, climate change solutions for the desert environment, and innovative policy frameworks.

The program will culminate in a mini youth COP with representatives drawn from the UAE's broad base of nationalities. Ideas from the mini COP will be reflected by the UAE's youth in the opening sessions of COP28.

With such knowledge and innovation at heart, youth will be at the forefront of fulfilling our net-zero ambition. Over the course of these three decades, we will rely on young innovators to help us achieve our Net Zero by 2050 Strategic Initiative by developing climate-smart solutions that are instrumental to our success in making our country climate-neutral by 2050.



## INTRODUCTION

# How Fintechs are helping to meet the sustainability goals

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**Gihan Hyde**

Founder & CEO CommUnique

As is clear from the name, Fintechs, these start-ups specialise in different aspects of the financial services sector. The fact that there have been so many Fintechs start-ups founded over the past decade is indicative of the fact that larger organisations have had weak spots in their business models. In the process of development, there are clear routes for growth for all sizes of financial institutions but there is

one key aspect which could set Fintechs apart and could, in turn, help larger organisations to change. Founding and creating businesses from scratch means that the founders can institutionalise and embed Environmental, Social and Governance (ESG) from the beginning and utilise ESG metrics within their structure, much more easily than larger financial institutions can implement them. Additionally, with improved corporate governance principles in place, Fintechs should also find it easier to raise capital from a much broader range of clients – and win new clients.

The word “sustainability” has become the core word for companies to alter their business model to cut emissions, reduce waste and, as much as possible, reducing the environmental footprint of the company – or Fintech in this case.

Embedding and institutionalising sustainability ESG means that Fintechs will – compared to more established financial institutions – be further ahead in terms of meeting the United Nations Sustainable Development Goals (SDG) targets and the ESG metrics.



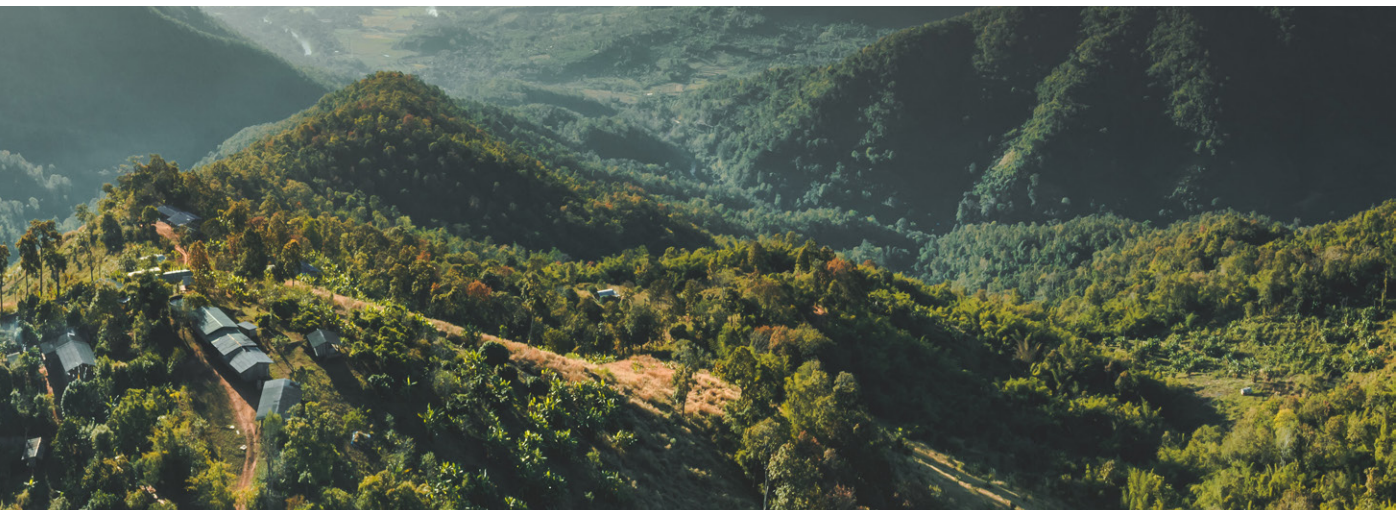
It means, therefore, that they will have a more competitive and convincing operating structure from the start, as by their very nature, larger competitors are coming from behind in meeting SDG and ESG metrics. Additionally, an increasing market share of customers are pressing their financial service providers to have very clear environmental goals particularly. As Fintechs grow and, in some cases take a larger market share from their larger competitors, it should then, if management and boards are alert, press them to shift their efforts faster still to meet these targets. It is, therefore, imperative that all Fintech companies embed the ESG metrics, strategy and philosophy into their long-term sustainability plans to fulfil their goal to be profitable, gain support from clients and other financial institutions.

CommUnique is an ESG Advisory Consultancy and our clients seek our help in integrating ESG within their business model and communicating it clearly and accurately. We are constantly asked the question of “what are the steps we as Fintech companies need to embed the ESG principles within our operational infrastructure,

our answer to them is:

1. Boards need to ensure that the two sustainability goals are fully compatible – sustainability for the enterprise to survive and thrive longer term and the sustainability of the enterprise in terms of its environmental footprint. They need to be complementary to succeed and allow other ESG metrics to be efficiently operated in the company, including emission controls and social impact goals, amongst others.
2. Full and transparent stakeholder engagement plans that remain flexible over the longer term should be a priority.
3. Honesty in the risk assessment of the environmental impact, in the goal-setting for sustainability and in the reporting of the net zero goals achieved, to ensure best practice standards of reporting.

**There is no quick solutions for Fintechs or any enterprise to integrate ESG within their operations and products but there are small steps that should and could help achieve this vision of saving people and planet.**





## Chapter 1

# How Checkout.com achieved carbon neutrality

Fintech businesses are, at their heart, problem-solvers. We put our skills, creativity and technology to work in ways that improve the day-to-day lives of our customers, whether they happen to be businesses, as is the case with Checkout.com, or consumers. Across the MENA region and around the world, Fintechs are increasingly applying this ingenuity and energy to the vital issue of operating more sustainably.



<sup>[1]</sup> For example, Checkout.com's research into European ecommerce markets found that 34% of merchants believed the industry would be significantly improving its sustainability and carbon neutrality credentials in the next 5 years, and 54% of European consumers would only buy from retail brands that could show that they were working to achieve sustainable practices and carbon neutrality (see The New State of Retail, Checkout.com, 2021: <https://www.checkout.com/resources/research/the-new-state-of-retail>).



The importance of doing this was brought into sharp focus by last November's UN Climate Change Conference. As COP26 made clear, the world needs to reach Net Zero without delay, in order to avoid catastrophic climate change. Businesses have an important role to play in this regard, and at Checkout.com, we embrace this responsibility.

Checkout.com is a leading global payment solutions provider. Through our combination of leading-edge payments technology and on-the-ground expertise – including at our offices in Dubai, Riyadh and Karachi – we help businesses to improve their payments performance, navigate local regulation, switch on new business models, and enter new markets.

Operating sustainably is a priority for our leadership, our global workforce and, increasingly, the businesses we serve around the world, and their customers. It is reflected



in our mission (which is to enable businesses and their communities to thrive in the digital economy) and our operating principles (which include creating a positive legacy). And it is translated from aspiration into action through our internal 'Impact' programme, which brings together our work on the environment, community engagement, giving and volunteering.

We still have a long way to go in respect of sustainability. As



a foundational step on our journey, we took action in 2021 to remove over 6,500 tonnes of carbon from the atmosphere – an amount equal to our total emissions since Checkout.com was founded in 2012. As we discovered along the way, becoming carbon neutral is far from straightforward.

## How did we go about doing this?

Firstly, to measure those historic emissions, we partnered with established external consultancies and used the Greenhouse Gas Protocol – the world’s most widely used greenhouse gas accounting standards – to calculate our carbon footprint across the so-called ‘Scopes 1 to 3’. These include the direct emissions associated with assets we own (scope 1); indirect emissions linked to those assets, such as electricity (scope 2); and other indirect emissions, such as travel or servers in the cloud (scope 3).

With those calculations in hand, we followed The Oxford Principles for Net Zero Aligned Carbon Offsetting<sup>[1]</sup> to find programs that would take us towards carbon neutrality. Unlike others that focus on avoidance offsets (where you pay someone else not to emit) or committing to buy offsets in the future, we



purchased offsets where the carbon is removed from the atmosphere. In this way, we knew we would have immediate impact.

We also wanted to focus on cutting-edge ‘engineered’ carbon dioxide removal (CDR) projects such as biochar sinks<sup>[4]</sup>, enhanced weathering<sup>[5]</sup>, mineralization<sup>[6]</sup>, and biomass conversion<sup>[7]</sup>. These have greater permanence (the duration for which carbon is removed from the atmosphere). But finding a ready

<sup>[1]</sup> <https://www.smithschool.ox.ac.uk/sites/default/files/2022-01/Oxford-Offsetting-Principles-2020.pdf>

<sup>[2]</sup> <https://ghgprotocol.org/standards>

<sup>[3]</sup> <https://ghgprotocol.org/standards>

<sup>[4]</sup> Biochar is a kind of charcoal created when biomass from crop residues, grass, trees, or other plants is heated at temperatures of 300–600°C without oxygen. This process enables the carbon in the biomass to resist decay. Biochar is then introduced into soils, where it captures carbon for many years.



supply of carbon removal projects of this type is challenging, reflecting the low capacity and relatively under-developed nature of the spot-market industry (projects that have already captured and removed carbon from the atmosphere).

We therefore purchased everything we could – including everything presently available from several projects – to create a portfolio of offsets from an extensive range of engineered CDR projects across the globe. We then supplemented this with some afforestation<sup>[8]</sup> – a ‘nature-based’ alternative – whilst maintaining an average permanence across the portfolio of



well in excess of 500 years.

As a business, Checkout.com likes to make data-driven decisions. We will be utilizing quarterly measurements to calculate our emissions and take action as we notice changes. From here, we will be managing our footprint more effectively and continuing to offset emissions that are unavoidable with high-permanence carbon removal offsets.

The bottom line is that acting responsibly must include being a good steward of our planet, and businesses have a key role to play in this vital task. Taking deliberate steps to operate sustainably is good for businesses themselves, as well as the environment; it builds employee engagement and helps to meet the rising expectations of customers and, increasingly, regulators. As innovators and problem-solvers, Fintechs have an opportunity – through COP27 in Egypt and COP28 in the UAE – to lead the way.

<sup>[5]</sup> Enhanced weathering involves enhancing the removal of carbon dioxide (CO<sub>2</sub>) from the atmosphere through dissolution of silicate and carbonate rocks by grinding these minerals to small particles and actively applying them to soils, coasts or oceans.

<sup>[6]</sup> Mineralisation is the enhancement of a naturally occurring chemical process that turns CO<sub>2</sub> into rock.

<sup>[7]</sup> Biomass conversion involves the conversion of biomass into a stable, carbon-rich liquid (bio-oil) which is then pumped deep underground.

<sup>[8]</sup> Afforestation is a nature-based way of removing carbon from the atmosphere, which involves planting and maintaining trees on degraded and/or unused land.

## Chapter 2

# How the Crypto technology can benefit the planet

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By *Cambridge Centre for Alternative Finance*

**In recent years, there has been a rapid surge in the popularity of cryptocurrencies. While some people still regard the terms ‘green’ and ‘crypto’ as contradictory, several projects show otherwise.**

But let us first discuss the most prominent cryptocurrency: **Bitcoin**. Bitcoin has come under increased scrutiny due to its perceived environmental externalities. The critique revolved primarily around the energy-intensive process of ‘mining’ or producing new bitcoin.

Environmentalists, financial institutions and policymakers are growing increasingly concerned about the magnitude of Bitcoin’s electricity consumption and the associated

environmental repercussions. Given the commitment of the international community to decarbonise, at first glance, Bitcoin appears to jeopardise these efforts, sparking heated debates about the necessity of regulatory intervention.

To contribute meaningfully to this public debate, the Cambridge Centre for Alternative Finance launched the Cambridge Bitcoin Electricity Consumption Index (CBECI) to





satisfy the growing demand for reliable data-driven insights on Bitcoin's electricity use. Since its inception, we have been gradually expanding the index with the aim of providing all the information needed to assess Bitcoin's impact on the environment.

While Bitcoin's environmental impact is no small feat, determining whether Bitcoin is the environmental calamity it is often labelled as should be approached objectively. Many

other controversial industries or activities have comparable or even much larger environmental footprints, but are far less subject to public debate.

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**There is great potential to leverage blockchain technology to benefit the planet, and many environmentally conscious entrepreneurs are already becoming pioneers by developing cutting-edge solutions to real-world problems.**

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However, this is not a carte blanche for the Bitcoin community to turn a blind eye to international efforts to mitigate climate change, but rather to try to become part of the solution. Bitcoin-related emissions are strongly linked to how the electricity consumed by bitcoin miners is generated. In this respect, the industry still has a lot of room to deliver on its promise to decarbonise and find other solutions to help make bitcoin mining more sustainable. Interesting concepts and developments are already emerging. They range from waste heat recovery to flare gas mitigation to using bitcoin mining to minimise renewable energy curtailments and possibly even function as an economic incentive for renewable infrastructure projects. Time will tell if these are

merely novel ideas that fail to deliver on their promise, or if they will become an integral part of the bitcoin mining industry's future.

While the CBECI currently focuses on Bitcoin, work is well underway on a new platform to extend our research to other blockchain networks. The resulting data should highlight the fact that not all blockchain networks are the same and, hence, should not be treated as such. Without arguing whether certain consensus mechanisms are ultimately preferable to others, from a purely environmental perspective, there are already far less energy-intensive methods to achieve distributed consensus than Proof-of-Work. Moreover, some blockchain networks have already gone a step further by offsetting all or part of their carbon footprint with carbon credits.

We see our work as a cornerstone to inform evidence-based public debate on the sustainability of major blockchain networks. However, we recognise that many aspects are beyond the scope of our research but are no less important, such as assessing the potential of individual sustainability-focused projects built on top of layer-1 networks.

For these projects, the crypto ecosystem offers a wealth of opportunities to raise funds and engage people in green initiatives. Some projects focus on developing innovative solutions to make voluntary carbon markets more accessible to a wider audience, increasing their transparency and reducing friction. Others use non-fungible tokens (NFTs) to give owners some degree of ownership or voice in conservation projects. And this is by no means an exhaustive list of all the innovation taking place in this field.

There is great potential to leverage blockchain technology to benefit the planet, and many environmentally conscious entrepreneurs are already becoming pioneers by developing cutting-edge solutions to real-world problems.



### Chapter 3

# How Fintech, innovation and partnership is addressing the refugee crisis

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**UNHCR**, The UN Refugee Agency, was created in 1950 and mandated by the UN General Assembly to provide assistance and develop solutions for people forced to flee, worldwide. Our mission is to protect those forced from their homes due to war, violence, persecution, or climate disaster, wherever they are and with whatever they need.

With a yearly growth in the number of people forced to flee their homes over the past decade, the number now stands at the highest level since records began: **103 million** people worldwide. That is 1 in every 78 people, more than **1%** of the global population. If this were a country, it would be the 14th most populous country in the world. This is a tragic milestone we never wanted to reach. When people are forced to flee, they lose their country's protection and leave behind not only their possessions but also their jobs and support systems. They face

enormous challenges in meeting their most basic needs including food, health and education.

The scale of the challenge is huge, and this trend of growing displacement shows no sign of slowing down. With the ever-growing needs, it is even more important to harness the benefits of the modern world to help forcibly displaced persons, improve our delivery and provide better solutions.

With the unprecedented number of people displaced around the world, we have also seen a surge of interest in the application of tech and innovation in humanitarian response, and resource mobilization pillars such as fundraising. These include work in the application of principles for agile response, or use of adaptive and iterative innovation in order to develop solutions that enhance our approach towards helping refugees.

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...**103 million** people worldwide are forced to flee their homes. That's...

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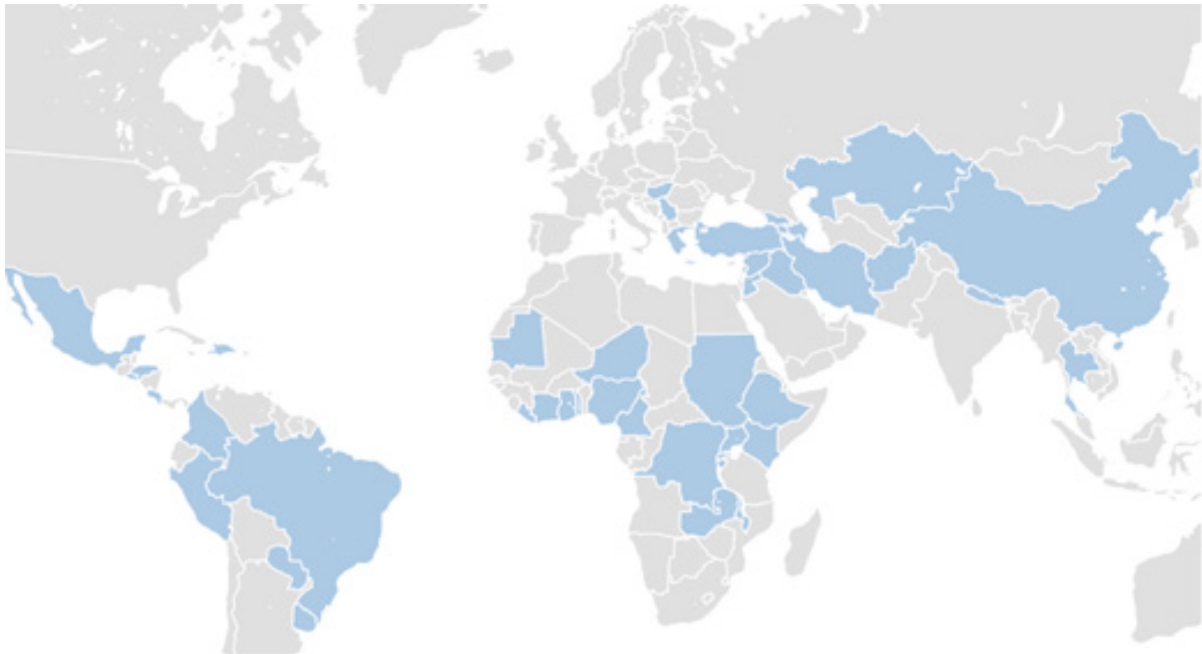
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If this were a country, it would be the...

**14<sup>th</sup>**

**Most populous country in the world**

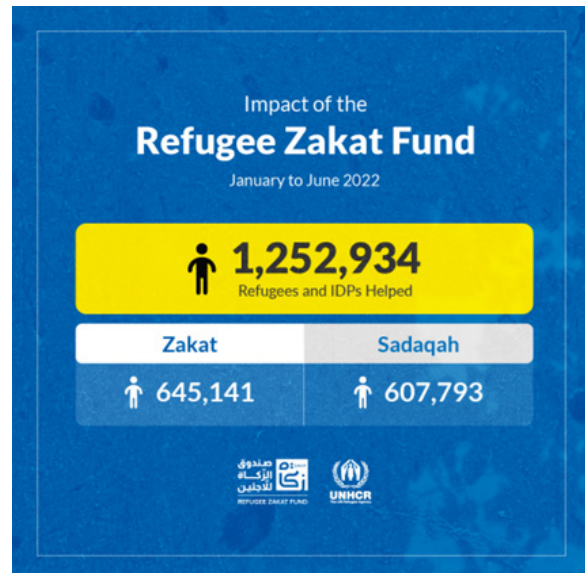
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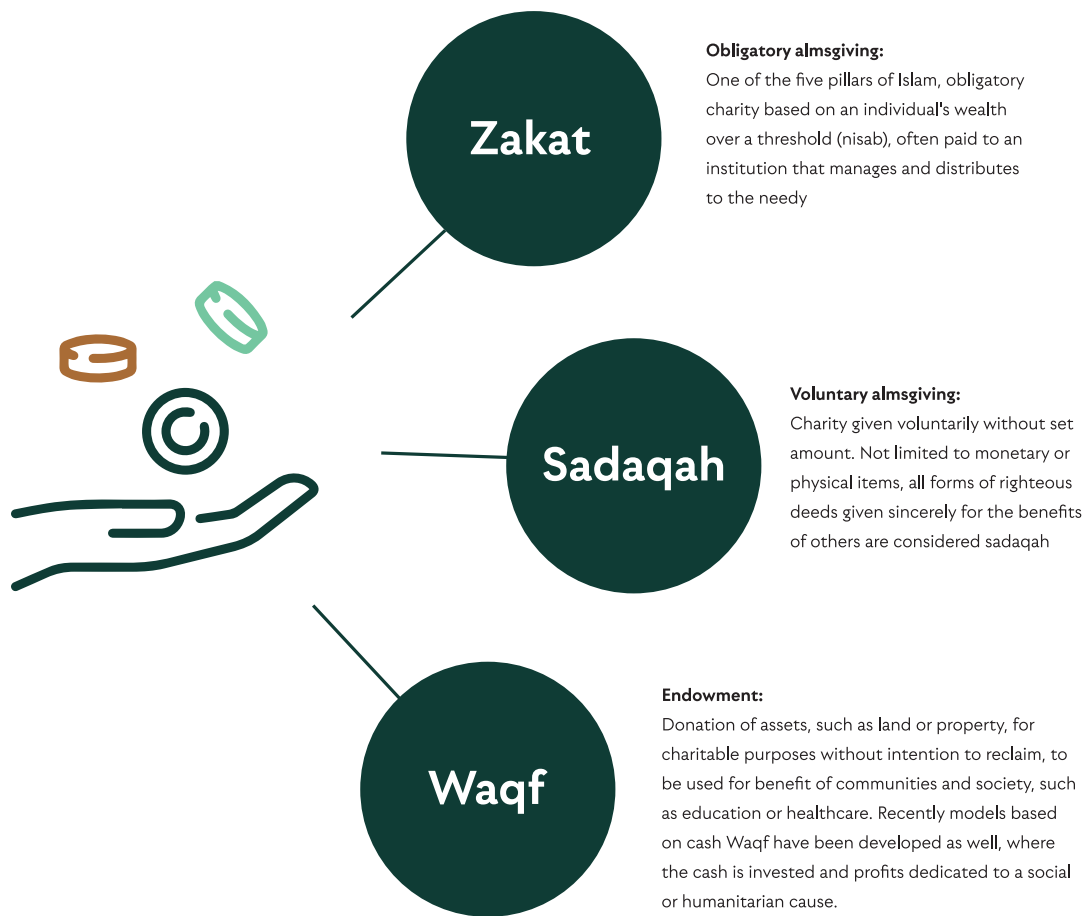
**COUNTRIES WHERE REFUGEES ACCESS DIGITAL PAYMENTS**

In 2016, the countries where UNHCR operations provided cash assistance to refugees via bank accounts, mobile money and other digital payment options, was limited. In 2020, as a result of the implementation of UNHCR’s Cash Based Intervention (CBI) policy, 47 countries negotiated similar access opportunities, of which 32% set up a mobile money option.

The financial and digital inclusion of refugees and others of concern, is a vital component to their protection, self-reliance and resilience. In line with the Direction and Key Priorities in 2020 and Beyond, UNHCR has systematically promoted financial inclusion by seeking to deliver cash assistance through beneficiary-owned payment mechanisms, such as bank or mobile money accounts. Taping into localization, this direction has given priority to open-loop systems that leverage local markets and ecosystems, rather than investing in closed-loop parallel systems which only make a limited contribution to the financial inclusion effort.



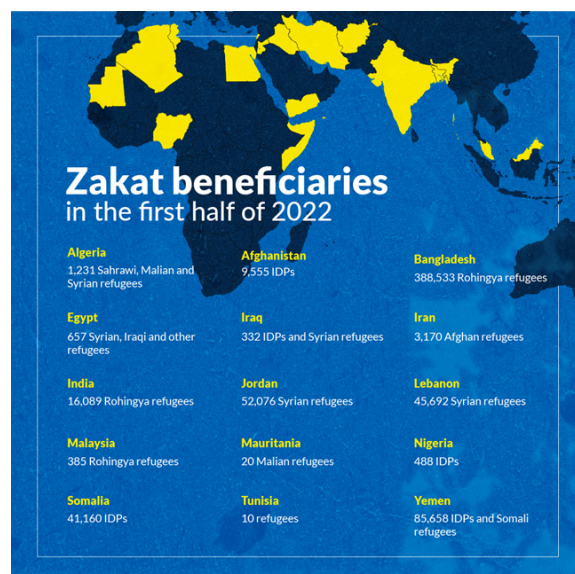
Contributing to the localization agenda and the Sustainable Development Goals, this report provides details on how Fintech solutions can help UNHCR move forward with the protection and inclusion agenda for forcibly displaced people and others of concern.



**UNHCR was the first UN agency to use the benefits of tech-led Fintech to support Islamic philanthropy, bringing Zakat and Sadaqah funding to beneficiaries in a faster, more efficient and reliable way:**

Philanthropy in the Middle East is linked to culture and religion. One of the five pillars of Islam is 'zakat', making it mandatory to donate if one is able. For this reason, faith is an important influence on giving.

In 2019, UNHCR launched the Refugee Zakat Fund as a resource mobilization mechanism in response to growing humanitarian needs. It as a trusted and efficient global Islamic social finance programme, fully compliant with Zakat laws and governed by strict regulations to ensure transparency at every stage, from donation to the distribution of Zakat funds.





During the first half of 2022, UNHCR was able to assist more than 1.2 million refugees and IDPs in 20 countries, with Zakat and Sadaqah contributions received from partners and donors through the Refugee Zakat Fund.

Vital contributions from key partners, the Refugee Zakat Fund mobile app, and UNHCR's campaigns in the months of Ramadan and Dhul Hijjah, have played a major role in achieving this impact.

## The outcome of this initiatives are:

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### 1. Iris Scan Technology

In Jordan, through a partnership with Cairo-Amman Bank, ATMs are equipped with iris scan technology. Refugees eligible for cash assistance can simply visit one of the selected ATMs and withdraw money immediately. The iris scan connects to records from UNHCR's database and verifies the identity of the person. This eliminates the possibility of fraud and provides instant, cost-effective support directly to vulnerable families.

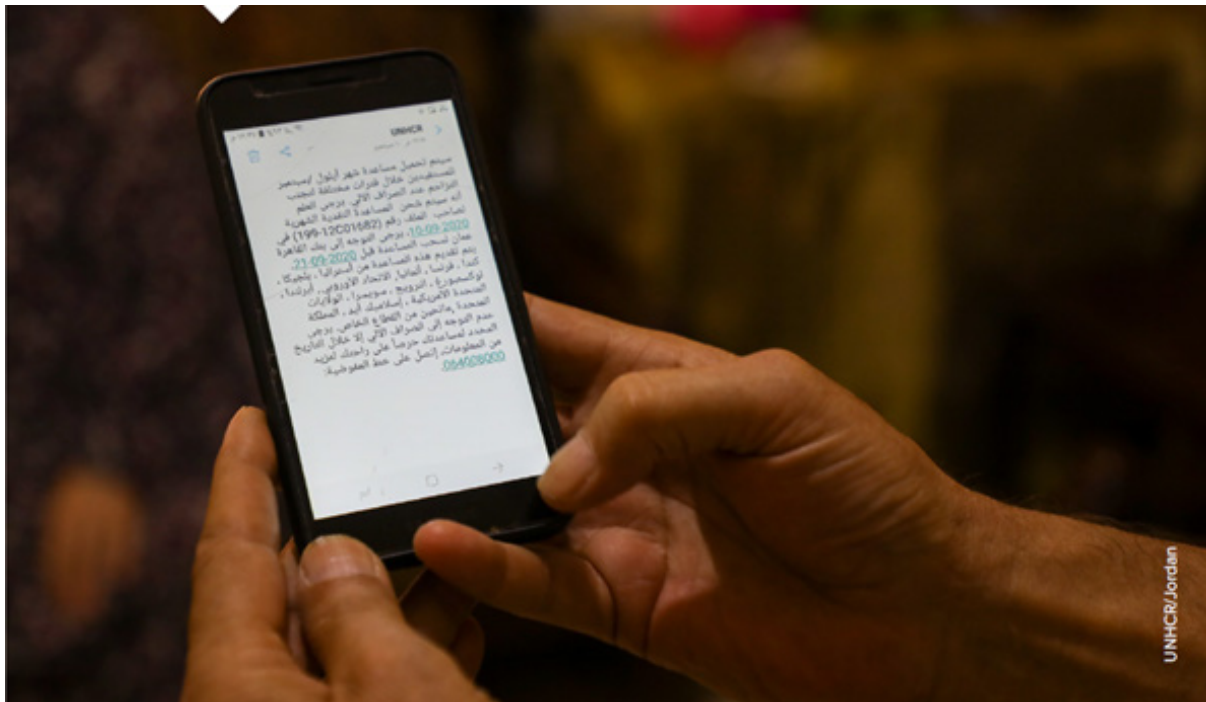
#### Advantages of the iris scan system

- When refugees register with UNHCR, we gather biometric data (fingerprints and



iris scans) and biographic data (personal history) and keep these records in a digital repository, ensuring only the right individuals can access the same and also facilitating ease of transaction tracking.

- To allow refugees' access to financial services, UNHCR has collaborated with 'Kiva' in order to adapt their technological solution to refugee contexts. Kiva is an international nonprofit, founded in 2005 in San Francisco, with a mission to expand financial access to help underserved communities thrive. Through an open-source decentralized identity platform, the solution generates a trusted digital ID linked to a credit history. This is key for refugees and IDPs as they often have lost



their credit history in the process of forced displacement.

## 2. The Digital Wallet (Mahfazti)

COVID- 19 has had a positive impact on accelerating acceptance of mobile money and digital payment solutions in general, building on a favourable change in regulations whereby refugees were authorised to open their own mobile money accounts. Due to COVID, the Central Bank of Jordan provided digital mobile registration solutions through an online platform, in order to overcome accessibility issues and support social distancing. Overall, in Jordan, there has been an increase of some 100% in new wallet registrations since the start of the pandemic.

The Common Cash Facility (CCF) - a consortium of 7 UN agencies, 25 INGOs and 8 Jordanian Government departments - in collaboration with Mahfazti - a mobile money

provider in Jordan – is now building on the available infrastructure to expand payment solutions in the nascent Jordanian mobile money ecosystem. In 2019, more than USD 120 million was distributed by the CCF mostly through the EyeCloud using UNHCR's biometric refugee digital identity authentication. In 2020, the CCF piloted a project leveraging the biometric technology to register and facilitate mobile money payments.



Development is still underway to further mature the ecosystem and infrastructure for this unique payment solution.

### 3. Zakat Fund App

To encourage Zakat-giving and make the Zakat donation process simpler, UNHCR launched the UN's first official Zakat mobile app, the Refugee Zakat Fund app, to complement its online and bank transfer donation options in an increasingly digital world.

The mobile application was launched to harness the power of Zakat and Sadaqah to transform the lives of those in dire need of assistance, allowing users to easily calculate Zakat, check reporting information in real-time, and donate both Zakat and Sadaqah funds simply and quickly.

Users can make Zakat and Sadaqah donations on a one-time or recurring basis through the application, which also features fatwas from reputed Islamic institutions on donating Zakat to refugees through the Refugee Zakat Fund. The application notifies donors about the journey of their Zakat donation right up until it reaches the beneficiary families. It also enables users to see Zakat funds being received online in real-time, - their destination, and the number of families they assist.

The application also features a Zakat calculator, making it easy for donors to calculate the Zakat amounts due based on their wealth and assets. Users can also set up regular, automatic Sadaqah Jariyah donations.

#### DONATE YOUR ZAKAT OR SADAQAH

through "Refugee Zakat Fund" App.



Download "Refugee Zakat Fund" App now on your mobile to send your Zakat and Sadaqah donations to the most vulnerable refugee and internally displaced families.

[Download Now](#)



## 4. Partnership with Fils.

With cash becoming increasingly extinct with **69%** of payments will be non-cash by 2023. With a major shift in buying behaviors, reliance of using more digital platforms and shopping online vs. mall visits the overall giving industry esp. during Covid till now has felt the shift.

At UNHCR we believe in staying relevant and leveraging on leading technologies that enable us to continue enabling sustainable impact. We have strategically partnered with FILS a leading Sustainable Fintech based out of UAE and expanding across the MENA region. FILS is a complete end to end digital payments infrastructure dedicated to providing and enabling sustainable impact.

This infrastructure meant to driving positive behavioral change that enables the customer to see their environmental impact of each transaction and off set it by supporting refugee support programs. Therefore our partnership with FILS enables us to simplify the fund collection process exponentially:



1. Drive a positive customer behavioral change.
2. Uniquely embed giving into every digital transaction and our lifestyles.
3. Hassle-free donation collection capabilities across POS Terminals, In-App, E-com/ Online checkout, QR codes.
4. Seamlessly have access to leading and SME businesses who aligned towards making an impact across the region with real-time access to every single transaction.
5. In case of disaster relief / urgent appeals businesses are swiftly able to opt in and start supporting the cause.
6. As UNHCR we believe in understanding the impact of the technologies today and be future ready by having partners that enable us to grow with impact.

# Islamic Philanthropy in the Service of



**1 NO POVERTY**



UNHCR is committed to ending poverty by advocating for and supporting refugees to work in their host country. When refugees are able to work, they become self-reliant and are able to provide for themselves and their families, increasing resilience, restoring dignity, and helping entire families to build independent and meaningful futures.

In Pakistan, Zakat funds helped increase the self-reliance, economic and social inclusion of extremely poor refugees and host community members through the 'poverty graduation' project; where the distribution of productive assets enabled families to start small-scale businesses.

The communities most at risk for falling below the poverty line include refugees, asylum seekers, internally displaced persons, and returnees. Zakat and Sadaqah funds helped provide critical cash assistance to extremely vulnerable displaced families in Lebanon, Jordan, Iraq, Yemen, Mauritania, and Egypt, helping families to meet their essential needs and preventing those most vulnerable from having to resort to negative coping mechanisms.

**2 ZERO HUNGER**



UNHCR has continually supported universal access to safe and nutritious food for the most vulnerable individuals and communities.

Through Zakat funds, UNHCR distributes multi-purpose cash assistance to refugees and IDPs in Iraq, Yemen, Lebanon, Jordan, and Egypt, enabling them to meet their urgent needs, including food.

Ensuring that people have access to adequate nutrient-rich food is essential for protecting the safety, health and well-being of millions who have been forced to flee.

In India, Zakat funds help improve the food security of refugees and host communities through the distribution of food rations to the most vulnerable.

**3 GOOD HEALTH AND WELL-BEING**



UNHCR strives to facilitate access of refugees and host communities to national healthcare systems. Zakat and Sadaqah funds helped provide multi-purpose cash assistance to refugees and IDPs, enabling them to access services where there are often financial barriers, including health clinics. Our monitoring shows that cash assistance is used in various ways, including essential treatments and medical care, doctor's fees, and medication.

Sadaqah funds also helped in improving the health status of Sudanese refugees living in the eastern part of Chad, as well as their host communities, enabling refugees to access essential healthcare services such as hospitalizations, mental health and psychosocial support, essential medication needed for preventive and curative care, as well as providing medical equipment to health centres.

**4 QUALITY EDUCATION**



Cash assistance allows refugees to build better futures and is part of UNHCR's objective to provide longer term solutions to refugees, as well as support education. Dedicating Zakat and Sadaqah funds to the Cash Assistance programme has had a significant impact on the well-being of displaced families. Cash assistance has proven executive in supporting access to education and has helped parents with direct costs such as school fees, uniforms and transportation, addressing barriers that keep children out of school.

Sadaqah funds also helped in improving access to quality education for Sudanese refugees and nearby villages in the eastern part of Chad. The construction and rehabilitation of several classrooms, as well as the maintenance of schools in the area, resulted in better education opportunities for young refugee students.

**5 GENDER EQUALITY**



In Lebanon, Jordan, Egypt, Yemen, Iraq, Mauritania, and Chad, Zakat and Sadaqah funds are dedicated towards providing cash assistance to extremely vulnerable families, including female-headed households and their children. Cash assistance helps contribute to protection and gender equality by promoting self-reliance, assisting female entrepreneurs and increasing the independence and empowerment of women to exercise decision-making in the household.

Zakat funds help ensure that vulnerable populations do not resort to negative coping mechanisms due to poverty. When women and girls have equitable access to and control over resources and are able to meaningfully participate in and influence decision making processes, they are rendered less vulnerable to sexual exploitation and negative coping strategies, such as child marriage or forced labour. Equitable access to cash assistance helps facilitate a genuine and positive transformation in discriminatory gender relations, roles and attitudes.



UNHCR is committed to ensuring access to sanitation for vulnerable communities. We have dedicated Zakat funds to provide cash assistance to refugees and internally displaced persons in several countries in MENA and beyond, enabling them access to hygiene and sanitary products and personal protective gear to protect them from COVID-19.

In Chad, Sadaqah funds helped provide Sudanese refugees and host communities with access to safe and clean water through the solarization of water pumps, such as solarizing boreholes to reduce the associated energy costs. Furthermore, the access to water pumps was improved and water sources were built in schools to make sure that refugees have enough water to combat the spread of COVID-19.



Access to safe and sustainable energy is a basic human need. Without it, the forcibly displaced – particularly women and children – are more vulnerable and have less time to rebuild their lives. At UNHCR, we are committed to addressing the energy needs of refugees, improving access to sustainable fuel, powering health centres and utilizing solar-powered lighting.

Zakat funds in Bangladesh helped provide Rohingya refugees with Liquefied petroleum gas (LPGs), which is available locally in Bangladesh and was assessed as the best fuel alternative for cooking. UNHCR and partners carried out an assessment on the impact of the switch to LPG. The study found that LPG distribution has resulted in an 80% reduction of demand for firewood in the Rohingya households in the camps, reducing deforestation to well within sustainable forestry rates.



One of the main pillars of UNHCR's work worldwide is to provide refugees, IDPs, returnees, asylum seekers, and stateless people with equal access to decent and sustainable work regardless of their gender, race, economic or legal status.

UNHCR has contributed Zakat funds towards providing sustainable and decent work for vulnerable communities by supporting income-generating activities in Nigeria and small businesses in Pakistan, as well as providing refugees and displaced persons with the financial and educational resources to ensure that their business can thrive in the long run.

We have also conducted livelihoods programs in several countries to ensure that refugees and IDPs can receive adequate support and training for employment, including but not limited to vocational training.

**10** REDUCED INEQUALITY



Due to their legal status, refugees often do not have the right to formally work in their host countries, resulting in inequalities of outcome and opportunity. The legal status of refugees often prevents them from having equal access to shelter, healthcare, education, and other services.

Zakat funds helped provide much needed assistance to vulnerable displaced families in Lebanon, Iraq, Jordan, Egypt, Pakistan, Bangladesh, India, enabling them to meet their basic needs and access the essential services needed to rebuild their lives.

**11** SUSTAINABLE CITIES AND COMMUNITIES



Zakat funds helped provide cash assistance to vulnerable displaced families in Lebanon, Jordan, Iraq, Yemen, Mauritania and Egypt. This assistance has allowed UNHCR to help families maintain access to safe and affordable housing by ensuring that refugees can pay their rent and reduces their risk of eviction.

In emergencies, Zakat funds have also provided shelter and core relief items to refugees, IDPs, and returnees, including tents, tarpaulin, mosquito nets, and waterproofing materials to ensure that families are safe from adverse weather conditions.

**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



Zakat funds have helped provide vulnerable refugee families with cash assistance to reduce their reliance on negative coping mechanisms such as child labour, trafficking and child marriage.

UNHCR also provides cash assistance to unaccompanied and separated children (UASC – i.e., children under the age of 18 traveling and living alone in displacement) to enable them to survive and access the care and protection they need. Moreover, UNHCR child protection programmes help prevent sexual and gender-based violence among unaccompanied children by ensuring that they have access to essential social services, including psycho-social support.

**17** PARTNERSHIPS FOR THE GOALS



UNHCR has built partnerships with more than 30 diverse partners globally around the topic of Islamic Philanthropy, with the aim of mobilizing additional resources and advocating for the most vulnerable refugee and internally displaced families.





## Chapter 4

# How BPC impacts the agricultural sector

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By *BPC*

Agricultural development is the backbone to fight poverty around the world and protect our planet. Everyone needs food. Farmers feed the world, and farmers feed themselves too. Yet they face a number of significant challenges on a daily basis: wrong use of chemicals, exclusion from the formal economy and the financial system, challenges to grow and many others.

In response to the need to create a better model for the agricultural sector, BPC created a multipurpose Marketplace that could answer many of the problems listed above. The journey started in India with the launch of Safal Fasal (which means 'successful harvest' in Hindi), an initiative to bring together all agriculture ecosystem players, bridging the gap between buyers and sellers as well as financial institutions, insurance companies, value-added service providers and knowledge partners.

The objectives were many and very clear, support the industry and the economy, make an impact on farmers' day-to-day lives and respect our land.

As a technology leader in banking, payments and commerce, BPC combined its knowhow to design a multi-purpose marketplace platform. The model is simple – onboard farmers and farm-producing organisations blending two approaches, a best of breed online marketplace for the more savvy or farmer-designated manager, coupled with on-field meetings to drive better education and reach. Several ecosystem players from logistic, insurance, financial institutions to advisors joined the initiative to boost the agri-economy in India.

After months of research, Safal Fasal was launched in Dec 2019 to become a leading agritech marketplace in India. Multiple institutions joined forces from the Reliance Foundation, PWC, Tanager, Dr Reddy's Foundation, JSW Foundation matching them with buyers and multiple partners such as, Bayers, Fino Payments Bank, ICICI Bank among many others. Farmers sell their produce online to FMCG or the wholesaler at a better price and get greater exposure than they could imagine they would have.

### **Key results of this initiative included**

The platform has onboarded half million farmers and keeps growing in numbers and regions across India with new initiatives being launched globally, including in Ivory Coast, Tanzania and Egypt. This initiative helped BPC hone its impact on agriculture sector through different avenues.



## The impact on our land and environment

The implementation of precautions and safety measures during harvesting, post-harvest operations, storage and marketing of crops ensure farmers make business in a responsible manner. Through education, farmers gained knowledge on how to produce organically or make a conscious usage of pesticide. The marketplace encourages the use of natural packaging such as paper-based wrappers, it also educates on water usage and better understanding of the soil.

## The social impact

With the majority of agriculture workforce being women and often unbanked, a campaign which has brought together female farmers cooperatives and NGOs made it possible to support a large group of female farmers, growing their sales, their knowledge, while opening up financing opportunities to take their business to the next level.

## Innovation

Accelerating the use of digital agriculture solutions is no longer nice to have – it is a necessity. The marketplace in the agri sector is essential as it provides a new reach and tools to run a business. Farmers have greatly adopted the marketplace from their mobile, and when needed received support from an ambassador to make sure that their products get the exposure they deserve. They also access new equipment at preferential rates to improve the

profitability of their activity.

## Financial Health

the need for a healthy cash flow balance is essential during every harvest season. The team at Safal Fasal is particularly focused on gathering all requirements for the next sowing season for inputs and preparing the ground for credit support through the marketplace ecosystem players.









**To conclude** Fintechs have a role to play in ESG. The technology created for financial institutions have a purpose. Looking at a critical industry problem with a 360 view, leveraging or creating opportunities to gather new data while making sure that we impact on people's lives and the world we live in, is a mindset which Fintechs clearly understand.

Relying on marketplaces, joining forces with industry specialists all contribute to safeguarding the lifeblood of any economy. Marketplaces are becoming an important piece of the puzzle and Fintechs are there to respond with technology solutions that create value for all of its participants – building inclusive and

efficient value chains to boost the economy and protecting our land.

## Testimonials

	 <p><b>Safal Fasal</b></p>  <p><small>Bhulaxmi MACS President</small> <b>Bandari Shyamala</b></p> <p style="text-align: center;"><a href="#">Visit Our MarketPlace</a> →</p>	<p>“ Women farmers have come together to form Bhulaxmi Mahila Rythula Paraspava Sahaya Sakava Parapathi Marketing Ltd., a Mutually Aided Cooperative Society based out of Siddipet, Telengana. I am the President of this MACs. Our objective is to work toward female farmers empowerment . Due to COVID-19, there is a supply chain disruption and there is a distress kind of situation where the farmers’ produce are getting wasted. Safal Fasal platform has come to our rescue in this situation. ”</p> <p style="text-align: right;"><a href="http://www.safalfasalonline.in">www.safalfasalonline.in</a></p>
	 <p><b>Safal Fasal</b></p>  <p><small>Board of Director member</small> <b>Chikoti Pushpa</b></p> <p style="text-align: center;"><a href="#">Visit Our MarketPlace</a> →</p>	<p>“ Safal Fasal platform has facilitated vegetables transaction of over INR 3 lakhs for our MACs in last 2 months. This is really helping our farmers increase their income and the FPC has also earned around INR 25000 during this period. This earning will also be passed on for the benefits of the farmers. Apart from market linkages for agri-output, Safal Fasal is also advising the farmers and providing the farmers access to agri-inputs. ”</p> <p style="text-align: right;"><a href="http://www.safalfasalonline.in">www.safalfasalonline.in</a></p>
	 <p><b>Safal Fasal</b></p>  <p><small>Farmer</small> <b>Chikoti Eshwamma</b></p> <p style="text-align: center;"><a href="#">Visit Our MarketPlace</a> →</p>	<p>“ I am a farmer associated with Bhulaxmi Mahila Rythula Paraspava Sahaya Sakava Parapathi Marketing Ltd., a Mutually Aided Cooperative Society based out of Siddipet, Telengana. Safal Fasal platform is helping us connect with buyers. I want to thank the entire Safal Fasal team for supporting us in these hard times and my best wishes are with them. ”</p> <p style="text-align: right;"><a href="http://www.safalfasalonline.in">www.safalfasalonline.in</a></p>

## Chapter 5

# How Codebase Technologies fosters financial inclusion in MENA

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Living through the pandemic over the last two years has seen life change across nearly all dimensions – from how we work to how we order food, learn, handle finances, and so much more. Everyone’s life has been affected by the challenges of COVID-19, however those with little access to financial services were harder hit than most. Banking the unbanked has remained a challenge for many developing countries over the past decade however the pandemic had a silver lining, in that it accelerated the development of a range of digital financial services services, including digital onboarding, which has helped many countries make greater strides in their journey towards greater financial inclusion.



With mobile usage and penetration on the rise, the smartphone has become a quintessential tool to bring more people into the financial system. Arabian Business recently reported that the MEA region had 1 billion smartphone users, of which 800 million are severely underbanked.<sup>[3]</sup>

According to the **World Economic Forum**

**1.4B** adults still don't have access to banking, as of  
**2022**

However the problem persists, especially in developing countries. Several surveys have shown that the pandemic accelerated development of digital channels in banks to counter financial exclusion challenges and extend financial services to more people. In fact digital onboarding is the gateway for greater financial inclusion as the first and foremost customers need access to a transaction account to store money, and send and received payments. A transaction account opens the door to multiple other services which can be essential to bring people out of poverty. According to the World Bank, 1.2 billion adults worldwide have gotten access to an account between 2011 and 2017, and as of 2017, 69% of the world's adults had an account.<sup>[2]</sup>

Beyond just digital onboarding, the advent and rise of neobanks, challengers, and traditional banks expanding their range of services to include mobile apps and focus on branchless banking, have all contributed to bridging the divide between financial inclusion and those that need access to banking, lending and payment services. Broader financial access has had a positive and statistically significant impact on reducing extreme poverty for people in the MENA region. <sup>[4]</sup>



All in all the combination of Fintechs, digitization, increase in non-bank players offering financial services, mobile adoption and internet usage have had a significant impact on reducing financial inclusion worldwide. In Jordan for example the National Financial Inclusion has succeeded in enhancing financial inclusion up to 50%, and reducing the gender gap to reach 29% by the end of 2020 in part by the Central Bank of Jordan investing in building an inclusive digital payments infrastructure to enable underserved households and businesses to gain access to digital accounts, investments, and other financial tools needed to grow and prosper. <sup>[5]</sup>

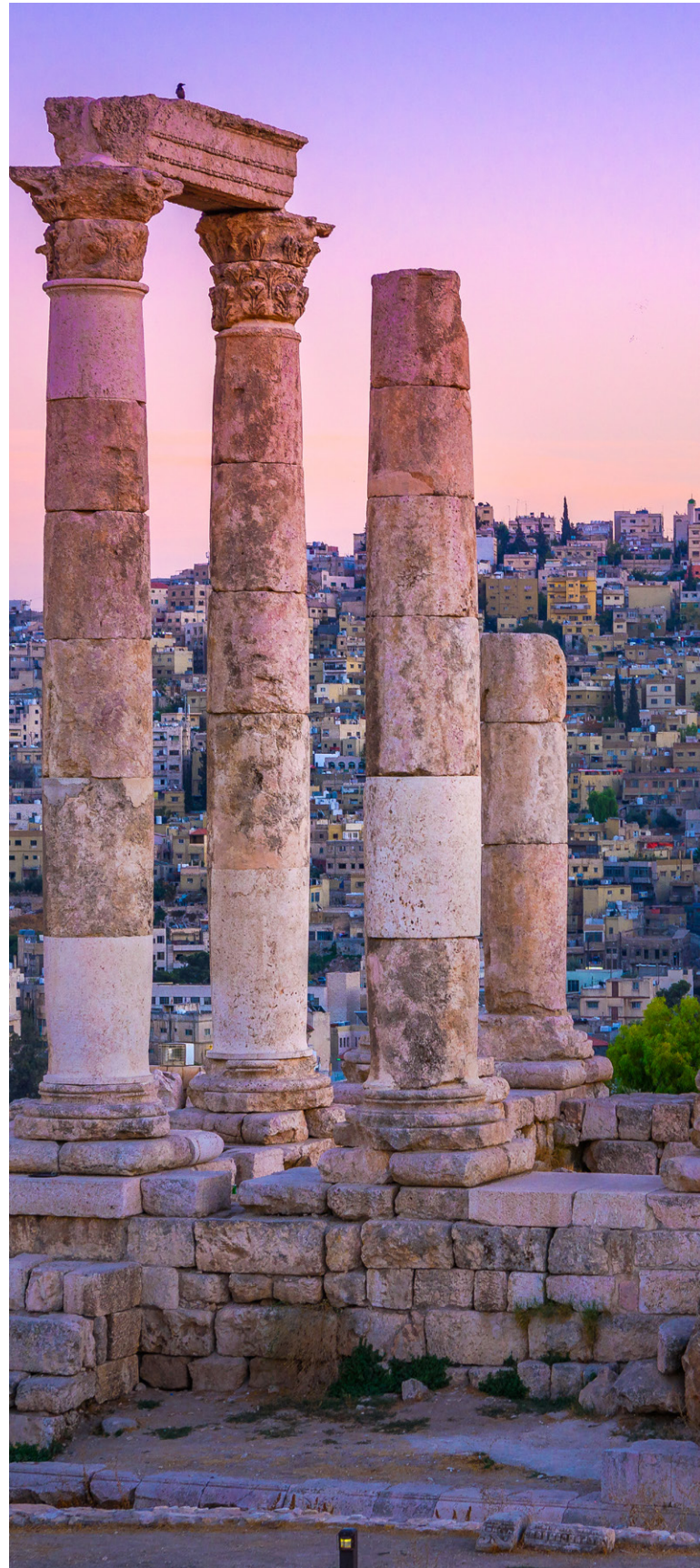
In today's complicated financial environment it is important for banks and FIs to not only retain existing customers, but to attract new customers to increase market share and support the financial inclusion agenda of many countries. Research indicates that higher financial inclusion significantly co-varies with higher economic growth and lower poverty rates, but only for high and middle-high-income economies, not those that are middle-low and low-income.<sup>[6]</sup> Therefore financial inclusion on its own is not enough to tackle the challenge, access to financial services must be coupled with education to ensure those newly availing of financial services know how to use them properly to bring themselves out of poverty. In this regard neobanks and challengers have increasingly made an effort to incorporate education aspects into their offerings such as saving buckets, personalized nudges and other form of information to help people improve their financial habits and grow their wealth. Financial inclusion is an enabler of multiple SDG

goals, including SDG1 - eradicating poverty, SDG2 - ending hunger, achieving food security and promoting sustainable agriculture, SDG3 - on promoting health and well-being, SDG5 - achieving gender equality and economic empowerment of woman, as well as SDG 8, 9, 10 and 17.7 As such across the MENA region we have seen multiple traditional banks conduct digital transformation journeys to provide digital onboarding as well as improved mobile experiences as well as new neobanks and challengers stepping in to bring more and more people into the financial system.

## How our work improved financial inclusion in Jordan?

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A prime example of a neobank driving towards greater financial inclusion is Blink, launched by Capital Bank of Jordan in early 2021. With a mobile penetration of 90% and high internet connectivity in Jordan, the Capital Bank of Jordan decided to launch a neobank to appeal to young customers through a device that they engaged with regularly: their smartphone. While doing so the Bank also wanted to increase financial inclusion in the country not only for the unbanked market, but also for the underserved segment of people who choose not to be banked.





Key challenges the Bank wanted to overcome was the extensive time traditionally taken to onboard new customers and simplifying the complicated documentation required to open a bank account and obtain a debit card with manual onboarding. Another challenge the Bank wanted to overcome is banking the bankable but unbanked or underserved especially by offering better access to finance through the countries first instant credit card issuance. Blink and Codebase Technologies adopted a human-centered design approach and both teams took a firm decision to build a digital-first neobank that put the customer at the heart of the experience.

After in-depth planning and research McKinsey, Capital Bank of Jordan and Codebase Technologies developed a groundbreaking customer journey and simple proposition to cut through the noise and attract customers who wanted a better alternative to traditional banks. Using a component-based approach and the Digibanc fintech platform Blink was able to accelerate their market entry with a comprehensive technology stack including core banking, omnichannel, digital onboarding, card issuance, digital lending engine, API integration and regulatory reporting solutions. Using the component-based approach, both teams were able to focus on proposition and experience building rather than being held back by building technology from scratch.

Codebase Technologies was able to lend its experience in building digital banks to help Blink leapfrog the traditional design and development process to launch Blink in record time, just 6 months.

Launching Jordan's first true digital-only neobank helped Capital Bank of Jordan expand their reach and access for the underbanked and unbanked by driving a huge increase in customer acquisition through new to bank customers. The Blink app has already reached the top 5 list of most downloaded apps in Jordan with tens of thousands of accounts





opened also tens of thousands of credit cards. Blink plans to expand across the MENA region in the near future and introduce new products and services for customers. Blink launched as a customer-centric neobank with a revolutionary UI and disruptive proposition that is already attracting record numbers of customers and providing access to previously unbanked Jordanians.

Positioned as a leading alternative for today's underbanked customers the neobank is in a perfect place for scalability and growth into new MENA market whereby it can provide quick and seamless access to crucial financial services. The UI design helps lower the barriers to entry for those unfamiliar with typical bank apps by providing them with a more intuitive and familiar interface.

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1. <https://www.weforum.org/agenda/2022/09/financial-inclusion-findex-radio-davos-world-bank-economist/>
  2. <https://www.worldbank.org/en/topic/financialinclusion/overview>
  3. <https://www.arabianbusiness.com/opinion/why-smart-phones-are-key-to-unlocking-financial-inclusion-in-middle-east-and-africa>
  4. <https://www.emerald.com/insight/content/doi/10.1108/REPS-03-2020-0041/full/html>
  5. <https://www.cbj.gov.jo/EchoBusv3.0/SystemAssets/PDFs/Financial%20Inclusion%20Report%202018%20-2020.pdf>
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  7. <https://www.unCDF.org/financial-inclusion-and-the-sdgs>



Chapter 6

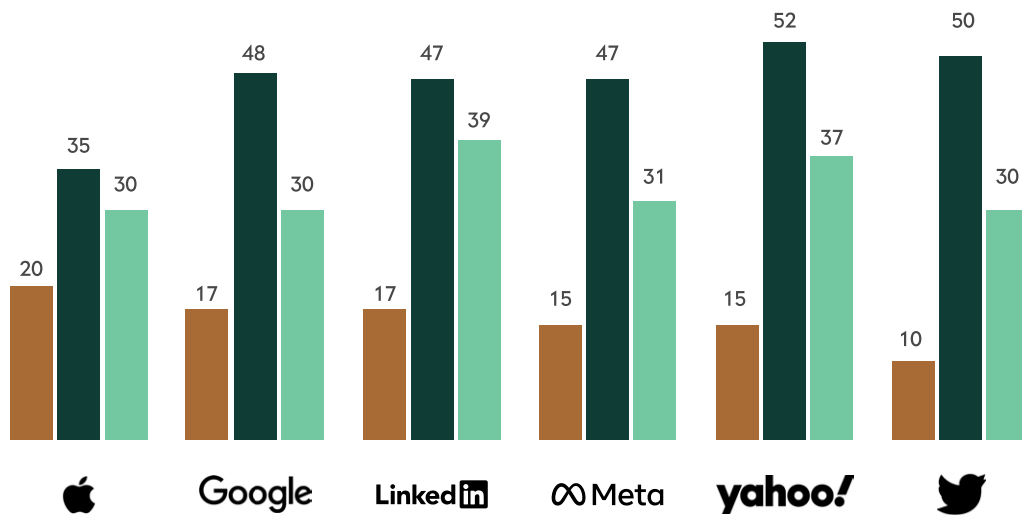
**How M2P is  
changing the  
“women in tech”  
conversation**

The Financial Services industry has primarily been a male-dominated one and it still reflects a major gender gap. Studies suggest that women founders account for only 1.5% in the Fintech space globally. Though the numbers are not very large, the sector has seen some steady growth in women representation.

It is time we focus our shift from conventional thinking to bring a change in the status quo. For equal representation, organizations need to take steps across all levels from stem level to senior roles. At M2P Fintech, as part of our efforts to offer opportunities and empower women, specifically those who have been on long career breaks for over 2 years, we launched the “Better Half Program”.

### Women Vastly Under-represented In Silicon Valley Tech Jobs

% of female employees in the workforce of tech companies



Source: Company reports      Tech Jobs      Non-Tech Jobs      Total Workforce

The Program was an idea established to celebrate women and the spirit of their abilities to bounce back. The program allowed women to readjust to work life with flexible hours, and opportunities for formal upskilling to prepare them for career advancement. When they are ready, the program offers choice to increase work hours to facilitate reintegration into full-time employment. Participants may transition to a full-time position after 12 months or anytime they desire.

The curriculum offers on-the-job project experience, learning, and collaboration opportunities with some of the finest minds in the Fintech space.

Since the program was launched in January 2022, M2P has conducted an in-depth and qualitative research among potential candidates - women who’ve taken a career break (and wanting to come back) and women who’ve recently joined the workforce, started focused marketing campaigns in the

month of Feb 2022 and gathered over 500 profiles. Today we have enabled 14 women to rejoin in tech roles and 6 others in central functions across our various offices.

Our initiatives have been positively received and during our journey we realized that the definition of Diversity and Inclusion differs from one region to another. This is our interpretation of the term.

Diversity and inclusion (D&I) are more than policies, programs, or headcounts.

Diversity and inclusion are two interconnected concepts—but they are not to be used interchangeably. Diversity is about what makes up an entity. Inclusion is about how well the contributions and perspectives of different groups of people are valued and integrated into the work environment.

## What are Diversity and Inclusion?

**Diversity and Inclusion  
(D&I) are more than policies,  
programs, or headcounts.**

### Diversity

Diversity in the workplace refers to a workforce comprised of individuals of different ages, cultural backgrounds, geographies, physical abilities and infirmities, religions, genders, and orientations, among other characteristics.

However, true workforce diversity transcends these (social) categories. It includes all the characteristics that make each employee unique, such as their perspectives, preferences, and characteristics, as well as their biases.

### Inclusion

Inclusion is the achievement of a work environment in which all individuals are treated with fairness and respect, have equal access to opportunities and resources, and contribute fully to the success of the organisation and themselves.

Hence, when we talk about diversity vs. inclusion, what's the difference? Put simply, diversity is about the **what** – it focuses on the makeup of your workforce.

Inclusion, on the other hand, focuses on the **how** – the creation of a work environment and culture that encourages the participation and success of all employees

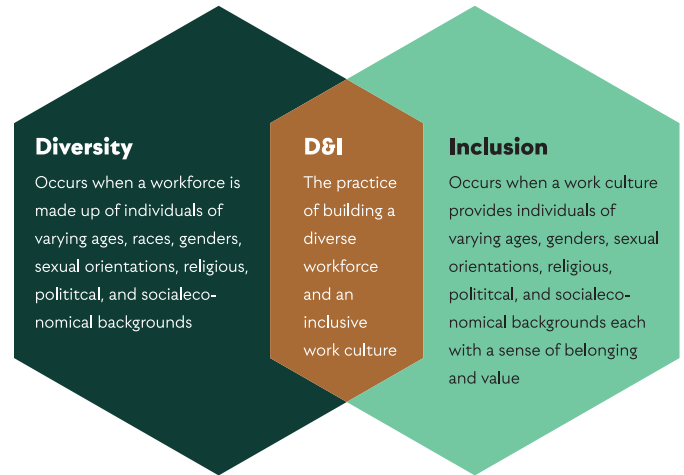
## Examples of how Fintechs can lead the way of inclusion and diversity through recruiting/ return to work programs and talent management; etc.

The Fintech industry in India has grown by leaps and bounds over the years and is now the third largest in the World after the USA and China. In an industry where growth is rapid and dynamic, diversity and inclusion are key drivers for innovation and shaping businesses differently.

Global reports suggest that only around 30% of the Fintech workforce is female, and the percentage grows wider at the leadership level.

This indicates the gap companies need to fill at all levels. While most organizations across various industries have started working on their policies, there is a need for robust internal and external changes to bridge the gap and at M2P we plan to fill this gap with more such initiatives.

## Diversity & Inclusion





Chapter 7

# **How Mastercard harnesses the power of partnership in saving the planet**

## Sustainability at Mastercard

Ever since the concept of climate change appeared on our radar, environmentalists and policymakers have been urgently seeking ways to address the impact of this seemingly insurmountable challenge. After the Rio Earth Summit in 1992, there was the Kyoto Protocol in 1997 and then the Paris Agreement in 2016. Governments have enacted national strategies. The private sector has incorporated sustainability into their business strategies and everyday operations. Consumers have also started to adjust their lifestyles and purchasing behavior.

Mastercard is mobilizing against climate change directly through our business, as well as by committing to net-zero emissions by 2040 and supporting our suppliers' decarbonization efforts. We're also developing innovations that regenerate natural resources and reduce carbon footprints. And we're leveraging our network effect – giving consumers tools to measure their own footprints and make donations to Priceless Planet.

The **Priceless Planet Coalition** pledges to plant

**100M**  
trees in  
**2025**



When it comes to fighting climate change, there is only one way to make a tangible impact: by joining forces. Partnerships are crucial to building a greener future for all. Living and working sustainably is the only way we can protect our planet for generations to come, and everyone must be on board.





Together with partners who share a commitment to doing well by doing good, the Priceless Planet Coalition pledges to plant 100 million trees by 2025.

Why trees? Trees are the heart of nature's livelihood, as they protect the air we breathe, the wildlife that roam our planet, and the climate we need to survive.

The Coalition not only focuses on planting trees, but also on re-growing forests in places with the greatest need and the most potential to have a positive impact on climate, community, and biodiversity goals. Restoration partners like Conservation International and World Resources Institute, are guiding these efforts by employing rigorous science-based best practices to identify new project sites, select the appropriate tree species and ensure long-term forest health through ongoing monitoring.

In addition to ecological and climate impact benefits, the work of the Coalition is also creating social benefits and providing economic

opportunities for communities and people who take part in the long-term stewardship of these restored forests, farms, and other landscapes.

## Growing eco-consciousness in the Middle East

Recent research on sustainability, commissioned by Mastercard, reveals a marked increase in consumer passion for the environment, as personal attitudes toward the environment evolve because of COVID-19.

In the Middle East region, 9 in 10 people, stated that they're willing to take personal action to combat environmental and sustainability issues. This compares to 8 in 10 globally. Over 80% of adults in the Middle East also said they are even more mindful of their impact on the environment since COVID-19 and in the UAE,

one in six adults admitted that for the first time, they have boycotted companies that have not adopted sustainable values.

Since the launch of the coalition late 2020, Mastercard has expanded the reforestation work of the Priceless Planet Coalition to include 18 restoration projects, including in the United Arab Emirates (UAE). In the UAE, which has the largest mangrove coverage in the Middle East with an area of over 150 km<sup>2</sup>, two years of active mangrove restoration will be implemented with Emirates Nature-WWF, who joined as the Coalition's local implementation partner.

At Mastercard, we believe in the power of public-private partnerships to drive positive, collective environmental action. The partnership with Expo 2020 Dubai on Sustainability allowed us an opportunity to showcase our passion for innovation, creating connections, and building an inclusive world where everyone can thrive and reach their potential. It also gave the private sector,



governments, and consumers a chance to look anew at our roles and how we can all enact change to be a force for good.

As companies and organizations, there are things we do independently, and projects where we can work together. Mastercard is actively implementing best practices to reduce our own carbon footprint, and we are also working closely with our suppliers on their decarbonization efforts as an important step to reaching our goal of Net Zero emissions by 2040.

Mastercard continues to support partners, customers and consumers by offering environmentally focused products and services, such as cards made from sustainable materials to reduce plastic waste and recently announced changes to its employee compensation model to help accelerate progress around three global ESG goals: carbon neutrality, financial inclusion and gender pay parity.

This is all in support of the company's goal of building a more sustainable and inclusive digital economy.



## Chapter 8

# How education plays a vital role in moving the sustainability dial

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Authored by *The London Institute of Banking & Finance*

Education is a Sustainable Development Goal – SDG4 - education and educational bodies and alliances are themselves important agents in developing knowledge about sustainable development and acting as catalysts for change.

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**Sustainability is broader than climate change. It means enabling a society where future generations can thrive, as much if not more than the current generations. Transformation to sustainability is imperative.**

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It requires changes at all levels: systemic (in the form of law and regulation), vision of the political leadership, institutional via policies, processes and culture, and at the individual level, in a form of knowledge, perspective, and mindset.

Although some best practices and frameworks are being created to support organisations' transformation to sustainability, there is no one size fits all blueprint to follow. Organisations that are emerging as leaders in the new, sustainable world, are those who actively seek creative, innovative ways to tackle their, often unique, challenges.

Sustainability is holistic and to maximise benefits from the transformation, organisations must innovate. They must develop and nurture a diverse workforce in functional as well as leadership roles, to improve their decisions, maximise their innovation potential, improve their networks and engagement with stakeholders. They must look beyond their traditional horizons.

Organisations in their desire to move ahead fast, without the appropriate knowledge and understanding, can fall into the trap of greenwashing, which, as we keep repeatedly seeing, can be a very costly mistake.

It is increasingly evident that to achieve this, organisations need to focus on executive education and workforce re/training. Training "on the job" is no longer sufficient. Professional trainers and educators can share topical, up to date information from this fast-developing field however, perhaps more importantly, they can help learners establish linkages between learning outcomes and the learners' respective contexts, levels and institutions.

The purpose of professional training is not only to share knowledge but broaden perspectives, enable learners to create their own action plans and plant seeds for new ideas and innovation.

Companies are at different levels of maturity when it comes to embedding sustainability within their organisations, and Fintechs are no different.

There is clearly a place for practically oriented and applied programmes. The Sustainable Fintech Leadership Programme is the first of its kind in the region and is a unique opportunity for Fintechs in MENA to become leaders in sustainability and make their business impact oriented.

Developed jointly by the MENA Fintech Association **Sustainable Fintech Alliance**, educational partners ADGM Academy and The London Institute of Banking & Finance, institutional partners ADGM and DIFC and founding members of the Sustainable Fintech Alliance - **BPC, Checkout.com, Codebase Technologies, GPS, Mastercard, M2P Solutions, Marshal, Taptap Send**, and **YAP**, the Sustainable Fintech Leadership Programme was launched to help participants respond to pressing environmental and social challenges.

“

**People want to see we have the tools, the resources and done the learning to allow us to succeed. The course has given me a lot of ideas, resources and tools to help me find ways to be sustainable, as well as to drive our mission and our vision.**

”

**Eric Osuorah**

Cohort 1 programme participant

The programme is designed to equip participants from Fintech firms with the knowledge base required to develop solid sustainability strategies to lead their organisations in the field and contribute towards the United Nations' Sustainable Development Goals (SDGs), and the Net Zero pledges made by several countries across the region.

This five-module programme is led by subject experts, practitioners and industry guest speakers. Each module uses case studies and real-life examples to provide context, highlight successful initiatives, lessons learned, and frameworks that can be applied to participant's own Fintech business.

Modules cover critical topics like how to define a sustainability strategy; how to 'green' business operations; how aspects of leadership culture drives change and how a focus on the 'S' in ESG can help deliver positive social impact. Modules explored how to implement ESG disclosures and consider a range of business models for positive change for B2B, B2C and B2B2C businesses, looking at digital tools that can support this.

There were over 40 registered participants on the inaugural cohort of the programme that was delivered over five virtual sessions during summer 2022. Successful participants achieved a certificate on completion of the programme awarded by The London Institute of Banking & Finance.

The London Institute of Banking & Finance (LIBF) is the world's only professional body with degree awarding powers. Through its Centre for Sustainable Finance, LIBF offers thought leadership, insights and advisory services as well as executive education and sustainability courses to help banks and financial institutions embed sustainable finance.

LIBF is a signatory to the Green Finance Education Charter. **We work with partners across the world to research, explore and promote sustainable finance, including commercial banks, investors, regulators, governments and non-governmental agencies.** As signatories, members and observers, we participate in sustainable finance projects across the world. Our networks help us play a key role in the financial sector. We're here to help financial institutions and corporates meet international targets on sustainable development and climate change. Our training, insights and thought leadership can help individuals and organisations keep up with the latest thinking and practices in sustainable finance.



# Conclusion

“Fintech” and “sustainability” are becoming pervasive words in our daily lives. But for the general public it may not be immediately apparent how they are inherently intertwined. The purpose of this report was therefore to showcase concrete, actionable initiatives that our members and partners are implementing within their organisations, in such a way that the reader is left with a clear picture of how Fintechs are unique agents of positive change, at the same time that it inspires other companies to start their own journey.

As H.E. the Minister of Climate Change and Environment so brilliantly said, Fintechs have a unique role to play in developing innovative financing solutions that help address climate change, and contribute to incentivizing consumers towards more sustainable activities. The Sustainable Fintech Alliance was born as an open forum ‘by Fintechs for Fintechs’, where everyone is invited to openly share their challenges and achievements when it comes to implement sustainability initiatives, so that we can all learn from each other.

In fact, the vast majority of Fintechs do not have resources solely dedicated to sustainability and may lack strategic direction and knowledge. By joining the Alliance, our members have access to a pool of international experts, regulators, academia, and learning resources to help them set forth their own sustainability journey, with the additional benefit of building purposeful and powerful networking. The report has shown how Fintechs are bringing to life impactful initiatives across the

SDGs spectrum. From implementing carbon reduction strategies, create a marketplaces for underserved communities, foster a culture of diversity and inclusion which truly delivers on its purpose, the report is meant as a “how to” sustainability guide for Fintechs.

Another aspect that we wanted to stand out is the vital role of partnerships between Fintechs and the third sector. UNHCR has brilliantly explained how the financial and digital inclusion of refugees is a vital component to their protection, self-reliance and resilience.

When international organisations and payment technology companies join hands to solve humanitarian crisis, the multiplying effects of the impact can be potentially limitless. But our message is indeed not one of complacency. As technology evolves, and consumers increasingly demand more conscious products and services, Fintechs must lead the way by thinking and acting sustainability. This means creating a virtuous business ecosystem where sustainability is embedded ‘by design’ throughout the companies’ value chain.

This report is intended as the first chapter of a series of publications, where the Sustainable Fintech Alliance will continue exploring different aspects of sustainability, with exclusive insights and deep-dives from its members, academia, and institutional partners from across the world. We look forward to the amazing journey ahead!

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**Federica Piazza**

Chair  
**Sustainable Fintech Alliance**

Special Thanks to:

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UNITED ARAB EMIRATES  
MINISTRY OF CLIMATE CHANGE  
& ENVIRONMENT



الإمارات العربية المتحدة  
وزارة التغير المناخي  
والبيئة



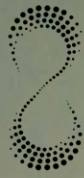
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The report was a collaborative effort of the members and partners of the  
Sustainable Fintech Alliance

We would like to extend our thanks to all of them:







**MENA FINTECH**  
ASSOCIATION

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