



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



Harnessing the potential of digital finance



**Unlocking Public and Private
Finance for the Poor**

UNSG Task Force Action Agenda

Turning Potential into Reality

X 3
Action Agenda



Catalytic opportunities

Opportunities



Channel domestic savings into development financing



Enhance financing for small and medium-sized businesses (SMEs)



Digitize public financing and make public budgets and contracts transparent



Embed SDGs into decisions financial and capital markets



Shape consumption decisions through improved information and choice architecture

Scale

Global savings pool has grown over two decades from **US\$7.5 to US\$23.3 trillion.**

Potential to meet the **US\$5.2 trillion** a year need for SME financing in developing countries.

Governments in developing countries could gain **US\$220 to US\$320 billion** annually from digitalizing payments.

The outstanding value of global equity and bond markets is **US\$185 trillion.**

Annual global consumption expenditure is **US\$47 trillion.**

SDGs



Citizens as..

Small savers and co-beneficiaries of sustainable infrastructure

Borrowers, entrepreneurs, employees

Tax-payers, voters, public service users

Savers, investors

Consumers, asset owners

Focus on Moving Finance

Aligning Finance with the SDGs

Reshaping Global Finance

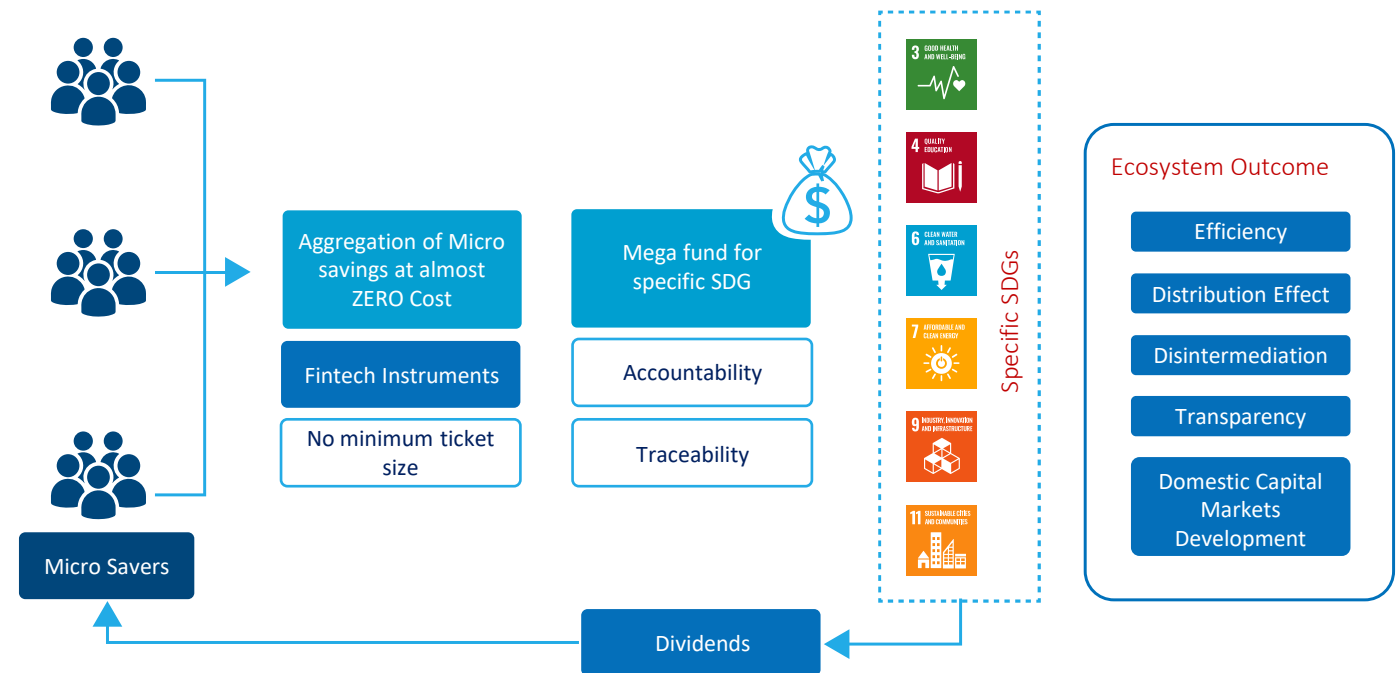
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Catalytic Opportunities

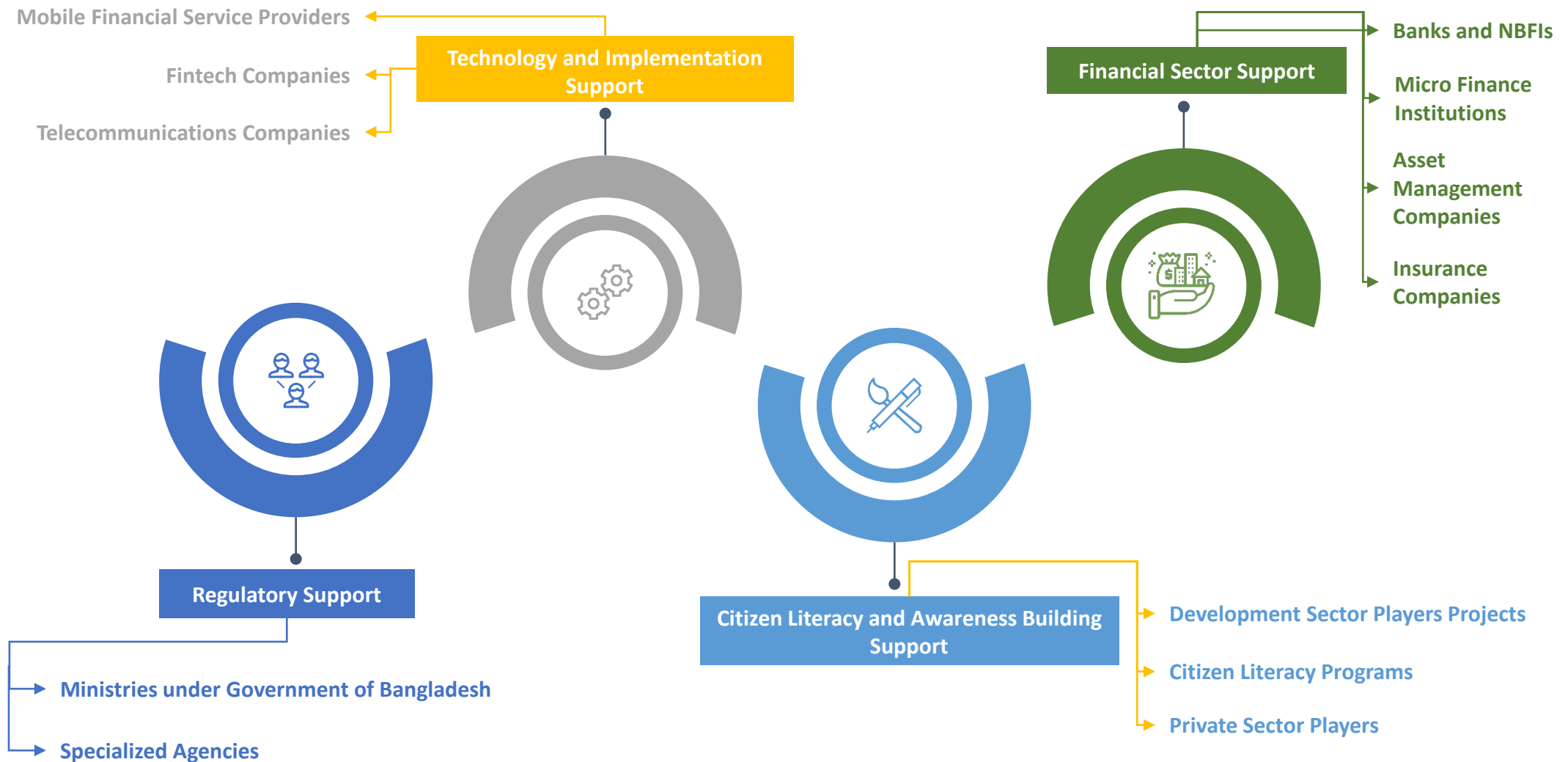
Reimagining development financing

Bangladesh micro savings to infrastructure

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



Reimagining development financing



Reimagining SME financing



ZIMBABWE STOCK EXCHANGE

EcoCash and IEX launched a world-first stock exchange in Zimbabwe

Draws on payments data to provide robust due diligence and credit ratings for prospective listings

/ BUSINESS

Government to avail \$500m for entrepreneurs

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FINSEC

Market Wise



MSME

MICRO, SMALL & MEDIUM ENTERPRISES

सूक्ष्म, लघु एवं मध्यम उद्यम

Reimagining SME Financing



Ecocash is Zimbabwe's largest mobile money provider. Finsec is the only independent and alternative stock exchange in Zimbabwe. IEX is one of the top 10 stock exchanges globally, and the first data transparent exchange globally. UNCDF, with its capital mandate and MSME work is the technical partner to this initiative.

Domestic Savings

- Informal
- Fintech: Can aggregate, tap into small scalable contributions, and aggregate these at scale
- Digital infrastructure to get around weak capital markets

Macro-Level Capital Structuring

- Cautious structured finance
- Reduced FX vulnerability
- Savers' capital and investor returns on infrastructure financing

Transparency

- Data gives us new market potential
- Data delivers new asset valuations
- Data de-risks investment through performance track-record
- International financing cost of capital only required for geo-country shared risk

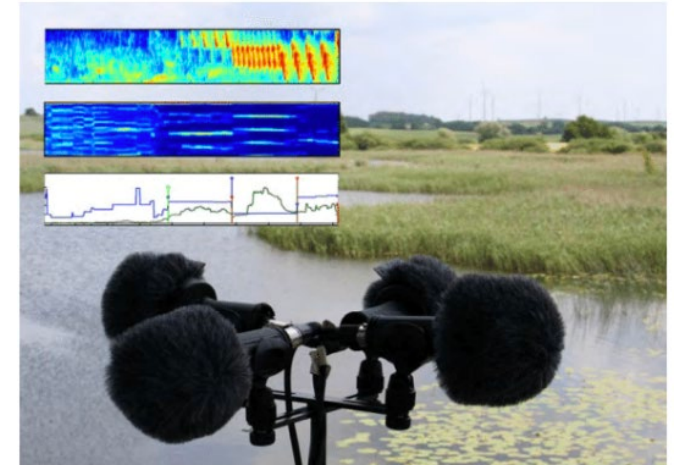
Bringing SDGs into financing decisions



Source: Airbus

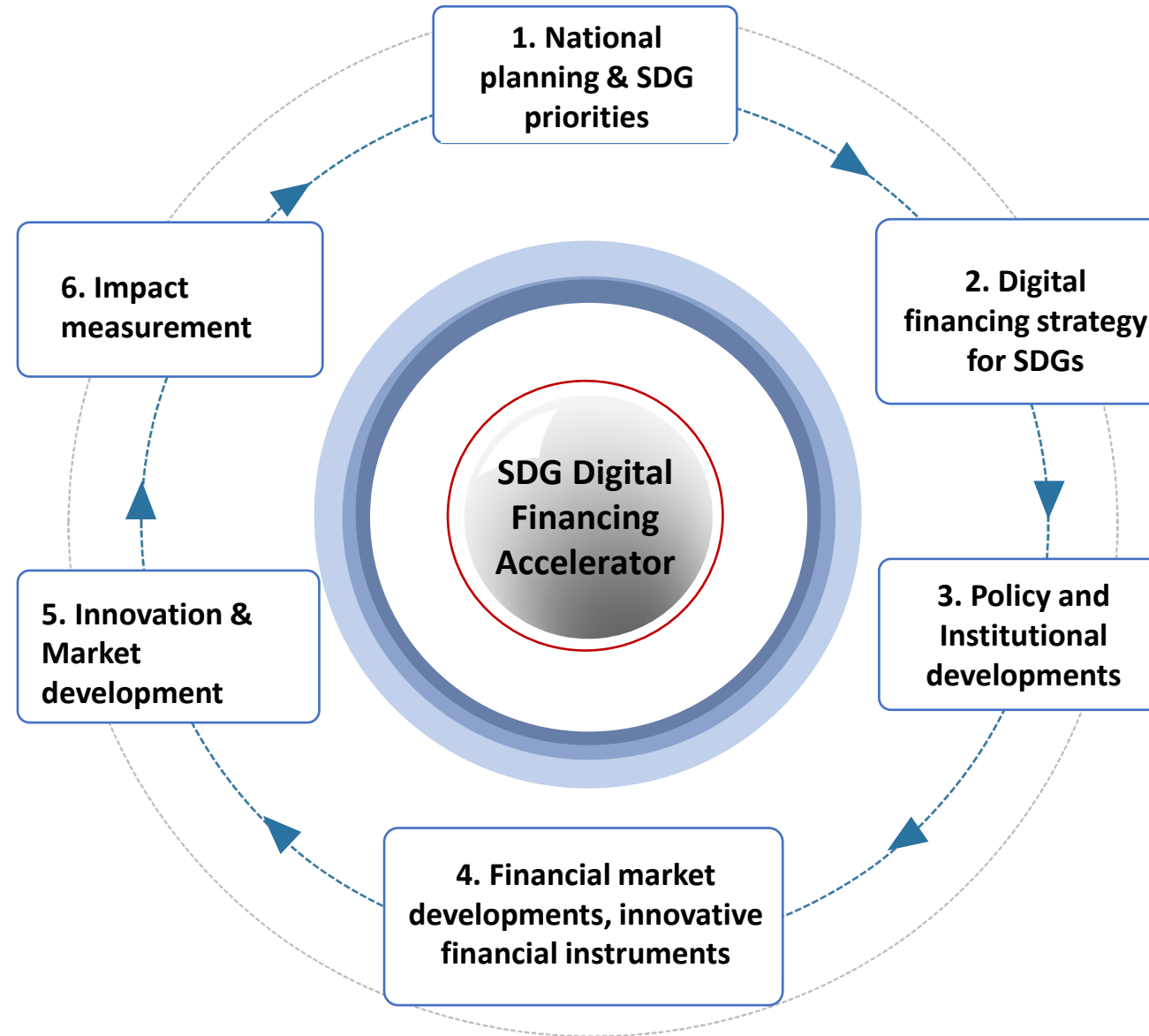


Source: Agrilinks



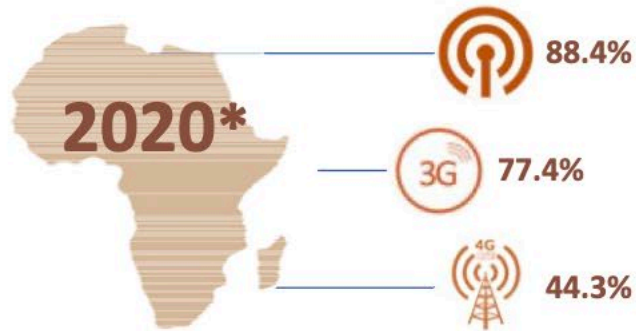
Source: Federal agency for nature conservation

Sustainable DFS ecosystems



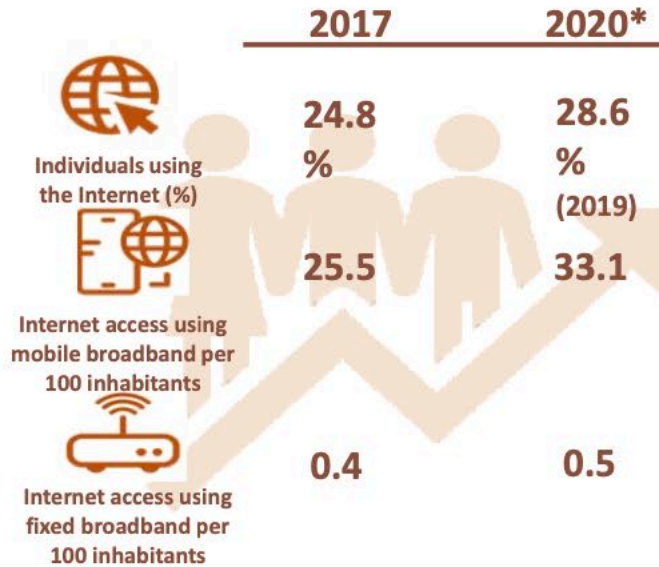
Digital status in Africa

Mobile network coverage

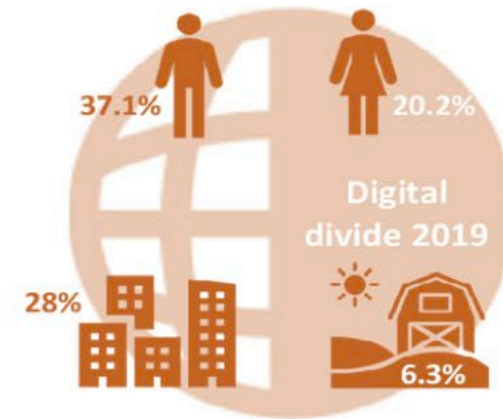


*Estimate

Internet access and use



Digital divide



Household Internet and computer access at home, Internet use by youth (15-24 years old), 2019



✓ **14.3 per cent of households** in the Africa region had Internet access at home in 2019



✓ **7.7 per cent of households** in the Africa region had access to a computer at home in 2019



✓ **39.6 per cent of 15-24-year-olds** in the Africa region were using the Internet in 2019

Conclusion



THANK YOU!!!