

# Green Assets Wallet (GAW): Validating Green Investments through Blockchain

## Background

In the last few years, we have witnessed unprecedented momentum mobilising private capital around the 2030 Agenda and the Paris Climate Agreement. Since a growing number of investors are actively looking for opportunities to make green investments, there is increased need to understand and demonstrate the positive impact of green investments and for consistent and reliable 'labelling' of green assets, specifically in emerging markets. Green bonds represent one of the few green investment products as they abide by certain principles, might be supplemented with second opinions as well as third party verification of the "green" use of proceeds. This has led to an excess demand in the green bond market demonstrating the willingness to invest with positive impact.

## Objectives

Stockholm Green Digital Finance (SGDF) and the Emerging Markets Dialogue on Finance (EMDF), a GIZ project, commissioned by the German Ministry for Economic Cooperation and Development (BMZ), are now jointly developing a unique blockchain-based technology for validating green investment claims through immutable verification of green impacts. The purpose is to stimulate the market for green investment through trust and efficiency, with a special focus on green investment opportunities in Emerging Markets.

The joint project will deliver the Green Assets Wallet (GAW), an open source application for validating, monitoring and reporting of green investments. The blockchain technology will deliver a system for validation, and impact reporting, functioning through accredited validators (e.g. auditors, certifiers, regulators or automated data feeds of e.g. electricity meters) and evidence points (such as satellite images, engineering reports, audit reports, electricity generation data), as well as a scoring system.

Upon finalisation, the project aims to secure several new green debt products entering the market to register onto the GAW Platform.

GAW launch will be within 2018.

## Project Consortium

A project consortium of developers and instrumental capital markets actors is set up to ensure execution, market implementation and impact.

- *Stockholm Green Digital Finance (SGDF)* will lead the project with overall responsibility for project delivery, development of the Validation System and user interface, coordination among partners as well as the selection and testing of pilots.
- *Emerging Markets Dialogue on Finance (EMDF)* - as project sponsor and co-lead - ensures the right set of emerging markets partners and perspectives.
- A *Blockchain Technology Provider* is responsible for building the reporting and validation system along with the web interface for users
- A *Geographic Data Provider* is delivering satellite for automated verification of solar panels in specific locations
- A *Research Institute* will collaborate on the definition of trusted validators, evidence points and the impact reporting function of the system

A capital market team will ensure applicability and testing. Among the group are leading Green Bond underwriter, and investor, as well as an asset management company, corporate and financial green bond issuers, and an asset owner - both from developed and emerging markets.

## About the Main Project Partners

*Stockholm Green Digital Finance (SGDF):* SGDF is a not-for-profit independent centre, operating in collaboration with the Stockholm Fintech Hub and tasked to demonstrate how green finance and investment can be scaled through the application of fintech innovations. The initiative was launched in May 2017 at the G20 GreenInvest meeting in Berlin. The mission of SGDF is to use fintech as a lever for delivery on the Sustainable Development Goals and Paris Agreement. To deliver on these goals by 2030, trillions of dollars of private investment will be needed. Stockholm Green Digital Finance works with constructive partnerships to practically test and demonstrate solutions to key barriers through technologies including blockchain, big data, digital currencies, artificial intelligence and smart contracts. The solutions are all open source and available to all actors and stakeholders that can benefit from the technologies in their green efforts.

*Emerging Markets Dialogue on Finance (EMDF):* Under the umbrella of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), the Emerging Markets Sustainability Dialogues (EMSD) provide a network of stakeholders and decision-makers from think tanks, multinational corporations, and the financial sector. The Emerging Markets Dialogue on Finance (EMDF) represents one of the three EMSD networks. The EMDF seeks to advance the development of sustainable financial systems that foster the transformation towards economies, which positively affect the environment and human lives. To achieve this, EMDF collaborates closely with financial institutions from G20 economies to integrate environmental, social and governance (ESG) indicators into mainstream financial decision-making processes, risk management as well as product and market development. Jointly with our partners, we develop sustainable solutions by doing research, developing methodologies and tools as well as enhancing technical capacities.

For further information, please contact:

Cecilia Repinski [cecilia@stockholmgreenfin.tech](mailto:cecilia@stockholmgreenfin.tech) | <https://stockholmgreenfin.tech>

Nina Roth [nina.roth@giz.de](mailto:nina.roth@giz.de) | [www.emergingmarketsdialogue.org](http://www.emergingmarketsdialogue.org)