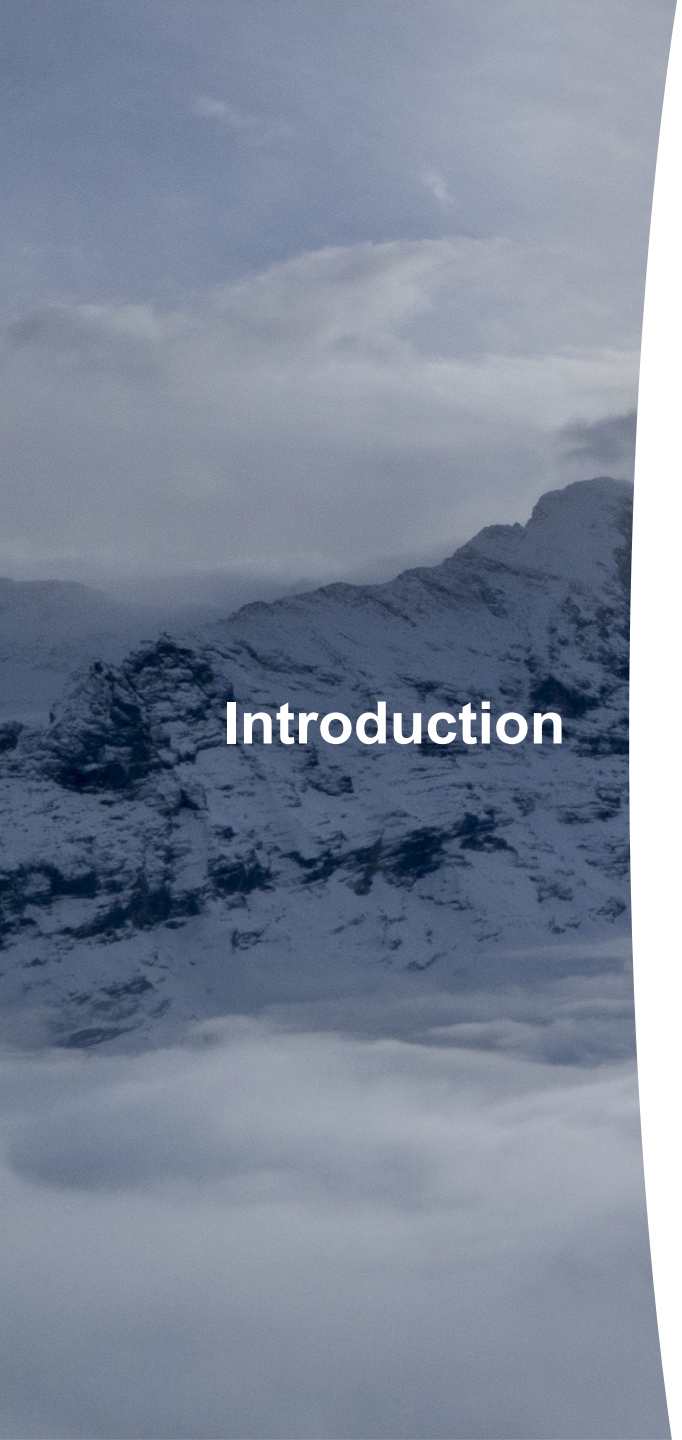
Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Finance FDF
State Secretariat for International Financial Matters SIF

2020 Green Fintech Survey



Introduction

The Federal Council sees sustainable finance as a great opportunity for the Swiss financial centre and as a relevant competitive factor in sustainable growth. The Swiss financial centre should further develop as a leading global location for sustainable financial services. The Federal Council therefore intends to shape the framework conditions in such a way that, firstly, the competitiveness of the Swiss financial centre is continuously improved and, secondly, the financial sector can make an effective contribution to sustainability in line with the UN's 2030 Agenda.

Global ambitions to reach environmental goals and shifting demands from investors and customers have a profound effect on the financial industries. With their ability to leverage modern technologies, Swiss green fintechs are ideally suited to seize this global opportunity, both commercially, as well as to provide an effective environmental impact that transcends Switzerland’s borders.

Key Swiss Green Fintech stakeholders participated in September 2020 in this survey:

MSCI | CARBON DELTA
An MSCI Company

zhaw

SICTIC
SWISS ICT INVESTOR CLUB

CelsiusPro

yova

green[::]match

RepRisk
ESG data science and quantitative solutions

covalence
ESG ratings

University of Zurich[UZH]
Swiss FinTech Innovation Lab

STARTUP ACADEMY

Sustainable FinTech
a project by foraus

eit Climate-KIC

3rd eyes ANALYTICS

WWF

EY
Building a better working world

pwc

MME
Legal | Tax | Compliance

Survey participants

Selection of Swiss Green Fintechs listed in survey responses

Swiss Green Fintechs focusing on ESG data

MSCI | CARBON DELTA
An MSCI Company

Carbon Delta is specialized in climate-related scenario analysis and was acquired by MSCI

RepRisk
ESG data science and quantitative solutions

RepRisk is a pioneer in the application of machine learning for ESG data

covalence
ESG ratings

Covalence built an AI-powered scoring system to help investors integrate ESG factors

SAM
Now a Part of S&P Global

Acquired by S&P Global, the SAM Platform is the basis for the Dow Jones Sustainability Indices

impaakt

Impaakt is an ESG Plattform, allowing users to participate in the creation of ESG evaluations

Swiss Green Fintechs focusing on impact investing & financing of renewable energy

Yova offers investments through a digital platform that combine sustainable impact with attractive returns

3rd Eyes combines goal-based sustainable investments with scenario-based ALM methods

Greenmatch enables efficient structuring, management, and transaction of wind energy, photovoltaics, hydropower, and biomass

The Blueyellow platform enables efficient transactions in renewable energy

The Pexapark platform brings together producers of wind energy and offers data analysis, knowledge sharing, and more

Swiss Green Fintechs focusing on blockchain applications

BitLumens plans to build a decentralized, blockchain-based electricity network

My Drop in the Oceans manages a global currency platform with the conviction that a fundamental change is needed in the way nature is valued

The Energy Web manages a decentralized, blockchain-based, carbon-efficient electricity network

Porini is a foundation specialized in leveraging the potential of digital technologies for the benefit of humans and nature

Swiss Green Fintechs focusing on physical risk applications

CelsiusPro

CelsiusPro is an insurtech specialized in the industrialization of insurance solutions to combat adverse effects from weather, climate change, and natural catastrophies

south pole

The South Pole Digital Lab focusses on the development and scaling of digital solutions for the management of climate-risk and other environmental risks

Switzerland as a leading research hub for Green Fintechs

Academic milestones regarding Green Fintechs in Switzerland

2020 – Foundation of the Global Center for Sustainable Digital Finance by the Swiss FinTech Innovation Lab and Stanford University, aiming at bridging the gap between research and Green Fintech applications

University of Zurich[UZH] Swiss FinTech Innovation Lab

Stanford University

2019 – Research collaboration between the Swiss FinTech Innovation Lab and Green Digital Finance Alliance

University of Zurich[UZH] Swiss FinTech Innovation Lab

Green Digital Finance Alliance

蚂蚁金服 ANT FINANCIAL

Opportunities and Barriers

Opportunities for Green Fintech Applications

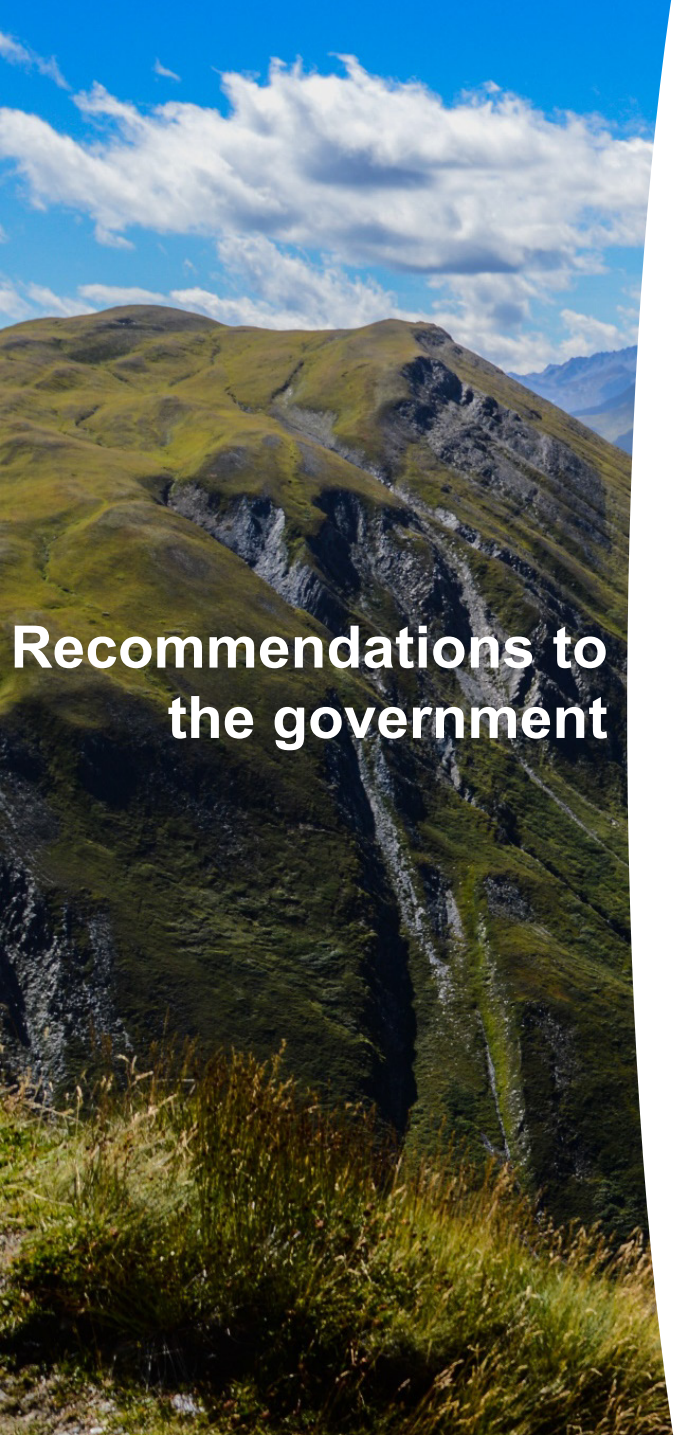
Sustainable investing	Measurement of environmental impact
	Access to impact investments
	Inclusion of ESG related client preferences
ESG data	Machine learning
	Natural language processing
	News Analytics
	Artificial intelligence
Management of physical risks	Geospatial observational data
	Satellite image processing
	IoT applications
Blockchain	Emission of green bonds
	Data verification
	Tokenisation of energy
	Crowdfunding of renewable energy projects
Emission trading	CO2 certificates
Shareholder engagement	Proxy voting

State Secretariat for International Finance- 2020 Green Fintech Survey

Funding	Higher development costs, compared to other fintechs, reduce access to growth capital, due to longer time to profitability
	Indirect reduction of emissions (Green Fintechs) are often excluded from green financing schemes (same applies to fintechs regarding technology financing schemes)
Regulatory environment	Green fintechs often lack access to talents from non-EU countries, as the available quota is taken up by larger companies
	Missing definition for green investments and instruments to prevent Greenwashing
	High requirements regarding client-onboarding and KYC-processes act as entry barriers and take away focus from innovative solutions
	Limited size of Swiss market – need for cross-boarder services
Demand	Missing access to clients from traditional financial institutions
	Open Finance is not yet well established
	Insufficient awareness of companies regarding environmental risks and impacts
Disclosures	Missing disclosures of environmental risks and impacts from companies

State Secretariat for International Finance- 2020 Green Fintech Survey

Recommendations on how to improve framework conditions in Switzerland



Recommendations to the government

Funding	Creation of financing instruments that include Green Fintechs (both for start-up and growth phase)
Disclosures	Mandatory disclosure of environmental risk and impact information for larger companies
	Mandatory disclosure of of environmental risk and impact information for financial products
Work permits	Creation of a dedicated work permit for technical experts working in start-ups (e.g. non-EU experts that study in Switzerland should be able to found a start-up following their studies)
Strategy	Establishment of a permanent technical working group for Green Fintechs, mandated with producing an action plan
Cooperation & open finance	Promotion of cooperation between universities and Green Fintechs
	Promotion of cooperation between financial institutions and Green Fintechs (e.g. through Open Finance)

Cooperation	Financial institutions should lower the barriers to grant Green Fintechs access to their client base (e.g. through Open Finance)
	Financial institutions should cooperate with Green Fintechs to produce new solutions (paid proof-of-concepts)
	Financial institutions should become first-movers and look at Green Fintechs not just as a source of inspiration, but as partners
Standards	Associations should establish standards and labels to combat greenwashing
Funding	Establishment of dedicated Innosuisse programmes for Green Fintechs
	Creation of financing instruments that include Green Fintechs (both for start-up and growth phase)
	Support of VC funds that focus on Green Fintechs
Innovation	Financial institutions should promote spin-offs so that industry experience flows into the start-up ecosystem
Network	Promotion of a Green Fintech hub, where Green Fintechs can share their experience and build up a network of investors, universities, as well as corporate clients

Recommendations to the private sector