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Scaling Private Company Impact Finance

THE IMPACT DISCLOSURE TASKFORCE SME SUBGROUP & MICHELE BONGIOVANNI IN COOPERATION WITH

STILLMAN SCHOOL OF BUSINESS
SETON HALL UNIVERSITY

Examining the obstacles and opportunities for scaling impact finance for sustainably committed global entrepreneurs and small and mid-sized businesses.

The Impact Disclosure Taskforce SME Subgroup (SME Taskforce) is a fiscally sponsored program of Legacy Global Programs, a public 501(c)3 organization comprised of a cross-sector team of industry and academic experts leveraging their knowledge and networks to help address the trillion-dollar funding gap in impact finance for sustainable small and mid-sized businesses (SMEs) through a common UN SDG Framework. The Subgroup was formed in 2024 in response to the Impact Disclosure Taskforce's Guidance released earlier that year in support of Corporate and Government entities in an effort to incorporate the sustainable SME segment.

This whitepaper draws on a combination of **quantitative and qualitative** research, including insights from working sessions of the nearly **50 member IDTSME Subgroup,** organized into six committees. It also incorporates findings from **65 survey responses** from leaders across banking, development finance, fintech, impact finance, sustainable data and AI, corporate finance, education, and technology, as well as thought leaders, sustainable SME innovators, and African-focused impact investors and policy advocates. Together, these contributions provide a comprehensive, multi-stakeholder perspective on the challenges and opportunities in financing sustainable SMEs.

Acknowledgements

The creation of this whitepaper, "Scaling Private Company Impact Finance," was made possible through the dedicated efforts and expertise of many individuals and organizations. We extend our sincerest gratitude to the following for their invaluable contributions:

- **Principal Author:** Michele Bongiovanni; Founder/Co-Chair, Impact Disclosure Taskforce SME Subgroup; CEO/Founder, HealRWorld LLC
- **Research & Content Development:** HealRWorld Research Team, under the guidance of Dr. Joyce Strawser, Dean, Seton Hall University Stillman School of Business
- Special thanks to Lisa Roberson-Beery & Vinay Uttekar, Senior Research & Data Analysts, for their work on the data analysis and visualization.

Expert Reviewers & Insights

Dr. Joyce Strawser, Dean, Seton Hall University Stillman School of Business with support from Mark D. Schild (M.B.A., CFP), Associate Dean and Instructor of Finance, Stillman School of Business and Dr. Wesley Pech, Associate Dean of Academics and Partnerships and Associate Professor of Economics, Stillman School of Business.

We are grateful to the Impact Disclosure Taskforce SME Subgroup, (SME Taskforce) and all Committee Chairs for their leadership and providing a platform for discussions and feedback that greatly shaped the arguments presented in this paper. We appreciate the input provided by all respondents to our surveys.

The Impact Disclosure Taskforce SME Subgroup

Co-Chairs

Michele Bongiovanni

Founder; Co-Chair
CEO/Founder, HealRWorld LLC

25+ years in financial services and data strategy & innovation, focused on SMEs. Co-Founder of MSME Day at the United Nations; Ex Dow Jones, Merrill Lynch, BlackRock and D&B.

> Supporting sustainable entrepreneurs and SMEs is a strategy to foster global economic stability and breakthrough innovation at a time when our world is calling out for help more than ever. For the past decade, we at HealRWorld have been dedicated to creating platforms designed to spur systemic change through cutting-edge data and financial innovation to support sustainable SMEs to grow and thrive, bridging innovation with long-term environmental and social impact.

Matt Helgeson

Co-Chair
Founder, Magnolia Advisory Group

Former CSO of Siemens USA leading sustainability strategy and execution of initiatives across businesses, including supplier sustainability engagement.

> Empowering SMEs to embrace sustainability and align with the UN SDGs is not only vital for our planet but also a powerful driver of innovation, resilience, and economic growth. I am dedicated to supporting and guiding these businesses on their journey – helping them operationalize sustainability, unlock measurable impact, and communicate their progress in ways that strengthen competitiveness and attract investment. By elevating SMEs, we amplify their role as catalysts for systemic change and long-term value creation.

Scaling Private Company Impact Finance

Executive Summary

Today's financial and business environments pose key challenges for global small and mid-sized enterprises (SMEs) in accessing the financing they need to innovate, grow and thrive–and the landscape is even more daunting for sustainably committed SMEs and innovators. Inflationary pressures, geo-political unrest, and climate impacts are creating an unprecedented level of economic uncertainty and translating into difficulty in accessing capital.

Per a recent Mastercard STRIVE Study, creative and diverse sources of capital are the highest priority area for SMEs in the US over the next three years. The study goes on to cite that the missing link in financing for SMEs often includes "access to multi-year funding that includes debt, equity and grants to enable organizations to invest in infrastructure, technology and operational capacity. The current approach of restricted, short-term grants with unrealistic timelines prevents organizations from building the core capacity that supports sustainability and scale."[1]

Further complicating the access to finance story for SMEs and entrepreneurs is the fact that typical funding round success rates by stage have shown a marked decline. While about 30-40% of seed-stage startups captured Series A funding in the early 2020s per Carta Data, Incisive Ventures notes, "recent data shows a sharp decline. Only 15-20% of seed-funded startups in US cohorts from 2022 make Series A within two years."[2] A mid-2024 Carta/Q1 report states "just 13% of companies from Q1 2022 have progressed to Series A. In fact, about 70% of seed-funded startups never reach Series A."[3] Per Crunchbase, "global VC investment has nearly halved from $681B in 2021 to $314B in 2024."[4]

Comparing Key Conversion Rates

Source/Cohort	2020 Cohort	2021 Cohort	2022 Cohort
Incisive - VC	30% - 40%	--	15% - 20%
Chronograph (Carta)	--	--	0% -15%
Crunchbase	--	36%	0% -20%

[1] https://medium.com/mastercardstrive/built-for-all-built-to-last-six-shifts-that-could-change-the-u-s-a67316f9188c
[2] https://incisive.vc/2025/06/10/update-on-venture-graduation-rates/
[3] https://carta.com/data/state-of-private-markets-q1-2024/
[4] https://news.crunchbase.com/seed/charts-startup-venture-funding-rounds/

The global venture capital market is challenging and inefficient. Entrepreneurs spend countless hours pitching VCs who claim to have an interest in early-stage investments but often are looking for later-stage ventures. They often seek "unicorns" that will offer astronomical returns, overlooking companies that may have steady growth, or that may not seek IPO or sale exits.

Often, large corporations or investors steal entrepreneurs' intellectual property (IP) when they present their ideas to try to secure funding. These potential investors recognize that startups have limited capital to afford the proper legal resources for battles that can ensue over IP theft. "Approximately 60% of small to medium enterprises (SMEs) have experienced IP theft at some point."[5] "Over 50% of small businesses believe their patents are infringed on by larger corporations, but only 1.5% pursue litigation due to high costs."[6] "Some VCs do steal ideas from early-stage startups, using investor access to repurpose IP for struggling portfolio companies."[7]

Specific to sustainably committed SMEs is a perceived higher risk/lack of ROI belief by many banks and investors, limiting SME access to favorable financing. Furthermore, it is even more difficult for women leaders to raise capital (female-only founding teams received only 2.3% of global VC investment in 2024 per Founders Forum Group), yet 50% of social enterprises are led by women per the World Economic Forum.[8]

In 2024, Michele Bongiovanni, CEO/Founder of HealRWorld, launched the SME Taskforce to address the major financing gaps faced by sustainable entrepreneurs and SMEs. She co-chairs the group with Matt Helgeson, former CSO of Siemens USA. It is comprised of top executives spanning academia, banking, development finance institutions, global corporations, impact investors, technology/AI/data organizations, SMEs, thought leaders and innovators. The six SME Subgroup Committees have identified key areas for collaboration spanning policy, technology and innovation to address these challenges.

Summary: SME Taskforce Committee Recommendations and Next Steps

The SME Taskforce developed a set of innovative, AI & tech-enabled recommendations to support sustainable SMEs, focusing on increased access to finance, data, and markets via innovation and greater transparency.

Key Proposed Solutions:

- **New Funds:** Equity and debt funds for sustainable SMEs, leveraging blockchain for transparency.
- **Blended Finance:** Structures that combine public and private capital to reduce investment risk.
- **Data Platform:** AI-powered system for standardized SME sustainability and risk data.
- **Support Tools:** Tools like SPEC®*, SDID**, & Digital Doors®^ to support SME reporting, access, & readiness.
- **Fintech Infrastructure:** AI-based matching platform connecting SMEs with aligned investors/lenders.
- **Impact Labs:** Regional innovation hubs for incubation, financing, and ecosystem building.
- **Global Marketplace:** Mobile app and platform for procurement, carbon tools, and values-based commerce.

Conclusions:

- The SME Taskforce is an ecosystem built to scale financing and support of impact SMEs globally. Our call to action is to secure financing in 2026 to actualize these recommendations supporting go-to-market strategies.

Next Steps:

- Launch an Africa Impact Prototype as a scale-up and regional model incorporating all proposed solutions.
- Engage innovative and leading-edge partners to fund, test, and deploy solutions at scale.

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[5] https://gitnux.org/intellectual-property-theft-statistics/
[6] https://www.uspto.gov
[7] https://thevertical.la/entrepreneurs/do-investors-steal-the-ideas-you-pitch-them-yes-all-the-time-and-heres-why/
[8] https://ff.co/women-funding-statistics-2025/; https://www.weforum.org/stories/2024/01/social-enterprises-financial-policy-support/
*S.P.E.C. is a Registered Mark of HealRWorld LLC. **The SDID Financing Tool for SMEs is property of HealRWorld LLC.
^The Mastercard Digital Doors® program helps small businesses get online, accept payments, protect business assets, and access tools and training to thrive digitally (https://www.mastercard.com/us/en/business/industry-segment/small-medium-business.html).

1.Introduction

Sustainable finance refers to financial services and investment practices that pursue the co-linear objectives of providing capital or investment returns commensurate with the risks being taken while supporting outcomes that benefit the environment and/or society.

Sustainable finance is critical to enabling the world to achieve the 17 United Nations Sustainable Development Goals (SDGs) by the year 2030, but we are measurably off track. The UN estimates the annual financing gap to achieve the SDGs by the year 2030 is approximately $4.2T annually.[9]

Entrepreneurs and SMEs are essential to the success of the SDGs as engines of sustainable innovation, job creation, sustainable supply chains, local development, and inclusive growth, particularly in developing and emerging economies. Without access to essential financing, SMEs seeking to innovate solutions that mitigate the social and environmental risks created by a deteriorating planet plagued by social injustices cannot be launched. This means that a significant part of the economy cannot do its part to generate economic value while mitigating existential risks through innovations in technology and services.

In this paper we seek to examine the full value chain of the financial ecosystem, addressing challenges at the design stage—critical if we want to rewire the economy to close the SDG funding gap. SMEs, with their innovation and agility, can play a larger role than their size suggests, but this requires "innovation to create innovation"—through AI, blockchain, fintech, and other new tools. We cannot solve new world problems with old world approaches. With traditional funding such as grants and DFI finance pulling back, we now face a "funding gap of the funding gap," making the call for private capital more urgent than ever.

[9] https://news.un.org/en/story/2025/04/1162671

“Small and medium-sized startups are essential drivers of innovation, yet they face persistent systemic barriers such as limited access to capital, inequities in funding, and a lack of targeted support. To unlock their full potential, we must reimagine financing—mobilizing capital toward ventures that deliver competitive returns while transforming communities and industries for the better. LG NOVA is proud to join forces with the Impact Disclosure Taskforce and the SME Subgroup, as well as other visionary partners, to help build a more inclusive and sustainable entrepreneurial ecosystem.”
- Maria Dayton, Senior Director of Capital Partnerships, LG Nova

The Impact Disclosure Taskforce SME Subgroup, (SME Taskforce) is an industry-wide initiative comprised of thought leaders committed to setting global standards for private market sustainability disclosure leveraging the United Nations Sustainable Development Goals. We aim to ensure that SMEs—often overlooked—are fully represented in frameworks shaping the future of impact finance and sustainability regulation and seek to leverage education and financial innovation to open up billions, if not trillions, in capital flow to sustainable SMEs globally.

While small businesses form the backbone of many economies, their path to success is often fraught with challenges. According to the US Bureau of Labor Statistics, “approximately 18% of small businesses fail within their first year. By the end of their fifth year, about 50% have shuttered, and by the 10-year mark, only about 35% are still operational.”[10]

Our mission is to provide valuable industry insights with actionable outcomes that inspire collaboration, fostering connections within networks that drive new investment and support the growth of **SDG-aligned global entrepreneurs and SMEs,** with a focus on sustainable impact and long-term growth. By collaborating with the Impact Disclosure Taskforce to bring underwriting to programs that further the mission of both groups, we can bridge the gap between institutional capital and SMEs globally.

The objective of this whitepaper is to not only articulate some of the key systemic challenges sustainable SMEs face in securing the capital they need, but to co-create innovative solutions leveraging an ecosystem approach that offers a plan to address the largest barriers. We will introduce a strategy to quantify and measure impact success while offering a roadmap for improvement.

[10] U.S. Bureau of Labor Statistics, 2021

2.The Challenge: Barriers to Sustainable Finance for SMEs

2.1 Structural and Regulatory Barriers

The SME Taskforce has identified several structural and regulatory barriers prohibiting the successful funding of sustainably committed SMEs. First and foremost, given the fact that many financiers continue to have the misconception that sustainably committed SME investments will generate lower ROI[11], many SMEs are forced to rely on grant funding. Often, these grants, while well meaning, require onerous applications that are challenging for a small business to complete, and the funding is not enough to sustain their work for the time they need to actually succeed. Furthermore, grant funding in the United States for sustainable innovation has been severely impacted. It is estimated that new policy mandates have retracted or put at risk $70B+ in sustainable finance and grant funding. These actions have created a ripple effect, prompting further investor pull-back and are contributing to an overall lack of market confidence that is severely impacting SME impact financing. (See below chart.)

Program / Agency	Scope of Program	Amount Cut or Frozen
DOE clean-energy grants	Carbon capture, hydrogen, industrial tech	$3.7B [12]
EPA Greenhouse Gas Reduction Fund	Clean energy & community grants	$20B [13]
IRA & IIJA-linked clean-energy funds	Solar, efficiency, EV infrastructure	$27B (frozen) [14]
Other estimated threatened programs	Additional grants at risk	~$23.3B

Total US at risk or retracted: potentially $70B+ in sustainable finance and grant funding.

[11] https://www.forbes.com/councils/forbesfinancecouncil/2023/02/24/11-common-misconceptions-about-impact-investing-and-what-the-truth-really-is/
[12] https://www.energy.gov/articles/secretary-wright-announces-termination-24-projects-generating-over-3-billion-taxpayer
[13] https://www.epa.gov/newsreleases/administrator-zeldin-terminates-biden-harris-20b-gold-bar-grants
[14] https://www.epa.gov/greenhouse-gas-reduction-fund

Fortunately, there is a growing body of evidence that refutes the notion that investing in sustainably committed SMEs is riskier. A groundbreaking study several years ago from HealRWorld (global SME sustainability data and platform company) and global business credit data provider Dun & Bradstreet revealed that US-based sustainable SMEs in HRW's database were significantly less risky than the general business population, with only 3% categorized as high risk compared to 21% overall.[15] In a subsequent study by Gavurin—a UK SaaS company offering data visualization, management, and analytics tools—on a random sample of HealRWorld's international businesses, 53.1% of countries fell into the lowest risk bands (1-4) of Dun & Bradstreet's normalized Global Business Risk Score (GBR). The data underscores a strong correlation between sustainability commitment and stronger credit profiles in SMEs, offering compelling evidence that sustainable business is good business.

Underscoring these findings, in a series of studies originating in 2017, research teams at Federated Hermes Limited reported that:

- **Lower ESG-quality firms** are **penalized in credit markets,** reflected by higher CDS spreads, meaning they likely pay more to borrow.
- By contrast, firms with **strong ESG credentials** generally exhibit **tighter spreads,** reflecting **greater credit resilience** and **better performance.**

Importantly, the Hermes researchers created a pricing model linking ESG risk to credit spreads, allowing investors to spot:

- **Potential outperformers:** issuers with **wide spreads but high ESG scores,** which may be undervalued.
- **Potential underperformers:** issuers with **tight spreads but poor ESG scores,** suggesting ESG-related risks may be underpriced.

Mitch Reznick, Group Head of Fixed Income at Federated Hermes, Ltd. emphasizes that, "beyond the more traditional drivers of credit risk, ESG factors can also materially affect spreads. As such, integrating ESG analysis supports investor efforts to fulfill their fiduciary responsibilities. Federated Hermes responded to the lack of industry-standard models by developing a proprietary ESG credit curve—pioneering efforts to quantify and price ESG-related credit risk."

Further research provides similar findings:

- A study from the Global Impact Investing Network (GIIN) and Symbiotics (2022) found that impact-focused SMEs had significantly lower default rates and higher portfolio yields.
- Allianz and Moody's also report that strong ESG performance is positively correlated with resilience and credit stability. This reflects better governance, loyal customer bases, and stronger risk management cultures among sustainability-focused SMEs.
- Fintech lenders using ESG-linked scoring models report improved repayment behavior, especially when sustainability criteria are paired with personalized digital experiences.[16]
- According to CME Group, as of May 2024, the S&P 500 ESG Index has outperformed the S&P 500 by a cumulative 15.1% since its inception.[17]

Despite these studies, the misconception that sustainably minded SMEs embody higher levels of risk continues to persist and to dampen prospects for these organizations.

[15] https://www.prweb.com/releases/new_study_from_healrworld_reveals_sustainable_smes_in_the_us_are_more_creditworthy_than_their_peers/prweb12755351.htm
[16] Tobias Berg, Valentin Burg, Ana Gombović, Manju Puri, On the Rise of FinTechs: Credit Scoring Using Digital Footprints, The Review of Financial Studies, Volume 33, Issue 7, July 2020, Pages 2845-2897, https://doi.org/10.1093/rfs/hhz099
[17] https://www.cmegroup.com/openmarkets/equity-index/2024/Why-the-SP-500-ESG-Index-Continues-to-Outperform-the-SP-500.html

2.2 Lack of Impact Measurement Standards

Globally, constantly evolving sustainability reporting requirements and a proliferation of new and disconnected reporting schemes and tools are creating further confusion amongst SMEs and corporations alike.

As evidenced by members of the larger Impact Disclosure Taskforce, banks and investors struggle with evaluating sustainable investments in companies or projects given a lack of standardized impact reporting metrics. The SME Taskforce members have also cited this as a major obstacle in helping to advance these investments into SMEs.

The Impact Disclosure Taskforce and the SME Taskforce are both committed to creating tools and reporting ROI metrics based upon a common platform that has been adopted by nearly all global governments and 74% of the world's largest 250 companies (G250) who report on the UN SDGs.[18] These goals serve as a blueprint for the values humanity can align to in creating common ground, including tackling issues such as poverty reduction, maintaining a healthy global biosphere, reducing inequalities, improving health and well-being, preserving our oceans and forests, spurring energy innovation, tackling climate change, and more. By leveraging reporting tools that create common metrics across the SDGs, we can help global investors better discern the impact of their investments and ROI, opening billions if not trillions in capital flows to sustainably minded global SMEs.

2.3 Limited Access to Data and Insights

One of the key observations raised on multiple of the SME Taskforce Committees is the absence of a global common data platform to understand and evaluate sustainable SMEs and their funding needs and align those with investor/lender objectives. Reporting is fragmented and difficult, even for some of the largest corporations on their own suppliers. This was a key area of opportunity identified by all, in addition to standardized metrics leveraging the SDG framework.

2.4 Financial Literacy and Educational Gaps

The Sustainability Education and Tools Committee identified several gaps at the intersection of financial and sustainability literacy, including a need to help SMEs understand how to easily and effectively report on their sustainability commitments while being rewarded for their actions. A need to leverage AI-enabled tools to help busy SMEs understand how to best manage their finances and what types of financing might be available to them was also identified. The committee suggested tools for financial literacy such as Mastercard's Digital Doors®, and tools HealRWorld has created for SME SDG reporting/loyalty and adapting the Sustainable Development Impact Disclosure (SDID) application guidance into a common sustainable finance template. Other best-in-breed tools that spur inclusivity for sustainable SMEs should also be evaluated by the committee.

[18] https://assets.kpmg.com/content/dam/kpmg/se/pdf/komm/2022/Global-Survey-of-Sustainability-Reporting-2022.pdf

2.5 Underdeveloped Innovation Ecosystems

The Innovation iLabs Committee has identified significant gaps in the support available to truly sustainable SMEs. Most existing labs take a broad, general approach, which often leaves sustainable SMEs underserved and at risk of falling through the cracks. To close this gap, there is an urgent need for specialized innovation hubs dedicated to fostering sustainable SMEs—particularly those aligned with the UN SDG outcomes—so they can thrive in today's challenging growth environment.

3. The Opportunity – Enabling a Sustainable Finance Ecosystem

The opportunity to enable a sustainable finance ecosystem will require major systems changes that can open capital to sustainable SMEs to tackle some of the biggest challenges of our times. These changes must be implemented with alacrity to meet the existing trillion-dollar-plus funding gap.

A positive outcome from the work of the Impact Disclosure Taskforce (IDT) is that there are now 80+ global banks and financial institutions aligned to leveraging the United Nations SDGs for impact reporting and corporate sustainable investment ROI metrics for large corporate and governmental investments. If we align the same SDG reporting and metrics for sustainable SMEs in line with the work of the IDT, we can truly impact the entire marketplace.

By creating new educational and reporting tools leveraging the SDGs, AI-powered data, innovation centers, new funding structures, fintech solutions and true systems-level thinking, we can create measurable progress throughout the important ecosystem that supports sustainable SMEs. Corporations can also do more to support their supply chains by implementing their own financing tools, helping to bridge capital flow gaps and rewarding their sustainably committed suppliers. Technological AI advancements and digital platforms can and must be a critical lever to enable rapid proliferation of these strategies.

Furthermore, there is a growing demand by Generation Z and Millennials for sustainable products and services, so consumer sentiment can propel many of the innovations that are underway. Given their fintech[19] and sustainable consumption[20] patterns, sustainable fintech solutions are key in targeting these important and catalytic audiences.

At the same time, stakeholders are pushing investors to make more of an effort to be part of the solution, and most large governments are in agreement globally. In many countries, including the US, social entrepreneurship is proliferating. Multilateral and public-private funding is gaining momentum as a solution to many of the funding issues and is also a key area of opportunity.

[19] https://coinlaw.io/millennial-vs-gen-z-banking-preferences-statistics/
[20] https://www.esgtoday.com/70-of-gen-z-millennials-consider-environmental-sustainability-important-in-choosing-employers-deloitte-survey/

Leveraging cutting-edge financial instruments like Real World Asset-Backed Tokenization and Funds that offer investor liquidity can be game changing to enable streamlined funding in support of sustainably minded SMEs. Tools such as Sustain Planet Earth Committed® (an SDG self-reporting tool and rewards platform), along with a common SDID financing application leveraging SDG metrics connected to an AI-driven platform of willing and able investors and lenders, can streamline a very inefficient system of matching companies with the right funders for their stage and achievements.

Lastly, a concerted effort must be made to support the greatest innovations to upgrade and positively impact humanity through innovation labs that can assist with funding and business strategy to help them succeed.

4. Strategic Framework: The Workstreams

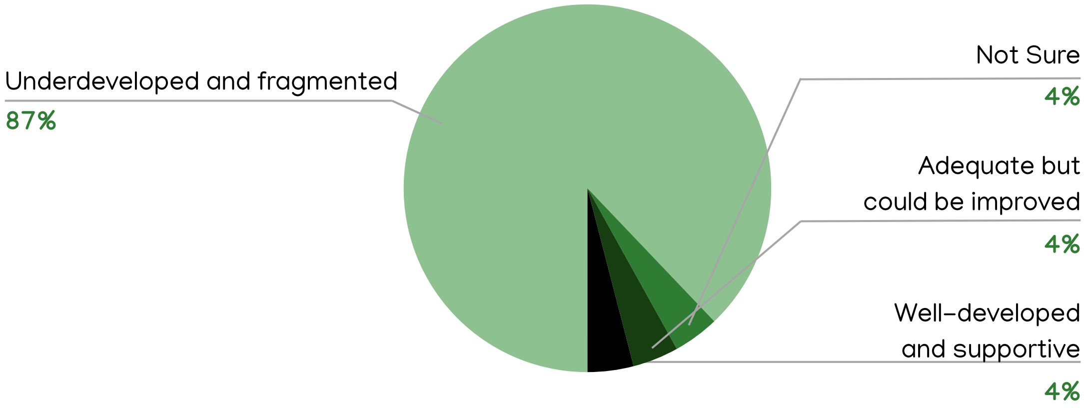
The SME Taskforce was organized into six "workstream" committees to more specifically address challenges and identify opportunities in each domain. Committee members supplemented their brainstorming sessions by responding to a survey designed to elicit information pertinent to their focus areas. The outcomes of these discussions and primary survey results are summarized below.

4.1 Impact Finance Ecosystems

Ecosystems Challenges

Feedback from Impact Finance Ecosystems Committee members highlighted important concerns about the status quo. Members cited significant access barriers for SMEs: 74% pointed to investor skepticism around social impact returns, 70% to limited access to patient capital (i.e., terms that provide for long-term investment with lower returns), and 65% to lack of awareness about funding opportunities. The impact finance ecosystem itself was described as "underdeveloped and fragmented" by 87% of participants, and 57% felt that intermediaries were only "somewhat effective" in connecting capital to SMEs.

How would you rate the current state of the social impact investment ecosystem for SMEs/entrepreneurs?



Respondents identified key weaknesses in current finance structures, including high investor risk aversion (70%), lack of standardized measurement frameworks for impact (70%), and overemphasis on financial returns (61%). Nearly half (48%) felt that transparency in the sector remains insufficient. Another 48% of respondents indicated that there is "some transparency, but room for improvement."

Recommended Strategies and Success Metric Opportunities:

To counter these challenges, committee members emphasized the need for blended and hybrid finance ecosystems that leverage diverse capital partners—including but not limited to impact investors, Development Finance Institutions (DFIs), SME data efforts, and local entrepreneurship-focused institutions—to de-risk capital and channel it into SMEs meeting sustainability benchmarks. More specifically, committee members identified the following strategies.

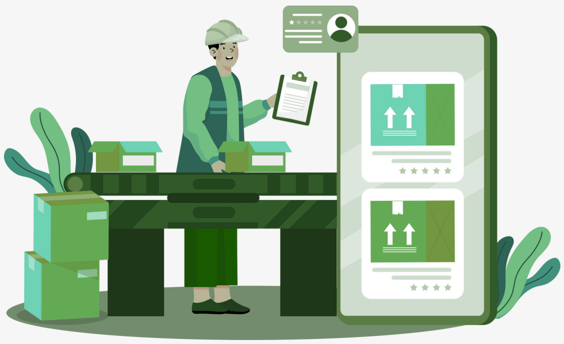
- Build blended/hybrid finance models and SME data consolidation efforts that include storytelling for de-risking investments;
- Expand the role of development finance institutions (DFIs) and impact investors, leveraging local financial and entrepreneurship-focused institutions as enablers;
- Increase the use of financing tools such as green bonds, micro-loans, sustainability-linked loans, and direct investment;
- Promote innovative funding models, including venture debt models, public sector financial innovations (e.g., private placements, social stock exchanges, regional exchanges), Revenue-Based Investment (RBIs), Project-Based Investment (PBIs), impact derivatives and annuities; and
- Leverage Funds and support provided by Blockchain for Good and AI for Good.

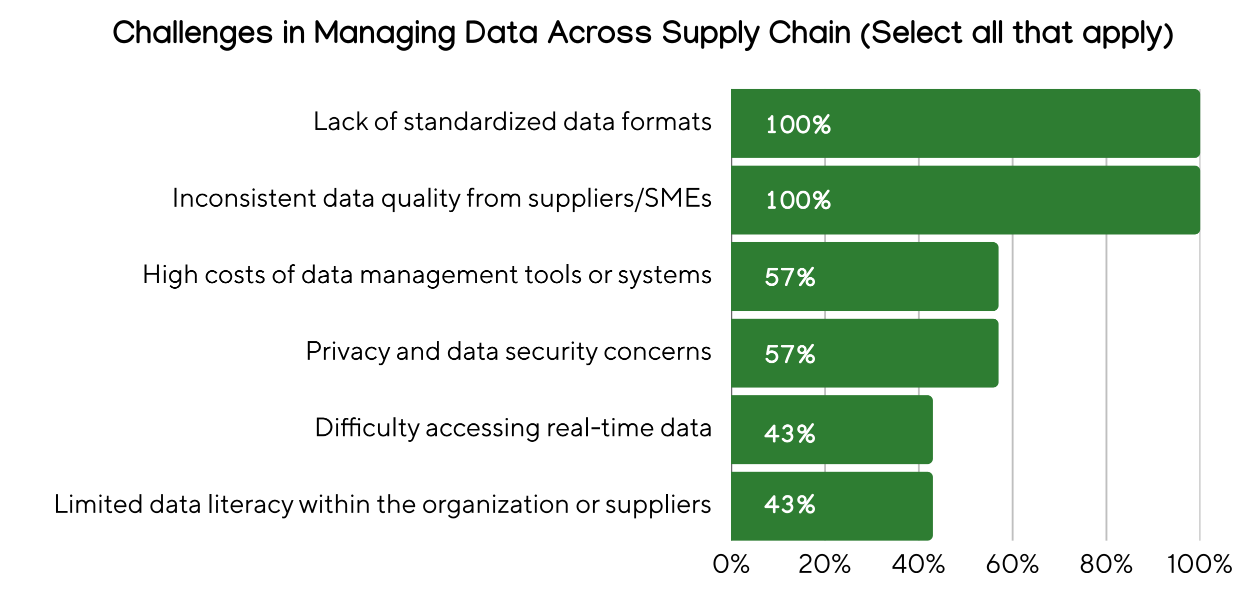
Committee members identified the following success metric opportunities:

- Deployment of measurable blended/hybrid capital to verified sustainable SMEs, projects, and ecosystems;
- SDG alignment across portfolios;
- Integration with Taskforce SDID to enable unified impact tracking and funding transparency;
- Development of SME finance data consolidation models;
- Successful storytelling on a local, regional, national, and international level;
- Evidence of significant data flows from local communities in addition to those provided by financial centers like New York and London; and
- Comprehensive de-risking strategies for SMEs at every capital level.

4.2 Sustainable Data Solutions and AI

The Sustainable Data Solutions and AI group explored how organizations manage, collect, share, and use data within their supply chains, particularly relating to SMEs. The most pressing barriers cited include a lack of standardized data formats and inconsistent data quality from suppliers/SMEs, with a striking 100% of respondents highlighting these issues. Looking ahead, 86% of survey respondents expressed a desire for improved data quality and accuracy, while 71% prioritized increased data sharing with suppliers/SMEs.





Recommended Strategies and Success Metric Opportunities:

Committee members recognized that, as global supply chains grow more complex and sustainability expectations rise, SMEs will require more consistent, secure, and actionable data practices to thrive. The committee identified the following areas for development as key objectives in building resilient, SDG-aligned supply ecosystems with SMEs.

- Data-driven credit scoring models;
- AI-enabled credit and sustainability decisioning models leveraging additional risk data sets like geo-political risk, climate risk, and commodity risk;
- AI for fraud detection, loan underwriting, and impact forecasting;
- Open finance and application program interfaces (APIs) to enable cross-platform integrations; and
- Inclusion of privacy and ethical considerations.

Committee members defined the following success metric opportunities:

- Accuracy and adoption of AI-enabled credit and impact models;
- Number of integrated data/application program interface (API) partners;
- Establishment of ethical data governance frameworks; and
- Contribution to global SME sustainability datasets.

4.3 SME Sustainability Education & Tools

The Sustainability Education & Tools Committee—comprised of experts in sustainability, finance, education, and policy—weighed in on the educational efforts necessary to advance SME progress. The committee unanimously identified the need for greater access to affordable, user-friendly tools and more consistent frameworks to measure, communicate, and align impact with global standards.

Among the top educational barriers cited were time and cost, lack of relevant and timely content, difficulty connecting with aligned capital, and lack of affordable education on the SDGs and sustainability frameworks.

100% of the Steering Committee survey respondents indicated that the Sustainable Development Impact Disclosure Tool HealRWorld adapted for SMEs to secure funding based on the Impact Disclosure Taskforce Guidance would be valuable to their organization in helping evaluate SMEs for impact financing. Furthermore, 100% of respondents said that the Sustain Planet Earth Committed SDG SME Reporting Tool was relevant in addressing the most common SME sustainability needs, while 50% found it to be highly relevant and well aligned with key SME challenges.

Recommended Strategies and Success Metric Opportunities:

The committee emphasized the importance of equipping SMEs with practical and affordable tools, education, and sustainability knowledge through tech-enabled, gamified, and localized education platforms that increase access to contracts and funding and encourage greater SDG alignment. Specific recommendations included the following strategies:

- Financial literacy and sustainability/SDG training;
- Digital platforms for investor and entrepreneur upskilling, such as Sustain Planet Earth Committed (SPEC) / SDID, and digital tools to facilitate effective business practices (e.g., Mastercard Digital Doors[21]);
- Partnerships with states, universities and accelerators (e.g., State of New Jersey);
- Gamification and community-based learning models; and
- Mobile-first learning in Africa.

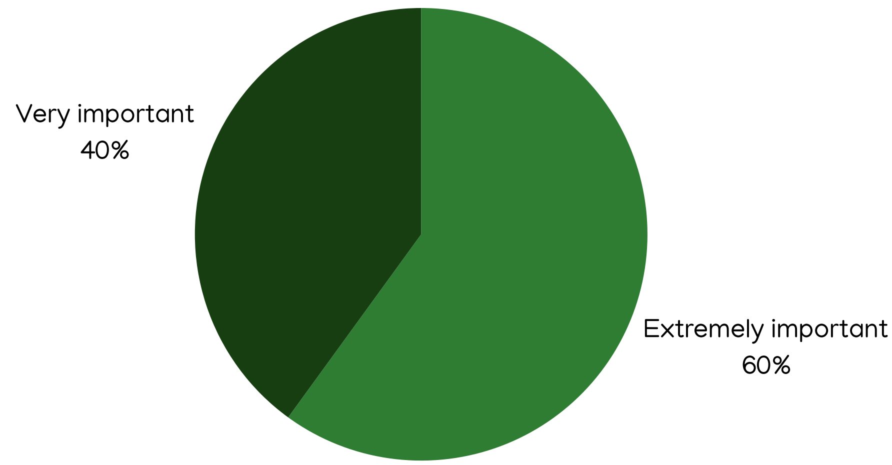
Every survey respondent indicated that it was either extremely important (60%) or very important (40%) for SMEs to demonstrate sustainability credentials in order to compete successfully. The most critical educational topics identified by the committee were basic sustainability literacy (100%), impact strategy and measurement (60%), UN SDG alignment (60%), and marketing sustainability efforts (60%). One-on-one coaching and peer learning networks (each 60%) were viewed as the most effective educational formats, alongside live and self-paced learning options.

From these insights, the following success metrics were distilled:

- Tools presented and adopted by SMEs via the SME Taskforce;
- Measurable improvement in SME sustainability alignment;
- Expansion of regional and national models demonstrating policy or procurement integration; and
- Africa digital learning uptake.

[21] The Mastercard Digital Doors® program helps small businesses get online, accept payments, protect business assets, and access tools and training to thrive digitally (https://www.mastercard.com/us/en/business/industry-segment/small-medium-business.html).

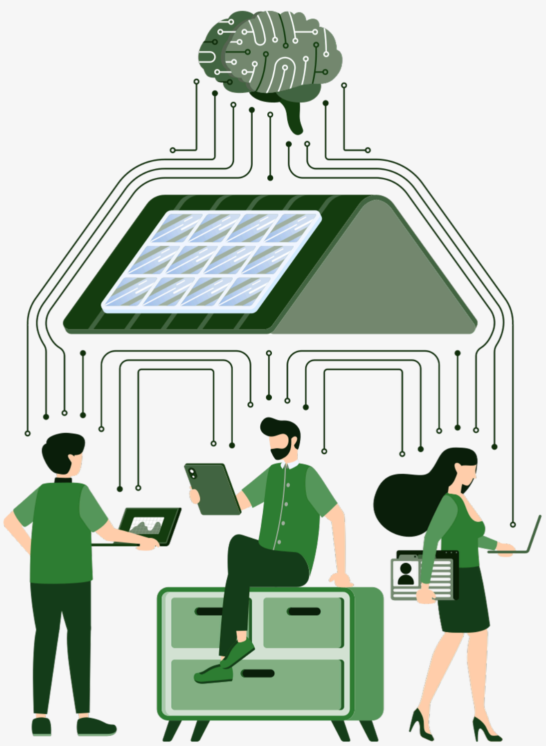
How important is it for SMEs to demonstrate verified sustainability credentials (e.g., certifications, verified reports) to compete successfully?



The committee noted that the SME Taskforce and its partners can play a pivotal role in providing toolkits, certification pathways, coaching models, and investment matchmaking platforms tailored to the evolving needs of SMEs in sustainability markets.

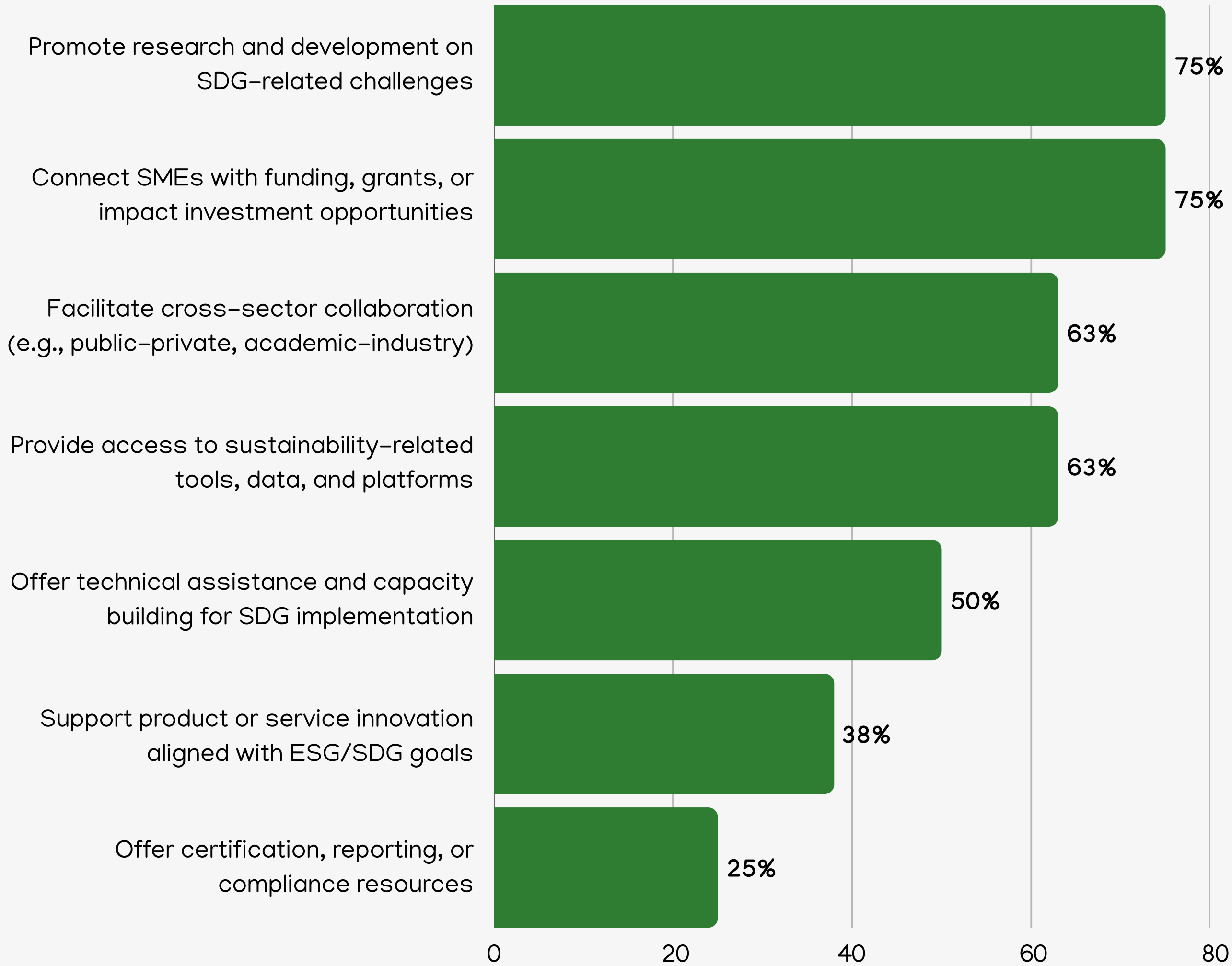
4.4 Impact Innovation Labs/Centers (iLabs)

Committee members focused on the role of impact labs and innovation centers in supporting sustainable SME success. The committee envisioned an ideal lab or center as a mechanism that would integrate education, funding, partnerships, and regional ecosystems. "Innovation Centers provide the scaffolding for businesses of all stages, ranging from ideation-stage startups, to SMBs and the Fortune 500. By integrating funding, partnerships, academia, and regional ecosystems, these centers bridge the gap between Main Street and Wall Street making it more accessible than ever for local operators to address global sustainability goals. At Plug and Play, we've seen that supporting startups with the right tools, trusted partnerships, and access to capital locally unlocks their capacity to deliver impact globally," stated Tyler Lange, Director, Plug & Play Center.



Committee members detailed several attributes that members considered essential for labs/centers to succeed. The committee's specific recommendations are outlined.

What Key Functions Should an Impact Innovation Center Prioritize? (Select all that apply)



Recommended Strategies and Success Metric Opportunities:

1. **Main Street to Wall Street Integration.**
Labs must be intentionally designed to bridge grassroots entrepreneurship and institutional capital, helping SMEs translate local innovation into investable, SDG-aligned opportunities through trusted data, credible pilots, and financial fluency.

2. **Embedded Regional Ecosystems.**
The most effective labs are rooted in local or regional ecosystems, co-located with SMEs, universities, civic infrastructure, and corporates, so solutions are shaped by real-world constraints, not abstract global templates.

3

Dual-Track Data Enablement.

Labs should capture both bottom-up data from SMEs and communities and top-down access to government APIs or open datasets, enabling more accurate, scalable, and contextualized impact measurement.

4

Applied Education & Capacity Building.

A core function of the lab must be to upskill SMEs on sustainability concepts, impact measurement, and funding pathways through hands-on workshops, cohort-based programs, or embedded advisors focused on execution.

5

Integrated Capital Access.

Labs should bundle early-stage catalytic funding (grants, blended finance, pilot sponsorships) with investor access and procurement pathways, so SMEs can move from idea to scale with clear financial support.

6

Cross-Sector Partnership Architecture.

Innovation labs must serve as interoperable platforms where universities, corporates, DFIs, startups, and policymakers can co-create. The goal is to align incentives and avoid siloed or duplicative efforts.

7

Multidisciplinary Pilot Design.

Labs should be able to support complex, cross-cutting pilots blending policy, hardware, software, and insurance solutions around real-world SDG challenges like water access, supply chain resilience, or urban health.

8

Built-In Policy Feedback Loop.

Labs should act as regulatory sandboxes where policy innovation and SME experimentation inform each other. Successful pilots should be able to "graduate" into real procurement channels, impact scoring systems, or public programs.

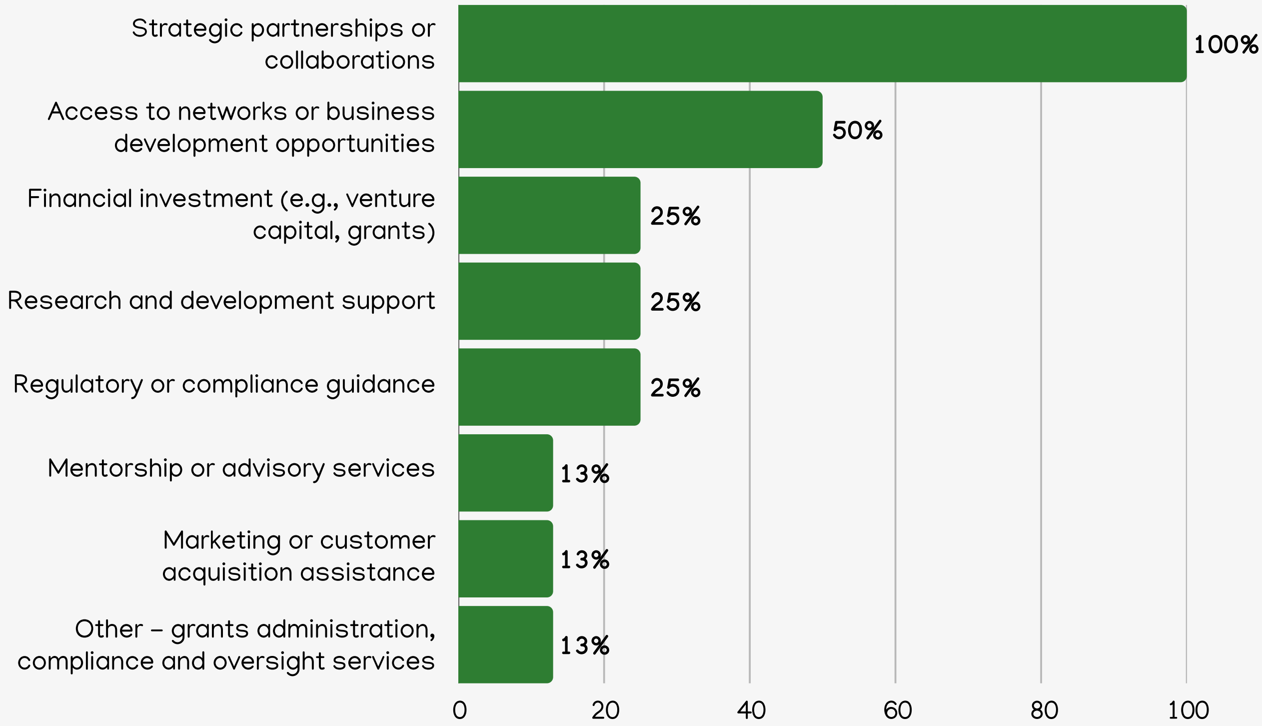
Based on these desired attributes, the committee identified the following success metrics:

- Number and diversity of ecosystem partnerships;
- SME participant growth across geographies;
- Quantifiable SDG impact of incubated ventures;
- Institutional investment catalyzed; and
- Increased adherence to SDGs.

4.5 Sustainable Fintech Innovation

Sustainable Fintech Innovation Committee Members are largely fintech stakeholders—75% of participants currently support sustainable fintechs. Strategic partnerships were the most common form of support cited (100%), followed by business development access (50%), and financial investment; research; and regulatory or compliance support (each cited by 25%). Participants highlighted significant obstacles associated with supporting sustainable fintechs, with 50% of respondents citing a lack of clear sustainability standards, inadequate tools for impact measurement, and weak market demand.

Types of Support Organization Provides to Sustainable Fintechs (Select all that apply)



Recommended Strategies and Success Metric Opportunities

Committee members coalesced on two primary means of advancing the prospects of fintech SMEs. One recommendation is to develop fintech platforms and tools that connect sustainably committed SMEs to capital by linking sustainability data to superior creditworthiness (as evidenced by the previous credit studies cited)—that is, using the superior creditworthiness of sustainable SMEs to drive fairly priced capital based on new data sets. Committee members identified the following actions related to this strategy:

- Developing a fintech platform that creates a sustainable finance lending and investing consortium based on SDID and SDG guidance for sustainable SME funding;
- Dispelling the sustainable lack of ROI myth by leveraging credit strength in matchmaking investors and SMEs;
- Leveraging public sector solutions to subsequently drive commercial solutions; and
- Developing a fintech platform that creates a digital-first strategy along with offering sustainable materials.

A second strategy offered by the group is to identify industry groups or archetypes where the act of lending into that category will drive outputs against the SDG development goals. The following table provides five examples of this type of lending.

The Five Archetypes – SDG Returns by Design

Green Asset Finance
Loans for energy efficiency upgrades, solar panels, clean transportation fleets, and waste management infrastructure. BloombergNEF reported $495 billion in small-scale solar investment in 2023, much of it through decentralized SME finance mechanisms.

Inclusive Micro-Working Capital
Micro and short-term loans for underserved populations, especially women-led businesses. The World Bank estimates the global gender credit gap at $1.7 trillion. Digital microfinance platforms have demonstrated 98% repayment rates among women borrowers.

Regenerative Agri-Lending
Loans tied to sustainable inputs and climate-resilient practices. FAO research shows sustainable farming increases long-term yields and reduces deforestation, contributing to SDGs 2, 12, and 15.

Digital Enablement Loans
Credit for SMEs adopting productivity software, e-commerce platforms, or data systems. McKinsey finds that digitally enabled SMEs grow revenue 2.5x faster than offline peers.

Education & Skills Loans
Financing for edtech SMEs, vocational training, and skills acceleration programs. UNESCO estimates that closing the education funding gap for SDG 4 will require $39 billion annually by 2030.

Members of the Sustainable Fintech Innovation Committee emphasized the complementary roles played by banks and fintechs in facilitating funding for sustainable SMEs.

Banks as Anchors for Impact Lending and Investment

Banks are central to unlocking scalable SDG-aligned finance. With declining public funding, the Boston Consulting Group projects sustainable finance to grow to $40 trillion by 2030, largely driven by private sector innovation. Three factors may contribute to the ability of banks to expand capital infusions into the sustainably focused SME market.

1. Financial opportunity: Impact-aligned SMEs are an underserved but creditworthy segment.
2. Regulatory readiness: Markets like the EU, Singapore, and Colombia are enabling green capital relief and SDG-aligned disclosure.
3. Operational capability: Banks can manage risk and compliance while leveraging fintech partners for origination and servicing.

Asset Managers Can Help De-Risk

Asset managers also have a critical role in de-risking the planet and social systems by channeling capital to sustainable SMEs. By providing patient, diversified, and catalytic capital, asset managers not only help SMEs scale solutions to global challenges, but also transform sustainability from a perceived risk into a long-term value opportunity. Their investment choices send powerful market signals, mobilize private capital where grants and DFIs are pulling back, and create the conditions for SMEs to thrive while addressing the SDG funding gap.

The Role of Fintech: A Scalable Distribution Engine for SDG Lending & Investments

Fintechs enable banks to originate and distribute SDG-linked lending products faster, cheaper, and more inclusively. They offer intuitive digital experiences for SMEs, automate onboarding, and embed impact tracking directly into the loan journey. Furthermore, they offer the ability to enable increased project financing and investments in addition to lending products.

Fintechs also are better equipped to integrate SDG eligibility tools like the Green Assets Wallet, Acorn, or machine-learning sustainability and impact models directly into the user experience. McKinsey predicts embedded finance will exceed $230 billion in revenue by 2025, driven heavily by SME and micro-entrepreneur lending.

As public sources of SDG finance recede, private sector actors—especially banks and fintechs—must lead the next wave of inclusive, climate-resilient lending. SDG-linked SME finance is no longer a fringe concept. It is a scalable, risk-adjusted, and socially critical pillar of future economic growth.

By embracing the SME-SDG Lending Impact Framework and forging fintech partnerships, banks can unlock new revenue streams, expand inclusion, and deliver measurable progress on the world's most urgent goals. Finally, committee members identified the following success metrics related to their recommendations:

- Capital deployed through SDID-aligned platforms;
- Increase in SME credit access and terms; and
- Investor and lender adoption of sustainably integrated fintech platforms/tools.

5. Impact for Africa - Executing the IDT SME Subgroup Full Strategy in Africa

One SME Taskforce Committee focused on developing a pilot test case strategy in Africa that would embody the various working group strategies. H.E. Ramatoulaye (Rama) Diallo, the founder and CEO of Great Green Wall of Africa (GGWoA) Foundation, an organization aimed at enabling climate adaptation and mitigation initiatives across Africa, and Chair of the Committee stated, "Africa is not a gap to be filled but a bridge to the future, a continent where youth, innovation, and resilience converge. By unlocking sustainable finance for African SMEs, we are not only addressing local needs; we are shaping models that can be scaled globally. The Impact Disclosure Taskforce SME Subgroup's Africa Pilot shows that when capital meets creativity, Africa does not follow the world, it leads it!"

The Impact for Africa Committee articulated the vision of implementing the proposed SME Taskforce strategies in Africa through a phased prototype combining local stakeholder engagement, tech-enabled SME support, and sustainable finance tools—the solutions proposed by the SME Taskforce's workstreams. The prototype would align with the work of the Sustainable Markets Initiative Africa Council, as well as the United Nations Financing for Development Initiative, the G20-Risk Reduction for SME Finance, and the United Nations Climate Change Decarbonization via SMEs strategy.

The SME Taskforce proposes to launch a scalable pilot to unlock sustainable finance for African SMEs through institutional collaboration, local bank partnerships, and innovative finance instruments, with measurable impact. The pilot would leverage SME SDG and sustainability data, as well as credit data and tools, and garner strong political and private sector backing. The pilot would execute the following objectives:

- Mobilize capital for sustainably committed SMEs in Africa;
- Demonstrate viability of local-bank-intermediated financing mechanisms;
- Build institutional and policy support through Heads of State and multilateral institutions;
- Develop proof-of-scale models for replication across the continent and other emerging markets;
- Leverage the IDT Guidance and SDG data and tools to measure impact; and
- Support African SMEs with education and the global digital marketplace for storytelling and fundraising.

5.1 Rationale for Africa

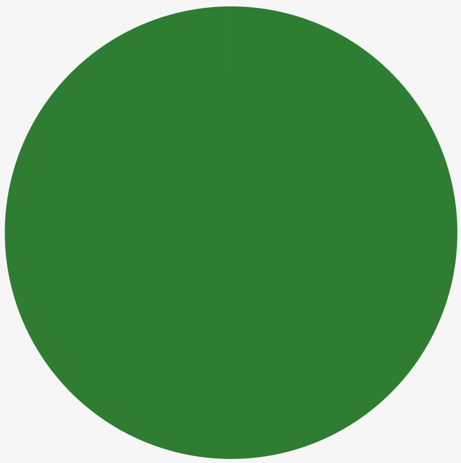
Africa provides an ideal pilot testing opportunity as it embodies an environment with the following characteristics:

- High SME contribution to GDP and employment;
- Large unmet financing needs;
- Digital adoption leapfrogging traditional finance;
- Youth population and innovation potential;
- High vulnerability to weather extremes; and
- Limited data.

The Committee noted the potential of partnering with multiple current Impact Disclosure Taskforce banks located in Africa, namely Equity Bank, NCBA Group and The Standard Bank of S. Africa.

The Committee was surveyed and asked to rate the current state of the social impact investment ecosystem for SMEs/ Entrepreneurs among other survey questions. A resounding 100 percent of respondents felt that it was underdeveloped and fragmented, underscoring the need for pilots such as this.

How would you rate the current state of the social impact investment ecosystem for SMEs/entrepreneurs?



5.2 Regional Implementation Blueprint

The committee outlined the following blueprint for action, organized into multiple implementation phases.

Phase 1

Needs Assessment and Mapping

- Local stakeholder mapping: fintechs, banks, regulators, NGOs
- Identification of pilot sectors (agriculture, clean energy, healthtech)

Phase 2

Multi-Sector Consortium Formation

- Local banks + AI/data firms + NGOs + government + academia
- MOUs and aligned incentive structures
- Presidential Council

Phase 3

Pilot Project Rollouts

- Launch of Impact Innovation Centers
- Rollout of a digital Educational Toolkit via mobile platforms
- Deployment of AI-driven credit and sustainability scoring
- Creation of Fintech/Sustainability Marketplace showcasing sustainable SMEs
- Creation of a Blended Finance Fund for SMEs meeting SDG and impact benchmarks

Phase 4

Monitoring, Learning, and Scaling

- Impact assessment framework (SDG-based)
- Policy briefings and knowledge dissemination
- Replication roadmap for other regions

The following success metrics were identified:

- Implementation of fully operational prototypes in key sectors;
- SME outcomes benchmarked against SDG targets;
- Consortium frameworks ready for replication; and
- Regional public-private alignment and strategic partnerships sustained post-pilot.

Importantly, the committee emphasized that this regionally grounded prototype is intended to demonstrate the global scalability of the SME Taskforce Framework.

6. Other Key Opportunity Areas

As a next step, the Committee is working on a detailed strategy and funding requirements for the scale-up pilot execution with numerous cross-functional team members comprised of a development bank, regional bank, major global financial services firm, experienced African investment professionals, SME credit and sustainability data experts, the Great Green Wall of Africa Foundation, and others. In addition to the important recommendations of the SME Taskforce Committees, other key areas of opportunity exist that must be considered in mobilizing capital at scale for sustainable SMEs.

6.1 Policy and Regulatory Enablers

Accelerating sustainable SME financing requires a policy environment that balances clear regulatory frameworks with incentives for innovation and collaboration.

Recommended policy frameworks should include targeted sustainable finance tax incentives, blended finance structures that de-risk investments, sustainability-linked lending guidelines tailored for SMEs, and sustainability and impact disclosure thresholds appropriate for smaller companies/suppliers.

These measures can help close the capital gap while building investor confidence in SME markets.

Corporations and banks play a critical role in this ecosystem. Large companies can and are embedding sustainable procurement requirements into supply chains, creating market pull for sustainably aligned SMEs. Banks can integrate sustainability metrics into credit scoring and offer appropriate products and rates based on the intersection of credit and sustainability data as opposed to higher rates based on a perceived higher risk mistakenly associated with sustainable SMEs.

Public-private innovation policies are critical to bridge financing gaps and scale solutions. Governments can help to fund and resource innovation hubs, facilitate access to global climate funds, and support accelerator programs that link SMEs with technology partners and corporate buyers. Corporations, in turn, can share R&D capacity and open data platforms and mentorship networks to de-risk SME innovation while supporting the innovations that are strategically aligned to their growth.

Strong **data governance and digital infrastructure policies** are the backbone of a sustainable SME finance market. Standardized data taxonomies leveraging the SDGs and aggregating sustainability reporting frameworks, interoperable reporting platforms, and open-access credit registries can reduce information asymmetry and transaction costs. Investments in secure digital ID systems, payment rails, and data-sharing protocols ensure that SMEs—especially in emerging markets—can build verifiable sustainability and credit histories, making them bankable at scale.

6.2 Key Partnerships and Stakeholder Roles

Advancing sustainable SME financing relies on the ability of a diverse network of **key partnerships** to find common ground and collaborate in a way in which each stakeholder plays a distinct but complementary role.

Government agencies and multilateral development banks can set enabling regulations, provide concessional capital, and underwrite risk-sharing facilities that make sustainable lending more attractive.

Local banks and microfinance institutions are critical for last-mile delivery, leveraging their relationships and market knowledge to extend tailored credit to sustainable SMEs within their regions. Furthermore, by reporting at aggregate levels to the private market in a transparent fashion on SME sustainability and credit data and success metrics associated with their programs, they can spur additional private capital investments for their work.

Impact investors can supply patient capital tied to measurable environmental and social outcomes as well as ROI, while **fintech and data startups** bring innovation in credit scoring, payment systems, and sustainability and impact data analytics to improve efficiency and inclusion. By transparently articulating their desired investment sectors, company stage, and revenue/success criteria, impact investors have an opportunity to create a better, more streamlined and transparent investment process and become a premiere source of financing for sustainably committed SMEs versus the current inefficient and misaligned VC or Private Equity system to which many sustainable SMEs are subject.

Academic and training institutions can support social entrepreneurs not only through targeted curricula, but by creating innovation centers that support the difficult social entrepreneurial journey together with corporations and governments.

Civil society and community-based organizations can help ensure that financing models are inclusive, culturally relevant, and accountable. Increased pro-bono legal services that support sustainable SMEs can protect innovations from theft or misuse for underfunded start-ups with limited legal resources.

Finally, **corporations and supply chains** can create ongoing demand for sustainable SMEs by embedding sustainability requirements into procurement practices, providing market access, and co-investing in supplier capacity building. Corporations and supply chain partners can leverage credit and sustainability data, partner with aligned financial institutions to offer innovative financing, and encourage SMEs to continue to incorporate these sustainability standards into their core business practices.

Together, these actors form an interconnected ecosystem that aligns finance, innovation, and market incentives for lasting impact.

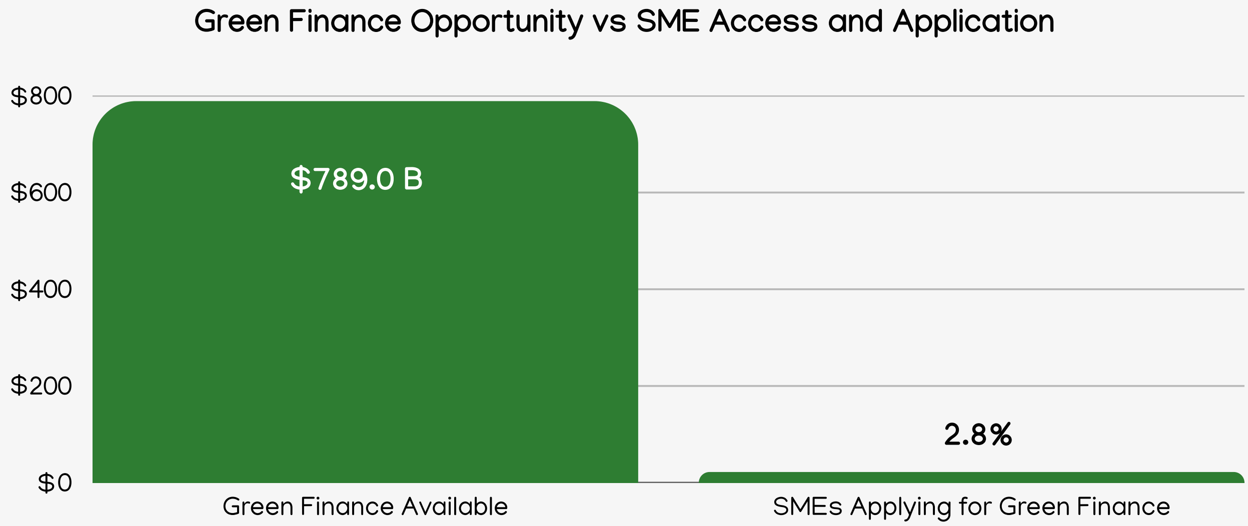
7. Conclusion and Call to Action

7.1 Recap of the Systemic Opportunity

As noted previously, there is significant systemic opportunity to leverage SME contributions in support of sustainable development. UNCTAD estimates global SDG financing needs exceed $5–7 trillion per year, yet only $1.2 trillion in impact capital has been mobilized (GIIN, 2023).[22]

Though pools of capital for sustainable finance are increasing, the Organisation for Economic Co-operation and Development (OECD) reports that SMEs struggle to access that capital due to their inability to easily measure and report on their sustainability KPIs and their utter lack of awareness about the sustainable financing options available to them. The OECD's "Financing SMEs and Entrepreneurs 2024" report highlights that the "supply of sustainable finance is expanding, driven by regulatory and stakeholder demand, as well as the management of net-zero transition risks. Public and private financial institutions are increasingly integrating climate considerations into their operations, offering tailored financing solutions for SMEs' investments in net-zero initiatives through various loan types, credit guarantees, and other financing instruments—but SMEs may not be able to access sustainable finance due to their limited ability to provide sustainability performance data, which is increasingly sought out by FIs to manage risks, develop financing instruments and meet reporting requirements. Moreover, SMEs also risk losing access to finance if they cannot demonstrate credible transition plans in their advancements to net zero, a significant issue for SMEs in high-emitting and hard-to-abate sectors. SMEs' limited demand for sustainable finance, often due to lack of information, awareness, capacity constraints and market and regulatory uncertainty, poses additional challenges."[23]

Our mission is to catalyze the creation of the **data, tools, fintech platforms, financial instruments, and innovation ecosystems** required to unlock this massive, yet largely untapped, market opportunity.



(International Chamber of Commerce ICC & Sage, 2024)[24]

[22] https://s3.amazonaws.com/giin-web-assets/giin/assets/publication/research/2023-giinsight-impact-investor-demographics.pdf
[23] https://www.oecd.org/en/publications/financing-smes-and-entrepreneurs-2024_fa521246-en.html
[24] International Chamber of Commerce & Sage. (2024, November 15). Unlocking sustainable finance for SMEs: The $789 billion green finance opportunity. Sage. https://www.sage.com/en-gb/company/digital-newsroom/2024/11/15/sage-report-reveals-789-billion-green-finance-opportunity-for-smes/

7.2 Key Solutions

Based on the discussions and recommendations of its six workstream committees, the SME Taskforce has identified the following key solutions, which are in various stages of development, to address this opportunity. Members of the SME Taskforce are offering their platforms and tools to help accelerate go-to-market strategies and iterating together to strengthen offerings while leveraging their networks to find best-of-breed market solutions, financiers and partners to support the mission. Our goal is to spur action via the various members of the SME Taskforce and their organizations given the group thinking and strategies recommended. In some cases, we are creating pilot initiatives with funding requirements as part of developing a go-to-market strategy in 2026 and beyond.

KEY COMPONENTS FOR SME-FOCUSED SUSTAINABLE DEVELOPMENT

New Financial Instruments

- **Proposed Real World Assets Equity Fund** – Anchored in verified SME sustainability and credit data and integrated with the Canton Network (Institutional Blockchain) for transparency and liquidity; and
- **Proposed Sustainable SME Debt Fund** – Developed in partnership with a private equity firm to complement the equity fund and broaden access to affordable capital.

Blended Finance Solutions

Solutions that help mobilize major capital market investments in collaboration with financial institutions, corporations and development finance institutions, to design and launch blended capital stacks that leverage catalytic funding to de-risk sustainable SME investments across emerging and developing markets in partnership with regional institutions.

Global Data Platform

AI-powered sustainability and risk intelligence platform for SMEs and partnership expansion, enabling standardized, secure, and accessible data sharing to power financial inclusion and SDG-aligned investments globally.

Enabling Tools Such As

- **SPEC (Sustain Planet Earth Committed®)** – A values-driven sustainability/SDG reporting and loyalty program tool for SMEs to easily report on sustainability goals;
- **SDID (Sustainable Development Impact Disclosure)** – A common SME sustainability impact financing tool to facilitate sustainability/SDG/impact transparency and financing access based on the Impact Disclosure Taskforce's recent guidance document; and
- **Mastercard Powered Tools for SMEs** – Including climate data calculators, risk scoring models, and digital onboarding tools and education to enhance SME readiness.

Next-Gen Fintech Infrastructure

SME Investment & Lending Matching Platform ("Fintech Lending Tree") – AI-powered matchmaking for SMEs and ecosystem lenders/investors, with built-in screening to validate mission-aligned participants and filter posturing actors.

Impact Innovation Centers (iLabs)

Launch of global and regional iLabs as hybrid hubs (physical and digital) for SME incubation, innovation, financing, and ecosystem convening. These will serve as operational anchors of the SME Taskforce's model.

Global Sustainable SME Marketplace & SuperApp

Integrated marketplace and mobile app where SMEs can access procurement opportunities, carbon tracking tools, offsetting mechanisms, and values-aligned commercial infrastructure. These affordable marketing tools will empower sustainable SMEs to sell their services and products to consumers and customers who are aligned with their values.

Next Steps for Implementation of SME Taskforce Strategies and Tools

Regional Strategies & Prototypes

Pilot Scale-Up Strategy that embodies the suggestions of the combined SME Taskforce Workstreams in targeted regions.

Africa Impact Strategy

Launch of a regionally grounded prototype designed to demonstrate the global scalability of the SME Taskforce Framework. The strategy will integrate tech-enabled SME support, sustainable finance instruments, and localized ecosystem partnerships across key sectors such as regenerative agriculture, clean energy, sustainable infrastructure and HealthTech.

Please join us in our mission to champion the global scale-up of sustainable SMEs in support of the United Nations Sustainable Development Goals through innovation and impact finance.

To get involved, email us at

info@idtsme.org.

Appendices

IDT SME Subgroup Detailed Surveys

Impact Disclosure SME – Impact innovation Center Survey: https://form.jotform.com/251053479144052
Impact Disclosure SME – Impact Finance Survey: https://form.jotform.com/251053018689055
Impact Disclosure SME – Data Survey: https://form.jotform.com/251053354832048
Impact Disclosure SME – Sustainable Fintech Survey: https://form.jotform.com/251006063931043
Impact Disclosure SME – Steering Committee: https://form.jotform.com/251173680292053
Impact Disclosure SME – Impact Finance -Africa Survey: https://form.jotform.com/251171854200043
Impact Disclosure SME – SME Tools and Education Survey : https://form.jotform.com/251181276287057

Case studies (e.g., Kenya's M-Akiba, Nigeria's Paystack)

https://www.viridian.africa/wp-content/uploads/2024/11/AAA_Pay-Stack_Case-study_Final.pdf
https://fsdafrica.org/the-story-of-kenyas-m-akiba-selling-treasury-bonds-via-mobile

Sample KPIs and measurement frameworks

The Sustainable Development Impact Disclosure (SDID) Report Video
Sustain Planet Earth Committed (S.P.E.C.) Video

Disclosure & Disclaimer

This whitepaper has been prepared by the Impact Disclosure Taskforce SME Subgroup (IDTSME Subgroup) and the Seton Hall University Stillman School of Business. Impact Disclosure Taskforce SME Subgroup is a fiscally sponsored program of Legacy Global Programs, a public 501(c)3 organization EIN:20-8099462, and a multi-stakeholder initiative committed to advancing best practices in impact, sustainability, and SME-focused disclosure. The findings, views, and recommendations contained herein are based on contributions from taskforce members, an anonymous survey, public data, independent research, and voluntary submissions from stakeholders.

Participation in the SME Taskforce and contribution to this whitepaper do not imply formal endorsement of statements, interpretations, or recommendations contained in the document by any individual member, organization, or affiliated entity. All members have contributed in a personal or organizational capacity to advance the shared objective of improving transparency but retain full independence in their commercial and policy decisions.

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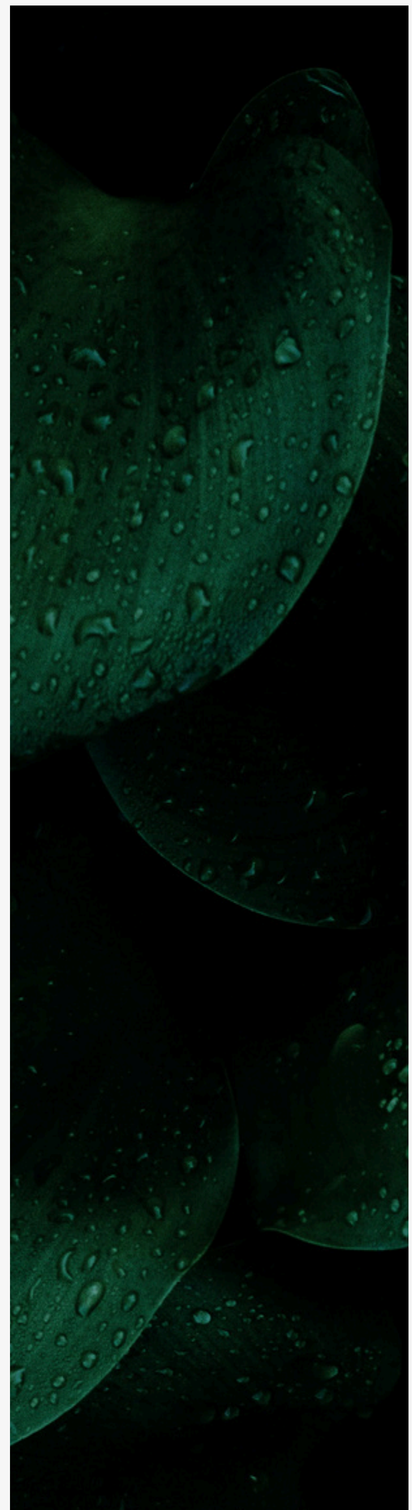

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