



Green Digital Finance Alliance

Please note that a Working Document will be produced within the next few weeks by Ant Financial Services which will provide additional information.

1. What is the purpose of the Green Digital Finance Alliance?

The Green Digital Finance Alliance has been created to address the potential for fintech-powered business innovations to reshape the financial system in ways that better align it with the needs of environmental sustainability. More details about the Green Digital Finance Alliance's purpose are provided at <http://www.greendigitalfinance.org>

2. Why is the Green Digital Finance Alliance needed now?

Financing sustainable development is one of the greatest challenges of our times. To meet this challenge will require ambition, innovation, and commitment, underpinned by effective collaboration.

Digital finance, or 'fintech', can shape citizens' behaviour, but has not been widely used to green decisions and outcomes. Potential is demonstrated by experiments for example in the use of mobile payment platforms to empower poorer, more isolated communities to access distributed solar, but scaled and wider applicability has not been attained.

3. Who is involved in the Alliance?

At its core, the Alliance's members will comprise innovative financial institutions committed to using digital technology to advance green finance in lending, investment, and insurance. To ensure success, the Alliance will draw in allies from across the worlds of environment and finance, who, through their expertise, insights and networks can contribute to collaborative actions with timely and scaled potential.

4. What has been the impact of the ANT Forest app?

From August 2016 to January 2017, 200 million people across China have voluntarily joined the programme, about 44% of Ant's user base in China, or about 20% of China's adult population or 3% of the world's total population. Behavioural change over the period has resulted in an estimated 150,000 tons of cumulative avoided carbon emissions and over 1 million trees planted by January 2017.

5. How does the app work?

Ant users get involved by voluntarily signing up to the Ant Forest app available on the Ant mobile platform. Having signed up, Ant then uses the individual's behavioural data to assess their 'avoided emissions'. In other words, the changes in consumer behaviour that result in less carbon emissions being created than the pre-determined benchmark. For example, if a user purchases metro tickets or pays household utilities online rather than in person, or commutes by walking instead of driving, the avoided carbon emission will be recorded as saved energy.

6. How many trees have been planted and what type are they?

By January 2017, over one million trees have been planted as part of Ant Forest. The Haloxylon tree was the species chosen to be distributed in Inner Mongolia Autonomous Region of China as it is suited to this desert environment. It has additional environmental benefits such as its deep roots which help fight against the erosion of sand dunes, and haloxylon forests reduce the intensity of sand storms. The carbon sink arising from a single haloxylon tree planted in the Alashan Desert has been estimated at 17.9 kg.

7. How is the carbon methodology determined?

Ant has worked with the China Beijing Environment Exchange in creating both the benchmark and the basis on which behavioural data enables avoided emissions to be calculated. In its current pilot stage, nine activities are taken into account, including aspects of transport, entertainment and utilities costs. Based on calculations of avoided emissions, individual users are awarded with 'green energy' points, which in turn form the basis of 'virtual trees' grown on the platform. Socializing the green energy is an active part of the user experience through social media, which includes moving green energy between user accounts and comparing across one's virtual community performance in growing trees. So although green energy has no tradable value in financial terms, the pilot is exploring possible bases for it and (avoided carbon emissions) becoming a facet of on-line identity and status. Ant will continue to improve the accounting methodology for translating behavioural data into carbon footprint data. Also working with UN Environment, Ant is committed to turning this method into a generally agreed protocol or standard, enabling other payment platforms to deploy it in their own particular context, with comparable results and perhaps eventually inter-operable user communities.

8. Does this project help deliver the Sustainable Development Goals?

Yes. Several of the SDGs make specific reference to forests, but many others are highly relevant, such as SDG 6 on clean water and sanitation.

9. Will this project help deliver the Paris Agreement on Climate Change?

Yes. According to the Intergovernmental Panel on Climate Change, the land use sector contributes about a quarter of anthropogenic greenhouse gas emissions (roughly 10-12 Gt of CO₂e per year). Delivering the goals of the Paris Agreement in a cost effective manner will be extremely challenging without addressing the land use sector, which involves both reducing emissions AND enhancing removals of greenhouses gases through activities such as forest restoration.

10. Is this part of the Bonn Challenge to restore 150 million hectares of degraded land by 2030?

Not formally. However the broad objective of using forest landscape restoration to 'restore ecological integrity and improve human well-being' is consistent with the Bonn Challenge, as well as other key international commitments such as the Convention on Biological Diversity (CBD) Aichi Target 15.

11. How can one get involved and/or contact the Green Digital Finance Alliance?

The G DFA is designed to leverage both open-source knowledge methods and academic approaches to research and policy analysis and development. Anyone can get involved in the G DFA, by submitting comments, proposing research topics, and offering knowledge, capacities and other resources. Sign up to our regular communications at <http://www.greendigitalfinance.org>