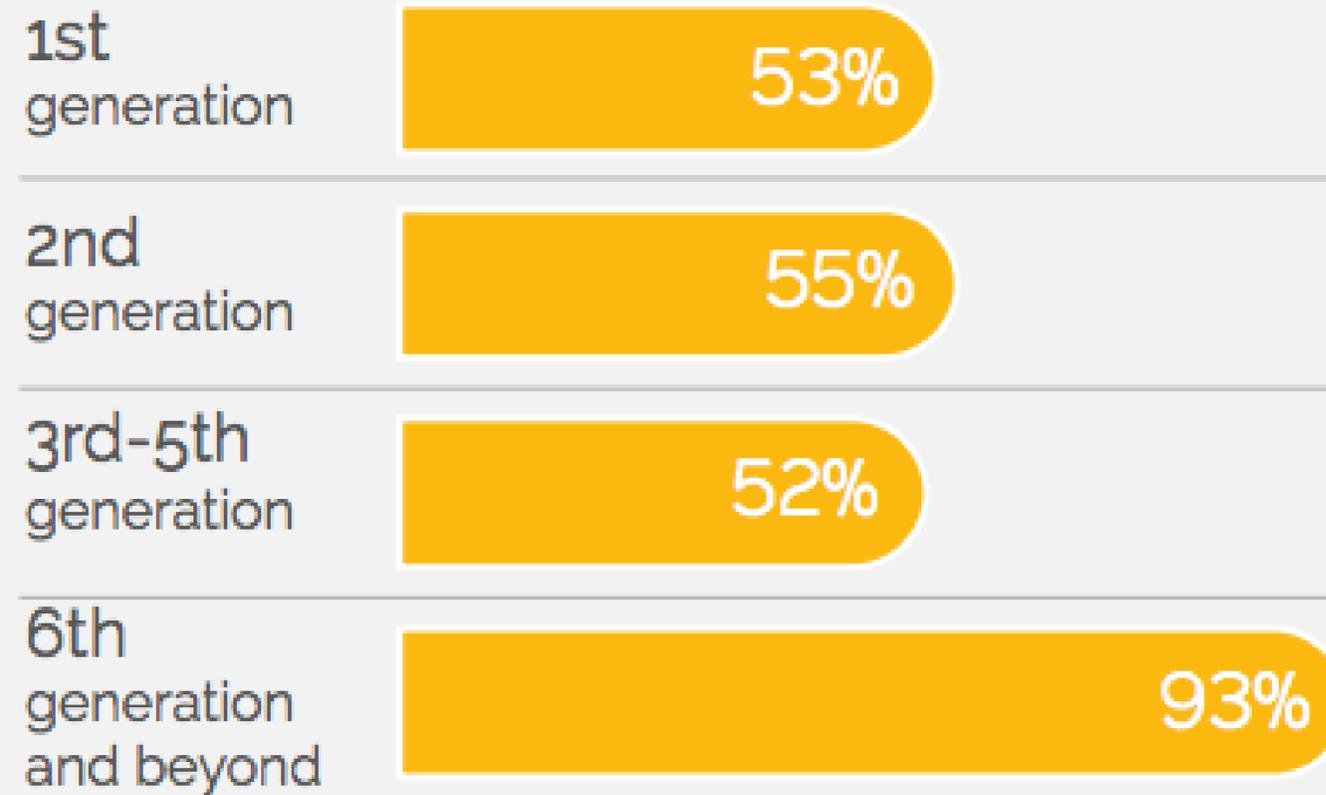




# Blockchain for Impact

Driving Sustainable Global Growth and Creating New  
Dynamic Business Models

## Figure 1.12 Proportion of respondents involved in impact investing by generation of family wealth



Base: Those active in impact investing.

Source: Campden Wealth / GIST Initiatives / Barclays Private Bank, Investing for Global Impact 2022.

Note: Figures may not add up to 100% due to rounding.

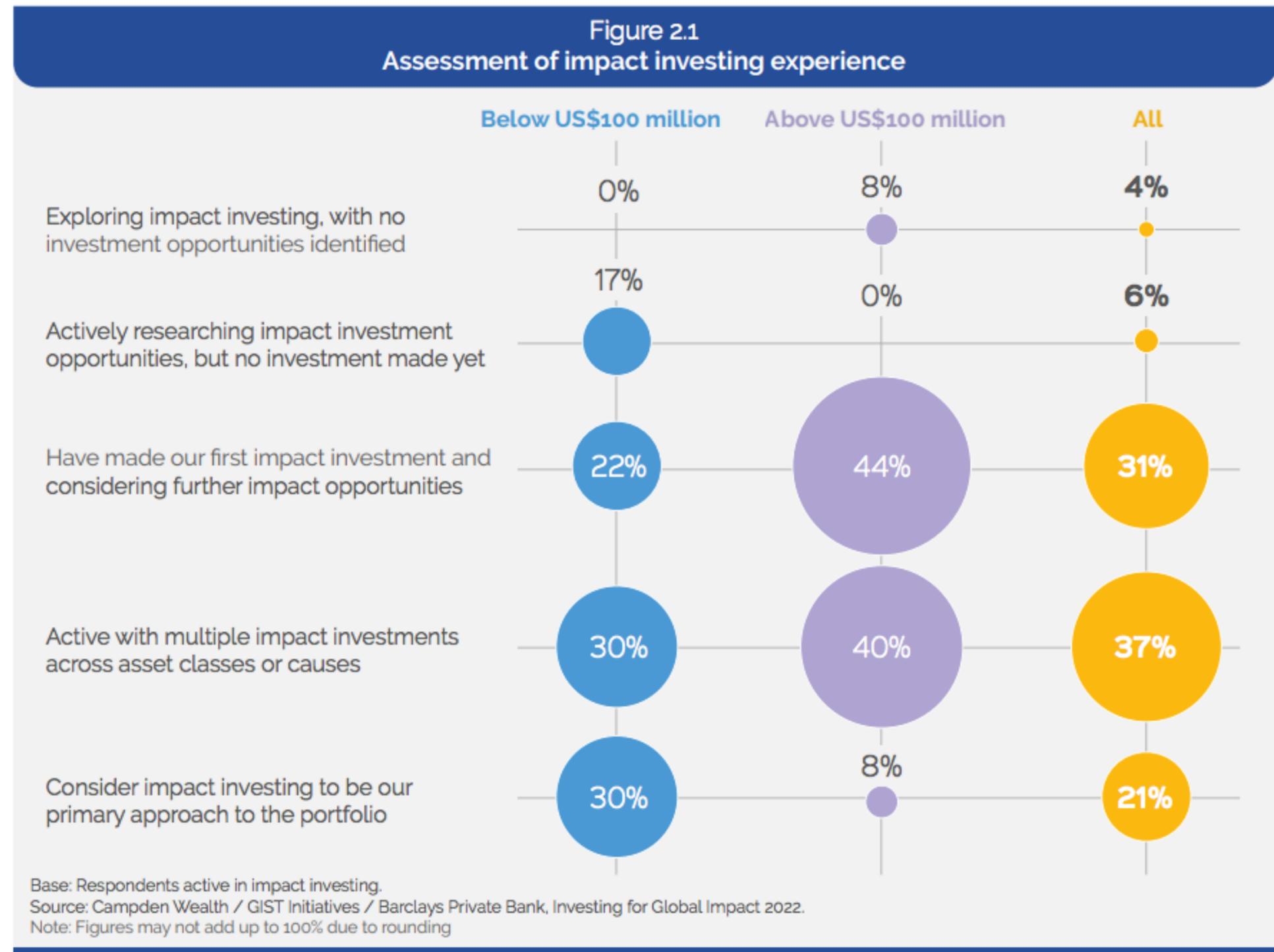


Investing for Global Impact report shows that private wealth-holders are ready to actively allocate capital towards solving our sustainability challenges.



Investors are becoming more focused on generating positive outcomes through impact investing rather than simply de-risking their portfolios by using ESG considerations.

The market can cater to more advanced portfolio construction with a focus on measurable and verifiable impact through increasing numbers of investors choosing impact investing as their primary portfolio approach.



# Efficiency and Transparency in Impact Investment

THE GROWTH OF IMPACT INVESTING IS  
HINDERED BY:

lack and/or high cost of trustworthy data on the social or environmental results of an investment, making credible accounting of impacts difficult

Challenges around the “attribution” of impact – meaning the allocation of an impact-related claim to an investor, often risking the “double-counting” of claims

Roadblocks in monetizing impacts – i.e. illiquid impact markets, uncertain returns, high transaction costs



**Could blockchain-based solutions solve these challenges?**

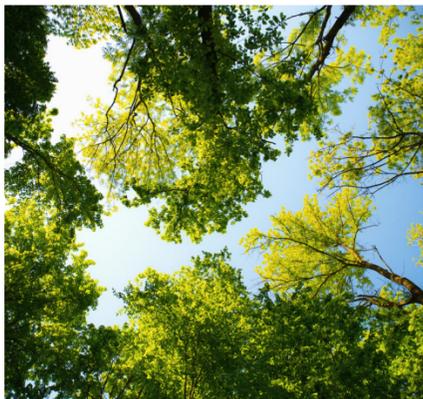
# Defining Blockchain

Blockchain is a common shared ledger that anyone can use without being regulated by any one party. In other words, blockchain is a decentralised peer to peer network where the record of transactions can be shared with other people and places.



## TRUST

Many impact investments take place in developing countries with low institutional capacity and low-trust environments.



## ATTRIBUTION

Impact tokens can be used to track the impact of an investment (i.e. in sustainable production) through a supply chain.



## IMPACT MONETIZATION

The monetization of impacts can be accelerated and transaction costs removed. High-trust impact tokens, especially those measured on a unit basis, lend themselves as key metric for the design of results-based finance schemes.

# THE CASE FOR BLOCKCHAIN USAGE IN IMPACT INVESTING



Many organizations are developing their private blockchains and applications-fails to harness the network effects of decentralization and safe storage of data



Blockchain designs must be designed carefully as there can be a risk of them becoming less resilient to market shocks



Blockchains utilize smart contracts to create indisputable information linked to known identities and information, consequently raising the question of privacy and the security of this information, which can be done on a public ledger available to the public.

# CHALLENGES AND BARRIERS OF IMPLEMENTATION

