

Space4Climate Market Breakthrough Funding

Uniting to lower the barriers to adoption of satellite-based climate services

Theme: Sustainable Finance

The climate world recognises finance as a key lever to influence sustainable outcomes. The private sector will play an important role in redefining ‘business as usual’ and is in a unique position to incentivise transition by agreeing to only lend to, invest in and insure businesses that manage their climate risks and impacts. Financing sustainable business has strong financial as well as broader societal benefits, which is why sustainable finance continues to gain traction and is an important market for the satellite-derived climate services data community to closely support.

Spatial finance tools (those derived from satellite Earth Observation and geospatial data) play a critical role in developing the right types of financial products which in turn will:

- Redirect capital to sustainable investment where there is insufficient investment in ESG (Environmental, Social and Governance) projects, thereby achieving greater sustainable and inclusive growth
- Manage the financial risks arising from climate change, the depletion of resources as well as environmental degradation and social issues
- Boost transparency – transparency on sustainability is seen as a precondition for investors to properly understand and price the longer-term value of companies, as well as to assess their management of sustainability risks.

The ‘STATE AND TRENDS OF SPATIAL FINANCE 2023’ report by the [Spatial Finance Initiative](#) rightly communicates that as policies and regulations around climate risk disclosures are driving demand for geospatial data and analytics, technologies for capturing and processing geospatial data rapidly continue to improve. While there is no doubt that the trends point in the direction of high demand for spatial finance applications, the community continues to grapple with the complexity of financial processes and meaningful sector engagement to translate their services.

These parts of the spatial finance community are well aware of the common data barriers faced and the often unrealistic expectations of data insights on both spatial and temporal scales. However, a bigger problem persists: how to innovate services for sustainable finance and to establish successful business relationships for long-term growth and socio-economic benefits. The sustainable finance collaboration will deep dive into this fundamental issue and provide market-validated recommendations and solutions to break or significantly lower this barrier once and for all.