2024

Credit Solutions Using Blockchain Technologies

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Executive *Summary*

The increasingly growing 3 Trillion dollars global credit liquidity gap, is ripe for innovation. Many of the problems inherent in the global credit industry are born of information asymmetry and the corresponding challenges in creating consensus on the value and quality of available information, under conditions of uncertainty, making lending more costly and less efficient. Fortunately, many of these issues of transparency and access can be neutralized by the very nature of consensus-building blockchain technologies. This creates enormous opportunities with positive ramifications for at every scale.

This report turns a spotlight on the leading solutions in the blockchain credit industry, and the innovative ways in which they leverage the power of distributed ledgers to lower the cost of access to credit, to increase efficiency and contribute to economic development worldwide.

Introduction

The credit industry plays a vital role in modern economies. Providing individuals and businesses with access to funds is required for the operation and creation of new businesses and opportunities. It is also a tool for raising communities out of poverty.

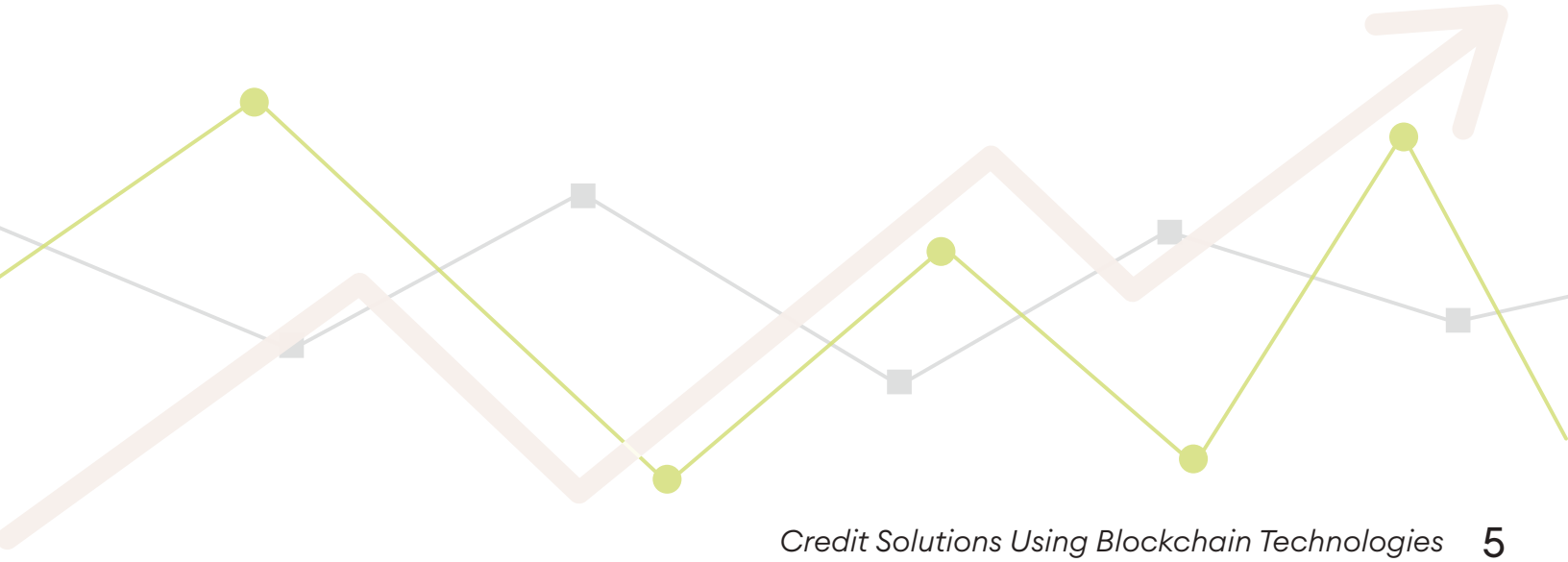
The credit sector, however, is not without its share of challenges, many of which are born from a lack of transparency or inability to develop a trusted consensus around real world value, leaving millions with restricted or total lack of access to credit. Many new technologies have been applied to the credit sector in the recent years in an attempt to overcome these issues, however the Credit gap is still growing. The advent of blockchains and distributed ledgers to the field of credit has the potential to overcome some of the sector's most pressing challenges, freeing up enormous value to lenders and borrowers alike and creating new opportunities and new markets around the world. By harnessing the power of decentralized information and digital consensus building, blockchain now offers new solutions to the field of credit, making capital more widely available, more agile, and more efficient.

This industry report aims to highlight the traditional issues in the field of credit, with a special emphasis on the unique contributions being made by blockchain technologies to address these issues. The first section of this report will lay out the most pressing problems and challenges faced by the credit sector. A special focus is placed on core inefficiencies that include traditional issues such as limited access to capital for small and medium sized enterprises and the unbanked, matching borrowers and lenders, and the efficient use and valuation of real world assets for collateral.

This report will also touch on more current problems, such as the value of trusted information in the carbon credit market, and overcoming transparency issues to help increase reliable long term borrowing in the climate sector.

The second section provides an overview of some of the most innovative and disruptive applications of blockchain technologies currently in development and in use.

The purpose of this report is to inform and inspire by giving an introduction to the potential of blockchains and distributed ledgers to drastically improve efficiency and access to credit, with positive implications for economies and individuals around the world.



01 Problems with *Traditional Credit*

Access to Credit for Small and Medium Sized Enterprises (SMEs) and the unbanked is limited in formal financial services

According to World Bank research, SMEs "represent about 90% of businesses and more than 50% of employment worldwide." SMEs also contribute nearly 40% of national income (GDP) in emerging economies, and these numbers are significantly higher when informal SMEs are included. According to World Bank estimates, 600 million jobs will be needed by 2030 to absorb the growing global workforce. In emerging markets, SMEs create 7 out of 10 available jobs. However, access to finance is a key constraint to SME growth. They are less likely to be able to obtain bank loans than large firms and instead rely on internal funds, or cash from friends and family to launch enterprises. The International Finance Corporation (IFC) estimates that 65 million firms, or 40% of formal micro, small and medium enterprises (MSMEs) in developing countries, have an unmet financing need of $5.2 trillion every year, which is equivalent to 1.4 times the current level of the global MSME lending.[1]
This $5+ trillion dollar financing gap represents an enormous opportunity for lenders, and begs the question of what is keeping credit scarce and how blockchains can help to overcome these shortcomings.

Some of the reasons for this gap and the challenges facing SMEs in obtaining funding include:

1 *https://www.worldbank.org/en/topic/smefinance*

I. Limited Collateral and Credit History:

SMEs often struggle to meet the collateral requirements set by traditional lenders. Many small businesses lack significant assets or have limited collateral options, making it difficult to secure loans. Moreover, the absence of a robust credit history or established creditworthiness further compounds the problem. Traditional lenders heavily rely on collateral and credit scores to assess the risk associated with lending to SMEs. As a result, even viable businesses with proven revenue and growth potential may face difficulties in obtaining credit, creating a liquidity gap that hinders their expansion plans and competitiveness. New applications of distributed ledgers offer trusted solutions to these issues of credit history, and creditworthiness, making more informal economic information and personal data more effective as a form of trusted economic identity. For more details on companies using blockchain solutions for improved collateral and credit history, see section 2.

II. Stringent Regulatory Requirements and Risk Perception: Traditional financial institutions operate within strict regulatory frameworks, imposing extensive documentation and compliance requirements. These requirements can be burdensome for SMEs, as they often lack the resources to navigate complex regulations. The perceived risk associated with lending to SMEs is another factor contributing to the liquidity gap. Traditional lenders may view small businesses as inherently riskier due to factors such as limited operating history, volatile cash flows, or higher failure rates. Consequently, lenders may be reluctant to extend credit to SMEs, exacerbating the liquidity gap and hindering their growth prospects. By pulling from different sources of trusted information than formal credit institutions, blockchain-based lending solutions offer new metrics for assessing risk and tracking compliance through automated digital processes and smart contracts. Whereas SMEs struggle navigating through strict regulatory requirements required by formal credit institutions, the diversification of crypto-lending and new risk assessment models allows them to access credit faster, utilizing alternative information to guarantee their creditworthiness.

III. Lengthy and Inefficient Loan Approval Processes: The loan approval processes in the traditional credit industry can be time-consuming and inefficient, further widening the liquidity gap for SMEs. Lengthy procedures involve extensive paperwork, manual verifications, and multiple layers of decision-making that contribute to delays in loan disbursement. SMEs, often operating in dynamic and competitive markets, require timely access to credit to seize growth opportunities or address urgent financial needs. The sluggish loan approval processes of traditional lenders often impedes their ability to respond swiftly to market demands, limiting their potential for expansion and innovation. Blockchains offer new efficiencies in the credit market via automated digital processes including loan approvals and

cash dispersion, reducing transaction costs in both capital and time, and helping businesses scale faster.

To date, access to credit remains unequal, disproportionately affecting marginalized communities. Discrimination based on race, ethnicity, gender, or socioeconomic status continues to be a prevalent issue in the credit industry. It is estimated that more than 4 billion people worldwide lack a legal, digitally-verifiable identity, which hinders participation in the global economy, as well as access to fundamental services like healthcare, government aid and financial services. This perpetuates economic disparities, hindering social mobility and reinforcing inequalities within society.
By addressing issues of access with trusted digital on-chain information, these new digital economic identities

can be leveraged and transformed by marginalized communities into other more formal identities, gaining them previously unavailable access to services, with positive ramifications for development on an individual and community level.

Inefficient systems for matching lenders and borrowers are exacerbated by lack of transparency

Organizations and businesses seeking credit often struggle to identify lenders who are willing to support their specific needs and are compatible in terms of loan amounts, interest rates, and repayment terms. Conversely, lenders may face challenges in identifying creditworthy borrowers that align with their lending criteria. The absence of efficient matching mechanisms not only prolongs the borrowing process but also contributes to a higher cost of credit.

The lack of transparency in the traditional credit industry further compounds the challenges faced by borrowers and lenders. Limited access to information about credit products, interest rates, fees, and lending criteria can make it difficult for companies to make informed decisions when seeking credit.

Moreover, the absence of standardized credit terms and transparency in pricing inhibits competition. It reduces borrowers' ability to compare different financing options, thus limiting their access to affordable credit.

Similarly, lenders face difficulties in assessing the creditworthiness and risk profiles of potential borrowers. This lack of transparency leads to information asymmetry, resulting in suboptimal lending decisions and a higher cost of credit. Inaccurate or incomplete borrower information hampers lenders' ability to make well-informed lending decisions, leading to a higher likelihood of financial losses.

Fortunately, on-chain information is fully transparent, providing a digital solution to the issue of transparency for on-chain lending. Through improved transparency, lenders can enhance their risk management practices, optimize pricing strategies, and ultimately improve their overall financial performance, while borrowers can access credit best suited to their needs, with lower risk of default.

Section 2 includes a more detailed explanation of how companies in the field are utilizing on-chain transparency to streamline the assessment of creditworthiness as well as to neutralize information asymmetry creating value for both borrowers and lenders. Improved transparency, through standardized information disclosure, clear pricing structures, and accessible platforms and technologies, like those highlighted in the following sections of this report, can enhance market efficiency, promote fair competition, and reduce the cost of credit.

Inefficient Use of Real World Assets as Collateral

The primary challenge associated with the use of real world assets as collateral pertains to the issue of liquidity and the trustworthiness of valuation data. The application of blockchains offers a new, efficient, and trusted digital way to record and use this information that can contribute to more inclusive and effective lending practices with positive ramifications for global development.

Valuation and Standardization: One of the primary challenges in using real world assets as collateral is the valuation process. Unlike financial assets that have standardized pricing and valuation models, real world assets can be diverse and unique. Determining the true value of these assets can be complex and subjective, requiring specialized expertise and appraisal methods. Lack of standardization in the valuation process can result in discrepancies and

disagreements between lenders and borrowers, making it difficult to establish an accurate assessment of collateral value. This challenge is particularly significant when dealing with unconventional or illiquid assets such as intellectual property, artwork, or infrastructure.

Transparent valuation practices are essential when dealing with real world assets, and the overall lack of transparency hinders the effective collateralization of diverse real world assets that would increase overall liquidity in the market. Transparent valuation processes provide borrowers with a better understanding of how their assets are assessed and enable lenders to make well informed decisions based on reliable information. Openness in valuation also fosters trust and credibility, promoting healthier relationships between lenders and borrowers.

By promoting transparency in asset valuation via consensus-based information, lenders can reduce disputes, enhance risk management, and facilitate more efficient lending decisions, and borrowers can more efficiently access credit by leveraging the value currently locked in their real world assets.

Asset Ownership and Control: Another challenge in leveraging real world assets is ensuring proper ownership and control of the collateral. Lenders need to have a clear legal framework that enables them to establish a legitimate claim on the assets in case of default. However, complexities surrounding ownership rights, legal titles, and potential encumbrances create costly uncertainties and disputes. Verifying ownership and establishing control over real world assets can be time-consuming and resource-intensive, adding an additional layer of complexity to the process. This is particularly true for the use of residential homes as collateral in areas of the world where the housing markets are more informal, and the land titles and housing registries are less accessible, drastically increasing the cost of access to credit. Both lenders

and borrowers must navigate the legal landscape and conduct thorough due diligence to mitigate the risks associated with ownership and control of collateral.

By leveraging the power of on-chain consensus and transparency, ownership verification and relevant legal documents can be digitized and accessed easily by all stakeholders. Trusted digital verification also allows individuals and businesses to build new markets around these real world assets, creating new opportunities for growth and development.

Liquidity and Marketability:
Real world assets, especially those that are non-traditional or illiquid, may pose challenges in terms of liquidity and marketability. Unlike financial assets that can be easily sold or traded, real world assets may have limited secondary markets or require substantial time and effort to find buyers. This lack of liquidity can create difficulties for lenders in recovering their funds in case of default. This is particularly true for the commodities class of real world assets. Lenders need to carefully evaluate the marketability and liquidity of the underlying assets to assess the potential risks and determine the appropriate loan-to-value ratios. Insufficient marketability can increase the risk exposure for lenders and limit their ability to efficiently monetize the collateral.

Climate Space: Carbon Credits and Timeline Liquidity Gaps

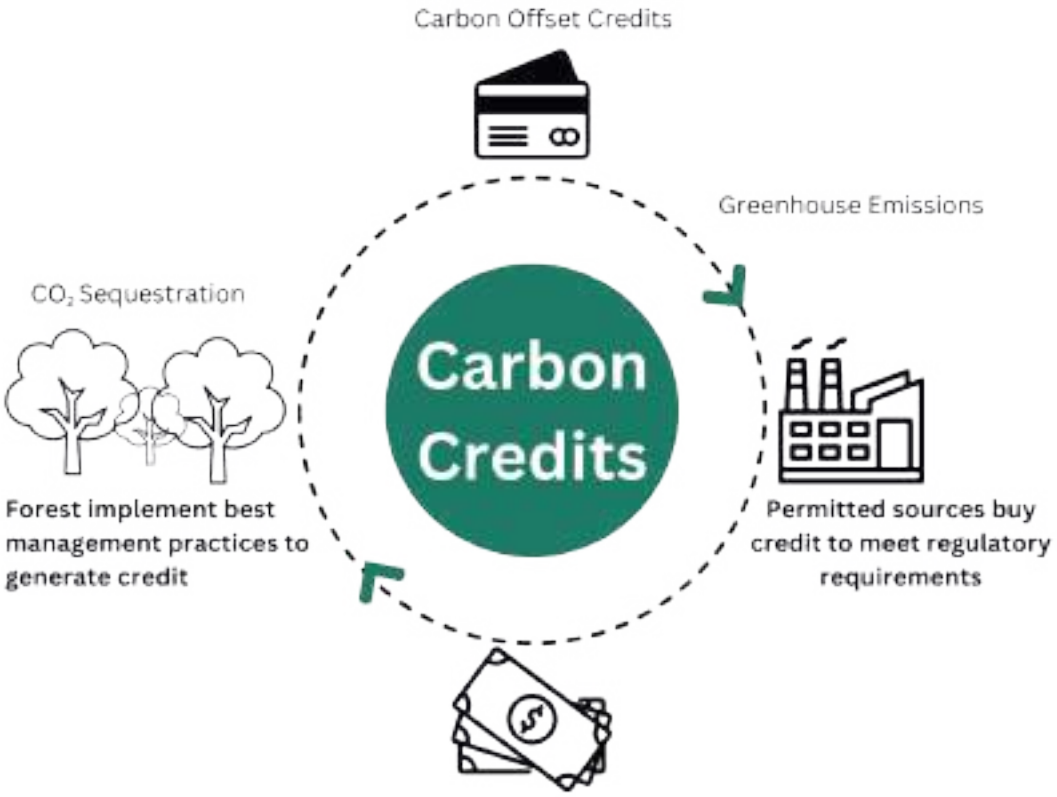
The carbon credits market, also known as the emissions trading market, has emerged as a crucial mechanism to address climate change and reduce greenhouse gas emissions. While the market aims to incentivize emission reductions and promote sustainable practices, it faces several problems and shortcomings that need to be addressed.

Carbon projects face challenges accessing liquidity that prevents them from scaling carbon neutral or climate-savings projects. Companies struggle to find a high-quality supply for certified carbon credits and the carbon credits market can experience significant price volatility. The value of carbon credits is influenced by factors such as changing regulatory frameworks, political uncertainties, and market speculation. Fluctuations in prices can affect the viability and profitability of emission reduction projects, making it challenging for businesses and investors to plan and make long-term investments. The absence of stable and predictable carbon prices can hinder the market's ability to drive sustained emission reductions at scale.

The market suffers from a variety of failures, characterized by noise, opacity, and a lack of structure, leaving suppliers struggling to meet demand, and extreme difficulty in finding the appropriate organizations to finance them. The industry is caught in a supply crunch, with markets expected to grow by 25x to 50x by 2030 due regulations and government incentives. However, businesses in this sector are currently not scaling fast enough to meet this demand due to an inefficient lending environment.

By utilizing the benefits of blockchains, the climate sector stands to benefit substantially from increased transparency, more efficient matching of appropriate borrowers and lenders, and trusted consensus on the value of high quality carbon credits, helping to support the scaling and development of much needed climate solutions on a global scale.

The following section lays out a number of innovative approaches to financing the climate sector by leveraging the power of blockchains and distributed ledgers to overcome those core issues of price fluctuation, lack of transparency, and changing regulatory frameworks.



02 Innovative Blockchain *Solutions*

The reasons blockchains can increase efficiency and reduce costs in the credit industry are:

Enhanced Security and Data Integrity: Blockchain's inherent features, such as immutability and decentralization, provide robust security and ensure data integrity in credit transactions. By storing information across distributed databases, blockchain reduces the risk of data breaches and fraudulent activities. Smart contracts, programmable self-executing agreements on the blockchain, enable more secure and transparent credit transactions.

Streamlined Loan Processes: Blockchain technology streamlines the loan origination and approval processes, benefiting both lenders and borrowers. The implementation of blockchain-based platforms simplifies documentation, verification, and underwriting procedures. With access to a decentralized ledger, lenders can verify borrowers' identities, credit histories, and collateral ownership. Smart contracts automate loan agreements and reduce administrative costs. Additionally, blockchain enables fractional lending, where loans can be divided into smaller units, increasing liquidity and facilitating access to credit for borrowers.

Improved Creditworthiness Assessment and Financial Inclusion: By leveraging blockchain's transparent and immutable nature, alternative credit scoring platforms can evaluate borrowers' creditworthiness and enable them to carry their identity and information across platforms and demonstrate their creditworthiness online whenever required. It enables lenders to make more informed lending decisions, expanding access to credit for individuals and businesses who were previously excluded from the traditional credit system. This is particularly important to underserved populations, which had little to no formal credit history.

More Efficient Cross Border Liquidity Solutions: By substantially lowering transaction fees and eliminating centralized middle-men such as formal financial institutions, blockchains offer much faster and more affordable cross border payments and remittances, without sacrificing security or transparency.

The combination of these inherent features, helps to make currently illiquid assets liquid, providing new options for borrowing and lending with added benefits for all involved stakeholders. The tokenization of global illiquid assets is estimated to be a $16 Trillion business opportunity by 2030.

The purpose of this report is to provide a systematic mapping of active (to date) and development-phase projects leveraging the power of blockchain technology to increase efficiency in the credit sector and to address the problems laid out in section 1. What follows below is a table depicting the businesses included in this mapping study, categorized by unique solution, followed by short textual descriptions of select projects and their offerings.

A Note about methods: This mapping was done via an aggregation of businesses in the industry, both credit collective members and non-members. Using public facing information like websites and whitepapers, we conducted a mapping of the existing

Source: World Economic Forum – Global Agenda Council, BCG Analysis

offerings and their current stages to give an accurate sense of the industry and the direction in which we believe this technological application is going. Companies included in this report had to be specific to blockchain-based credit solutions, addressing major issues in the sector, such as the liquidity gaps and lack of transparency, as well as providing innovative decentralized solutions for more specific subcategories of the field such as climate financing.

Name	Stage (Pdt v. Ideation)	Bridging Liquidity Gaps for SME	Digital/ Economic Identity	Credit Scoring/ Risk Assessment of Borrowers	Digitizing Real World Assets on Chain	Leveraging Real World Assets on Chain (Carbon Credits)	Matching Borrowers and Lenders	Alt RWA	Infraestructure
Akiba Digital	Production	●	○	●	○	○	○	○	○
Anzi Finance	Ideation	○	○	●	○	○	○	○	○
Atlends Labs	Production	●	○	○	●	○	○	○	○
Canza Finance	Production	●	○	○	○	○	○	○	○
Carbon Path	Production	○	○	○	○	●	○	○	○
Centrifuge	Production	○	○	○	●	●	●	○	○
Cerchia	Ideation	○	○	○	○	○	○	●	○
Cicada	Ideation	○	○	●	●	○	○	○	○
Cr3dentials	Ideation	○	●	●	○	○	○	○	●
Cred Protocol	Production	○	○	○	○	○	○	○	○
Credix Finance	Production	○	○	○	●	○	○	○	○
Empowa	Ideation	●	○	○	○	○	○	○	○
EthicHub	Production	●	○	●	○	○	○	○	○
Finanex	Production	●	○	○	○	○	○	○	○
Flowcarbon	Ideation	○	○	○	○	●	○	○	○
Gane	Production	●	●	○	○	○	○	○	○
Goldfinch	Production	○	○	○	●	○	○	○	○
GoodDollar	Production	○	●	○	○	○	○	○	○
Huma Finance	Production	○	○	○	○	○	○	○	●
ImpactMarket	Production	●	○	○	○	○	○	○	○
Jia	Production	●	○	○	○	○	○	○	○
KUMO	Ideation	○	○	○	○	●	○	○	○
Lightency	Ideation	○	○	○	○	●	●	○	○
Masa	Production	○	●	○	○	○	○	○	○
Metatron	Production	○	○	○	○	○	●	○	○
Moola Market	Production	○	○	○	○	○	○	○	○
Nomis	Production	○	●	○	○	●	○	○	○
Prypose	Ideation	○	○	●	○	○	●	○	○
Quipu	Production	●	○	●	○	○	○	○	○
RociFi	Production	○	○	●	○	○	●	○	○
Solid World	Production	○	○	●	○	●	●	○	●
SympliFi	Production	●	○	○	○	○	●	○	○
TrueFi	Production	○	○	○	●	○	○	○	○
Unergy	Production	○	○	○	○	●	○	○	○
Untangled Finance	Production	●	○	○	●	○	○	○	○
Worldcoin	Production	○	●	○	○	○	○	●	○

Atlendis - Atlendis is a "capital-efficient credit protocol connecting DeFi with real-world use cases." Atlendis aims to fill the gap that traditional finance has not been successfully able to cover. Leveraging blockchain technology and open banking, Atlendis enables Fintech and institutional actors to open dedicated liquidity pools and access one-time loans and revolving lines of credit, facilitating alternative financing for the growth and development of SME and startup customers across the globe.

Canza - Canza Finance, fuses web3.0 technology, DeFi, crypto assets, and traditional economic infrastructures to unlock financial products for individuals and businesses. Canza Finance solutions entail five different but interconnected areas encompassing Crypto-currency Onramp and Offramps, Cross Border Settlements, Treasury, Decentralized Finance, Crypto Teller Machines, Agent-based banking, and IPFS Storage.

Ethic Hub - Ethic Hub defines itself as Regenerative Finance. From the EthicHub platform, you can invest in increasing the productivity of smallholder farmers (field and export operations) or provide collateral to support these loans. The platform operates a risk management mechanism via on-chain "crowd collateral".

SympliFi - SympliFi is a financial technology platform that is transforming the way people in emerging markets access credit, for productive uses. Thier mission is to create economic opportunity and accelerate financial inclusion in emerging markets by radically increasing access and radically decreasing the cost of credit for the millions of underbanked micro & small businesses. We believe the next generation of credit and microfinance will be on-demand, decentralized and seamlessly accessible everywhere entrepreneurs operate, at a fraction of the cost. Our ultimate goal is to create a level playing field for economic growth and prosperity.

Metatron - The metatron DAO platform utilizes the power of AI and blockchain technology to "match visionary projects with the resources they need to thrive and solve complex social and environmental problems." Metatron relies on the predictive power of AI and blockchain smart contracts to automate investment processes on the African continent, reduce frictions, and grow local economies.

Jia - Jia is a global financial community where small businesses access capital when they need it, be rewarded for the value they contribute to the economy, and build wealth. Jia provides affordable financing for micro-businesses, and upon repayment they offer these businesses token rewards. These tokens grant access to revenue streams from Jia's lending protocol. Borrowers can also use tokens as security for lower interest rates, higher loan amounts and more flexible loan terms.

Gane - Gane is a cell phone carrier that serves users with free data, voice, text, and a web3 wallet. Users interact with sponsored content and earn tokens that are then swapped in the wallet for free services.

Gane's web3 wallet offers services like identity, remittances, low interest loans and more. Users learn how to use these financial services by interacting with content in the app, for which they earn tokens. By taking advantage of an already embedded technology tool (smart phones) Gane utilizes aggregated economic identity data from phone credits to access micro credit and crypto wallet.

GoodDollar

GoodDollar - GoodDollar is a protocol that creates free money as a public good, fully governed by its members. Their mission is to advance financial education and access to UBI for all, by using decentralized blockchain technology.

GoodDollar issues a conditionless universal basic income payment for all members in their community, creating a financial ecosystem driven by a digital economic identity. The GoodDollar community has over 500,000 members in 181 countries receiving disbursements in G$ tokens.

Worldcoin - Worldcoin is building the world's largest identity and financial network as a public utility, giving ownership to everyone. Worldcoin aims to provide anyone in the world, regardless of background, geography or income, access to the growing digital and global economy in a privacy preserving and decentralized way.
By creating a trusted "proof of personhood", alongside a public financial utility, Worldcoin aims to enable global democratic processes and eventually show a potential path for AI-funded universal basic income.

Impact market - ImpactMarket is an impact-driven open protocol, unlocking access to finance, which includes universal Basic Income, crypto wallets, and access to Microcredit. Impact Market empowers vulnerable communities and underserved people around the world. Their human empowerment protocol provides accessible financial solutions and transparent information, built to enable financial independence and literacy for all. They are supporting over 46,000 people with UBI in almost 30 countries.

Nomis - Nomis is an identity protocol that enables users to leverage their on-chain reputation and get personalized Web3 experiences. Nomis offers a wallet scoring product and credentials protocol which helps on-chain developers build better DeFi products.

Masa Finance- Masa is the first and fastest-growing Soulbound Token project. They are building an interoperable and composable data protocol through Soulbound Tokens - SBTs. Masa Finance's SBTs support on-chain user authentication, credit profile, and overall identity solutions. This technology has potential for implementation in a variety of other services and products. Soulbound Tokens are the future of trusted, safe digital identity.

Rocifi - RociFi is an on-chain credit scoring and capital efficient DeFi lending protocol that allows borrowers to get fixed-term, fixed-rate stablecoin loans with reduced collateral while giving lenders the possibility to earn interest from depositing their assets into lending pools.

Quipu - Quipu contributes to closing the credit gap for micro-businesses borrowers in the traditional financial system, using a DeFi lending protocol that connects decentralized stablecoin investors with these underserved borrowers. Lenders receive stable yields supporting the real-world activities of micro-entrepreneurs.

Akiba Digital - Akiba Digital is a lending-as-a-service B2B SAAS in South Africa which includes data intake, credit scoring and disbursement. Built to empower credit-invisible borrowers like small businesses, Akiba Digital aggregates their cash flow and other alternative data to create a digital credit profile that lenders can use to assess them for credit. Lenders use these tools to originate and assess their borrowers whether banked or unbanked.

Cred Protocol - Cred Protocol is a web3 credit bureau that quantifies digital asset risk at scale. Cred Protocol works with institutions across web2 and web3 who seek to understand the holistic risk profile of businesses or consumers.
Using input from on & off-chain data sources, Cred Protocol builds data packages and risk intelligence products that allow for more transparent and efficient quantification and monitorization of digital asset risk.

Unergy - Unergy democratizes and decentralizes sustainable digital investments. By tokenizing solar investment projects and opportunities, Unergy facilitates small investments in solar projects, making green investments more inclusive and sustainable.

Solid World - Solid World is building environmental asset markets to increase the flow of capital for environmental commodities producers, accelerating climate action. They launched two markets with a combined $2.2M AUM, targeting 30B environmental assets markets.

Increasing The Utilization of Real World Assets - infrastructure platforms

Many different Real World Asset protocols have emerged in the credit field, tokenizing different forms of credit – either fully asset-backed or unsecured - through consensus-based, fully transparent mechanisms. Market leaders are Centrifuge and Goldfinch.

Huma Finance - Huma Finance is an infrastructure service for credit pools, smart pooling, and distribution of pools, facilitating the adoption and implementation of blockchain solutions for the credit industry.

Credix - Credix connects global institutional investors with credit opportunities, unlocking returns through robust underwriting and building on the most advanced decentralized technologies to achieve scale. Credix technology empowers the tokenization and securitization of real-world assets, creating programmable assets and automated capital markets workflows. They are aiming to move the $800 billion private credit market into the digital era.

TrueFi - TrueFi is one of the leading platforms for on-chain credit, with over $1.7 billion in loans originated since 2020. The platform's modular infrastructure caters to the needs of asset managers, borrowers, and lenders across multiple asset classes. As of 2023, TrueFi products have served 30+ trading firms, fintechs, emerging market credit funds, and a regulated T-bill fund manager.

Centrifuge - Centrifuge is the platform for on-chain finance, providing the infrastructure and ecosystem to tokenize, manage, and invest into real-world assets. The protocol for structured credit spans mortgages, invoices, microlending and consumer finance.

Goldfinch - Goldfinch is an Ethereum based credit protocol that connects on-chain lenders with credit opportunities in emerging markets. The protocol allows for crypto borrowing without crypto collateral by offering uncollateralized off-chain credit options.

Moving forward: Future Solutions

Empowa - Empowa provides innovative mortgage financing across Africa, connecting people to affordable housing through digital technology. Empowa facilitates rent-to-own home ownership on-chain financing in African markets where mortgages are not readily available.

ANZI Finance - Anzi is an innovative DeFi solution offering tokenized default credit guarantees for credit protocols and B2B fintechs. Their approach reduces risks and increases investor confidence, improving conditions to enhance liquidity and address the existing $5 trillion financing gap faced by SMEs in emerging markets.

Cicada Partners - Cicada is an on-chain credit risk management company. Cicada facilitates the growth of institutional lending on public blockchains by enabling lenders to participate in risk managed non-custodial lending products without having to give access to their funds to an intermediate.

Untangled Finance - Untangled Finance provides institutional grade private credits sourced from 100+ proven fintech originators worldwide. Their focus is short-term trade finance and green assets via a tokenization protocol with a novel built-in liquidation engine.
Untangled platform tokenizes and securitizes financial and physical assets, making them easily accessible to private credit investors, traditional or DeFi.

Flowcarbon - Flowcarbon is a leading climate technology company leveraging new technology and innovative financing structures to scale the voluntary carbon market. Flowcarbon offers strategies & solutions ranging from carbon project origination and structured finance to marketing and carbon portfolio management for leading corporations.

Carbon Path - CarbonPath is generating a new type of carbon credit by prematurely and permanently shutting down oil and gas wells, resulting in an accessible, transparent, and verified token built on the Celo Blockchain.

Cerchia - Cerchia is creating a resilient world by making climate risks investable. Direct Risk Transfer (DRT) is a decentralized marketplace where investors provide capital to protect businesses and communities from climate event risks.

Pyrpose - Pypose gives agency over climate change by connecting climate conscious consumers directly to climate solutions. On the Pyrpose platform, consumers can participate in climate solutions, propose ideas, and stake impact. Consumers and companies can coordinate around solutions and benefit from a community rewards mechanism.

KUMO - KUMO is a carbon fintech marketplace that is pioneering secured loans backed by carbon credits. Carbon-secured lending is a new investment vehicle that lowers barriers to climate finance by reducing risk, decreasing costs, and scaling climate investment potential. KUMO, backed by Techstars and ABN AMRO, unlocks the financial potential of $10 billion which is sitting in dormant, unbanked carbon credits and forward agreements (estimated to grow 10x by 2030) in order to help climate investors bridge the sustainable finance gap. KUMO launched its lending marketplace live from COP28 and granted the first carbon-secured loan in history with a tier-1 bank.

Lightency - Lightency is a “web3 energy platform utilizing blockchain technology to reshape energy certification.” Likghtency facilitates traceable green energy investments via the lightency utility token, which transforms carbon offsetting into profit-driven assets while empowering com- munity governance.

Author

Eve Guterman is a writer, researcher, and doctoral candidate at Tel Aviv University in the department of public policy, where she is a fellow at the Boris Mints Institute. Eve's doctoral research focuses on the use of blockchain-based community currencies specifically, and DeFi in general, as a more efficient mechanism for humanitarian aid distribution in rural Kenya, conducted in partnership with the World Food Programme. Eve has consulted with a number of diverse start-ups in the blockchain space, with particular emphasis on community management and social welfare objectives. Eve holds degrees from Columbia University and the London School of Economics and is passionate about the application of new technologies to solve problems once thought unsolvable. She can be contacted at eaguterman@gmail.com.

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