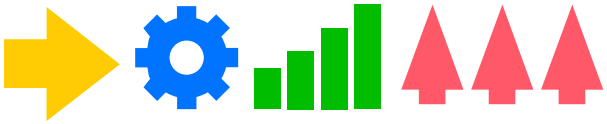
WIRING SMEs INTO THE CLIMATE ECONOMY



The US$1.1 trillion untapped opportunity

Report

ICC

Sage

About this report

Drawing on their sixth wave of joint research, this latest report from Sage and the International Chamber of Commerce (ICC) assesses the real-world progress small and medium-sized enterprises (SMEs) are making towards climate action.

This edition sizes the demand for green finance among SMEs that are ready, willing and able to invest at US$1.1 trillion, shows why the finance already available is not reaching them, and sets out three policy levers that, acted on together, would close the gap.



Summary

US$1.1 trillion
of outside finance needed over the next 12 months

46 million
SMEs are ready, willing and able to invest

Only 1 in 100
SMEs received green finance in the past year

49%
disrupted by extreme weather in three years; 9% received a payout

- SMEs are increasingly taking climate action, and the share taking practical measures has risen every year since 2023. Much of this progress has come through low-cost improvements, and the next step for many is larger investment in sustainable energy and in protection against climate risks.
- This study estimates that around 46 million SMEs are ready, willing and able to make that investment, and that between them they will need US$1.1 trillion of outside finance over the next 12 months: US$946 billion for the transition, such as cutting emissions and energy use, and US$167 billion for adapting to climate risks.
- The full financing need is even larger than the headline figure, because the estimate leaves out the cost of recovering from extreme weather. Half of SMEs (49%) have been disrupted by extreme weather in the past three years, yet just 9% received an insurance payout.
- The capital to meet this demand exists but is not reaching SMEs. Global climate finance passed US$2 trillion in 2024, yet only one in a hundred SMEs received green finance in the past year, a share that has barely moved since 2022 even though applications have risen by more than two-thirds over the same period.
- The connection between that capital and SMEs breaks in two places. First, small loans are expensive for lenders to serve, because checking and monitoring them costs a great deal relative to the small sums involved. Second, the data that would bring that cost down does not flow easily: three in ten SMEs still gather it manually, and almost half of those with a reporting system were asked for the same information in different formats last year.
- Much of the solution is within reach. The data that lenders need increasingly sits in the accounting and e-invoicing systems SMEs already use, and three in four SMEs would opt in to their software sharing standardised sustainability data with lenders and large customers.

Three levers would help connect SMEs to that capital

1. **Report once, use many times**
   one short SME data set that lenders, buyers and public bodies all accept
2. **Make everyday software the rails of green finance**
   with data shared only with the business's consent
3. **Finance that fits SMEs**
   small-ticket green loans pre-filled from accounting data, and clearer labelling of hidden green lending

Forewords



John Denton AO

Secretary General of the International Chamber of Commerce (ICC)

SMEs are the backbone of the global economy. Representing over 90% of the world's businesses, they will determine whether the climate transition happens on the ground. That makes their ability to invest and act a critical test of whether COP31 can translate climate ambition into real-economy delivery. Across six editions of this research, they have shown they are ready to act, taking first steps that they have largely paid for themselves.

This year's report goes further. For the first time, it puts a figure on SME demand for climate finance: an estimated 46 million SMEs worldwide are ready to invest in further climate action, needing US$1.1 trillion of outside finance to do so. Yet only one in a hundred SMEs received green finance last year. The capital exists, but the connections that would carry it to small businesses do not yet work at their scale.

ICC is proud to partner with Sage to ensure that the voice of small business is heard at the highest levels of the climate negotiations. As attention turns to implementing the New Collective Quantified Goal on climate finance (NCQG), ICC and the wider business community are asking COP31 to move beyond volumes of public finance alone, to address the real barriers that prevent investment from reaching those who need it most, including access to finance, the cost of capital and bankability gaps. For small businesses, this report shows what those barriers look like in practice. The three levers set out here are practical and within reach. We look forward to working with governments, lenders and partners at COP31 in Antalya to put them into practice.



Steve Hare

CEO of Sage

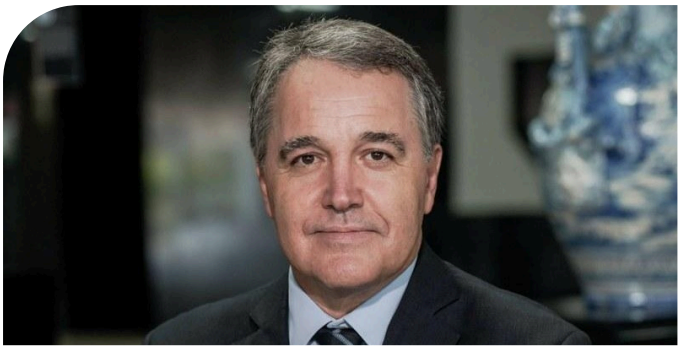
Small and medium-sized enterprises (SMEs) are central to the transition to a more sustainable economy. Driven by rising energy costs and the growing impacts of climate change, many of these businesses are already taking steps to invest in more efficient equipment, change how they use energy, and transform supply chains.

The challenge is not a lack of ambition, but the gap between SMEs' willingness to invest and their ability to access the finance needed to act.

Too often the data needed to unlock finance is fragmented. Much of it already exists inside the systems and applications businesses use every day, from accounting and invoicing software to banking and energy platforms. The challenge is connecting it, structuring it, and enabling businesses to share it securely and with confidence.

By connecting the systems SMEs are already using every day through interoperable standards, and enabling businesses to share reliable data securely, we can simplify sustainability reporting and make it easier for financial institutions to assess and finance SME climate investments. Improving access to finance starts with improving access to reliable data.

Small businesses should not be locked out of the climate transition because the right data cannot reach the right place at the right time. If we connect the data, the technology and the finance, we can give millions more SMEs the confidence and capital to invest in their future and our planet's.



Dan Ioschpe

COP30 Climate High-Level Champion

"Small and medium-sized businesses are a critical part of the climate transition, and right now, they cannot access the finance they need to move. This report makes clear that the gap is not about willingness. The projects are there. What is missing are the right conditions: simpler reporting, better digital infrastructure, and financing mechanisms that actually work for the way SMEs operate. Closing that gap is not just a climate priority. It is an agenda for sustainable socioeconomic development."



Samed Ağırbaş

COP31 Climate High-Level Champion

"SMEs are deeply embedded in the daily lives of the people and communities they serve. They are at the forefront of climate action, implementing solutions ranging from electrification and more sustainable food systems to sustainable buildings and zero waste. In doing so, they are not only reducing emissions, but also protecting community wellbeing and strengthening livelihoods by placing local people at the heart of the transition."

The prize: a US$1.1 trillion untapped opportunity

SMEs account for around 99% of businesses worldwide, making their participation essential to the global climate transition. Many have already taken practical, low-cost steps to reduce their environmental impact. But the next phase of climate action requires investment that many cannot finance alone. New research reveals the scale of the opportunity: around 46 million SMEs worldwide are ready to invest in further climate action, representing an estimated US$1.1 trillion in demand for external finance over the next 12 months.

To be counted in the US$1.1 trillion estimate, an SME must meet all four tests:

Ready	It plans to improve its environmental impact in the next 12 months.
Willing	It would apply for or use suitable green finance.
Able	It has some of the data, systems and reporting capacity needed to support its sustainability plans and show progress, such as measuring its environmental impact, using cloud accounting or having someone responsible for reporting.
Unmet need	It is not already receiving climate finance and needs money from outside the business.

The prize: a US$1.1 trillion untapped opportunity

This report sizes the demand for outside finance over the next 12 months from SMEs that are ready, willing and able to invest in climate action. It estimates:

US$1.1 trillion

US$946 billion of this would go towards cutting emissions and energy use and US$167 billion towards adapting to climate risks. One in seven SMEs surveyed (14%) passes all four tests. Applied to the number of SMEs worldwide, that is around 46 million businesses.

46 million
SMEs ready, willing and able to invest

US$24,000
average need per qualifying business

US$17,100
median need for a micro-business

The estimate leaves out the cost of recovering from extreme weather. Sources: Sage and ICC SME tracker 2026 (8,500 SMEs, 17 markets); SME population data from IFC MSME Country Indicators, aligned to the survey definition; demand estimate developed with the University of Edinburgh. For further details, see Methodology.

14%



One in seven SMEs surveyed passes all four tests

The share ranges from 12% of micro-businesses (0 to 9 employees) to 26% of medium-sized firms (50 to 249 employees). Applied to the number of SMEs worldwide, this gives around 46 million businesses.[1] Each qualifying SME in the survey told us how much outside finance it needs over the next 12 months, and scaling these amounts up to all 46 million SMEs gives US$1.1 trillion (see Methodology).

A trillion-dollar opportunity built from millions of small investments

The estimated US$1.1 trillion is the sum of millions of modest investments, most of them made by the smallest businesses. Each micro-business needs relatively little financing, typically around US$17,000, which is roughly the cost of a small rooftop solar installation or a lighting and insulation upgrade. Because there are so many of them, however, those sums add up to US$606 billion, more than half of the total.

Across SMEs of all sizes that need finance, energy-related improvements are the main focus, with more than half (56%) planning to use the money to improve energy efficiency or switch to cleaner power. In total, US$946 billion would go towards cutting emissions and energy use and US$167 billion towards helping businesses adapt to climate risks.

The capital to meet this demand exists, but it is not reaching SMEs. Recent estimates suggest that global climate finance passed US$2 trillion in 2024,[2] and an earlier edition of this research, published at COP29, estimated that US$789 billion of the sustainable finance pool could reach SMEs if they were able to report on their impact.[3]

Policymakers have also identified this as a clear priority. The NCQG adopted at COP29 in Baku sets an ambition to scale up climate finance for developing countries to US$1.3 trillion a year by 2035.[4] As attention shifts from ambition to implementation, ensuring that finance reaches SMEs will be essential to delivering climate action at scale.

Taken together, this analysis shows that both the supply and demand are there. What is missing is the wiring that carries information and money between lenders and small firms.[5]

Climate shocks add a third financing need

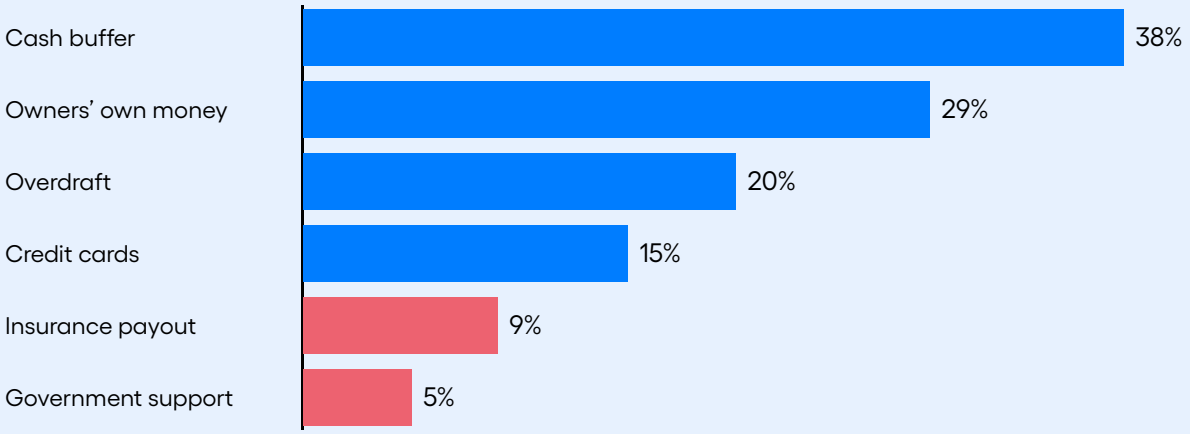
The US$1.1 trillion covers the investment SMEs need to make ahead of a climate event, both to cut emissions and to adapt to climate risks. Extreme weather creates a third need that the estimate does not capture: timely cash flow, and appropriate insurance or support, to recover afterwards. The same balance sheets are paying both for the transition and for recovery from the weather that makes it urgent, and each disruption leaves a business less able to make the investments sized in this report.

Extreme weather events sit outside the control of businesses and the finance system, but they draw on the same cash SMEs need to invest. **Half of SMEs (49%) have been disrupted by extreme weather in the past three years**, and within this, 15% say they have been severely disrupted. The share is much higher in emerging markets: 60% across the nine we surveyed say they have experienced disruption, against 37% across the eight advanced economies.

When disruption comes, owners largely pay for it themselves. Disrupted SMEs most often drew on a cash buffer (38%) or the owners' own money (29%), followed by overdrafts (20%) and credit cards (15%), while **only 9% received an insurance payout and 5% any government support**. Recovery is often slow and incomplete: more than a quarter (27%) took over a month to return to normal trading, including 5% who have still not done so, and 28% never recovered the sales they lost. For 8%, a single event left a gap they could not cover at all.

How disrupted SMEs bridged the cash-flow gap

Share of disrupted SMEs who drew on each source. Base: SMEs disrupted by extreme weather in the past three years (4,165).

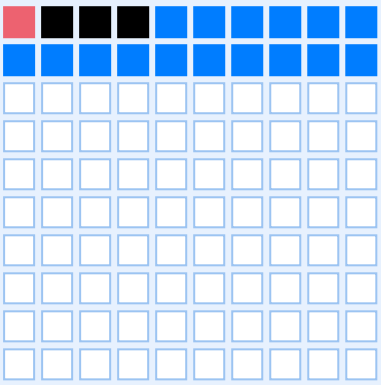


Only one in a hundred SMEs receives green finance

Demand for green finance products is broad, yet in the past year only 20% of SMEs looked into green finance, 4% applied for it and just 1% received these products.

From interest to finance

Each square is one SME in a hundred. Base: all SMEs surveyed (8,500).



Of every 100 SMEs surveyed:

- **20** looked into green finance in the past year
- **4** of those applied for it
- **1** of those received it

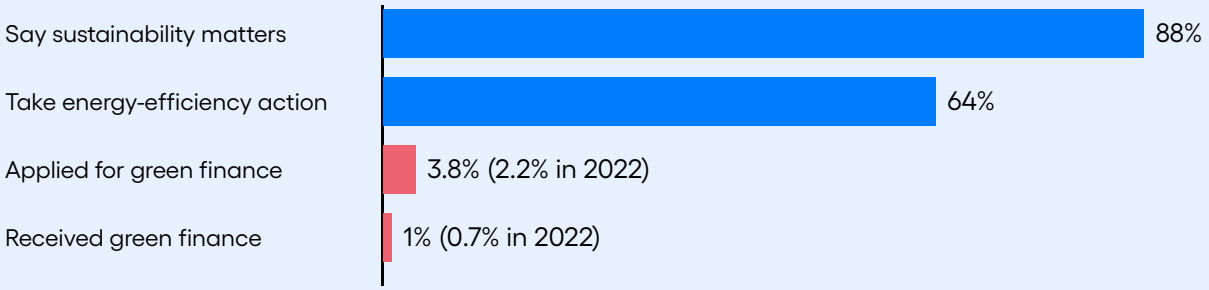
The biggest drop-off comes before SMEs even apply. Of the 20% that looked into green finance last year, four in five stopped before applying, even though 85% of them said they would be willing to use it. The pattern is similar even among the 'ready, willing and able' SMEs, all of which have plans and want finance: last year 56% of them did not consider applying, and a further 31% considered it but did not go ahead. Since these businesses have both the plans and the appetite, the obstacle lies in the application process and in the way SMEs are connected to lenders.

The disconnect: action is rising, green finance is flat

The gap between SME climate action and access to green finance has persisted across the last five editions of the tracker, from 2022 to 2026. Commitment remains high, with 88% of SMEs rating sustainability as important to their business, unchanged from last year. Meanwhile, the share taking practical action has risen every year since 2023, and applications for green finance have increased by more than two-thirds, from 2.2% to 3.8%. Yet the share receiving green finance has barely changed, rising from just 0.7% to 1%.

Action is rising, green finance is flat

Share of all SMEs surveyed in 2026; earlier waves in brackets. Base: 8,500.



88%

rate sustainability as important to their business, unchanged from last year

64%

have taken energy-efficiency measures, up from 50% in 2023

35%

use renewable energy, which needs more upfront investment and has grown more slowly

The actions that have grown the fastest are also the cheapest. Energy efficiency led the rise, reaching 64% in 2026 (up from 50% in 2023), and waste reduction reached 55%. Steps such as efficient lighting and changes in habits are taken mainly to save money, and this motive has strengthened over time, with 71% of SMEs citing lower costs as a main benefit. Renewable energy, which usually needs more upfront investment, has grown more slowly and stands at 35%.

> Data reporting obligations are not harmonised, which puts the burden of cost on the SME, often reporting in multiple formats to different stakeholders. The other key challenge is the SME's cashflow to service the repayment or interest costs of financing.
>
> **International bank with an emerging markets focus**

Why the wiring is broken

Why has finance reaching SMEs not followed demand? The connection between capital and SMEs breaks in two places. First, small-ticket loans cost too much for lenders to serve. Second, the data that would bring that cost down does not flow.

Small loans are expensive to serve

Most SMEs need small amounts of finance, and these small loans are expensive for lenders to serve. OECD research sets out the problem from the lender's side: on a small green loan, the cost of due diligence, data collection, verification and monitoring is high relative to the return, and as long as the data arrives through bespoke questionnaires and manual review, small-ticket sustainable finance cannot be offered at scale.[6]

SMEs that do apply often get stuck. Applicants who were refused or are still waiting most often cite a complex application process, high interest rates, a lack of data or reporting, and collateral requirements (31%):

1. **39% cite a complex application process** as the reason they were refused or are still waiting.
2. **38% cite high interest rates** on the green finance they were offered.
3. **32% cite a lack of data or reporting** to support their application.

> Digital platforms, when combined with robust international standards, are key to scaling sustainable finance for SMEs. They enable transparent, efficient, and credible financial operations, making it easier for SMEs to access green finance and for institutions to monitor, report, and benchmark sustainability outcomes.
>
> **Latin American financial institution**



CASE STUDY

agriBIOME (Germany)

Using AI to rethink sustainable livestock farming

agriBIOME is a fast-scaling agri-tech company from Düsseldorf that aims to create healthier, more sustainable farming. The company is redefining livestock feed by breeding earthworms with unique microbiota. When fed to chicks and piglets, these improve gut health, reduce the need for medication, and ultimately support food systems that are better for animal welfare, sustainability, and human health. When used on crops, fewer fertilisers and pesticides are needed, which directly lowers cancer rates and also makes plants more resilient to global warming.

Digital technology has been embedded in agriBIOME from the start. The company uses its own AI systems to maintain the worm microbiome, operate climate chambers, and support carbon-neutral, fully automated production. Sage software powers agriBIOME's ERP, production planning, and HR systems, creating a highly efficient, integrated platform that underpins international growth.

With its first US subsidiary already established, agriBIOME has ambitious expansion plans for other species and global markets. The company is now part of the Scale-up.NRW programme and has received support from the German federal and regional governments. It has also gained international traction, winning the Agri Food'ture Challenge in France and the Climate Adaptation Impact Award in Germany, and building partnerships in the UK, Hungary, Austria, and Denmark.

agriBIOME's mission-driven model shows how digital tools can scale breakthrough innovation in one of Europe's most vital sectors: agriculture.

The 'hidden green' loan book

When SMEs that had received, applied for or considered green finance were asked what kind of finance this was, only a third (33%) named a formally labelled green or sustainability product. Much of their climate investment is instead financed through cash reserves, conventional loans or overdrafts, meaning that borrowing used for green investment may never be recognised as such.

This creates a significant blind spot, as reported green lending figures may understate the finance already supporting SME climate action, while banks lack visibility of the demand emerging within their existing customer base. SMEs, in turn, have limited opportunity to establish a recognised track record of green investment.

Recognising this hidden green lending presents a commercial opportunity for financial institutions. By identifying where existing finance already supports climate investment, lenders can better understand customer demand, strengthen their own sustainability reporting, help SMEs build a track record and develop financial products that respond more closely to SMEs' needs.

> We're seeing fewer labelled products in the US due to green-hushing, more hesitancy in EMEA over greenwashing concerns, and slow growth in some APAC markets.
>
> **Large US bank**

SMEs want green finance, but most cannot yet supply the data lenders need

SMEs of every size are about as likely to say sustainability matters and that they would use suitable green finance. What sets apart the firms that apply for it, and those that receive it, is the capacity to report. Medium-sized firms are more than twice as likely as micro firms to have someone responsible for sustainability reporting, and more than five times as likely to have received green finance in the past year.

SME tracker 2026	All SMEs	Micro (0 to 9 employees)	Medium (50 to 249 employees)	What it shows
Say sustainability is central or important	**69%**	68%	78%	**Interest** is similar across sizes.
Likely to use suitable green finance in the next 12 months	**62%**	62%	66%	**Willingness** is similar across sizes.
Report regularly on sustainability	**14%**	11%	23%	**Reporting** is twice as common in medium-sized firms.
Have a named person or team responsible for reporting	**26%**	22%	55%	**Capacity** is much higher among medium SMEs.
Applied for green finance in the past 12 months	**4%**	3%	10%	**Applications** follow capacity.
Received green finance in the past 12 months	**1%**	0.7%	3.9%	**Success** follows capacity too.

For most SMEs, that capacity is still being built. Nine in ten (91%) have heard of businesses measuring their environmental impact, yet only 14% report regularly, and those that do spend a good deal of time on it, much of it supplying the same data more than once. Across all SMEs, three in ten (31%) collect sustainability or supplier-compliance data manually, spending an average of **7.8 hours a month on it, or around 12 working days a year.** Almost half of those with a reporting system (45%) were asked for the same data in different formats last year.

31%

collect sustainability data manually, spending on average 7.8 hours a month on it

45%

of those with a reporting system were asked for the same data in different formats last year

10%

are aware of the ISSB standards and 7% of the EU's VSME; 56% find current standards complex

> Appetite from international financial institutions and banks is strong, while clients are lacking understanding and education. Digital tools would not help at all if clients are still not motivated to use this kind of finance.
>
> **Large European banking group**

Common standards can reduce this duplication, but few SMEs know about them yet. Only 10% are aware of the International Sustainability Standards Board (ISSB) standards and 7% of the EU's Voluntary SME Standard (VSME), and more than half (56%) find current standards complex. Lenders see the same gap from the other side. In the OECD's 2023 survey, more than 80% of financial institutions called a lack of reliable sustainability data from SMEs a top barrier to expanding green finance.[7] Six in ten already ask SME clients for sustainability data, but with no common approach, many are writing their own questionnaires, adding to the duplication SMEs report.[8]

A single data set that SMEs can produce once and lenders can accept would address both sides of this problem.



CASE STUDY

Koaloo.Fi (France)

Using AI to link supplier sustainability with better finance

Koaloo.Fi is a French fintech company that uses AI and ESG data to make sustainable business practices scalable and profitable for small businesses in global supply chains. Small firms make up most of the companies in these supply chains, yet they are often underserved by traditional financial systems. Many also struggle with the cost of meeting ESG requirements and lack the capital to invest in greener ways of working.

AI sits at the heart of its platform, which combines verified supplier data, AI-driven coaching and financial optimisation tools to help businesses reduce risk and improve performance. Through its SME Resilience Engine, Koaloo.Fi is building a toolkit that uses generative AI to automate complex trade and sustainability workflows. Its AI coach, GRETA, gives small suppliers real-time guidance on improving their operations and meeting international ESG standards. Meanwhile, generative AI turns unstructured supplier data into auditable reports that are ready for decision-making.

The platform will also give small businesses a single view of the risks and opportunities across their value chains, helping them anticipate disruptions and manage their trade flows. It is creating an ecosystem in which verified performance data allows financial institutions to offer better funding terms to suppliers that strengthen their sustainability and resilience.

Koaloo.Fi's model shows how verified data can help small suppliers move from treating sustainability as a compliance burden to using it as a route to growth and better access to finance.

Digital infrastructure is the rails

A large part of the cost of serving small loans comes from collecting and verifying data by hand. Making that information easier to generate and share could lower costs for lenders and ease the reporting burden on SMEs at the same time. Much of the data lenders need increasingly sits in the systems SMEs use every day. Cloud accounting and invoicing software is the most widely used digital tool among SMEs (44%), and 22% of its users say it has helped them secure finance, rising to 35% among those that applied for green finance.

The invoices these systems produce are also becoming more standardised, as governments make e-invoicing a legal requirement. In 2026, mandatory business-to-business e-invoicing went live in Belgium, Croatia, Poland, Greece, Brazil and France, with Germany phasing it in and the United Kingdom and the European Union to follow. A structured e-invoice records what was bought, from whom and for how much, so every business that uses one builds up a transaction-level record in a common format. E-invoicing is also part of a wider move towards integrated digital trade, in which invoicing, payments, transport and customs run on shared digital rails. Because governments are already building these rails, sustainability data could travel on them through SMEs' existing accounting and invoicing software rather than through a separate system, and SMEs would no longer have to build each report from scratch.

Transaction data of this kind gives lenders a reliable starting point, and AI can help turn it into sustainability information they can use. From spend and supplier data, AI can produce a first rough estimate of an SME's footprint, map it to a common set of indicators, benchmark it against similar businesses and show which gaps the business needs to fill. The estimate can then be refined using meter and fuel data. Any AI used in lending decisions would need to be explainable and open to challenge.

SMEs are broadly willing to share this information, with **74% prepared to let their software pass standardised sustainability data to lenders and large customers**. Control matters to them, however: 45% would only agree if they could decide exactly what is shared, so any system will need clear consent and data governance to earn their trust.

Sharing data in this way could cut both the reporting burden on SMEs and the cost of assessing smaller loans, making green finance easier to obtain for the micro-businesses that account for US$606 billion of the US$1.1 trillion opportunity.

Embedding carbon accounting into everyday business software

In practice: Sage Accounting, United Kingdom

Every Sage Accounting customer in the UK now has carbon accounting built in, calculating a footprint from the transactions already in their books and comparing it with the average for their sector. This gives small businesses a ready way to identify emissions hotspots, benchmark against industry peers, monitor changes in emissions, and support green funding applications.

Financial institutions can draw on the same engine through Sage's Carbon Measurement API, which supports financed-emissions reporting in line with the Partnership for Carbon Accounting Financials (PCAF) standard. Financial infrastructure provider, K423 uses this service to enable banks, including NatWest, to generate sector-based emissions estimates from a business's industry, location, revenue and size.

> Digital finance and reporting platforms would help us create a common reporting standard for metrics and also most likely shorten the timeframe for reporting.
>
> **Nordic institutional investor**

Three levers to connect SMEs to capital

ICC and Sage have identified three policy levers for governments, standard-setters, technology companies and financial institutions to focus on: a common data standard, interoperable digital infrastructure and finance designed for SMEs. Each covers one step in getting a small business from the data it holds to the capital it needs.

THE DATA AN SME ALREADY HOLDS → **THE SOFTWARE THAT CARRIES IT** → **THE FINANCE THAT PUTS IT TO USE**

LEVER 1

Report once, use many times: one sustainability data standard for SMEs, built to flow

Adopt a short core set of SME sustainability indicators, building on the OECD core set and interoperable with VSME and the ISSB baseline.[9] Publish it as a machine-readable digital template that accounting and business software can generate directly, and require banks, public procurement bodies and large corporate customers to accept it in place of bespoke requests.

Who: governments, standard-setters and financial regulators, working through the OECD Platform on Financing SMEs for Sustainability.

LEVER 2

Make SMEs' everyday software the rails of green finance: interoperable digital infrastructure with consent built in

Build interoperable digital infrastructure across the accounting, invoicing, payments and other business systems SMEs already use, so that it generates the core data set automatically from transaction data and shares it securely with lenders, customers and public bodies, always with the business's explicit consent. E-invoicing and open banking mandates are the key mechanisms.

Who: governments, including those running e-invoicing and open banking mandates, working with accounting, e-invoicing, payments and banking providers.

LEVER 3

Finance that fits SMEs, and clearer labelling of hidden green lending

Make small-ticket green finance economical to offer: green loans sized to SME needs, pre-filled from accounting data and backed by public guarantees to bring down the cost to serve. Identify and label the sustainability investment already funded through ordinary loans and overdrafts, so that the hidden green loan book is counted.

Who: banks and development finance institutions, guarantee schemes and insurers, supported by governments.

Progress since last year

Lever 1. Last year's ask was to simplify standards and standardise requests. The OECD has since published a core set to adopt, and VSME is in use. The ask now is to build greater convergence around a common core set of SME sustainability indicators, stop asking for duplicative information and make it digital from the outset, so that it can travel through the infrastructure set out in Lever 2.

Lever 2. Mandatory business-to-business e-invoicing went live in five EU member states in 2026, with more to follow, and in the United Kingdom, Perseus, a smart data scheme supported by the UK Government, has shown that consent-based sharing of SME energy data with lenders can work in practice. SMEs are ready to take part: three in four would let their accounting software share standardised sustainability data with lenders.

Lever 3. This study presents a new quantification of the demand from SMEs themselves, which should offer financial institutions, policymakers and the broader ecosystem new insight into the opportunity to serve this market. The resilience findings show where owners' own money is doing the work that finance and insurance should be doing.

Who does what

Actor	The one thing that would move the number
Governments and regulators	Designate one SME core data set, aligned with VSME and ISSB, and require lenders and public bodies to accept it; write it into e-invoicing and open banking specifications; attach it to state-backed green lending and public procurement (Levers 1, 2 and 3)
Standard-setters and the OECD platform	Keep the core set short, machine-readable and interoperable, published as a digital template rather than a document (Lever 1)
Banks and development finance institutions	Accept the core set in place of bespoke questionnaires, pre-fill applications from accounting data, open small-ticket guarantee windows, and tag the sustainability lending already on the books (Levers 1 and 3)
Large corporate customers	Ask suppliers for the core set only, once, and accept it from their software (Lever 1)
Accounting, e-invoicing and payments providers	Generate the core set from transaction data, with consent controls, and make it portable between providers (Lever 2)
Insurers and guarantee schemes	Faster claims, pre-approved working-capital products triggered by warnings, and guarantee cover for small green tickets (Lever 3)
Meteorological and civil protection agencies	Warnings that reach small businesses, with guidance on what to do in the hours before an event (Lever 3)

Financial institutions and international partners do not need to wait. Accepting a standard core data set, pre-filling applications from existing accounting software and opening targeted small-ticket guarantee windows are actions lenders and policy forums can take now.

Conclusion

SMEs are ready to play a greater role in the global climate transition. Our research identifies 46 million businesses with an estimated US$1.1 trillion in demand for climate finance over the next 12 months. This represents a significant opportunity to accelerate climate action, strengthen business resilience, and unlock investment across the global economy. SMEs need finance both to invest in a lower-carbon, more resilient business and to recover when climate disruption hits. The cost of recovery is not included in the headline figure and is likely to grow as extreme weather becomes more frequent.

Realising this opportunity requires a fundamental shift in how climate finance reaches smaller businesses. Traditional approaches to sustainability reporting and lending were not designed for the scale or resources of SMEs. Simplified reporting, interoperable digital infrastructure and better use of the data already generated through everyday business software can reduce administrative burdens, improve lenders' visibility of climate investment and make smaller-scale financing more commercially viable.

The challenge is ensuring that finance can reach the businesses that are ready to put it to work. Governments, financial institutions, standard-setters and technology providers each have a role in building a more connected and accessible climate finance system. Unlocking the US$1.1 trillion opportunity will depend on turning fragmented data, disconnected systems and complex financing processes into an infrastructure capable of supporting climate investment at SME scale.

Methodology

Strand Partners conducted an online survey of 8,500 senior decision-makers in small and medium-sized enterprises (SMEs) across 17 markets on behalf of Sage and the International Chamber of Commerce (ICC). Fieldwork took place between 8 and 30 September 2026, with 500 SMEs surveyed in each market: Australia, Brazil, Canada, Ecuador, France, Germany, Indonesia, Kenya, Morocco, Poland, Senegal, South Africa, Spain, Thailand, Türkiye, the United Kingdom and the United States. SMEs were defined as businesses employing fewer than 250 people, including sole traders, and respondents were business owners or, in firms with ten or more employees, owners, heads of the business or senior leaders with major decision-making responsibilities. The demand estimate was developed in collaboration with Professor Luca Taschini of the University of Edinburgh. For the full methodology, scan the QR code.

Scan for the full methodology

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