



# Carbon Finance

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**November 4, 2010**

09.15 - 10.00

## **1. Introduction to Carbon Finance**

The Carbonomics Value Chain

The International Framework

- UNFCCC and the Kyoto Protocol
- Annex I countries: Main objectives and goals
- Flexibility Mechanisms
- COP meetings

10.00 - 12.00

## **2. Originating**

What is a carbon asset?

Creating carbon assets:

- Clean Development Mechanism (CDM)
- Joint Implementation (JI)
  - Kyoto Protocol Method
  - Voluntarily Method

Carbon assets

- Contractually based rights
- Statutory based rights
- National and regional carbon assets
- Examples

Risks

Carbon Finance

Buyers of carbon credits

12.00 - 13.00

Lunch

13.00 - 15.00

## **3. Financing**

Carbon assets and project finance

Purchasing carbon assets

Venture capital financing clean tech projects

Financing adaption

Public Private Partnerships (PPP)

15.00 - 16.00

## **4. Structuring**

Carbon facilities to secure carbon assets

Buyers pools

- Risks in purchasing

Carbon Funds

Carbon Bonds

Catastrophy Bonds (Cat. Bonds)



**November 5, 2010**

09.00 - 09.30

09.30 - 10.30

**Recap**

**4. Structuring, continued**

Carbon facilities to secure carbon assets

Buyers pools

- Risks in purchasing

Carbon Funds

Carbon Bonds

Catastrophe Bonds (Cat. Bonds)

10.30 - 12.00

**5. Investing**

How and what to invest in?

Investor groups

Mutual 'Green' Funds

Hedge Funds

Carbon Funds

Corporate investments

12.00 - 13.00

Lunch

13.00 - 14.00

**6. Insuring**

Insurance industry and Climate Change Risks

Capital Markets solutions

- Finite insurance
- Weather hedges
- Insurance related derivatives
- Catastrophe bonds

14.00 - 16.00

**7. Trading**

Emission allowances/permits:

- AAUs and EUAs

Emission Reduction Credits

- Emission Reduction Units
- Certified Emission Reductions

EU Emissions Trading Scheme (ETS)

Spot trading versus auctions

The Chicago Climate Exchange (CCX)

Legal Framework

- Master or standard agreement
- IETA, EFET and ISDA

Products

- Spot, futures and other derivatives
- Spark green spread and dark green spread

Carbon price and energy commodities

16.00 - 16.15

End of course and evaluation