

The Carbon Crypto Fund

A carbon offset activity fund



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promoting entrepreneurship
for sustainable development



Background

Thailand has various strategies to reduce its GHG emissions by 20% below the business-as-usual level by 2030. One of the ways that Thailand is looking to achieve this carbon reduction is by encouraging public and private organisations to calculate their carbon footprint and either reduce their carbon emissions or buy carbon credits to offset these emissions as a part of its Thailand Carbon Offsetting Programme. Offsetting carbon is part of the national agenda and requires integrating carbon offsetters into its emission trading system. The current chosen carbon offset activity is reforestation and afforestation. However, farmers who are wanting to engage in reforestation and afforestation projects' lack knowledge and data to increase their readiness in trading emissions. These reforestation and afforestation projects require financial support. Carbon Crypto Fund is launching a fund which will create incentives for funders to invest in carbon offsetting activities

Solution Overview

The proposed *Carbon Crypto Fund* addresses the challenge of finding alternative private and long-term financing for carbon offset activities such as (but not limited to) reforestation and afforestation. This proposed climate finance solution involves investors contributing to the fund in the form of cash, cryptocurrency or carbon credits. Investors deposit their contribution and receive a stake in the Carbon Crypto Fund in the form of cryptocurrency coins. The Carbon Crypto Fund distributes funds to selected carbon offset activities that satisfy its selection criteria. Once a carbon offset activity is implemented, it is then tracked and reported on the Carbon Crypto Fund platform. Following cryptocurrency validation and verification, the platform then allocates dividends in cryptocurrency coins as returns to the investors.

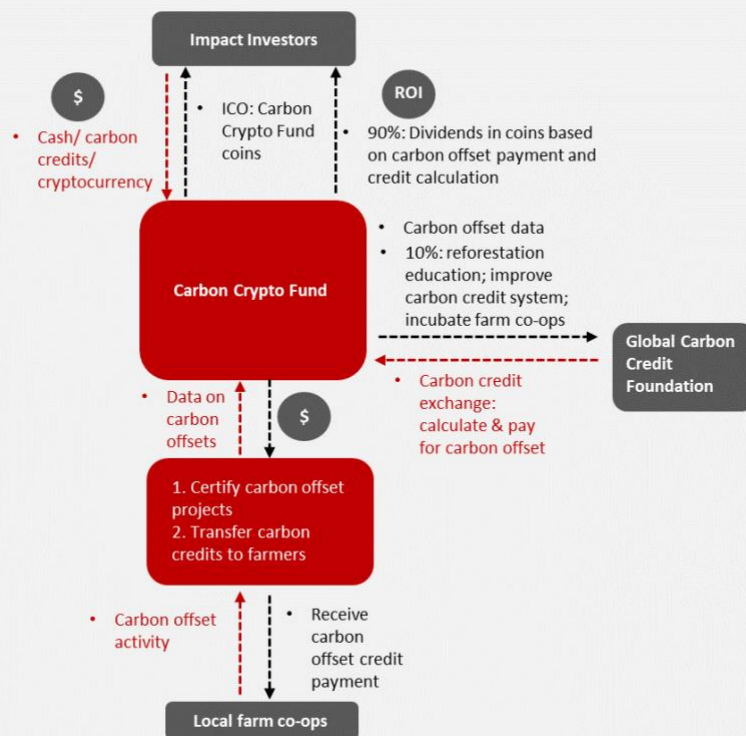
A smaller portion of the returns go towards conservation foundations for a variety of purposes; to promote improvements in carbon credit verification, to ensure accountable distribution, incubating farmers/tree-planters with forest management skills and promoting reforestation and afforestation.

Focus:	Sustainable Agriculture
Instrument Type:	Access to Finance
Lab Cycle:	Thailand 2021
Product Developers:	Carbon Crypto Fund

Key Features

The solution enlists support and financing from impact investors allowing Carbon Crypto Fund to fund carbon offsets. In addition, funds are allocated to incubate and integrate farmers as tree planters into the trading emissions system, and to develop carbon verification systems and systematic reforestation and afforestation. The mechanism has these key features:

- 1) **Certification scheme to vet and certify farmers and enable the certification of reforestation and afforestation projects as carbon offsets.**
- 2) **Digital currency exchange platform which channels funds to certified farmers and return on investments to funders.**
- 3) **Use of Ethereum's ERC20 cryptocurrency platform which will soon be upgraded from proof-of-work to proof-of-stake, making the technology environmentally friendly.**
- 4) **Carbon Crypto Fund enlisted as an ICO and integrated with high-scaling cryptocurrency certification scheme (i.e. Bitkub).**



Target Market

The target market of the Carbon Crypto Fund and its carbon credit providers are local and global consumers who keen on offsetting their carbon footprint.

The Carbon Crypto Fund solution aims to offset 30 gigatons of the total addressable market in China, South East Asia, Europe, and USA by 2030.

The target fund size for the initial coin offering (ICO) is 7.8 million USD in Thailand for an area of 1,780 acres.

Impact Potential

The Carbon Crypto Fund aims to increase private finance towards carbon offsetting, ultimately increasing revenue for local Thai farmers through reforestation and afforestation. By engaging with local Thai co-operatives, the Carbon Crypto Fund aims to increase farmer income from carbon credits by 22%. The carbon credits support Thailand's reforestation and afforestation efforts and promotes sustainable agro-forestry practices.

The partnership the Carbon Crypto fund has with local carbon credit foundations will expand their carbon offset and reforestation activities. The total carbon offset amount that the Carbon Crypto Fund wants to achieve is 50 megatons through connecting markets globally with cryptocurrency as funds for carbon offsets.



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SEED Practitioner Labs Climate Finance supports participants in a hands-on and collaborative Labs process to turn major financing challenges into finance instrument prototypes. SEED Practitioner Labs Climate Finance are part of the implementation of "Financing and capacity building for micro and small climate-smart enterprises: Filling the gap of the missing middle", a project supported by the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety.