



Increasing the demand of high quality offset projects through
integrated rating products and regulatory measures

UN Climate Change Conference
Doha, Qatar December 3rd 2012



The CARLO Foundation: founders and background

The CARLO Foundation is the first integral sustainable rating foundation.

The CARLO Foundation has been founded as a private-public-partnership in July 2012.

The founding partners combine all aspects of the triple bottom line of sustainability.

*Initiators and
founders:*



CARLO Foundation stands for integral values

Increasing the demand of high quality offset projects – EXAMPLES

Political Declarations by Governments

Regulatory Measures

Innovative Financial Products – Integrated Rating



Political Declarations by Governments

Examples

National Climate Strategy, Liechtenstein:

“With respect to the use of the flexible Mechanism (...) the Government will only purchase such emission reductions that show ecological benefits and social-ethical acceptability for the population of the host country”

BUT: Potential conflict with the prerogative of Parties to determine whether projects are assists in achieving sustainable development



Regulatory Measures

Examples

*CO2 Regulation of Switzerland (passed on Friday November 30th 2012):
Only credits generated from renewable or energy efficiency projects, no
credits from biological or geological CCS and large hydro projects,*

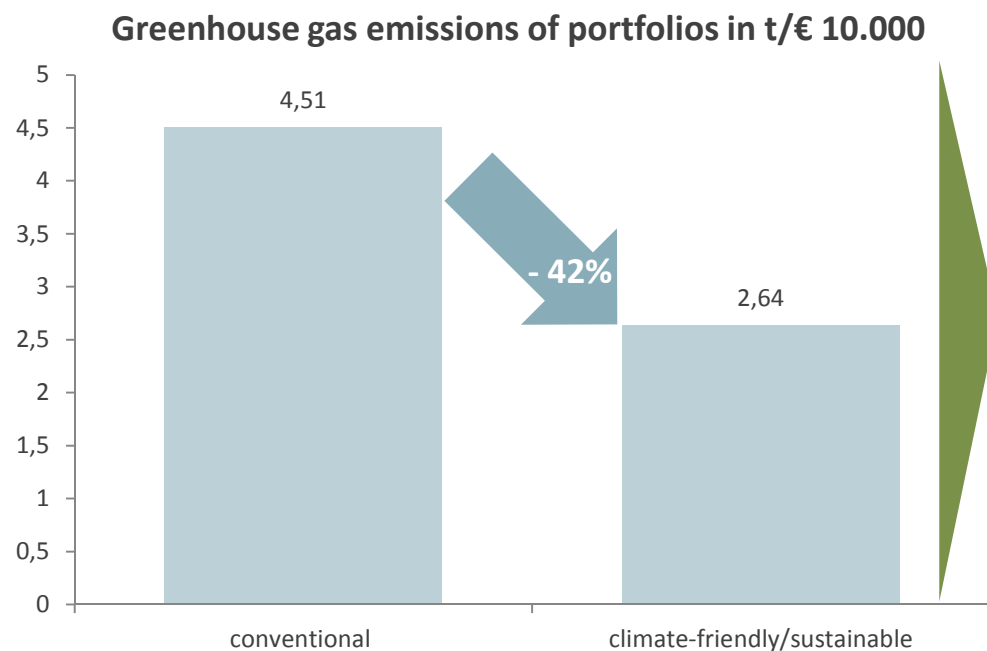
*UNFCCC, CDM Executive Board (approved November 23rd 2012): Voluntary
tool for describing sustainable development co-benefits of CDM projects and
PoAs*

*BUT: Description is voluntary and it is yet unclear how the visibility of this tool
will be established (will there be a label?) and if the information is accurate*



Innovative Financial Products – Integrated Rating

Financial markets can reduce ecological footprints by diversifying portfolios to climate-friendly and sustainable products.



source: adelphi consult, 2010, Climate Effects of sustainable Investments.

The solution:

Financial products to be labeled by CARLO Foundation have also positive impacts on the environment.

Integral ratings by CARLO help to increase the market share of sustainable products.

CARLO Foundation stands for integral values

Integral ratings combine social and sustainability rating with financial aspects to meet the requirements of the three-pillar model of sustainability.



As regards of quantity and quality, an integral rating institution for the analysis and evaluation of financial products is a missing link in the market.

An integral rating helps increasing the demand for quality offset projects

The integral rating to be developed by the CARLO Foundation brings more sustainability in the financial market giving a clear guidance to both investors and issuers. In this context low greenhouse gas emissions of portfolios are essential.

The CARLO Foundation advocates for high quality sustainable investments and supports high quality offset projects! In our work we make the financial markets more sensitive for the importance and the need to taking into account of offset projects.



We promote high quality offset projects though an integral sustainable approach also includes greenhouse gas emissions.

CARLO Foundation: what we aim for

First integral (triple bottom line) and credible standard

Long-term know how of high-quality financial and sustainable analysis

Clear and transparent processes internally

External audited, high sustainable requirements

Creating a good reputation for those who take integral sustainability rating seriously

Strengthen the importance of low greenhouse gas emission for sustainable investors



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