

# Green Bonds

”Buy Bonds to help Finance the  
War against Climate Change”

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# Why bio fuels/bio-energy?

- Virtually unlimited in size
- Bio-energy is easy and simple
- It is old and new
- It is profitable

# The Driving Forces

- High Prices of Oil
- Security of Energy Supply
- Climate Change
- Lower Cost of Capital

# Projects

- Sourcing
  - Plantations
  - Residues
  - Waste
- Refining
  - Pellet factory
  - Bio-diesel/ethanol
  - Bio-gas
- Logistics
  - Ports, warehouses
  - Boats/trains/trucks/forest machinery
  - Pipelines
- Combustion and Distribution
  - Power plants, combined power heat/cold
  - District heating/cooling
  - Vehicles

# ”BUZZ-WORDS”

- Renewable Energy
- Commodity
- Infrastructure
- Emerging Markets

# Risks/Issues

- Political will/regulations
- Collaps of fossil fuel prices
- Cutting down jungles
- Increased food prices
- Other technologies  
(nuclear/fusion/sun/carbon captures)
- Emerging markets

# **Challenge**

## Capital and Risk Management

# **Not**

## Technology

- Leverage
- High Volatility of Price
- Emerging Markets
  
- Portfolio Approach
- Price-Fixing, (Off-Take at Cost Plus)

# Present State

- Clean Tech
  - Requires 20 % in return
  - Prefers "sexy" projects
  - IT + ET "bubble"?
- Infrastructure
  - Largest investor
  - Depend on Leverage, Credit risk

# Institutional Capital

- Will not compromise
  - Return on Capital
  - Risk
- Risk
  - In real terms
  - How is everybody else doing
- Follow Directives

# Green Bonds

- Parallels with War Bonds,
  - A lower price for a good cause
  - A large demand
- Developed in Co-operation with Partners
  - Entrepreneurs
  - Purchasers of bio-energy
  - Financial Sector
- Nobody can develop it alone

# Needs

- Incentives
  - Fiscal
  - Portfolio
- Create a "hype"
- Public demand

# Contacts

The bionine fund

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