



1 METRIC TON OF
CO2 "OFFSET"

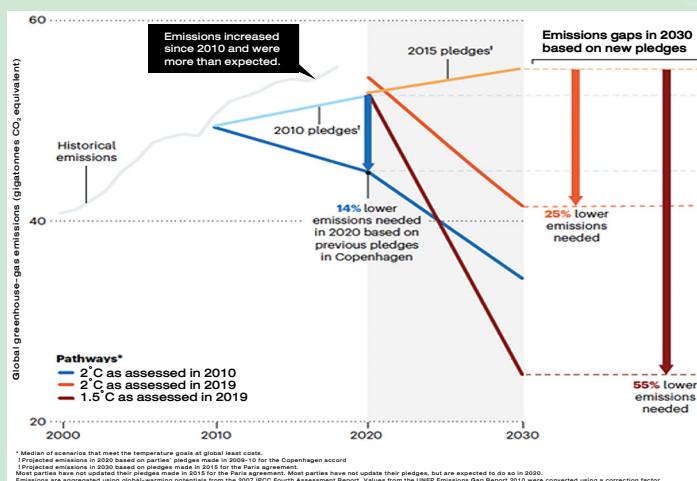
= 1 METRIC TON OF
CO2 REDUCED

Carbon Crypto Fund

Fighting poverty in farming and carbon emissions
in Thailand with cryptocurrency

Carbon emissions and offset needed, a widening gap

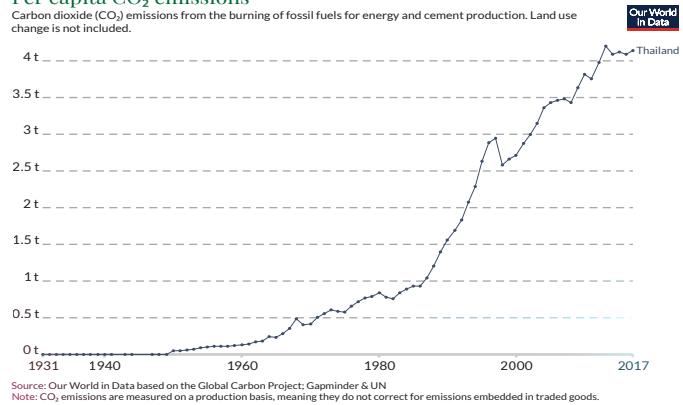
Climate change is a crisis that affects people all over the world, and it is estimated to worsen each day. An EU research stipulates that there is an urgent need to reduce carbon emissions by as much as 55% in 2030. An equally monumental task is to convince producers of carbon to reduce their emissions and maintain emissions quality since these activities incur additional expenses, thus many of these producers who are in countries with strict emissions restrictions chose to pay more through each countries' carbon tax.



Thailand and its emissions crisis

Thailand currently produces 270 Mega tons of CO₂ equivalent emissions per year, while only 0.16 Megatons of it is currently traded in Thailand's carbon market. The carbon market in Thailand is expected to grow at a rate of 70% per annum in the near future

Per capita CO₂ emissions



Thailand is a country which has 47% of its land used for agriculture, an industry that contributes 8% of its GDP in 2020. However, with little knowledge of best agricultural practices by farmers in poverty, practices such as razing are used for land preparation, an activity which releases harmful emissions that contributes to the frequent haze of PM2.5 in major cities in Thailand, as well as climate change.

Our Solution

To address this issue, we propose a carbon fund which is funded through an initial coin offering called the “carbon crypto fund” (CCF) which gives environmentally conscious investors to gain awareness of climate change while earning attractive returns, while also incentivising farmers in Thailand to conduct carbon offset farming businesses, after which the fund will then become the facilitator of carbon credit trading, matching demand from overseas markets with carbon offset supply activities in Thailand.

Leveraging on current cryptocurrency and blockchain technology's benefits in terms of transaction transparency, speed, transaction costs and ease of transfer and liquidation in each participant's countries, we see this technology as a potential vehicle to serve interested participants in our scheme.

How it works

An ICO of a digital carbon credit will take place where:

- Carbon credit holders can exchange their carbon credits for a stake in the form of a coin
- Interested buyers can also buy the coin with cash or cryptocurrency

With the funds, farming businesses in line with carbon reductions will be conducted to generate revenue through the conducting of said business or through carbon credits sales. In this case, we pick eucalyptus farming in Thailand as a potential business to conduct.

A fixed return either in the form of cash or regulated carbon credits will be given to farmers who participate in our scheme, and holders of the coin through the generation of carbon credits through the carbon offset, as well as the sales of eucalyptus wood.

Transaction fees will also be earned from the aggregation of the carbon credits from interested funders of the carbon crypto fund, and profit sharing through the conducting of carbon reduction businesses not limited to farming projects.

Parts of the proceeds will be used to establish a foundation to subsidize more environmentally friendly farming practices for farmers in poverty. This will effectively reduce harmful emissions that may be emitted through razing through burning. The foundation will act as a research and development center which will be used to educate farmers to conduct farming best practices.

The foundation will also facilitate farmers with the documentation and tracking process in line with the Gold Standard in carbon markets to make sure that carbon offsets are done in a regulated manner.

The coins will be tradeable with other sustainable products such as ones from return and refill businesses, and produce from organic farms grown by social cooperatives, effectively further alleviating additional farmers from other farming businesses from poverty.

Coins held by the investors can also be liquidated in cryptocurrency exchanges which accept the coin. With the coin, the carbon crypto fund can also manage the coins held to generate additional income through trading of cryptocurrency in the cryptocurrency market

Fund Diagram



Carbon Crypto Fund Term sheet:

Fund name:	Carbon Crypto Fund
Investment geography:	Thailand
Target fund size (ICO):	4 Mill. USD
Investment geography:	Thailand
Area:	1,800 Acre
Investment Period:	Unlimited time
Target Investor:	Environment Conscious Investor Holders of carbon credits, Holders of cryptocurrency 60% of net profit (From 5th year onward)
Dividend policy:	Management Fee: 1.0% + Performance fee 5%
Investment criteria:	Initial investment 10,000\$ Recommend holding period > 5 years
Market Size Carbon trade	Global - 11 Gigaton @2020 Thailand - 0.16 Megaton @2020

Target returns: 9.42 Mil. USD

- Coin size: 4.23 Mil. USD
- Carbon credit Foundation: 0.63 Mil. USD
- Dividend: 3.79 Mil. USD
- Target IRR: 10.68%

Investment highlight

1. The fund is scalable due to the large underserved carbon market in all geographies with the 55% carbon reductions pledge
2. Attractive risk-return profile
3. Fund is cryptocurrency and carbon credits accessible
4. Offers multiple revenue streams
5. Rewards farming and farmers for carbon offset activity

Risk

- Climate and Disasters such as flooding, forest fires.
- Output quantity is not as expected.
- Product price slump

Risk Mitigation strategies

- Frequent monitoring of farm will be conducted by local representatives to mitigate any possible disasters that may happen
- Farming best practices will be implemented to maintain the farm for consistent maximum tree growth
- Carbon credit price will be reassessed if price falls below 10 USD; price is fixed at inception

Cash flow and expected returns

Year	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15
Cost (USD ,000)															
Wage	(189)	(158)	(63)	(45)	(299)	(189)	(158)	(63)	(45)	(299)	(189)	(158)	(63)	(45)	(299)
Wood species	(77)	-	-	-	-	(77)	-	-	-	-	(77)	-	-	-	-
COGS	-	-	-	-	(275)	-	-	-	-	(275)	-	-	-	-	(275)
Asset (USD ,000)															
Land	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Revenue (USD ,000)															
Carbon offset Sale	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90
Eucalyptus Sale	-	-	-	-	2,540	-	-	-	-	2,540	-	-	-	-	2,540
Net Profit	(177)	(68)	27	45	2,056	(177)	(68)	27	45	2,056	(177)	(68)	27	45	2,056
Retained earnings	(177)	(244)	(217)	(172)	444	268	200	208	222	839	662	594	602	616	1,233
Dividend Payment	-	-	-	-	(1,233)	-	-	(16)	(27)	(1,233)	-	-	(16)	(27)	(1,233)
Foundation Support	-	-	-	-	(206)	-	-	(3)	(5)	(206)	-	-	(3)	(5)	(206)

Assumptions

- 30 THB = 1 USD
- Planting has a full yield capacity
- Fixed wages, eucalyptus sales price and land price equal to year 2020
- 1 Acre of eucalyptus farm = 3-7 Ton CO2 offset/year

- Carbon offset pricing = 10 USD/Ton CO2
- No expansion of the cultivated area
- After year 15th get revenue only form Carbon credit which growth 3% every year with WACC = 9%

Impact

The success of the CCF will be a step stone which may propel Thailand to potentially become a carbon offset hub where the fund connects and facilitates buyers of carbon credits worldwide with carbon offsetters. As more participants are on board, a network effect will build a community of carbon offset activities effectively promoting carbon reductions.

Here are the benefits of the fund to each stakeholder:

1. Coin holder : Carbon offset, Dividend, and Capital gain
2. Farmer : Add a trading channel for Carbon credit, easy to sale carbon credit. and Create jobs / income for farmers.
3. Thai entrepreneurs : Access to carbon offset to support business operations at a fair price.
4. Carbon credit development
 - a) Push Carbon offset activity to reduce Carbon in Thailand and world (more than 9,000 Ton/year)
 - b) An intermediary to connect Carbon credit around the world. Use the digital currency market as a channel.
 >> Fast transfer, Low fees (trading, transfer, currency exchange), Increase the liquidity, Can converted to a variety of currencies and also digital currency and market maker that increases liquidity in the real carbon credit market.
 - c) Establish a foundation to guide, educate and drive the correct and appropriate carbon offset activity in Thailand.

Sustainability

The CCF fund effectively takes action on climate change and its impacts through educating and raising awareness among poor farmers and local communities on the world's climate crisis, carbon reduction goals and the carbon market, connecting them with the industrial sectors, businesses and environmentally conscious investors, encouraging all parties to be part of the carbon reduction solution.

The success of CCF will generate financial ecosystems that connect local farmers and the community to carbon markets for carbon credit trading on the CCF platform. In addition, a CCF foundation will be established to facilitate more carbon offset activities to assist all stakeholders to reach carbon reduction goals, while alleviating poverty levels in farmers, improving the inequality gap in Thailand.

The CCF effectively satisfies goal no. 1: No Poverty, goal no. 10: Reduced Inequality, goal no. 13: Climate Action and goal no. 15: Life of Land in the UN Sustainable Development Goals.

1 NO POVERTY



10 REDUCED INEQUALITIES



13 CLIMATE ACTION



15 LIFE ON LAND

