



**BALANCE<sup>®</sup>**

THE BIO-DIVERSITY  
& CLIMATE SOLUTIONS  
ORGANISATION



# Introduction: Creating New Government Asset Class.

- Transforming Global Finance and Environment Through BALANCE®.
- BALANCE® represents a revolutionary approach, merging environmental sustainability with economic prosperity. It introduces a new asset class with the potential to rival the size of the fossil fuel industry. This initiative not only seeks to rectify past harms but also to pave the way for a sustainable and equitable future.

# Core Value Proposition

## A new asset class.

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- Targeted to mirror the monumental scale of the fossil fuel sector, providing a sustainable alternative that supports the global transition to a green economy.

## Empowering developing countries and the Global South.

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- Recognising developing countries and the global south as key holders of vast natural resources, the BALANCE® methodology enables them to unlock these assets, enhancing their borrowing capacity and fostering socioeconomic growth.

## Tri impact.

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- Simultaneously addressing biodiversity, climate change and promoting socio-economic development, BALANCE® offers a holistic solution that benefits both the planet and its people

# Strategic Objectives

## **Generate Employment and Income.**

- Stimulate economic growth by providing sustainable jobs and income sources through environmental projects.

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## **Create Biodiversity and Community Health.**

- Foster environmental restoration and resilience, ensuring long-term benefits for local communities.

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## **Increase Borrowing Capacity.**

- Support countries in leveraging their natural resources to enhance their financial stability and development potential.

# Methodology and Implementation

**BALANCE® is not just a concept but a practical solution already gaining momentum. By aligning with Govt, we aim to scale this methodology, leveraging the natural wealth of the global south and ROW for global benefit. Here's how:**

## Engagement with Four Countries.

- Active collaboration with nations ready to adopt BALANCE®, showcasing our commitment and the methodologies viability.

# Market and Financial Implications

**BALANCE® stands at the precipice of a new financial era, offering:**

**A Collaborative Investment Opportunity.**

- For investors and countries seeking to contribute to a sustainable future while realising healthy returns.

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**An Equitable Growth Model.**

- Ensuring that the benefits of environmental action are widely distributed, particularly benefiting the Global South

# Rationale

- **Substantial Expansion of Country Standing:** This new asset class has a significant positive effect on a country's position in the global markets, making borrowing more affordable.
- **Benefits of the BALANCE® 6 Point System:** This system aims to create biodiversity, generate employment opportunities, and mitigate climate change effects.
- **Financing Through Sovereign Wealth Funds:** Numerous countries possess sovereign wealth funds capable of financing the creation of BALANCE® units, enhancing their borrowing capacity. This is similar to the benefits derived from natural resource extraction.
- **Utilising Natural Resources in Poor Countries:** Interestingly, the poorest countries often have the greatest natural resources. Our proposal seeks to leverage this fact, akin to a strategic manoeuvre in jiu-jitsu, on resource extraction colonialism, to enhance their economic prospects.
- **Sustained Long-Term Well-Being:** The primary mandate and rationale for governments' existence are to ensure sustained long-term economic, environmental, and social well-being.
- **Markets for Social Good:** The underlying purpose of markets should be to contribute to social good and wealth building, aligning economic activities with broader societal objectives.

# Four Models To Fund The Asset Class and Realise Value

New projects take three years post planting in order to achieve carbon credits. Planting partners need financing, which often comes from logging companies that encourage monoculture crop with a permanence of 40 years as opposed to our 99 years. There are four models to create the asset class that solve this:

## **1. Business As Usual**

Adopt the current business model with countries as suppliers.

## **2. Ex-ante funded**

Partner with private capital to fund the initial project development.

## **3. Country funded**

Partner with country and sovereign wealth funds for initial project development.

## **4. Client funded**

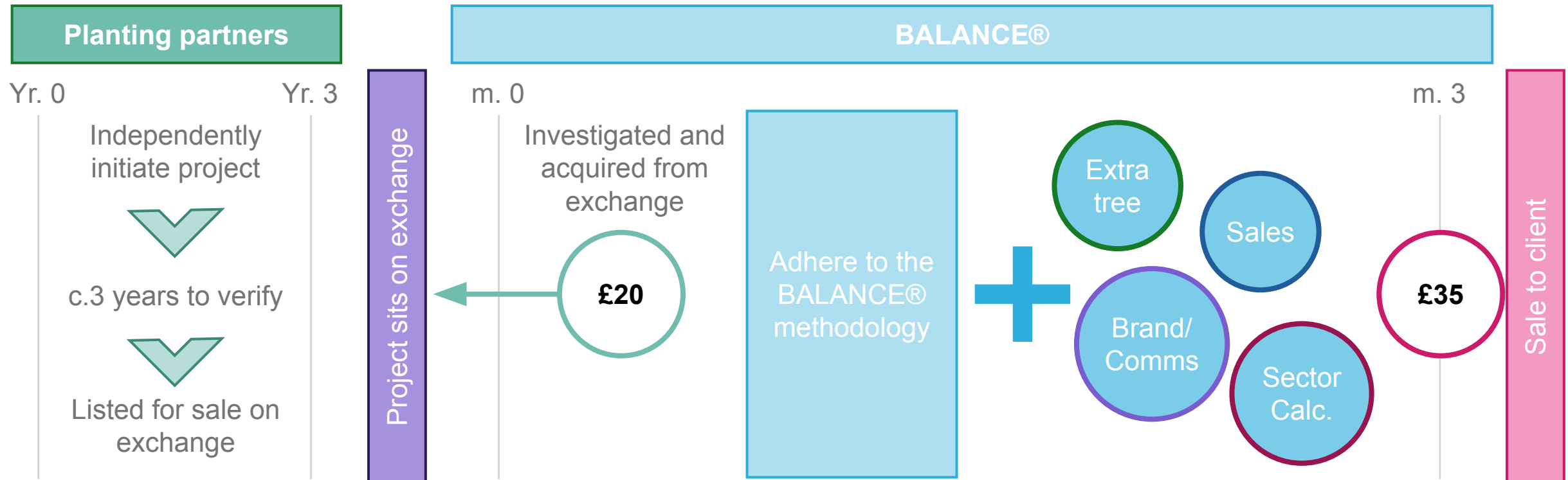
Self-financing by BALANCE® clients, with each BALANCE® unit funding the creation three more.



# 1. Business As Usual: Worked Example, One Tonne of BALANCE®

Current model is BALANCE® acquires existing verified carbon credits, that adhere to the our six-point methodology. We then sell these through the BALANCE® platform.

- Countries become the planting partners (BALANCE® stock suppliers).
- The model is cash positive. BALANCE® acquires the units after we have been paid by our client.



## 2. Ex-Ante Funded

- Currently removal credits tend to be funded by industrial logging processes, creating mono-culture forests with only 40-year protection.
- With a pool of capital we provide 25% of the expected post-verification value, in order to create forests that will adhere to the BALANCE® methodology.
- We build a capital pool from private equity as well as structured instruments.
- Stock will be held on BALANCE® Eco Ltd's balance sheet as a growing asset.
- Stock can be sold along the timeline of the project, initiation to verification. Verified and pre-verified credits have different values.
- BALANCE® clients aren't buying carbon credits for offset, they are buying BALANCE® units for biodiversity, therefore the depressed pre-verified value can be enhanced through our system.

## 3. Country Funded

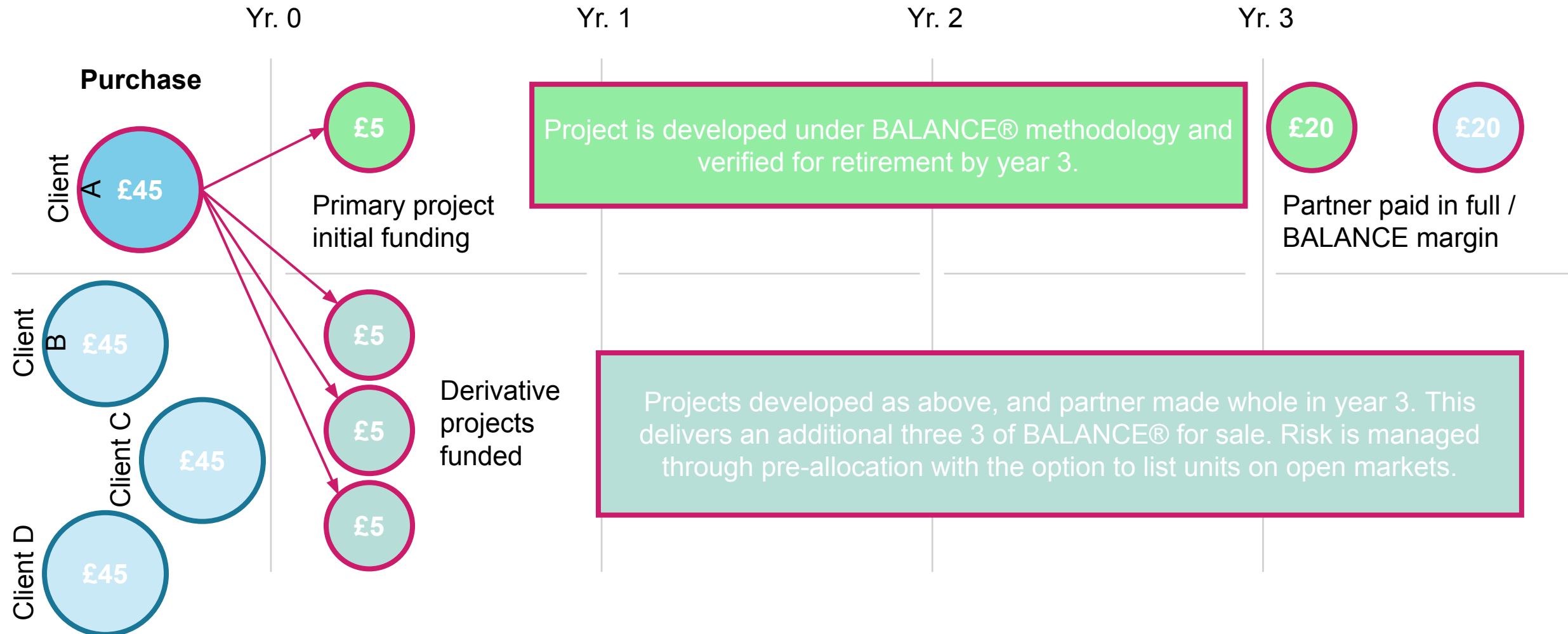
- Countries act as the ex-ante fund, to initiate the projects adhering to the BALANCE® methodology.
- Countries' sovereign wealth funds can create in-country initiatives as well as RoW.
- Countries receive finance that does three things:
  1. Creates biodiversity
  2. Social-economic co-benefits
  3. Addresses climate
- The country is able to borrow money on the international markets at a reduced rate.
- Countries are in control of pathways to 2050. With this model, it would be in their interest to speed up compliant sector adoptions.



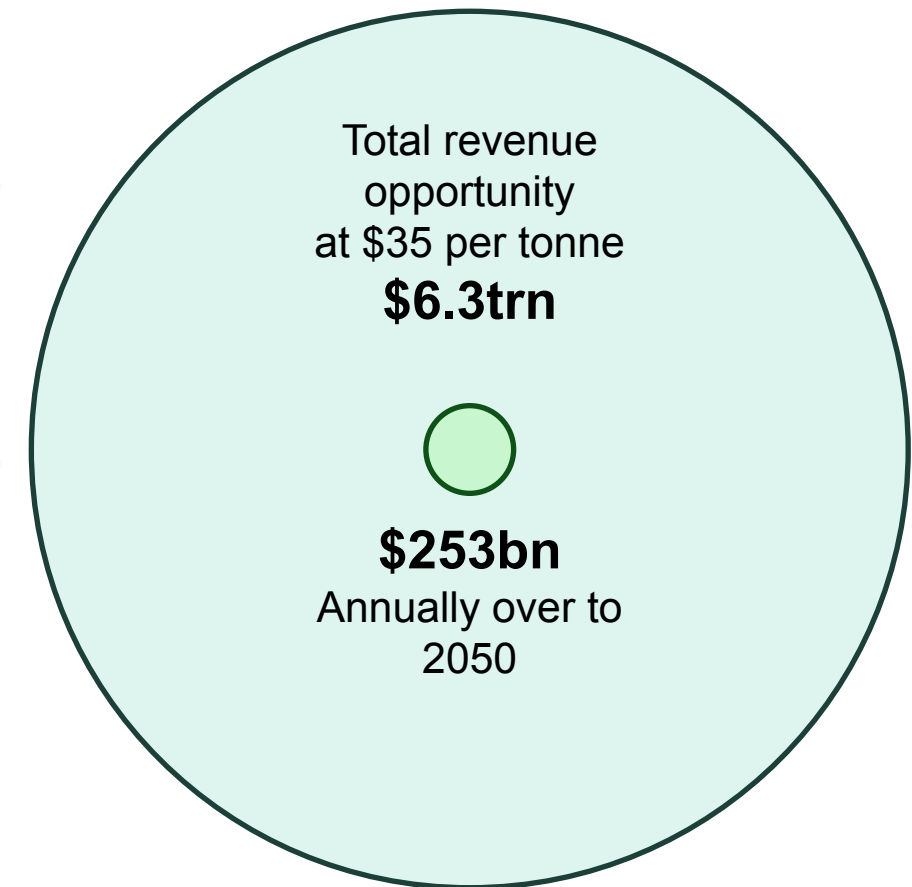
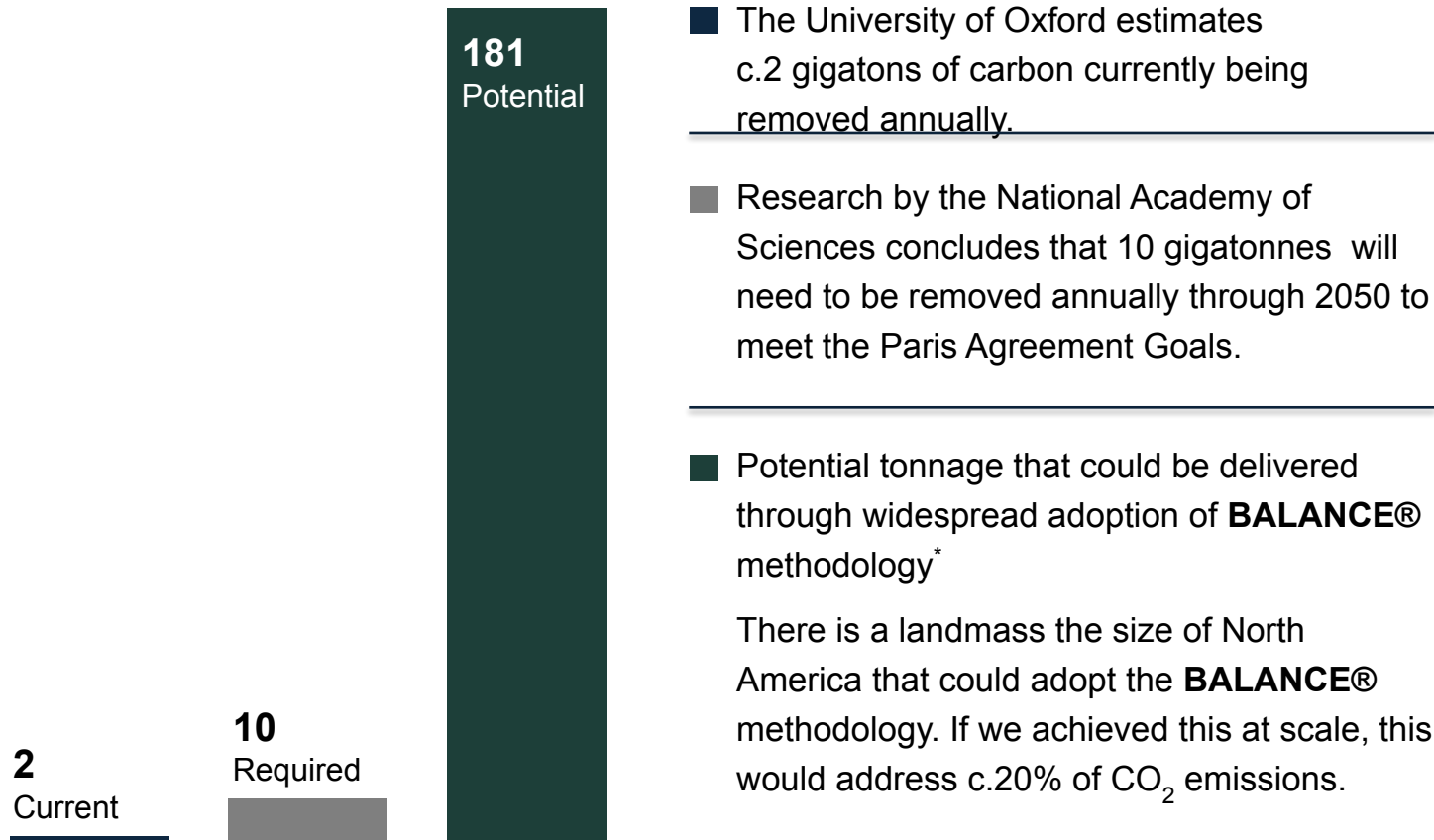
## 4. Client Funded: Rationale

- BALANCE® clients are not buying credits for 'carbon neutrality', they are buying BALANCE® units to create bio-diversity.
- This model is self-financing and a fast multiplier. The asset base expands at pace.
- Out of the \$20 the client pays, we use \$15 to initiate additional projects.
- This is protected because the terminal asset value of the units can be traded openly on the markets and the asset is held by the planting partner.
- The client funded model has the lowest cost of capital.
- Stock can be sold along the timeline from project initiation to verification: verified and pre-verified product. This can create a market for unverified stock, which has a depressed value.

## 4. Client Funded: Worked Example, Tonne of BALANCE®



# Scale of the opportunity



\* Assumes a landmass the size of North America, 2bn hectares, sequestering on average 90 tonnes per hectare



## Conclusion: A Call to Action

- We are at a critical juncture in our global environmental and economic journey.
- BALANCE® offers an unprecedented opportunity to shift the narrative, turning the challenges of today into the assets of tomorrow.
- By investing in BALANCE®, stakeholders can partake in creating a sustainable, equitable future that not only addresses the legacy of the fossil fuel industry but also sets a new standard for prosperity and environmental stewardship.
- BALANCE has inverted the traditional natural resource, extraction model, addressing the fact of carbon and natural resource extraction colonialism, creating employment, biodiversity and climate mitigation with the country, its people and its fauna and flora being the beneficiary.

# Engaging for the Future

- As we advance, our partnership with investors, our ongoing involvement with select countries, and building a strategic relationship with key entities will underscore our commitment to this transformative journey.
- Together, we can redefine the value of natural resources in the Global South and indeed ROW, turning them into a cornerstone of global economic and environmental strategy.

## BALANCE® Vision

The **BALANCE®** vision is that the **BALANCE®** methodology is the standard methodology that NDC use for **Nature Based Solutions (NBS)** are created against, and that the entirety of the carbon markets are compliant **rather than voluntary**. **BALANCE®** units can be hypothecated out through balance directly to clients, as opposed to becoming an aggregated pool within NDCs (Nationally Determined Contributions).

- **Role of Countries in Drafting and Voting:** Countries are pivotal in drafting and voting on Article 6, which positions them as key beneficiaries in the development of this national asset, leading to greater income both at the individual and national levels, alongside the benefits of enhanced biodiversity. It is logical that these countries will vote for this at COP.
- **Pathways to 2050 Compliance:** Currently, only five sectors are compliant, but this number is expected to increase over time. Countries could speed up and enforce sectoral compliance therefore, expanding the market for their new national asset.



## BALANCE® Vision

- **Challenges to Implementation:** The main obstacle to broader compliance and the development of environmental assets is lobbying by the fossil fuel industry, which hinders progress towards sustainable practices. As a new industry evolves at a similar scale to the incumbent, it is logical these impediments can be addressed.
- **Vision for the BALANCE® Methodology:** The ambition is for the BALANCE® methodology to become the framework against which Nature Based Solutions (NBS) are developed. The goal is for the entirety of the carbon markets to be compliant, transitioning from a voluntary to a mandatory system across all sectors.
- **BALANCE® Role in the Vision:** We act as the agent responsible for delivering the BALANCE® units, planting the additional in country local trees, managing communications, conducting due diligence on projects, engage in monitoring verification and research, ensuring the successful implementation and adoption of the BALANCE® methodology in country and across carbon markets.

The balance unit could be tokenised utilising distributed ledger AI and satellite monitoring. Creating an evolution pathway to the BALANCE® Token.

Thank you