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DAVID & GOLIATH AND PAN EUROPEAN CARBON FUND ANNOUNCE \$500M CARBON FUND LEVERAGING FORWARD CONTRACTS AT COP 29

Guaranteed by The Private Office of His Highness Sheikh Sultan Bin Rashed Bin Humaid Al Nuaimi, the fund employs rigorous oversight and forward contracts to address challenges in the rapidly growing carbon credit market.

BAKU, AZERBAIJAN, NOVEMBER 18, 2024. On the sidelines of COP 29, **David & Goliath Carbon Trading LLC** dandgcarbon.com and **Pan European Carbon Fund** paneuropeancarbon.com announced the launch of a transformative **\$500 million carbon fund**, aimed at advancing global sustainability initiatives. Backed by **The Private Office of His Highness Sheikh Sultan Bin Rashed Bin Humaid Al Nuaimi**, hhsheikhsultanalnuaimi.com the fund combines forward contracts and rigorous oversight mechanisms to provide an innovative solution to the challenges facing the carbon credit market.

THE CARBON CREDIT MARKET: GROWTH AND CHALLENGES

The global carbon credit market is on a remarkable growth trajectory, driven by rising corporate commitments to net-zero emissions and the adoption of carbon pricing mechanisms. **BloombergNEF** projects that the voluntary carbon market, valued at approximately **\$2 billion in 2022**, could grow to **\$100 billion by 2030** and potentially reach **\$250 billion by 2050**.

Carbon credit prices are also climbing. **Senken.io** reports that the average price of a carbon credit increased by **72.5% between 2021 and 2023**, reaching **\$6.97 per ton**. Projections suggest prices could rise to between **\$47 and \$210 per ton by 2050**, reflecting increasing demand and the scarcity of high-quality credits.

The **compliance carbon credit market** is projected to expand significantly, with **Global Market Insights** estimating that the global carbon credit market (including voluntary and compliance segments) could reach **\$2.68 trillion by 2028**, growing at a compound annual growth rate (CAGR) of **18.23%** between 2023 and 2028.

While the market's potential is immense, challenges such as greenwashing, lack of standardization, and insufficient oversight threaten its credibility. Recent agreements at

COP 29 aim to address these issues by setting global quality standards and ensuring transparency in carbon credit trading.

HOW THIS FUND ENSURES INTEGRITY

The fund addresses market challenges highlighted by the United Nations and other global bodies, including:

- **Transparent Oversight:** Projects will undergo rigorous audits and independent verification to ensure adherence to global standards.
- **Quality Assurance:** Only credits that meet stringent additionality, permanence, and environmental integrity criteria will be issued.
- **Emission Reduction Priority:** Projects will focus on direct emission reductions first, complemented by robust offset strategies.
- **Market Credibility:** By aligning with COP 29 frameworks, the fund strengthens stakeholder confidence in carbon credit markets.

Global Commitment: A Message from His Highness: His Highness Sheikh Sultan Bin Rashed Bin Humaid Al Nuaimi, whose Private Office guarantees the fund, stated: *"Baku, a city where tradition meets innovation, is the perfect stage for this ambitious announcement. This fund embodies the UAE's commitment to international collaboration and tangible climate action and is more than a financial instrument—it is a commitment to transparency, accountability, and climate leadership. By ensuring integrity and fostering innovation, we aim to inspire a new era of sustainable development."*

WHY FORWARD CONTRACTS MATTER?

With the global carbon market projected to grow exponentially, the demand for reliable financing mechanisms has never been greater. A recent report by **Bloomberg Green** highlights that over 80% of carbon reduction projects fail to secure early-stage funding, delaying implementation and undermining their impact.

Forward contracts will be the cornerstone of this fund, offering a pioneering approach to carbon credit financing. These contracts enable project developers to pre-sell future carbon credits, providing:

- **Immediate Liquidity:** Upfront funding empowers developers to implement projects without financial delays.
- **Price Stability:** Contracts lock in future credit prices, shielding both developers and buyers from market volatility.
- **Scalability:** Forward contracts create a predictable revenue stream, facilitating the expansion of large-scale sustainability projects.

By leveraging forward contracts, the fund addresses the critical challenge of early-stage financing for carbon reduction projects while ensuring buyers gain access to high-quality, verified offsets.

A Visionary Milestone in Carbon Finance, Dr. Lal Bhatia, Chairman of David & Goliath Carbon Trading LLC, remarked:

"Forward contracts are the bridge between ambition and action. This innovative financial tool empowers developers to launch impactful projects and provides buyers with guaranteed, high-quality offsets in a volatile market. This \$500 million fund exemplifies our commitment to meaningful, measurable climate action."

FOCUS AREAS OF THE FUND

The fund will prioritize transformative projects in:

- **Hydrogen Energy:** Decarbonizing industrial and energy sectors.
- **Direct Air Capture (DAC):** Removing CO₂ directly from the atmosphere.
- **Sustainable Resorts:** Creating eco-tourism hubs with integrated renewable energy and waste management systems.
- **Afforestation and Reforestation:** Large-scale carbon sequestration projects.
- **Waste-to-Energy Systems:** Transforming waste into renewable energy.
- **Carbon-Neutral Construction:** Developing prototypes for net-zero buildings using sustainable materials.

A Collaboration Built for Impact This initiative bridges the expertise of David & Goliath Carbon Trading LLC and Pan European Carbon Fund, backed by the unwavering support of the Private Office of His Highness Sheikh Sultan Bin Rashed Bin Humaid Al Nuaimi. Together, they aim to redefine carbon finance, driving innovation and action on a global scale.

Artem Rogalev, of Pan European Carbon Fund, concluded: *"Launching this fund at COP 29 sends a powerful signal of global unity against climate change. It's not just a financial mechanism—it's a blueprint for achieving the ambitious climate goals our world desperately needs."*