



Columbia Business School Climate Business and Investment Conference

CARBON BAROMETER OVERVIEW

APRIL 28 2023



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DATA AGGREGATION

Carbon Barometer Visualization

Carbon Barometer Price
\$USD/MTCO₂

\$18.52

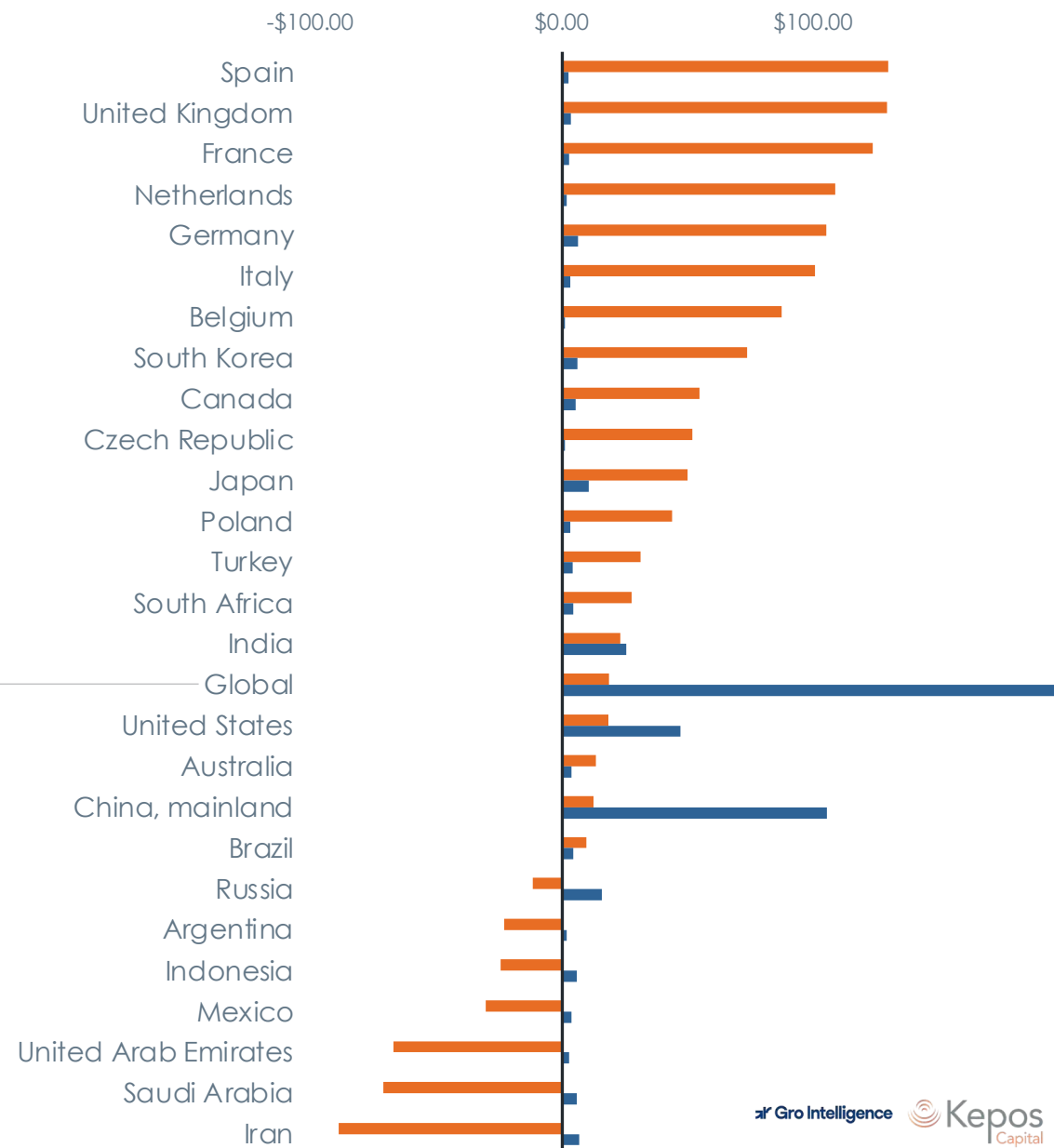
Additional views

Country-level policy data and evolution over time of Carbon Barometer price

Disaggregated seven policies and contribution to overall Carbon Barometer calculation

- Carbon Barometer Price \$USD/MTCO₂
- Total Carbon Dioxide Emissions, 100M MTCO₂

CBP vs. Total CO₂ Emissions, 2021



Example

Creating a Bond from the Carbon Barometer

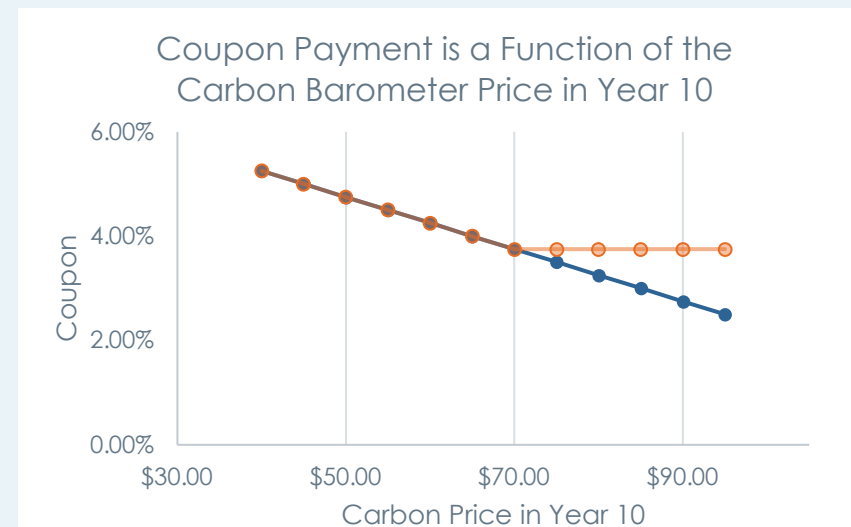
Country Issues Bond linked to Barometer Price

Terms:

- Country A has a current Carbon Barometer Price of \$40 based on its policies
- Country A plans to implement policies which would **increase the Carbon Barometer to \$70**
- Country A agrees to a coupon payment such as:
 $(\text{Base Rate}) + (\text{Scale Factor}) * M(t)$
- where $M(t) = [\text{actual carbon price}(t)] - [\text{target carbon price}(t)]$

Country A, Payment Scenarios, Year 10

Year 10 Country Carbon Barometer	Status
\$92	Achieved Threshold
\$55	Slight Improvement
\$40	No Improvement



Blue line depicts a linear relationship, while orange line is the maximum of base rate and linear equation