



Meeting Philanthropic Objectives via For-Profit Investment Programs

THE CASE OF GLOBAL WARMING

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UBS Italy Philanthropy Forum

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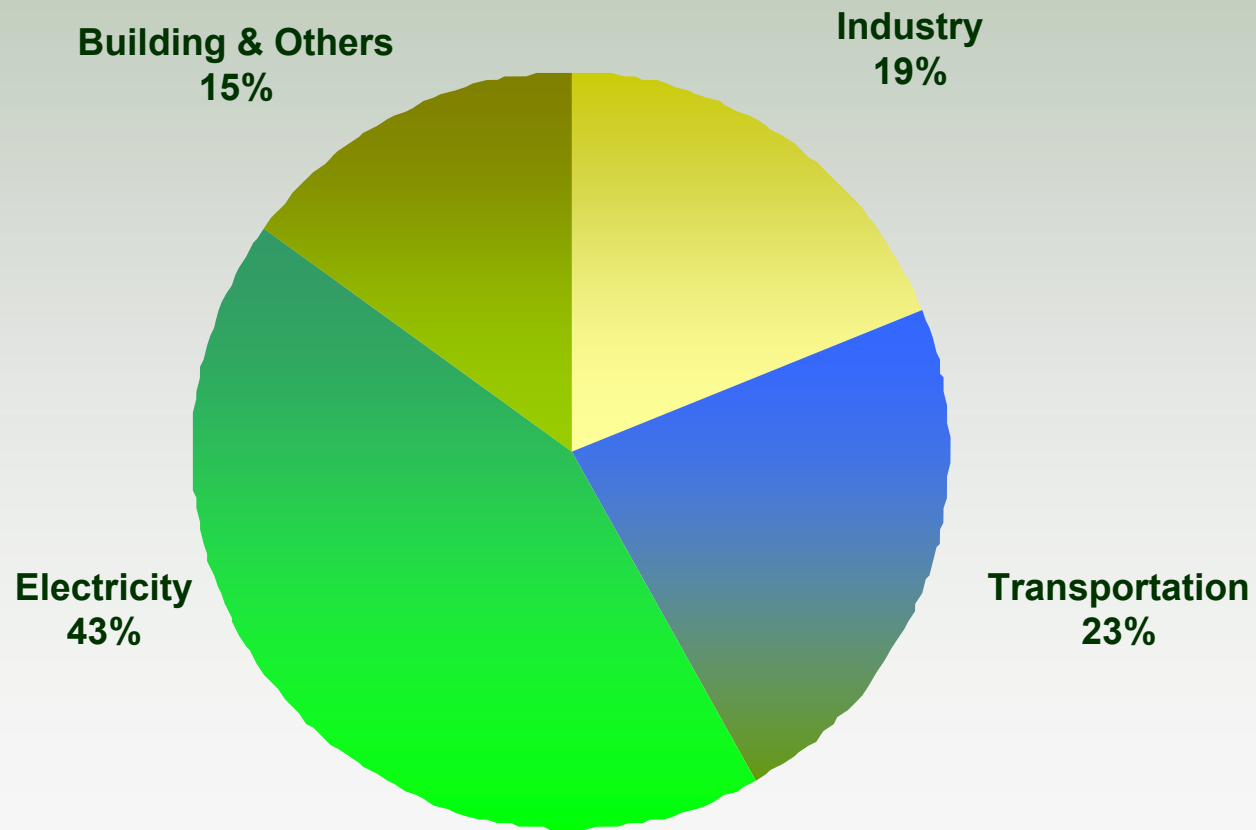
Global warming: 1. Australia

- June 2002: Australia rejects Kyoto
- October 2004: Howard re-elected premier for the 4th time
- Spring 2007: worst drought in 1,000 years. Very severe water rationing with threat to cut water for farming irrigation
- April 19th 2007: Howard asks Australians to pray for rain

Global warming: 2. Other Known facts

- Glacier retreat: North Pole, Greenland, Antarctica
- Rising sea level:
 - Lochara island disappeared, Tuvalu moving to New Zealand, Bangladesh, ...?
- Extreme weather conditions:
 - Drought / desertification
 - Increased intensity of hurricanes / floods
 - Record high / low temperatures

Sources of GHGs



Source: Ron Oxburgh

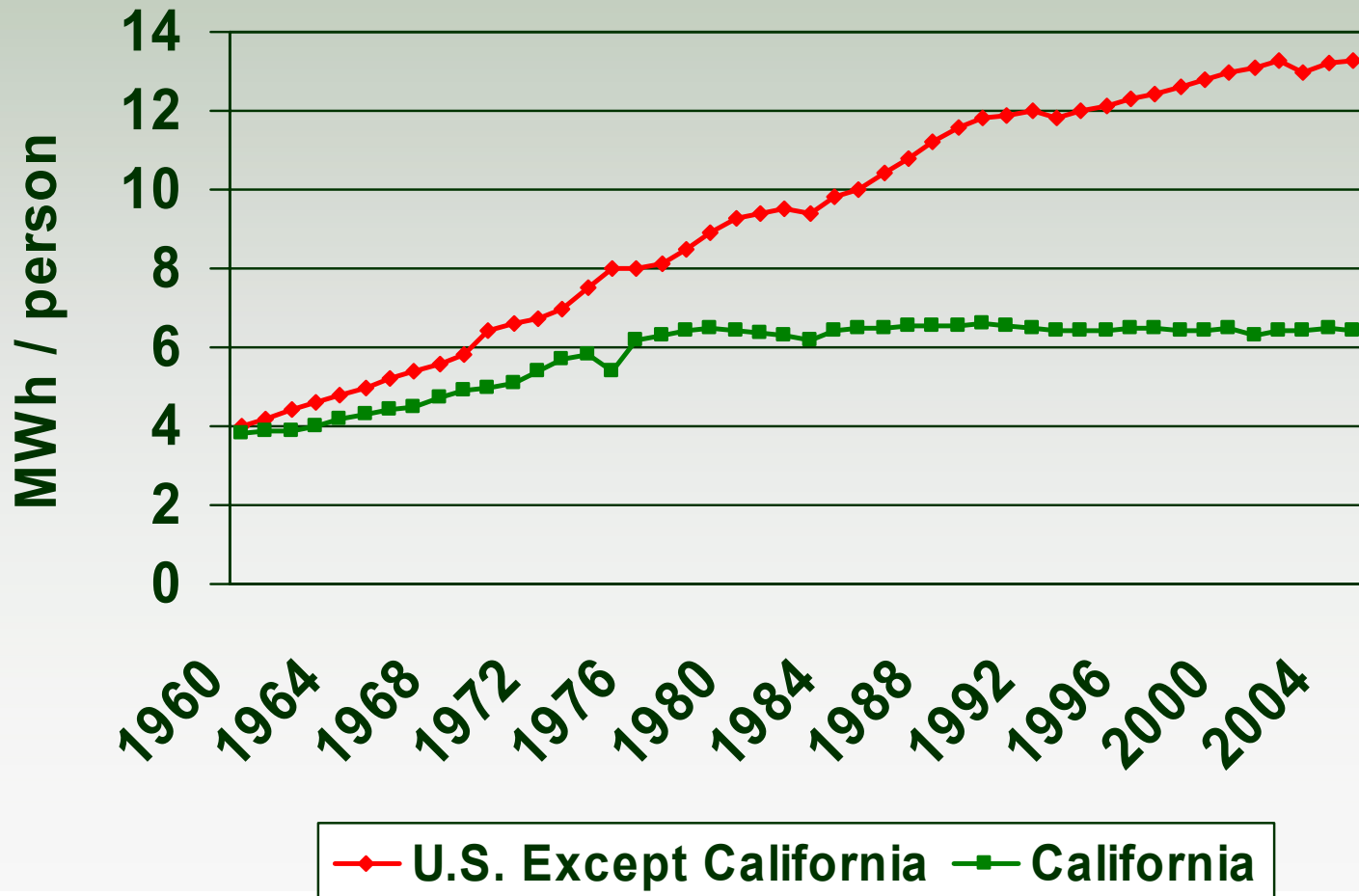
Choice of remedies is complex

- Wind farms can spoil the landscape
- Biofuels feedstock competes with food
- Radioactive waste disposal still an issue
- Large scale carbon sequestration untested
- Hydro power reduced by drought
- Uncertain role of forests

Fortunately some solutions are reasonably uncontroversial

- Wind farms in 'unspoilable' landscape
- Biofuels from non food crops
- Energy efficiency
 - Cogeneration
 - Fuel efficiency in vehicles
 - Building insulation

California versus U.S. Electricity Use Per Capita



Source: Romm, Hell and high water

IPCC : the cost to keep global warming below 2°C

Between 0,2 and 3 %
of world GDP needed
to mitigate global
warming



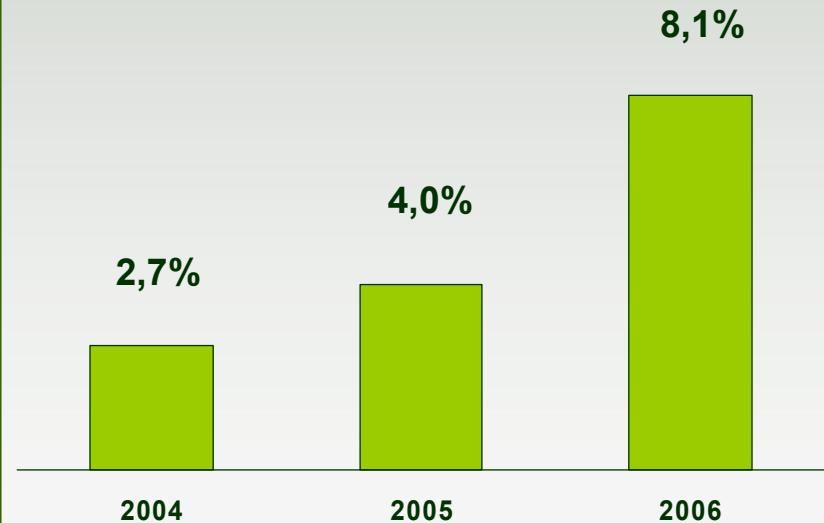
70 to 1,000
Billions USD

Strong growth of cleantech PE and VC

World Clean Energy Investment
\$ Billion



Energy Technology Investments as a % of US Venture Capital



Source: NEF

Modest role of non profit

2005 income of major non profit organizations:

- Greenpeace ~ 180 M \$
- WWF ~ 110 M \$
- NRDC ~ 70 M \$
- Sierra Club ~ 22 M \$

Philanthropy could play big role

- Technology VCs in dire needs of investors willing to take reasoned but high risks
- Many geographies shunned by conventional investors
- Foundations could be less conservative and channel more funds into environmental PE / VC
- Why not risk to make money investing in one of the century's fundamental problems?



Thank you

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