



**nexus**  
Carbon For Development



**ANNUAL  
REPORT**  
**2012**

## Acknowledgments

This report was prepared by Nexus secretariat team, with support from member organizations.

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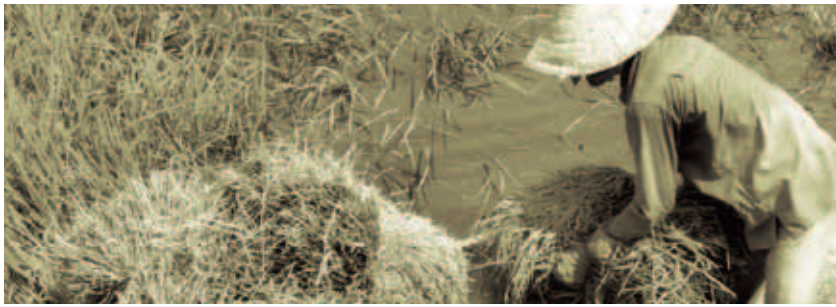
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**Dear friends,**

It is my pleasure to share with you the successes achieved last year despite the challenging global economy and turmoil in carbon markets. With your support, Nexus demonstrated the robustness of its model to support the dissemination of low carbon and life-improving technologies to vulnerable populations.

2012 saw the first two projects fully supported by the cooperative achieve registration under the stringent Gold Standard. Thanks to carbon financing, Hydrologic will increase the distribution of ceramic water purifiers, a cost-efficient and eco-friendly product which provides safe drinking water to populations in rural Cambodia. As for the Biogas Program for the Animal Husbandry Sector of Vietnam, it will use carbon financing to strengthen the development of a market-based household biogas sector in Vietnam.

Our partnership platform - Nexus-beyond offsetting - was launched. For the first time in carbon markets, a cooperative of project developers partnered with companies and institutions who would like to support development projects by purchasing high-quality carbon credits. Throughout the year, the platform saw increasing demand, with more than ten institutions and corporations - including Deutsche-Post DHL - purchasing carbon credits.

Lastly, Nexus further demonstrated its ability to raise funds to support members' activities, mobilizing close to one million US dollars to scale up projects during the last two years.

We have exciting challenges ahead of us. With your support, we are expanding our suite of financial tools to accompany more projects from pilot to scale-up stage. What distinguishes us are the development benefits achieved by our members' projects. A sound monitoring of these benefits will be needed to demonstrate their added value. Further developments will be shared on these topics next year.

I would like to take the opportunity to thank my team for their commitment and vision, and wish you a pleasant reading.

Best regards,

A handwritten signature in blue ink that reads "Marion Verles". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Marion Verles**

Executive Director



**Dear friends,**

On behalf of Nexus Board of Directors, I am delighted to introduce Nexus annual report.

2012 has been an extremely interesting year for clean development projects. The turmoil on carbon markets has raised many questions on how market-based instruments can support on one hand climate change mitigation, and on the other hand the dissemination of clean technologies to vulnerable populations. The future of climate financing is still open, with few firm commitments from developed countries and the slow set up of the Green Climate Fund. At the same time, the coming years will be crucial for development finance: new international targets will be agreed by 2015, in a difficult economic situation where aid efficiency will be key.

Despite this difficult and changing environment, the issue of energy access got higher and higher on the agenda. The year of Sustainable Energy for All triggered commitments from governments, companies and individuals to the triple goals of energy efficiency, renewable energy and energy access. Technologies like improved cookstoves attracted interest from donors, investors and companies.

In this context, our recent successes, and the attractiveness of members' projects on carbon markets show that regardless the structure of financing, clean projects with a strong development focus will continue attracting support.

Lessons learnt from development practitioners accessing carbon markets should be shared as climate finance mechanisms are being set up. In this context, Nexus' involvement as an observer to the Climate Investment Funds is an encouraging first step towards more recognition of the specificities of projects that fight climate change and poverty.

We will be looking forward to update you on these future developments. In the meantime, I would like to thank you for your support and wish you a pleasant reading.

Best regards,

**Priyadarshini Karve**

## About Nexus-Carbon for Development

Nexus is a cooperative of development organizations that support vulnerable communities by scaling up successful climate-friendly projects. This nonprofit and collaborative structure enables members to share expertise and services, access technical assistance and international funding opportunities such as carbon finance. Acting together and committing to a common vision, Nexus members benefit from economies of scale, reduced risks, and a strong voice in the global community.

### The Need for Nexus

Universal access to clean energy and safe water is crucial to alleviate poverty. Functional and energy-efficient solutions to meet local needs exist, but remain out of reach for the most vulnerable populations.

- One-fifth of the global population lack electricity to light homes or conduct business
- 40% rely on biomass to cook
- Indoor air pollution from cooking with solid fuels kills four million people a year, most of whom are women and children

Development organizations have extensive experience designing projects that enhance access to these solutions while providing long-term opportunities for local producers and distributors. Although carbon finance can help disseminate energy-efficient technologies to more vulnerable populations, few development organizations can access it because of high transaction costs, complex methodologies and inequitable financial risks. Specialist expertise is needed, but is not cost-efficient for development organizations to internalize. Therefore, valuable revenue is lost or diverted to external experts rather than used for reinvestment or the scaling up of projects.

Nexus, through its nonprofit cooperative structure, helps to pool resources and share the risks involved in accessing carbon finance in order to pursue the development aims of its members. The cooperative has committed to provide clean energy to 20 million people in developing countries by 2020, while reducing greenhouse gas emissions by 10 million tons CO<sub>2</sub>eq.

**Our Goal:** By 2020, enable 20 million people to access clean energy and reduce greenhouse gas emissions by 10 million tons CO<sub>2</sub>eq



© David Graham-IDE volunteer (Hydrologic)



## The Nexus Difference

**Nexus is the first development cooperative in carbon finance.** Over the last few years, a significant number of strategic alliances and acquisitions took place in the carbon finance markets; however, development organizations found themselves isolated, as they did not take part in this move towards consolidation. Nexus is the first cooperative formed by development organizations to use carbon finance to support vulnerable communities. Nexus members share expertise, but also the costs of building this expertise. This allows them to have a stronger position in the carbon finance sector.

**Nexus uses private sector tools to achieve development benefits.** Nexus members take full advantage of private sector methods and tools, while at the same time prioritizing transparency and fairness. They use the cooperative model to support scaled development impacts.

**Nexus is promoting a fair approach to carbon offsetting.** Organizations that purchase carbon credits to “offset” their greenhouse gas emissions often ignore the percent of the purchase price that is actually paid to the project itself. Nexus allows companies and public institutions to purchase carbon credits directly from our cooperative of project developers. This fair approach to offsetting ensures that 85-90% of the revenues are directed to the project and its beneficiaries.

## Nexus Activities

Nexus activities help members scale up successful climate-friendly projects.



Universal access to clean energy and safe water is crucial to alleviate poverty.

- The Alliance is a community of development organizations focused on capacity building and sharing knowledge between developing countries. Members have access to pooled technical and project development services.
- The Fund provides members with an innovative range of financing options that blend traditional development funding and impact investment with carbon finance support, adapted to each step of project development.
- Nexus-beyond offsetting is a platform for members to engage companies, public institutions, and other carbon credit buyers in a fair approach to offsetting. Carbon credit revenue directly benefits development projects.
- Nexus conducts research and advocacy activities to ensure long-term financing of member projects, encourages the transfer of knowledge and experience regarding the best practices and lessons learnt, and participates in shaping future climate finance mechanisms.

## 2012 Activities and Results

### The Alliance

For the first time, two projects fully supported by the cooperative (Hydrologic Social Enterprise and the Biogas Program for Animal Husbandry Sector of Vietnam) achieved registration under the Gold Standard.<sup>1</sup> The capacity of both member organizations was increased thanks to direct training of staff involved in the carbon project cycle. Project origination has been prioritized and target technologies identified, with four members joining Nexus during the annual general meeting in 2012. Strengthening relationships between members has been identified as a priority to create new project opportunities and therefore maximize impacts. A survey has been launched to better understand members' needs and preferred ways to engage with each other and with Nexus secretariat.

### The Fund

Progress was made in setting up financial tools which accompany projects throughout their life cycle. First, Nexus launched the Grants for Innovation scheme designed to cater to the needs of projects at their inception phase. Members were invited to submit project plans and a panel selected four finalists who benefited from the fundraising efforts of Nexus' secretariat. Two projects received funds from donors and funds from Nexus have been committed to another project. Second, Nexus and its members undertook fundraising for projects that have passed the inception stage. In total, Nexus has mobilized close to one million US dollars to scale up projects during the last two years. Finally, two projects (Hydrologic Social Enterprise and the Biogas Program for Animal Husbandry Sector of Vietnam) were supported by the Nexus Revolving Fund, which covers the financial gap faced by project developers to meet the carbon transaction costs.

### Nexus-beyond offsetting

2012 saw the launch of Nexus-beyond offsetting, a direct partnership platform which allows members to engage companies, public institutions, and other carbon credit buyers in a fair approach to offsetting. The launch took place in Singapore and was relayed online. The concept of direct sales, as well as the quality of carbon projects attracted several high-profile buyers including Deutsche-Post DHL.

### Research and Advocacy

Advocacy efforts were enhanced this year, with Nexus providing input to Clean Development Mechanism (CDM) reform discussions, and acting as a civil society observer to the Climate Investment Funds. Nexus co-hosted a workshop on carbon and climate financing with EEP Mekong and the blue moon fund. In terms of research, Nexus participated in the development of the CDM Decision Tool, a free resource which helps project developers assess the feasibility of carbon finance for their development projects.

<sup>1</sup>Both projects are issuing carbon credits at the time of writing.

## Outlook

### Priorities for 2013

- Refine member engagement and capacity building strategies based on the needs of our member organizations to build a vibrant community of project developers
- Launch a second call for proposals for the Grants for Innovation, taking into consideration the lessons learnt from the first call
- Further support mature projects by increasing the capacity and the scope of the Revolving Fund
- Partner with companies and institutions that would like to engage in a fair approach to offsetting by purchasing members' carbon credits
- Influence markets thanks to research and advocacy activities, with a focus on developing approaches to measure the development impacts of carbon projects

## Members

Nexus members are award-winning development organizations, including social enterprises and NGOs, recognized for their impacts in the field. Active projects include promoting climate-friendly agriculture, empowering farmer co-operatives, distributing products such as improved cookstoves, water purification systems and household biogas digesters.

Current Members (as of December 2012):



**Agronomes et Vétérinaires Sans Frontières (AVSF), Cambodia**

*(member since 2012)*

AVSF is an international NGO acting for rural development by supporting family farming in developing countries and contributing to advocacy actions in the North and South in favor of family farming by sharing skills in the fields of agriculture, livestock, animal health and natural resources management.



**Appropriate Rural Technology Institute (ARTI), India**

*(founding member)*

ARTI is an NGO based in Maharashtra, India, founded by a group of scientists and social workers in 1996. The mission of the organization is to serve as an instrument of sustainable rural development through the application of scientific and technological knowledge.



**The Biogas Program for the Animal Husbandry Sector of Vietnam (BP)**

*(member since 2012)*

In 2003, the Biogas Program for Animal Husbandry Sector of Vietnam was launched in cooperation with SNV Netherlands Development Organisation and financed by the Netherlands government. Overall objectives of project are (i) exploiting effectively biogas technology and developing a commercial viable biogas sector in Vietnam; and (ii) contributing to rural development and environmental protection via provision of clean and affordable energy to rural households, improvement of community's sanitation and rural people's health, creation of job for rural labor and reduction of greenhouse gas emission.



**Cambodian Center for Study and Development in Agriculture (CEDAC)**

*(founding member)*

CEDAC is a Cambodian NGO created in 1997 that specializes in ecological agriculture and rural development. CEDAC envisions a Cambodian society where small farming households enjoy good living conditions and strong mutual cooperation, with the right and power to determine their own destiny, as well as playing an important role in supplying healthy food for the whole society.



**Eco-Watch Institute (EWI), China**

*(member since 2012)*

EWI is a non-profit organization. The aim is to undertake pro-poor activities on energy, environment and ecology issues in China's rural areas to help the poor increase their income, and improve the quality of their environments and agricultural-ecological systems, and to ultimately realize sustainable socio-economic development in rural areas.



**The Global Environmental Institute (GEI), China**

*(member since 2010)*

GEI is a Chinese non-profit NGO that was established in Beijing, China in 2004. Its mission is to design and implement market-based models for solving environmental problems in order to achieve development that is economically, ecologically, and socially sustainable.

**Group for the Environment, Renewable Energy and Solidarity (GERES), France**

*(founding member)*

GERES is a French non-profit organization created in 1976 after the first Oil Shock. Thirty seven years later, activities covered by GERES include conducting energy efficiency programs, providing decentralized energy services for local economic development, supporting and developing renewable energies, and promoting waste management.

**Humanist Institute for Co-operation with Developing Countries (Hivos), Netherlands**

*(member since 2011)*

Hivos is a Dutch development organization guided by humanist values. Together with local organizations in developing countries, Hivos strives for a world in which all citizens - both men and women - have equal access to resources and opportunities for development.

**Hydrologic Social Enterprise, Cambodia**

*(member since 2010)*

Hydrologic is a social enterprise that grew out of a project of iDE Cambodia, an international NGO with a market-based approach to creating rural prosperity. It introduced a low-cost Ceramic Water Purifier technology in Cambodia, setting up local manufacturing and distribution networks and stimulating demand through social marketing campaigns.



**Integrated Development Association (IDeA), Sri Lanka**

*(founding member)*

IDeA is a registered non-profit, non-governmental organization based in Kandy, Sri Lanka. IDeA strives to promote harmony between the people and the environment and to enable all segments of society to develop and use technologies and methods, which give them more control over their lives and contribute towards their development in a sustainable manner.

**Parikrama Mahila Samiti (PMS), India**

*(member since 2011)*

PMS was founded in 1984. Since its inception, PMS has been involved in assisting community actions for development, protection and regeneration of the environment and natural resources.

**Samuchit Enviro Tech Pvt Ltd, India**

*(member since 2012)*

Samuchit Enviro Tech is a private limited company registered in India. It was established in 2005, as a part of a project conducted by Appropriate Rural Technology Institute (ARTI), an internationally acclaimed NGO based in India. Samuchit is focused on providing environmentally sustainable energy and waste management solutions to rural and urban households and establishments in India and other developing countries.

**TerraClear, Lao**

*(member since 2011)*

TerraClear (originally Lao Water Resources (LWR)) was founded in 2005 as a consulting engineering company with a vision to improve access to safe water for all Lao people. In 2010, LWR re-registered as TerraClear. This gave TerraClear specific permission to manufacture and sale CWP's for the next 15 years. TerraClear is committed to market-based solutions and providing families with innovative, sustainable products that increase their health and standard of living while encouraging market growth and growing local economies.



**The Center for Rural Communities Research and Development (CCRD), Vietnam**

*(member since 2010)*

Established in 2000, CCRD is a non-governmental and not-for-profit organization working in research and development of sustainable livelihoods of the poor and marginalized groups. CCRD objective is to work for food security and poverty reduction based on VAC Integrated system and sustainable agriculture development in Vietnam.



**The Centre for Rural Technology in Nepal (CRT/N),**

*(founding member)*

CRT/N is a professional non-governmental organization involved in developing and promoting appropriate, rural and renewable energy technologies effective in improving livelihood of the rural communities. It was established in August 1989 under the Company Act. CRT/N has now been registered with the Government of Nepal under the Social Organization Registration Act since October 1998.



**The Small-Scale Sustainable Infrastructure Development Fund (S³IDF), India/U.S.A**

*(member since 2011)*

S³IDF was created in 2001 by a group of development professionals with extensive experience spanning more than 60 countries. S³IDF's mission is to reduce poverty in developing countries by creating small-scale enterprises that provide basic infrastructure services and opportunities for income generation and asset creation.



**The Village Education Resource Center (VERC), Bangladesh**

*(founding member)*

Created in 1977, VERC is a non-governmental organization that works with the poorest people for the improvement of their everyday life by promoting self-reliance. VERC leads projects in the fields of education, environment, livelihood development, clean water, sanitation, and hygiene promotion. The mission of VERC is to establish and promote a dynamic and participatory sustainable process towards human development.



**Yayasan Dian Desa (YDD), Indonesia**

*(member since 2010)*

YDD is a non-governmental organization (NGO) active in community development activities in general, with a special focus on the development of appropriate technology. The general goal is to assist low-income communities in improving their living standards through the utilization of appropriate technology and participatory and self-help processes.

## Animating a Global Alliance of Development Practitioners

The key feature of the Nexus model is its cooperative structure, which allows members to share expertise and services to pursue development goals.

### Growing the Alliance

In May 2012, four new members joined Nexus: Agronomes et Vétérinaires Sans Frontières (AVSF), the Biogas Program for the Animal Husbandry Sector of Vietnam, Eco-Watch Institute and Samuchit Enviro-Tech. They bring strong projects and a wealth of expertise to the alliance.

### NEXUS WELCOMES FOUR NEW MEMBERS

Nexus welcomed four new members during its annual general meeting, held on the 9th and 10th of May, 2012 in Bangkok, Thailand.



**Cédric Martin, Assistant Coordinations South-East Asia**  
*Agronomes et Vétérinaires Sans Frontières (AVSF)*

Nexus offers to AVSF a space for networking, sharing information and knowledge, broadening skills and building partnerships. It enables AVSF to gather complementary expertise related to climate change mitigation and adaptation as well as clean energy for rural population. It thus contributes to increase AVSF impact on sustainable rural development through family farming.



**Nguyen Thi Minh Nguyet, Coordinator**  
*Biogas Program for the Animal Husbandry Sector of Vietnam (BP)*

It has been one of our best decisions partnering up with Nexus in 2011. Thanks to their experience and competency in carbon project development, financing, trading and marketing, the cooperation has been successful. This foundation of mutual understanding and success will move BP forward in a sustainable way for both the domestic biogas sector and the commercial biogas sector in Vietnam.



**Xu Rui, Director**  
*Eco-Watch Institute (EWI)*

Nexus is an excellent partner and supporter sharing the common vision with EWI, which aims at undertaking pro-poor activities on energy, environment and ecology issues in China's rural areas. This vision helps the poor increase their income, and improve the quality of their environments and agricultural-ecological systems, and ultimately realizing sustainable socio-economic development. Further exchanges and cooperation on our work and projects with the Nexus cooperative are expected.



**Deshmukh Ravindra Arvind, Assistant Manager - Sales**  
*Samuchit Enviro-Tech (Samuchit)*

Nexus is a unique initiative that brings together diverse organizations on the same platform, working towards the common goal of bringing climate finance to the poor of the world. At Samuchit, we feel synergy with the objectives of Nexus. We believe that being part of the Nexus family will give us the strength and the voice to be a more effective vehicle for positive change in India in particular, and the developing world in general.



The Nexus 2012 General Meeting took place in May in Bangkok, Thailand.

The secretariat and Nexus members identified three key technologies for future project development: improved cookstoves, water purifiers, and rice husk gasification. Projects from members and candidate organizations were examined to understand their potential and feasibility studies were produced.

Nexus has secured a number of consultancies funded by: ASEAN-US Technical Assistance Program, EU Switch Asia and the Asian Development Bank. These projects relate to the aforementioned technologies and aim to strengthen their dissemination. They enhance Nexus' ability to better serve members by building greater expertise and providing access to opportunities for joint work.

## Building Capacity and Fostering the Sharing of Expertise

Member organizations have different needs in terms of improving their capacity to develop carbon projects. A number of capacity building activities took place, including: general briefings, specific training modules and coaching. Strengthening relationships within the membership has been identified as a key priority to maximize our positive impact, ensure sustained growth and create opportunities for members. Members were given the opportunity to interact on a dedicated online forum, and met physically during the annual general meeting in Bangkok. In addition, several informal networking events were organized in Phnom Penh, Cambodia and Hanoi, Vietnam.

Nexus undertook research examining the best practices in community engagement and building. The research included a comparison of selected communities with the aim to explore efficient ways to drive collaboration within the membership. A survey was designed and launched to help assess members' needs and preferred ways to engage with each other and Nexus secretariat. The recommendations stemming from this survey will help build a member engagement strategy.



## Mobilizing Carbon Finance for Development Projects

*Members benefit from pooled technical services which decreases the cost of accessing carbon finance. These services can be provided by Nexus' technical team or by staff from other member organizations that have become experts on the carbon project cycle.*

In 2012, focus was set on the validation and verification of the first two carbon projects fully supported by the cooperative: the Hydrologic Social Enterprise Ceramic Water Purifier Project and the Biogas Program of Vietnam.

Technical assistance was provided by Nexus' technical team to prepare these projects for validation and verification and to manage relations with Designated Operational Entities (DOEs), the third parties in charge of certifying emissions reductions.



© Biogas Program

Biogas digesters produce clean and affordable energy for cooking, lighting and other purposes.

### CASE STUDY

#### The Biogas for the Animal Husbandry Sector in Vietnam

The Biogas Program for Animal Husbandry Sector of Vietnam was launched in 2003 by SNV Netherlands Development Organisation in cooperation with the Ministry of Agriculture and Rural Development of Vietnam. The project is financed by the Netherlands government.

The aim of the program is the development of a commercial viable domestic biogas sector by the development, training and support of over 1000 biogas micro-enterprises nationwide and quality control processes which ensure long-term operation of the digesters.

The program creates long-term employment opportunities in rural areas and improves the livelihoods of rural farmers. Converting animal waste to energy via biogas digesters produces clean and affordable energy for cooking, lighting and other purposes while reducing health and environmental problems associated with animal waste and the use of wood fuel for cooking.

Since the start, carbon finance has been considered a necessary step towards the long-term financial sustainability of the program. Nexus provided financial assistance thanks to its Revolving Fund, which covers the financial gap faced by project developers to meet the carbon transaction costs. Sales from the first year's credits will be used to pay back the Revolving Fund which can then be used to support other Nexus members' projects. Technical assistance was also brought to complete project documentation, progress through the carbon cycle and monetize carbon assets.



© Hydrologic Social Enterprise

Ceramic water purifiers provide safe drinking water for low-income households.

CASE STUDY

**Hydrologic  
Social Enterprise  
in Cambodia**

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An estimated 66% of Cambodians do not have access to improved drinking water sources (UNICEF, 2007). In 2001, iDE, an international non-profit development organization, introduced an affordable ceramic water filter technology to Cambodia as a way to provide safe drinking water for low-income households. The water filters treat contaminated drinking water, and reduce the need for the conventional water treatment method of boiling water. The filters can be manufactured using locally available materials and labor and are simple, low-cost and easy to use. From 2002 through 2009, iDE managed the water filter program on a partial cost recovery basis with revenue from filter sales covering the cost of production and distribution and donor funds covering demand-creation and overhead costs. In 2009, iDE spun off the filter program as Hydrologic Social Enterprise with a goal to provide a million Cambodian households with clean water, sanitation, and hygiene products by 2020. It became clear that reaching this goal while maintaining a pro-poor focus would not be financially sustainable unless Hydrologic could access revenue sources beyond traditional sales margins.

Hydrologic first approached Nexus in February 2010 to assess the feasibility of accessing carbon finance. A feasibility study was completed in July 2010, assessing the project's eligibility, potential emissions reductions and financial feasibility. It forecasted that the production of filters would generate sufficient revenue to cover the carbon finance transaction costs as well as a share of the marketing and distribution costs. Nexus provided technical and financial assistance to the project from validation to issuance and successfully secured sales at premium prices directly to an end-buyer. The project was registered in October 2012 and had credits issued in December 2012.

Hydrologic possesses experience in conducting field surveys and is one of the first water filter projects to be financed through carbon finance; these skills were utilized to pioneer the studies needed to secure carbon finance. This knowledge base has been transferred to other water filter programs within the Nexus membership.

Projects by the Global Environmental Institute, the Eco-Watch Institute and TerraClear went through a carbon finance feasibility study following which two Project Design Documents (PDD) were developed (Global Environmental Institute and TerraClear).

## Next Steps

In 2013, efforts will focus on designing and piloting comprehensive member engagement and capacity building strategies. As interest in membership continues to rise, additional member applications will be processed and the project portfolio will expand.



© Global Environmental Institute

The stoves promoted by the Global Environmental Institute are fueled with biomass waste.



© TerraClear

TerraClear is a social enterprise which manufactures ceramic water purifiers in Lao PDR.

## Financing the Scale Up of Mature Technologies with High Positive Social Impacts

*Nexus is developing an innovative range of financing options that blend traditional development funding and impact investment with carbon finance. The financing options must be adapted to each step of project development. Three financial services are currently provided.*

### Approach 1: The Grants for Innovation Scheme

Nexus launched the Grants for Innovation scheme to identify promising projects within the membership and raise funds to support them. The objective is to support innovative approaches to climate change mitigation and poverty alleviation which could potentially lead to high impact projects after the innovation activities have been implemented. These activities include:

- **Technology innovation:** Testing and validating new pro-poor, low carbon technologies that will lead to higher user friendliness, technological efficiency, and co-benefits for users.
- **Market innovation:** Piloting the dissemination of existing technologies and proven concepts in a new market.

The grants provided act as seed funding to professionalize project activities, build capacity within the organization, develop technologies, and effectively package the project for further investments.

Nexus opened the Grants for Innovation competition to members in January 2012. Out of nine projects, five were shortlisted. Proposals were then refined with input from Nexus and a panel of experts selected the four winning submissions in April.

Following the announcement of the four finalists of the Grants for Innovation call for proposal, Nexus actively engaged in raising funds for the projects. Two projects secured funding from external donors, and funding from Nexus has been committed to another project.

### Approach 2: Raising Grants for Members' Projects

Financing from grants is also needed to demonstrate proof of concept, and for strong pilot projects to achieve scale. Nexus actively monitors and channels grant opportunities to members. For example, Hydrologic, TerraClear, Nexus, and the Finland Futures Research Center have partnered on a project supported by the Nordic Climate Facility to mitigate climate change and reduce deforestation through the provision of low cost water purification technologies to the rural poor.

### Approach 3: Provide Debt Finance to Cover Carbon Finance Transaction Costs

Nexus' Revolving Fund covers the financial gap faced by project developers to meet carbon transaction costs. Funding from the sales of carbon credits is used to pay back the fund which can then be used to support other Nexus members' projects.

The Revolving Fund currently supports two member projects (the Biogas Program and Hydrologic). Discussions continue to explore the idea of expanding the size of the Revolving Fund and to include a window to go beyond carbon transaction costs and to cover underlying project costs. A comprehensive business plan was put together to outline the needs for the period of 2013-2015.

### Next Steps

Lessons learnt from the first Grants for Innovation call for proposal have been documented and will be taken into consideration for the launch of the second call in 2013. The extension of the Revolving Fund will be further explored.

## GRANTS FOR INNOVATION FINALIST'S PROJECTS

**CEDAC Participatory Rice Value Chain:** The purpose of this project is to uplift subsistence farmers in Cambodia by empowering them with co-operative ownership of their own rice milling facility, and reinvesting revenue from organic rice sales worldwide into expansion across rural provinces. The rice mill will be powered by renewable energy from the gasification of the rice husks. Additionally, the charred rice husks can be utilized as a soil amendment, thus closing the input-output loop in the value chain.

**Hydrologic Social Enterprise School-adapted Ceramic Water Filters:** Hydrologic aims to adapt its successful household model of the ceramic water filter for intensive use in schools. The project targets to distribute 1,500 water purifiers to schools during the project period, and to establish a viable distribution system to reach schools in rural areas. This adapted model could also tap other institutional users in the future, such as hospitals, clinics, and factories. This project involves the design, prototyping, and market testing of a new model with school-friendly features including a high flow rate, increased storage volume, sturdy construction, and appealing aesthetics. The project will use the Human Centered Design approach pioneered by iDE and other partners including the IdeaLab.

**S<sup>3</sup>IDF's Social Merchant Bank Approach<sup>SM</sup> (SMBA):** S<sup>3</sup>IDF uses its Social Merchant Bank Approach<sup>SM</sup> (SMBA) to provide entrepreneurs with three bundled services: leveraged financing assistance, technology access and know-how, and business development support. The SMBA leverages philanthropic and development capital (including carbon finance) to mobilize local private capital to finance or co-finance viable enterprises. By tailoring the approach to local conditions and market demands, S<sup>3</sup>IDF enables access to employment, asset-creation opportunities, and basic services. These services include lighting, drinking water, transportation, hydropower, cooking solutions, communication, and technologies for small-scale industries.

**Hivos Low-Carbon Agricultural Practices:** This project will capture and commercialize carbon savings from good agricultural practices through leveraging tools in integrated supply chain management. This will enhance benefits to small farmers and encourage effective emissions management from a supply chain perspective. The project plans to be piloted in Kenya, on a coffee plantation, but the tool may be integrated into supply chain management, applicable to a wide range of sustainable agriculture projects.



Farmers will be empowered with co-operative ownership of their own rice milling facility.

## SOCIAL ENTERPRISES SCALING-UP WATER PURIFICATION IN THE MEKONG REGION

Clean drinking water is identified as a basic human necessity, which 1.1 billion people worldwide lack access to. In both Lao PDR and Cambodia, a vast majority of people rely on wood or charcoal as fuel for boiling water to reduce the risk of contracting water-borne diseases. Scaling-up and extending the use of low-carbon household water purification technologies mitigates climate change and provides the following developmental benefits: reducing water-borne illnesses, decreasing exposure to indoor air pollution, reducing amount of time spent collecting wood and creating jobs in the manufacture, distribution and selling of water purification technologies.

Water purification technologies have the potential to be further disseminated in the Mekong region. The threat of illness and the rising demand for increasingly scarce fuel resources can be reduced by the introduction of ceramic water purifiers; a well established technology that has already undergone the required field testing to prove it is appropriate for the region. Hydrologic Social Enterprise in Cambodia and TerraClear in Lao PDR, distribute this technology. However, dissemination business models require additional funds to enable them to become sustainable.

Hydrologic Social Enterprise, TerraClear, Nexus, and the Finland Futures Research Center have partnered on a project supported by the Nordic Climate Facility to mitigate climate change and reduce deforestation through the provision of low cost water purification technologies to the rural poor. The sustainable business models for commercialized dissemination of household and community level water treatment solutions will be supported through the development of carbon finance projects.

The Finland Futures Research Centre, part of the University of Turku, is carrying out research focusing on the assessment, measurement and monitoring design of development impacts for household and community level energy projects in the Mekong region. Nexus is leveraging its network to create a working group which will contribute to the research.

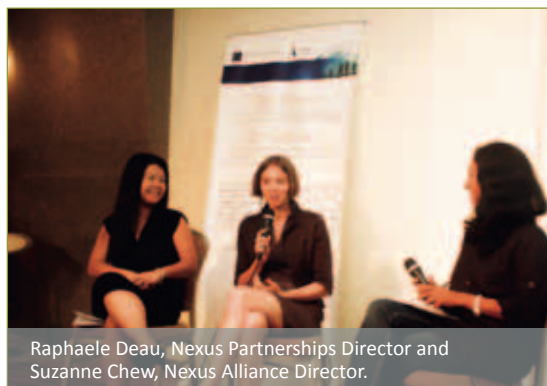


Staff members from the Nordic Climate Facility visit TerraClear's project in Lao PDR.

## Setting Up a Fair, Ethical and Transparent Partnership Platform

2012 saw the launch of Nexus-beyond offsetting, a partnership platform created by Nexus members who joined forces to engage companies and public institutions in a fair approach to offsetting.

The launch took place in Singapore and was covered by the media. The Nexus team promoted the newly launched platform during business and carbon conferences such as Carbon Expo and Carbon Forum Asia.



Raphaelle Deau, Nexus Partnerships Director and Suzanne Chew, Nexus Alliance Director.

### LAUNCH OF NEXUS-BEYOND OFFSETTING, THE DIRECT PARTNERSHIP PLATFORM

To increase the impact of carbon funding for vulnerable populations, Nexus launched Nexus-beyond offsetting, a direct partnership platform which directly engages companies and public institutions in a fair approach to offsetting. The launch was held in Singapore on April 11, 2012 during a social event

organized by Green Drinks Singapore and the Lien Centre for Social Innovation.

During the event, Raphaelle Deau, Nexus Partnerships Director and Suzanne Chew, Nexus Alliance Director, presented views on what carbon finance can do to eradicate poverty and provide sustainable development for the poorest populations. They invited companies and public institutions to join the platform and support access to clean energy and water for the poorest populations of developing countries.

Private companies were also mobilized in various events related to the UN Year of Sustainable Energy for All. The Global Alliance for Clean Cookstoves (GACC) and Nexus-Carbon for Development organized a conference to raise awareness about clean cooking solutions in Singapore. This event was hosted by the Lien Center for Social Innovation in August, 2012. Ms. Radha Muthiah, GACC's Executive Director, presented the strategy of GACC, an initiative to save lives, improve livelihoods, empower women, and combat climate change by creating a thriving global market for clean and efficient household cooking solutions.



Radha Muthiah, Global Alliance for Clean Cookstoves Executive Director.

## Commercializing High-quality Carbon Credits

*The launch of the partnership platform, combined with Nexus members' projects approaching their issuance stage, resulted in a strong focus on marketing carbon credits from members' projects.*

Throughout the year, the model drew increased support, with more than ten institutions and corporations (including Deutsche Post DHL) purchasing carbon credits. A number of early supporters also renewed their commitments.

A unique feature of Nexus cooperative is the fact that members and Nexus collaborate very closely on the commercialization of carbon credits, putting the values of fairness and transparency at the core of their relationship. The Nexus secretariat team provided regular briefings to members and shared critical carbon market information otherwise difficult to access. Thanks to this information and to regular meetings, members were able to make informed choices about carbon credit sales.

### Next Steps

In 2013, the main objective of Nexus-beyond offsetting will be to continue marketing carbon credits issued by Nexus members; with the goal of developing long-term partnerships with the private sector. The Nexus-beyond offsetting team will invest in its sales capacity and will continue raising awareness about its distinctive position and the uniqueness of development projects to business and carbon market audiences.

### NEW PARTNERS SUPPORT NEXUS FAIR APPROACH TO OFFSETTING

**CarbonStory** - a social start-up working on an innovative web platform that engages businesses and individuals to tackle climate change, **City Developments Limited** - a property pioneer and sustainability leader in Singapore, **Living Edge** - an Australian owned company that supplies high design furniture to the Australian market place, **the Singapore Compact** - a national society committed to bringing the CSR movement forward, and **Zero Impact® by LifeGate** - the first Italian project elaborated with Swiss and Italian universities to realize the Kyoto Protocol, partner with Nexus-beyond offsetting to support New Lao Stove project in Cambodia, developed by GERES. This project has been awarded for its environmental, social and economic benefits, as it improves the living conditions of the Cambodian population.

**Deutsche Post DHL** - a leading global logistics provider with a commitment to sustainability has chosen Nexus-beyond offsetting as its supplier of an award winning climate protection project, the Ceramic Water Purifier project, developed by Hydrologic Social Enterprise. This award winning development project provides Cambodian families' access to safe drinking water, reduces both carbon emissions and water borne illnesses in Cambodia, and contributes to the protection of Cambodia's ecosystem and biodiversity.

**Midi-Pyrénées Region of France** - Part of the Midi-Pyrénées Region's participation in the global effort to prevent climate change included forming a partnership with Nexus-beyond offsetting to compensate its carbon emissions by supporting the Biogas Program for the Animal Husbandry Sector of Vietnam. The project tackles two problems faced by farmers: costly and unhealthy cooking practices and untreated animal waste. Converting animal waste to energy via biogas digesters produces clean and affordable energy for cooking. It also reduces the health and environmental problems associated with animal waste and the use of wood as fuel for cooking.

## Sharing Lessons Learnt

*One objective of Nexus' research and advocacy work is to share lessons learnt by members. Sharing and applying lessons learnt from experience allows development projects improved access to carbon finance.*

An important milestone was reached with the launch of the CDM Decision Tool during a well attended webinar. The free tool, which allows project developers to undertake in-house feasibility studies for their carbon projects, was developed by GERES in partnership with Nexus, the Global Environmental Institute and Initiative Développement.

In parallel, partnerships have been formalized with the Gold Standard and CdC Climat regarding the development of a study to assess the relationship between project developers, carbon standards and Designated Operational Entities (DOEs) during the validation and verification of small-scale household energy projects.

### **HOUSEHOLD ENERGY PROJECTS, CARBON STANDARDS AND DESIGNATED OPERATIONAL ENTITIES**

Household energy projects have the potential to contribute both to emissions reductions and to poverty alleviation. However, they face barriers accessing carbon finance. Project developers encounter difficulties finding a suitable Designated Operational Entity (DOE) who can validate project proposals or verify whether implemented projects have achieved planned greenhouse gas emission reductions.

Nexus, in partnership with the Gold Standard Foundation and CdC Climat, is conducting a study to improve the validation and verification process for small-scale household energy projects.

By examining interactions between project developers, DOE and market standards along the carbon project cycle, the study will recommend ways to enhance efficiency and transparency of the process for small-scale household energy projects (improved cookstoves, household biogas and water filters). The solution-based report will take into account DOEs, project developers and key stakeholders' points of view.

Finally, Nexus shared its experience by participating in two Asian Development Bank (ADB) Technical Assistance projects. These will result in the development of educational tools which will also be used outside our cooperative.



## Promoting Fairness and Transparency in Climate Finance

*Nexus influences carbon and climate finance frameworks with the aim to improve their efficiency and accessibility.*

Following up on the series of workshops organized as part of the Rural Energy and Climate Initiative in 2011, Nexus invited stakeholders to discuss “Fairness and Transparency in climate funding: taking into account the needs of the poorest populations” on May 11, 2012 in Bangkok. The workshop was co-hosted by blue moon fund and EEP Mekong. Sessions were prepared and conducted by three technical partners: Finland Futures Research Centre, New Ventures, and Yale Green Lab. The event brought together project developers, public institutions and private sector investors to share their understanding about two sets of issues:

- The role of Official Development Assistance in unlocking climate and carbon finance for pro-poor projects and facilitating private sector investment
- The measurement of pro-poor benefits of climate projects and the emergence of fair trade and ‘pro-poor’ carbon credits

A workshop report was produced and promoted.

Nexus contributed its recommendations to the CDM policy dialogue, a consultation process launched by the CDM Executive Board to outline future options for the CDM. These recommendations were highlighted in the final report composed by a panel of international experts. Nexus further detailed its position on how CDM can contribute to the development of pro-poor carbon projects in an article featured in CDM Watch’s newsletter. Nexus also provided submissions on more specific issues to the CDM Executive Board.<sup>2</sup>



Workshop organized by Nexus in Bangkok, Thailand, May 11th 2012.

As a civil society observer for the Climate Investment Fund (CIF) Pilot Program for Climate Resilience, Nexus represented the Asia Pacific region during meetings of the CIF committee. Nexus contributed to the design of the CIF Partnerships Forum, which took place in Istanbul in October 2012. Throughout 2012, Nexus held three consultations related to CIF projects and engaged with Cambodian stakeholders to share knowledge. Nexus is now participating in the setting up of a civil society strategy related to the CIF.



Nexus Executive Director, Marion Verles, participated in the Climate Investment Funds Partnerships Forum.

### Next Steps

In 2013, the focus will be on

- Creating approaches to measure the development impacts of carbon projects.
- In the context of the Climate Investment Funds, initiate an assessment of Stakeholder Engagement and Best Practices.

<sup>2</sup> Sustainable development co-benefits and on Standardized baselines

## Activities Per Member Organization

Member	Services
<b>APPROTECH ASIA</b>	<ul style="list-style-type: none"> <li>AA's membership has been terminated, following the membership termination process. Reasons for ending the membership were the following: outstanding membership fees, dormancy, absence of communications with the secretariat and breach of statutory requirements.</li> </ul>
<b>AGRONOMES AND VÉTÉRINAIRES SANS FRONTIÈRE</b>	<ul style="list-style-type: none"> <li>AVSF's membership was accepted by the General Assembly in May.</li> <li>AVSF successfully completed its probationary period.</li> <li>AVSF Cambodia participated in a networking social event for members in Phnom Penh.</li> </ul>
<b>ARTI</b>	<ul style="list-style-type: none"> <li>Pre-screening by the technical team was carried out for a small-scale biogas project in India.</li> </ul>
<b>CEDAC</b>	<ul style="list-style-type: none"> <li>CEDAC's rice husk gasification project ranked first in the Grants for Innovation selection.</li> <li>Nexus and CEDAC have undertaken joint fundraising efforts for the rice husk gasification project.</li> <li>CEDAC participated in a networking social event for members in Phnom Penh.</li> </ul>
<b>GLOBAL ENVIRONMENTAL INSTITUTE</b>	<ul style="list-style-type: none"> <li>GEI benefited from technical assistance for the gap analysis and the development of the PDD for its cookstove project.</li> <li>GEI's staff received carbon finance training from Nexus.</li> <li>Nexus and GEI have undertaken joint fundraising efforts for the ICS project in China.</li> <li>GEI contributed to the development of the CDM Decision Tool.</li> </ul>
<b>GERES</b>	<ul style="list-style-type: none"> <li>Nexus provided carbon asset management services to GERES for the NLS project.</li> <li>Nexus participated in the GERES-led project to build the CDM Decision Tool.</li> <li>GERES participated in a networking social event for members in Phnom Penh.</li> </ul>
<b>THE ECO-WATCH INSTITUTE</b>	<ul style="list-style-type: none"> <li>EWI's membership was accepted by the General Assembly in May.</li> <li>EWI benefited from technical assistance for the gap analysis of its project on rehabilitating dysfunctional biogas plants.</li> <li>EWI's staff received carbon finance training from Nexus.</li> </ul>
<b>HIVOS</b>	<ul style="list-style-type: none"> <li>Hivos' Low-Carbon Agricultural Practices project was a finalist in the Grants for Innovation selection.</li> <li>Nexus and Hivos participated in joint fundraising efforts for the Low-Carbon Agricultural Practices project.</li> </ul>

Member	Services
<b>HYDROLOGIC</b>	<ul style="list-style-type: none"> <li>Hydrologic benefited from technical assistance and access to the Revolving Fund for validation and verification of its ceramic water purifier project.</li> <li>Nexus provided carbon asset management services to Hydrologic for its ceramic water purifier project.</li> <li>Nexus and Hydrologic have undertaken joint fundraising efforts for the school-adapted ceramic water filters project.</li> <li>Hydrologic participated in a networking social event for members in Phnom Penh.</li> </ul>
<b>THE BIOGAS PROGRAM FOR ANIMAL HUSBANDRY SECTOR OF VIETNAM</b>	<ul style="list-style-type: none"> <li>Membership was accepted by the General Assembly in May.</li> <li>The Biogas Program benefited from technical assistance and access to the Revolving Fund for validation and verification of its project.</li> <li>Nexus provided carbon asset management services to the Biogas Program.</li> </ul>
<b>SAMUCHIT</b>	<ul style="list-style-type: none"> <li>Samuchit's membership was accepted by the General Assembly in May.</li> <li>Samuchit successfully completed its probationary period.</li> <li>Pre-screening by the technical team was carried out for a project using efficient kerosene burners in India.</li> </ul>
<b>S<sup>3</sup>IDF</b>	<ul style="list-style-type: none"> <li>S<sup>3</sup>IDF Social Merchant Bank Approach's project was a finalist in the Grants for Innovation selection.</li> <li>Nexus core funding will be allocated to this finalist under the Grants for Innovation 2012 scheme, as the top-ranked finalist where no external funding was successfully raised.</li> </ul>
<b>TERRACLEAR</b>	<ul style="list-style-type: none"> <li>TerraClear benefited from technical assistance regarding the gap analysis and the development of the PDD for its ceramic water purifier project in Laos. Funding was raised to finance initial carbon development.</li> <li>TerraClear's staff received carbon finance training from Nexus.</li> </ul>
<b>CRT NEPAL</b>	<ul style="list-style-type: none"> <li>Discussions and fundraising efforts for the carbon development of ICS activities closed after decisions were made to include these with AEPC's existing project in Nepal.</li> </ul>
<b>CCRD</b>	<ul style="list-style-type: none"> <li>Discussions on CCRD's project activities in Vietnam have been scheduled to occur in March, 2013, after the completion of their pilot biogas project with EEP Mekong.</li> </ul>

## Partners

### Financial Partners and Supporters (2012)



#### blue moon fund

The blue moon fund works to build human and natural resilience to a changing and warming world. They use natural, social, and financial capital to implement new models in high-biodiversity regions around the world. The blue moon fund supports several projects including the Rural Energy and Climate Initiative and the Fairness and Transparency Workshop.



#### French Global Environment Facility (FFEM)

The French Global Environment Facility (FFEM) is a bilateral public fund initiated by the French Government in 1994. The FFEM secretariat and its financial management are entrusted to the Agence Française de Développement (AFD). The FFEM co-finances projects that encourage the protection of the global environment in developing countries. Its co-financing is exclusively done as grants and is used for the implementation of pilot projects that combine environmental protection and economic development in the recipient countries. The FFEM is an influential strategic instrument for the French policy on Official Development Assistance regarding global environmental protection. Its activities focus on the topics of biodiversity, international waters, the climate change, land degradation and desertification, persistent organic pollutants and the stratospheric ozone layer. By the end of 2012, the FFEM has co-financed 237 projects with €276m. Two thirds were spent on sub-Saharan Africa and the Mediterranean. FFEM supports Nexus' four-year plan (2011-2014).



#### Nordic Climate Facility

Nexus, two of its member organizations, TerraClear and Hydrologic Social Enterprise, and the Finland Futures Research Center, have been selected by the Nordic Climate Facility (NCF) to scale up water purification activities in Cambodia and Laos. NCF is financed by the Nordic Development Fund (NDF) and implemented jointly with the Nordic Environment Finance Corporation (NEFCO).

### Media Partners



#### Point Carbon

Thomson Reuters Point Carbon is a world-leading provider of independent news, analysis and consulting services for European and global power, gas and carbon markets. Point Carbon provides Nexus with information about carbon markets.



#### AlertNet

AlertNet Climate is a daily news website run by the Thomson Reuters Foundation. It explores how climate change is impacting the world's poorest and most vulnerable. Focuses include adaptation, climate compatible development and renewable energy, among others. Nexus contributes to AlertNet by providing field stories and insights on Nexus member projects, as well as supply experts to AlertNet Climate training programs on climate change for journalists.

## Nexus-beyond offsetting partners

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### Asia Europe Foundation (ASEF)

ASEF promotes greater mutual understanding between Asia and Europe through intellectual, cultural and people-to-people exchanges. ASEF was established in February 1997 by the participating governments of Asia-Europe Meetings. ASEF has chosen Nexus-beyond offsetting partnership platform in its efforts to reduce its carbon footprint related to the Green Future: Asia and Europe Growing Sustainably 2010 conference and the Asia-Europe Strategies for the Earth Summit 2012 workshops. For this, ASEF has taken measures to reduce its emissions at the source (eco-conception of conferences and events) and supports the New Lao Stove project (improved cookstove technology), developed by GERES Cambodia (Group for the Environment, Renewable Energy and Solidarity). This project has been awarded for its environmental, social and economical benefits, as it improves the living conditions of the Cambodian population.

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### CarbonStory

CarbonStory is a social start-up working on an innovative web platform that engages businesses and individuals to tackle climate change. Through social media and captivating storytelling, Carbon Story has chosen Nexus as a partner to engage businesses and individuals to tackle climate change and support the award winning New Lao Stove project developed by GERES Cambodia (Group for the Environment, Renewable Energy and Solidarity). Carbon Story has chosen to showcase this project on its platform as it has been awarded for the strong environmental, social and economic benefits that it has delivered to the Cambodian population.

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### City Developments Limited (CDL)

CDL - a property pioneer and sustainability leader in Singapore partnered with Nexus-beyond offsetting to minimize the climate impact of the Singapore Sustainability Awards 2012 Gala Dinner and Awards Presentation. The events' related carbon dioxide emissions were calculated and carbon credits were purchased to help partially offset the events' carbon footprint. The carbon credits will contribute to the New Lao Stove Project in Cambodia, developed by GERES (Group for the Environment, Renewable Energy and Solidarity), which provides an affordable, effective and appropriate cookstove for its communities. This project has been awarded for its environmental, social and economic benefits, as it improves the living conditions of the Cambodian population.

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### ClimatePath

ClimatePath assists both individuals and organizations of all sizes with conservation and sustainability planning, initiatives, and measurement. Through a partner nonprofit fund, ClimatePath also encourages support of projects that produce verifiable and measurable greenhouse gas emissions reduction while also creating positive long term change. ClimatePath partners with Nexus-beyond offsetting and generates supports for the New Lao Stove project (improved cookstove technology), developed by GERES Cambodia (Group for the Environment, Renewable Energy and Solidarity). This project has been awarded for its environmental, social and economical benefits, as it improves the living conditions of the Cambodian population.

## Deutsche Post DHL

### Deutsche Post DHL

As a leading global logistics provider with a commitment to sustainability, Deutsche Post DHL has partnered with Nexus-beyond offsetting to support the award winning Ceramic Water Purifier project developed by Hydrologic Social Enterprise. The project is one of the climate protection projects contributing to Deutsche Post DHL's carbon-neutral GOGREEN services. GOGREEN offers customers to offset their carbon emissions generated from Deutsche Post DHL's products or services including shipping and transporting, printing or site operations. Deutsche Post DHL's GOGREEN customers will now be able to support an award winning development project that contributes to reduce carbon emissions in Cambodia, provide Cambodian families access to safe drinking water, reduce water borne illnesses, and contribute to the protection of Cambodia's ecosystem and biodiversity.



### The French Chamber of Commerce in Cambodia (CCFC)

With over 140 members, CCFC engaged with Nexus to deliver a training module for its members participating in its annual career forum on "Private Sector Engagement for Poverty Eradication and Sustainable Development." The training module will allow professional members of CCFC to learn about the role of the private sector in delivering sustainable development and eradicating poverty while also promoting Cambodia's private sector to adopt green business models that would pave the path towards a green economy.



### The French Chamber of Commerce Singapore (FCCS)

FCCS is one of the leading chambers of commerce in Asia. FCCS's mission is to develop relations between members and the Singaporean business community, and to encourage economic, commercial and investment relations between France and Singapore. FCCS chose Nexus to deliver an awareness training module to its corporate members on "Integrating Climate Fairness into Corporate Strategy".



### Living Edge

Living Edge is an Australian owned company that supplies high design furniture to the Australian market place. Aligned to Living Edge's philosophy to be responsible to both the planet and its communities, it has partnered with Nexus to offset the freight emissions of its Herman Miller products through the support of the New Lao Stove project in Cambodia developed by GERES.



### Midi-Pyrénées Region, France

As part of Midi-Pyrénées Region's participation in the global effort to prevent climate change, a regional carbon fund was created in 2009 to voluntarily compensate the Region's carbon emissions through the support of charismatic carbon projects in developing countries. The Midi-Pyrénées Region has chosen to partner with Nexus to support the Biogas Program for the Animal Husbandry of Vietnam project. The support for the award winning project will bring sustainable energy and development to more than 840,000 people in Vietnam. It will also strengthen the Midi-Pyrénées Region's promotion to create new sustainable models in the region and beyond.



### Singapore Compact for CSR, Singapore

The Singapore Compact for CSR is a national society committed to bringing the CSR movement forward with a mission to develop coordinated and effective strategies to promote CSR and enhance corporate practices through ongoing dialogues, training, collaboration, and practical project implementation in Singapore. To demonstrate its commitment in minimizing its climate footprint, the Singapore Compact for CSR has partnered with Nexus-beyond offsetting to offset the carbon footprint for the 4th International CSR Summit 2012. The Singapore Compact for CSR measured the footprint, put in place environmental friendly practices and offset the unavoidable carbon emissions generated from the summit by supporting the New Lao Stove project developed by GERES Cambodia (Group for the Environment, Renewable Energy and Solidarity).



### Zero Impact® by LifeGate

Zero Impact® is LifeGate's label, the first Italian project elaborated with Swiss and Italian universities, to realize the Kyoto Protocol. Zero Impact® is a call to action for everybody to quantify, reduce and compensate the emissions of CO<sub>2</sub> in the atmosphere, the principal responsible of greenhouse effects. For its Zero Impact® label, LifeGate has chosen Nexus-beyond offsetting partnership platform in its efforts to reduce the carbon footprint related to publication of a famous comic. For this, the comic publisher has taken measures to reduce its emissions at the source (eco printing and eco conception) and supports the New Lao Stove project (improved cookstove technology), developed by GERES Cambodia (Group for the Environment, Renewable Energy and Solidarity). This project has been awarded for its environmental, social and economical benefits, as it improves the living conditions of the Cambodian population.

## Technical Partners



### Centre for Non-Profit Leadership (CNPL)

The Centre for Non-Profit Leadership (CNPL) is an Institution of a Public Character positioned as a capability builder in the non-profit sector in Singapore. CNPL's mission is to advocate planned leadership and to nurture leadership capability for the non-profit sector. Its goal is to help the non-profit sector create a leadership pipeline and build effective boards. CNPL provides an effective framework that takes a holistic view of supporting Board Members, Executive Directors and High Potentials of Non-Profit Organisations (NPO) in the area of Talent Management and its alignment to organisational mission. CNPL currently supports Nexus by providing mentoring and coaching.



### Facilitators Network Singapore (FNS)

FNS was started as an informal network of facilitators in 2003 with the mission of promoting and supporting the art and practice of professional facilitation in Singapore and the region through methods exchange, collegial networking and support services. FNS currently supports Nexus by providing training.



### The Gold Standard

For ten years, The Gold Standard has pioneered the way climate change is addressed. Established in 2003 by WWF, The Gold Standard is the only certification standard trusted and endorsed by more than 80 NGOs worldwide. Its ‘results based finance’ approach - in which individuals, corporations and governments buy credits against verified emission reductions and sustainable development outcomes – is channelling more than half a billion Euros into 900+ low carbon development projects that would otherwise not have gone ahead. Nexus is a signatory of The Gold Standard Majority Portfolio Pledge, pledging to deliver a portfolio of 51% Gold Standard credits by 2015.



### Group for the Environment, Renewable Energy and Solidarity (GERES)

GERES is a French non-profit organization created in 1976 after the first Oil Shock. GERES initiated Nexus in 2007. In 2012, GERES and Nexus collaborated on different projects, including the CDM Decision Tool.

### Ministry of Environment, Cambodia

In October 2011, Nexus and the Ministry of Environment of the Royal Government of Cambodia signed a Memorandum of Understanding formalizing their cooperation over the next three years to facilitate access to climate finance (including carbon finance) for projects that have real and tangible benefits for the people of Cambodia; and to establish a fair and transparent framework for climate finance (including carbon finance) interventions in Cambodia.



### Yale University

Nexus-Carbon for Development and Yale University Ph.D. student Jasmine Hyman work together to investigate the development impacts of carbon finance, by a research study to examine how and in what manner assets flows from carbon emission reduction projects are distributed among local landowners, service providers, and buyers.

### Nexus is also a member of the following networks:

- The Global Alliance for Clean Cookstoves
- Cambodia National Climate Change Network
- Sustainable Energy Association of Singapore (SEAS)



## Secretariat Team

### Corporate Team

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**Marion Verles** *Executive Director*

Marion joined the Climate Change Unit of GERES in 2009 when she was asked to design, set up and launch Nexus. She has successfully accomplished her mission as Nexus now operates as a standalone entity. Nexus consists of eighteen member organizations and offers a fully-fledged services platform and a set of financial mechanisms. Prior to setting up Nexus, Marion gained experience in the corporate development team of Barclays PLC in London where she worked on capital raisings and acquisitions. If you ask her about her years in the city, she'll say that there is no experience like the one that takes you deep inside the world you are trying to change. Marion holds a Master of Science from EDHEC business school (France) and a Master of Public Management (Ecole Nationale d'Administration, Paris and Royal University of Law and Economics, Phnom Penh).

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**Marlene Mollet** *Finance and Administration Manager*

Marlene is a graduate in Economics and Business Administration and she also holds a postgraduate degree in Finance and Accounting Management. She previously assumed business and finance analyst roles across European countries where she acquired sound knowledge on financial and managerial reporting and business support. Spending a few years travelling in Asia and South America made her more aware of the challenges faced by the developing countries. She joined Nexus to bring financial tools to sustainable projects committed to ethics and transparency.

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**Marion Santini** *Communications and Evaluation Manager*

Marion studied political science and public affairs in Strasbourg, France. She worked for five years with the conservation organization WWF, on climate related business partnerships. Marion realized that today's environmental challenges are increasingly becoming equity issues, and this is what brought her to Nexus team in early 2011. Marion is leading Nexus' communications and monitoring and evaluation work streams.

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**Putheary Kuy** *Finance and Administration Officer*

Theary has over nine years of expertise in logistics and accounting. At Nexus, she is a Finance and Administrative Officer in the Cambodia office. Before joining Nexus in 2011, she worked for GERES Cambodia as an Executive Assistant in their Climate Change Unit. During her four years at GERES, she gained invaluable experience in logistics – as well as accounting. Her time as a Sales Administrator for Total Cambodia also provided her with a private sector perspective. Theary graduated from the National University of Management in Phnom Penh with a Bachelor's in Accounting.



**Sokunthea Him** *Communications Assistant*

Sokunthea is a graduate from the Institute of Foreign Languages and from the Department of Media and Communication at Royal University of Phnom Penh. She previously worked as a reporter at Economic Today Magazine, and in the communications departments of the United Nations Resident Coordinator and the United Nations Development Program. Her concerns about the impact of climate change both globally and in Cambodia brought her to Nexus. Sokunthea is responsible for the development of communications material and for the organization of events.

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**H el ene Bataille** *Communications Assistant*

H el ene Bataille, Communications Assistant, completed her education in Business, specialized in Management and Social Sciences at the Lille School of Business Management, France. She is currently finishing her Masters degree in Project Management and Entrepreneurship in Cambodia, thanks to the partnership between the Royal University of Law and Economics of Phnom Penh, Lyon II University and Lille School of Business Management. H el ene has experience in International Project Management in France and Germany. Her enthusiasm about discovering the world brought her to Cambodia and her desire to work for an organization that represents what she cares about; climate-friendly projects that benefit developing countries brought her to Nexus. H el ene is in charge of the implementation of management tools and supporting the organization of events.

## Alliance Team

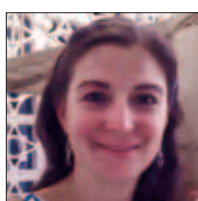
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**Suzanne Chew** *Alliance Director*

Suzanne's background is in carbon finance and strategic management consultancy, with a strong interest in sustainable climate change mitigation and social impact. As the Alliance Director of Nexus, Suzanne is responsible for driving a united yet adaptive approach across our membership, to make climate finance work for low-carbon development projects. She previously worked at McKinsey & Company in strategic management consultancy, specializing in the climate change sector with TFS Green, a global commodities firm, where she held the position of Regional Manager, Carbon Markets in 2006. Suzanne graduated with Honors in Physics from The Imperial College in London with a Masters in Environmental Technology, majoring in Environmental Economics.

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**Elisabeth Gish** *Alliance Officer*

The conservation-development intersection fascinates Elisabeth. After studying Anthropology and Sociology at Smith College (USA), she went to Monteverde, Costa Rica to work in community development. She then took on management roles at local environmental technology and education enterprises. From 2007 to 2009, Liz completed a M.Sc. in International Development Studies (Wageningen University, Netherlands) including extensive environmental policy coursework, an internship at Earthwatch Institute, and thesis fieldwork in the Peruvian Amazon. Since 2009, she has worked on corporate responsibility, conservation, and environmental education initiatives. Interest in using carbon mechanisms to generate social and environmental benefits brought Liz to Nexus. She facilitates member engagement and management of Alliance services.

## Project Development Team

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**Samuel Bryan** *Technical Director*

Sam's background is in environmental campaigning for Greenpeace and Friends of the Earth, with a specialization in climate change. Following a M.Sc. in Environmental Technology, he joined GERES Cambodia Climate Change Unit in 2006. As a Technical Director of Nexus, he is responsible for supporting carbon finance documentation to help projects access carbon revenue.

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**Paulo Lopes** *Carbon Project Manager*

Paulo holds a M.Sc. in Environmental Technology from Imperial College, London specializing in the carbon market. He is the author of "Review of Forestry Carbon Standards (2009)". He joins Nexus as the Carbon Project Manager in charge of developing and implementing Gold Standard offsetting projects in Asia. In the past, he has worked with dozens of organizations in Europe, US, Asia and Africa to reduce their carbon footprint through internal and external reductions. Paulo believes the role of the private sector is critical to help poor communities to develop sustainably and reduce the risks of climate change.

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**Eleonora Gatti** *Carbon Project Officer*

Eleonora graduated with a BA (Hons) in International Relations - Cooperation and Development and holds a M.Sc. in Environmental Technology from The Imperial College, London where she specialized in Ecological Management. She previously worked in Land Use Change and Carbon Stock Assessments in Chile as an Environmental Consultant. She has also worked on EU Common Fishery Policy and Illegal Unreported and Unregulated Fishing in West Africa. Her passions in sustainable forestry and carbon brought her to Nexus.

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**Thomas Blackburn** *Carbon Project Officer*

Thomas Blackburn's specialty is in international development, with a focus on incorporating sustainable development, natural resources, and the environment. He is currently a Carbon Project Officer in Nexus' Project Development Unit where he works with Nexus members to validate and verify projects for carbon finance. In 2011 he received a scholarship to work in Cambodia with Pact, where he assisted with the development of Cambodia's first community forestry REDD+ project. Thomas has also been a part of developing REDD+ social standard policy at the Environmental Defense Fund and mining policy for the World Wildlife Fund. He holds a Master's in International Development and a Bachelor's in International Affairs, both from The George Washington University's Elliott School. Thomas joined Nexus to continue his work towards positive outcomes for communities and the environment.

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**Chloe Say** *Financial Analyst Assistant*

Chloe holds a bachelor degree in Applied Science, majoring in Chemistry from National University of Singapore. She is currently pursuing a part-time Master degree in Applied Finance from Singapore Management University. Prior to joining Nexus, Chloe assumed the role of a Chemist in a textile-dye company for three years. Growing up in Asia, she is fully aware of the challenges in the developing country. Hence, she is eager to be actively involved in the pro-poor projects.

## Partnerships Team

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**Raphaelle Deau** *Partnerships Director*

With an international relations background, Raphaelle has gained marketing and PR skills over the last twelve years as group account director for the communications company Ogilvy Action and in the diplomatic service of France. In 2009, Raphaelle joined the GERES-Nexus team as Communications Manager to raise the international profile of their work. Convinced that the private sector has an innovative role to play in the climate change arena, she took over the position of Partnerships Director in early 2011 to develop direct sales with Nexus corporate partners.

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**Fahreza Hidayat** *Partnerships Manager*

Fahreza joins Nexus as Partnerships Manager with the responsibility of forming direct partnerships between corporates in the Asia Pacific region with Nexus members' climate friendly projects. Prior to joining Nexus, he was a Marketing Assistant at ClearWorld Energy Climate Action in Beijing where he was responsible for marketing carbon offset projects and creating social media engagement tools for corporates to better engage their stakeholders in tackling climate change. He started his career working at Goldman Sachs as part of their global operations team in New York. He has a Bachelor of Arts (B.A. in Economics and French) from Hamilton College in New York and spent one year studying in France. He also holds a Masters of Commerce (M.Comm in International Finance) from the Australian School of Business at the University of New South Wales, Sydney.

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**William Theisen** *Partnerships Manager*

After receiving an MBA at HEC in Paris, William entered into the carbon finance domain as the Marketing and Business Development Manager for The Gold Standard Foundation, and then with GERES as a carbon finance expert for a West African improved cookstove PoA. Based in Mali, William also completed a research project for Nexus focusing on transparency in the carbon value chain for West African cookstove projects. Based in Paris, William manages Nexus offset partnerships for Europe and North American-based organizations.

## History



**Nexus was initiated by the French NGO GERES (Group for the Environment, Renewable Energy and Solidarity) in 2007 and launched by eight NGOs from seven different countries in April, 2008.**

In 2006, GERES became the first NGO in the world to bring an improved cookstove program, the New Lao Stove, to voluntary carbon markets. This achievement opened the door for other field development practitioners and provided an opportunity for innovative financing to expand their pilot programs, and as a result, expand the social and environmental impacts of their programs.

Supported by the ARECOP network (Asia Regional Cookstoves Program) GERES carried out consultations with other Asian development organizations to assess the barriers to carbon finance. This study was financed by a grant from the World Bank. The discussions, reflections and analysis led to the conclusion that only an association of development organizations would be able to overcome the barriers of accessing carbon finance. Therefore, an association would best be able to reduce the imbalance between buyers and sellers, reduce the costs of market access, distribute the risks involved, and enforce ethical behavior among its members.

This process interested many other development groups, particularly on the African continent. This shared need drove the establishment of Nexus, with the first General Assembly held in Phnom Penh in April, 2008. The final Charter was ratified one year later in Singapore during the second General Assembly, together with the creation of an action plan and framework.

Throughout the establishment of Nexus from 2006 to 2010, the founding members provided continuous support and contributions to further Nexus' vision. GERES in particular was vital in mobilizing the support necessary for the incubation of the cooperative over this period.

Nexus now operates as a standalone entity, a fully fledged services platform and a set of financial mechanisms. Nexus is registered as a charity in Singapore and as an NGO in Cambodia, with offices in Singapore, Phnom Penh (Cambodia), and Bristol (United Kingdom).

## Mission, Vision and Objectives

### Mission

Nexus' mission is to scale up and replicate its members' successful projects by facilitating their access to appropriate financing such as carbon finance.

### Vision

Nexus is a cooperative of development organization acting for a better world, by identifying, educating, and enabling the poor to have a real and improved access to and control over energy and other natural resources and services, while ensuring that the natural resources are managed sustainably and responsibly. It will also influence global, regional and national players in climate finance and development sectors to embrace its values and vision, through action and dialogue.

### Values

Nexus and its members are committed to the following values:

- Cooperation and Solidarity
- Transparency and Fairness
- Responsibility and Reliability
- Creativity and Innovation

### Objectives

As a cooperative of development organizations, Nexus' central objective is to scale up successful climate-friendly projects that benefit the most vulnerable populations in developing countries. The expected results include: reduction of greenhouse gas emissions, improvement of living standards of the populations in target countries, reduction of energy poverty and access to clean energy. This central objective can be broken down into three specific objectives:

#### Objective 1

##### Speed up the transfer of technology and expertise

- **Bring development players together in a global cooperative**

**Expected results:** A global alliance of development practitioners working on low carbon projects will be created and allow for the sharing of technology and expertise, economies of scale and reduced transaction costs.

- **Establish a Center of Expertise based around members and technical partners**

**Expected results:** Members capacity building needs are identified, training and individualized coaching on CDM focal points allow for the reinforcement of members knowledge and expertise, thereby reducing their dependency on external consultants. Technical assistance offices are created based on these focal points. A CDM Center of Expertise is created, drawing on the expertise of members and technical partners.

## Objective 2

### Facilitate the scaling up of low carbon development projects

- **Identify, evaluate and support low carbon development project for this fund**

**Expected results:** Thanks to technical assistance, projects that would apply for scaling up through the fund are identified. Selection relies on an assessment of the financial, technical and human viability of projects. The origination process produces complementary studies on the selected projects, such as baseline studies and carbon documentation. A follow up on selected projects is ensured.

- **Support technological innovation that will enable the emergence of mature technologies for tomorrow (five to ten years)**

**Expected results:** The feasibility of a financing for innovation tools is established, and partners for the creation of this tool are identified.

## Objective 3

### Improve market access conditions for low carbon development projects

- **Encourage carbon markets players to take development project constraints into consideration**

**Expected results:** Communication between carbon markets standards and project developers is improved and a common position on methodologies, such as suppressed demand, emerges among project developers.

- **Reduce the independence of project developers on credit trading intermediaries**

**Expected results:** Emergence of an ethical market for the commercialization of carbon credits.

## Governance

Nexus' structure and governance follow the rules set out in the Articles of Association (Singapore Law, The Companies Act, CAP.50).

### The Board of Directors

The governing body of Nexus is the Board of Directors. The Board is made of a maximum of nine directors; five of them are representatives of member organizations and up to four are external directors acting on the board in their individual capacity. The directors are all volunteers, and are elected for two years by the members at the General Assembly. The Board approves the long-term strategy presented by the secretariat, elects the Executive Director, approves budgets and plans annual activities. The Board also reviews potential new members and partnerships.

As of February, 2013, the directors were:

- **Priyarshini Karve**  
*Chairman of the Board, Project coordinator, ARTI*
- **Alain Guinebault**  
*Director, General Manager, GERES*
- **Michael Roberts**  
*Director, Country Director, iDE Cambodia*
- **Nathan Cole, Director**  
*Managing Director, TerraClear*
- **Jasmine Hyman**  
*Director, Ph.D. student, Yale University*
- **Sean Saminathan**  
*Director, Legal and Compliance Officer, First Advisory Trust*

### The Advisory Group

- **Jochen Nimtschek,**  
*Principal at Bain & Company*
- **Rafael Melo**  
*Chief Financial Officer at Mobile Payment Solutions (a MasterCard and Smart Hub Inc. Joint Venture)*

### The General Assembly

The General Assembly gathers all representatives from Nexus member organizations and is responsible for:

- Electing board members for two years terms;
- Approving changes to the Nexus Charter;
- Controlling the application of the Nexus Charter;
- Electing new members.

One member from the the General Assembly is appointed as an observer to the board. As of February, 2013, this role was taken on by Russell deLucia from S<sup>3</sup>IDF.



## Becoming a Member

To become a member of Nexus, organizations must fulfill the following conditions:

- Demonstrate a track record of developing low carbon projects targeting the poorest populations;
- Show alignment with the objectives, vision, and mission of the Nexus Charter;
- Demonstrate their commitment towards sustainable development, environmental protection, and the necessity for projects to have positive social impacts;
- Follow strict and transparent procedures in registering their projects and their organizations.

In addition, projects that would be brought to the alliance by a new member are analyzed and screened according to the following criteria:

- Organization – the structure must have the capacity to deliver a carbon project;
- Technology – must be able to adapt, which means that it must meet the identified needs of the community;
- Sustainable development – the project must produce sustainable results;
- Carbon finance – carbon finance is additional and must allow the project to be realized;
- Sustainability – the project must be financially viable;
- Monitoring and Evaluation elements are integrated in the project.

Nexus reserves the right to withdraw a project which does not adhere to its values or mission, including fairness, transparency, and ethical conduct.

Nexus is a cooperative of development organizations that support vulnerable communities by scaling up successful climate-friendly projects. This nonprofit and collaborative structure enables members to share expertise and services, access technical assistance and international funding opportunities such as carbon finance. Acting together and committing to a common vision, Nexus members benefit from economies of scale, reduced risks, and a strong voice in the global community.

