



ANNUAL REPORT

2019

Financing Climate Action in Asia





Content

Financing Climate Action in Asia _____ / 3

Forewords _____ / 4

Impacts in a Nutshell _____ / 7

Activities

/ Carbon Services _____ / 8

/ Impact Investing _____ / 16

/ Consulting _____ / 23

/ Ecosystem Engagement _____ / 28

Financial Statements _____ / 33





Financing Climate Action in Asia

Amidst new global challenges, 2020 is crucial to accelerate climate actions to achieve the Paris agreement targets. Stakeholders at all levels are setting up new encouraging measures to support changes towards lower carbon emission solutions and impact investments around the world. After a couple of years of uncertainty, the carbon market and especially the voluntary market has seen increased activity in 2018 and in 2019. The impact investing industry achieved some key milestones in 2019, defining its core characteristics and stepping up its efforts to make impact management & measurement more accessible to all investors.

With trillions needed to close the financial gap, and the effects of climate change being felt increasingly in Asia, mobilizing finance and mitigating risks for investors will be as important as supporting local communities developing resilient programs to prepare them for the future.

Our focus will remain on increasing access to clean water and sustainable energy for the most vulnerable populations in Asia, especially women and children. With over USD 2M unlocked, through carbon credit sales and impact investments, the social enterprises we supported reached half a million new beneficiaries in 2019. They reduced over 700,000 tonnes of CO₂e emissions and produced 167M kWh of clean energy and over 2bn liters of clean water.

To grow this impact, we will continue to collaborate with our partners across the region to build innovative financial models that bridge the gap between investors and implementers to facilitate their economic growth and increase their reach. We will also provide continued support to local actors and communities to raise awareness and enable solutions to be implemented.

Foreword

Executive Director

(outgoing)



Jennifer Louie

As I write with the purpose of reflecting upon our 2019 accomplishments, it is difficult to laud all the positives that we witnessed during the year. Without a doubt, I look back at the prior year and fondly remember the new partnerships that we formed, the greater reach of our financing tools, and I am proud of the impact that was generated through our contributions. More broadly speaking, I was personally reassured by the attention that impact investing gained over the past year in Asia and am encouraged by the interest that it has piqued amongst the next generation.

But the year also brought to the fore valuable insights that are especially relevant to today's global state of mind. Nexus' successes in 2019 are mutual wins and from my perspective were only possible because of the trust that was fostered, the emphasis that was placed on open communication, and an unwavering focus on ensuring that values remained a priority. With the challenges that we are all encountering now, our common objectives of creating a better, safer, and more equal world will only be realized by coming together to support one another. It is also only with a joint effort that we will be able to create the most innovative solutions that are so crucially needed during these unprecedented times.

Jennifer Louie

Foreword

Executive Director



Clarisse Kehler Siebert

I have the privilege and challenge of joining Nexus some months into 2020. The privilege is in joining a diverse, compassionate and highly competent team, committed to innovative financing solutions for clean energy and water across SE Asia. The challenge lies in a world quite different from the one in which the 2019 results of this report were pursued. The economy has slowed to a crawl, a global pandemic is the lens through which all other challenges and opportunities are approached, our Nexus team has spread across six countries and seven time zones. Everywhere, progress against most development and environmental metrics has been fundamentally shaken up.

I am not the first to point out that what matters most is what we, as a global community, decide to do at this juncture. It is an exciting backdrop against which to lead Nexus for Development's next phase of strategic planning. In 2020, we embark on our agenda-setting process that is concrete and measurable, yet malleable enough to meet the changing realities and clean energy and water financing needs of our SE Asia constituency.

Ultimately, the Sustainable Development Goals remain our shared global roadmap. Nexus' mandate to pursue environmentally sustainable solutions while financing good development is as relevant as it was last year, and will remain germane into the foreseeable future. As the Nexus Team, we look forward to partnering in, learning about, and better catalyzing sustainable transitions in the Asian's waste and energy sectors in 2020. We believe this fosters healthier, more resilient communities, who are in turn better-equipped to weather all types of crises. Join us!

Clarisse Kehler Siebert

Foreword

Board Chairman



Jeffrey Lamb

I was thrilled to join Nexus for Development in 2019 as the Chairman. Reflecting back over this period I have gone from being an outsider who was long-familiar and impressed by the work and impact of Nexus, to being an insider who is proud of our recent accomplishments and excited about our role in supporting low-emission and climate-resilient development across Asia.

In reflecting on 2019, it is evident that it was a successful year for Nexus. From an operational perspective, we implemented new internal processes that resulted in important efficiencies, and a much-improved cash flow and end of year position.

From an impact perspective, we mobilised finance that supported the implementation of clean cooking, water filtration and biogas solutions across the region reaching over half a million beneficiaries. Specifically, our projects provided 131,000+ households with clean drinking water, 75,000+ households with clean-cooking appliances, and 1,800+ households with access to renewable energy sources.

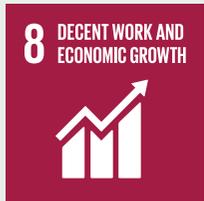
As an organization entering its second decade of service, we are more self-aware about our capabilities and our role in serving as a finance and technical partner supporting the scaling up of sustainable water and energy solutions across Southeast Asia.

I take this opportunity to thank all the staff, partners and donors who have worked hard over the last year, as well as my fellow Board Directors for their commitment, time and expertise that they so willingly and generously gave to Nexus.

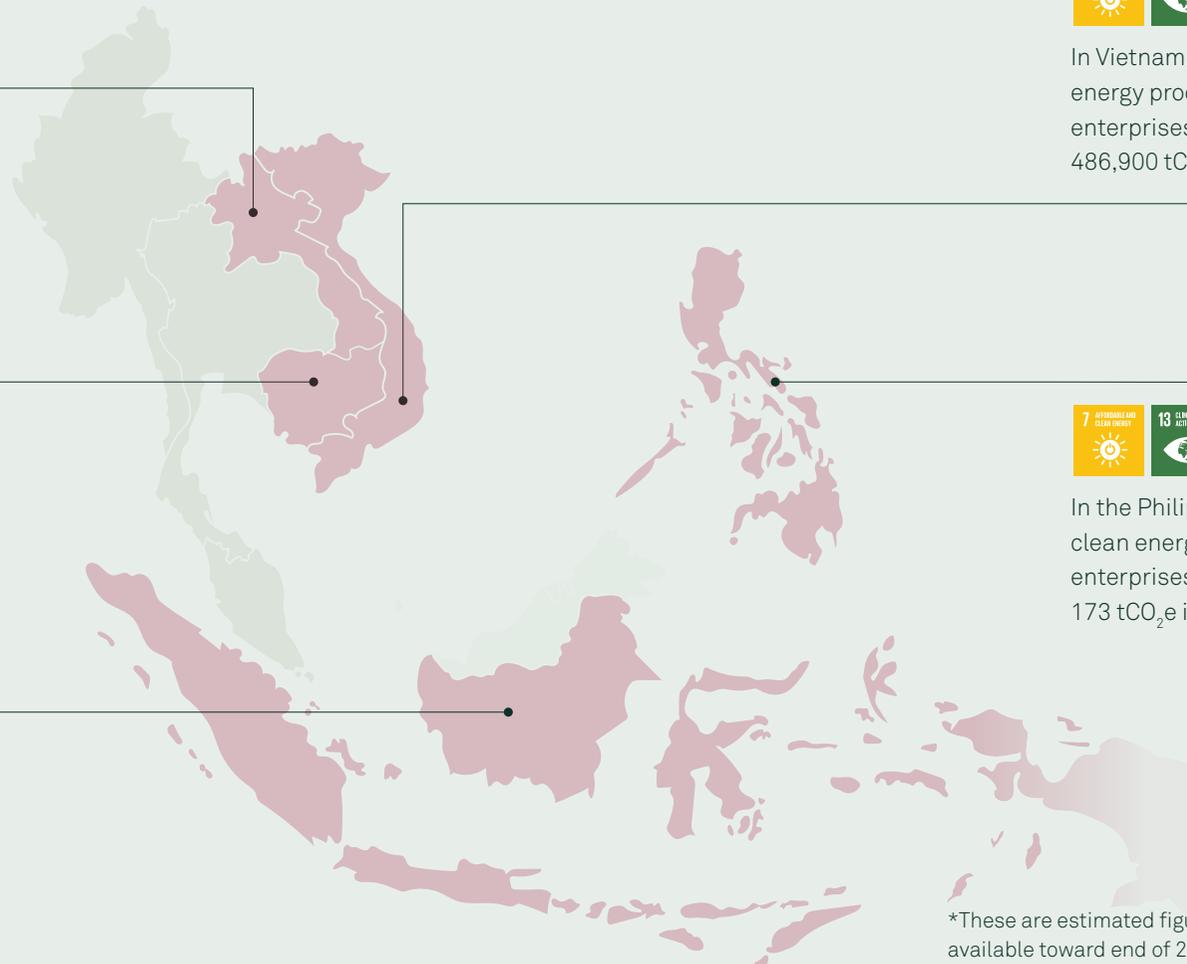


Jeffrey Lamb

Impacts in a Nutshell



USD 2M+ unlocked
for projects in Southeast Asia



In Laos, 55 M liters of clean water produced by the social enterprises supported avoiding 114,900 tCO₂e in 2019*



In Cambodia, 1,760 M liters of clean water and 12,500 kWh of clean energy produced by the social enterprises supported avoiding 91,500 tCO₂e in 2019*



In Indonesia, 308 M liters of clean water produced by the social enterprises supported avoiding 15,200 tCO₂e in 2019*



In Vietnam, 166 M+ kWh of clean energy produced by the social enterprises supported avoiding 486,900 tCO₂e in 2019*



In the Philippines, 245,300 kWh of clean energy produced by the social enterprises supported avoiding 173 tCO₂e in 2019*

*These are estimated figures, the verified figures will be available toward end of 2020 or mid 2021.

Activities

Carbon Services

USD 1M+
of financing to our project

276,000 t
of VERs issued

Nexus' Carbon Asset Management (CAM) team reached its 2019 revenue and sales goals through the sale of high volumes of verified emission reductions (VERs) as compared to previous years. 2019's revenue for CAM was slightly lower than 2018, but the volumes sold to achieve the 2019 target were about 14% higher than the previous year. Overall, ~480k tonnes of VERs were transacted in 2019 bringing over USD 1M of financing to our projects.

The average price per VER was slightly lower than 2018 due to some price cuts needed at the end of the year to hit targets. But overall, the average price was relatively in line with historic pricing.

The number of trades in 2019 increased significantly compared to 2018. 67 individual trades were executed, setting a record for a calendar year for Nexus. This is compared to the average of around 50 for the past four years.

The Technical Services' team had a very successful year with over 276,000 tonnes of VERs issued from our projects. These volumes are then sold throughout the world to bring financing to our local projects so that they can continue to support and develop the communities that they operate in.



While 2019 was a successful year for both Nexus and our projects, 2020 will likely focus on how we can improve the efficiencies of our carbon services in order to streamline the support to our partners and clients.





Nazava 1st certification

Nazava water filter project of PT Holland for Water is a social enterprise distributing ceramic candle water filters across Indonesia. The project targets low-income households (<USD 7/day) in rural and urban areas through a wide network of resellers or micro-entrepreneurs in regions of Indonesia. The applied technology is a ceramic water filter that produces safe drinking water. The project was started in 2011 and Nexus has provided support through the Climate Funds and technical assistance to



register the project as a carbon project under the voluntary standard (Gold Standard) in 2016. Over 2018 and 2019, Nexus' technical team supported the Nazava project to monitor and begin verification work for its 1st monitoring period for the 87,000+ water filters disseminated by the end of 2018, benefiting about 380,000 people. Over 28,000 carbon credits were issued in May 2019 with important co-benefits generated beyond providing access to clean water. These co-benefits included avoided deforestation, prevention of acute lower respiratory infections (pneumonia), and cooking fuel savings.

Sales began for Nazava in 2019 with a few thousand dollars being directed towards the project. A large sale potentially to an exclusive buyer is desirable for this project given the project's modest size. We look forward to securing a buyer in 2020.



Large sales and revenue potential

Over 28,000 carbon credits issued



Hydrologic Social Enterprise (2 monitoring periods)



Hydrologic is a social enterprise producing and disseminating ceramic water purifiers (CWPs) that provide safe drinking water for Cambodian households. These CWPs treat contaminated drinking water and reduce the demand for conventional water treatment through boiling water with non-renewable biomass. The project was started in 2010 and Nexus has supported the project by providing a loan from the climate fund and technical assistance to register it as carbon project

under the voluntary standard (Gold Standard) already in 2012.

Since 2018, Nexus' technical team has supported Hydrologic Social Enterprise to monitor and begin the verification work for the 7th and 8th monitoring periods. These two periods cover over 166,000 carbon credits, which were issued in November 2019 with significant positive impact (co-benefits) generated. These co-benefits included avoided deforestation, prevention of acute lower respiratory infections (pneumonia), and wood fuel savings.

Carbon Financing is very important for Hydrologic and Nexus worked to contract over USD 270,000 to the project towards the end of 2019. This financing is critical for the project and Nexus will continue to support Hydrologic through monitoring and verification work for the next phase commencing in 2020.



Cambodia



Water



Over
USD 270,000
revenue generated



166,000 +
carbon credits issued



TerraClear

TerraClear, a social enterprise based in the Lao People’s Democratic Republic (Lao PDR), was established with the aim of leveraging carbon finance to introduce Ceramic Water Purifiers (CWPs) throughout Lao PDR. The CWPs treat contaminated drinking water by effectively removing over 99% of bacteria, reducing turbidity, and reducing household and institutional demand for biomass required to conventionally treat drinking water by boiling. Both the Ministry of Food and Drug and the Ministry of Health in Lao PDR have certified the product, and the Ministry of Health endorsed the CWP as an effective water treatment product in Lao PDR. With the assistance of carbon finance, this project can be economically sustainable and provide a significant improvement in public health and household welfare.

In 2019, TerraClear successfully got issuance of the third monitoring period with the amount

of 81,226 VERs credits; the accumulative issued credits are 123,557 VERs. Since finalizing the third issuance, TerraClear has been cooperating with Nexus for conducting the monitoring surveys for the fourth monitoring period.

Nexus secured close to USD 85,000 for TerraClear in 2019 via carbon sales. We hope to align a multi-year contract for carbon sales to the program to better allow for its long-term business planning.



Laos



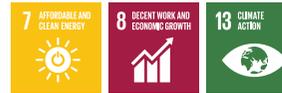
Water



USD 85,000
revenue generated



Over 81,000
carbon credits issued



Biogas program in Vietnam



The Biogas Program for the Animal Husbandry Sector of Vietnam (BP) is implemented by Livestock Production Department, the Biogas Project Division (BPD) (under the Ministry of Agriculture and Rural Development (MARD)) in partnership with the Netherlands Development Organization (SNV). Overall objectives of BP are (i) effectively exploiting 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 jobs for rural labor and reduction of greenhouse gas emissions (GHG).

Through this project, greenhouse gas (GHG) emissions will be reduced, both from the displacement of non-renewable biomass and fossil fuels currently used in stoves with clean and efficient biogas technology, but also by introducing a proper animal waste management system. In 2019, the fourth monitoring period of BP was successfully verified by the Designated Operational Entity with the amount of 709,192 VERs credits and submitted to the Gold Standard for issuance of credits.

Biogas Vietnam is Nexus' largest carbon project. 2019 was again another very successful year for the program with over USD 923,000 of carbon sales via Nexus.



Over
USD 923,000
unlocked for the program



Over 709,000
carbon credits issued



Long-term carbon offset agreement with Copenhagen Airport

In April 2019, the Nexus' team reached an agreement with the Copenhagen Airport for the voluntary offset of carbon emissions through the purchase of carbon credits. Copenhagen Airport pledged its support to the Improved Cookstoves (ICS) Programme in Laos, as they continue to build upon their commitment to fight climate change. The project resulted in Copenhagen Airport achieving carbon neutrality this year. This agreement was made possible with the support of the engineering consultancy NIRAS.

This long-term commitment addresses two major challenges faced in Southeast Asia,

particularly in Laos – deforestation and health. In Laos, deforestation is a major concern with approximately 134,000 hectares of forest disappearing annually (according to the Food and Agriculture Organization), which represents an annual loss of 0.6% of the total land area. 44% of forest cover has already been lost over the last five decades.

This agreement highlights the important role of Nexus for Development in brokering deals that allow our members to improve their long-term financial position, and to scale-up their high-impact activities in Southeast Asia.



Laos



Clean cooking



Activities

Impact Investing

USD 500k

invested by Pioneer Facility

USD 560k

under Nexus management for the Climate Funds, the Clean Energy Revolving Fund and the partnership with the Kiva

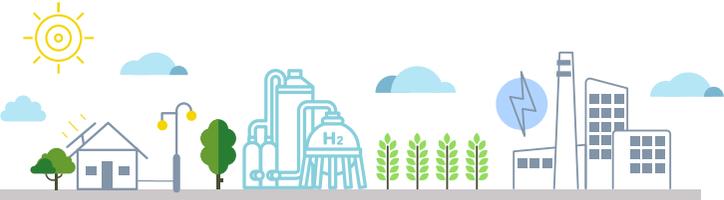
The debt facilities under Nexus management have continued to support impact driven companies with the catalytic capital needed to grow and scale their activities

To better deliver on our mission to provide access to finance for entrepreneurs who are creating and deploying sustainable solutions in the energy, water, and sanitation sectors across Asia, Nexus has been pairing its climate finance expertise with funds management activities. Across our portfolios we are serving low-income and marginalized communities.

Over the last year, our team has been particularly engaged in fundraising and sourcing activities for the Pioneer Facility, a blended finance

pilot fund designed to provide growth capital at competitive interest rates. The fund offers unsecured debt to companies committed to sustainable economic development through the scaling-up of innovative solutions in the energy, water, and sanitation sectors, benefitting and creating positive impact in communities across Southeast Asia. So far, the fund has deployed USD 1.5M and closed a USD 500k transaction in 2019.

The Climate Funds (CF), the Clean Energy Revolving Fund (CERF) and the partnership with the Kiva crowdfunding platform, as a Kiva Field Partner, have been the other instruments under Nexus' management that promote the transition to clean energy solutions with more than USD 560k under Nexus management as of December 31st, 2019.

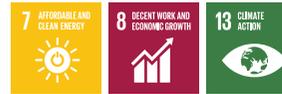


Some of the portfolio was met with challenges in 2019 including the African swine fever which hugely affected CERF's collection performance. The ongoing spread of the virus resulted in financial hardships for pig farmers given the direct impact on their ability to proceed with business and therefore their capacity to repay their loans. Designed to help small Cambodian farmers to switch from diesel-based generators to solar PV solutions, the fund has unlocked approximately USD 250k, since its first deal in 2016.

Finally, through our partnership with the Kiva crowdfunding platform, Nexus closed another deal in 2019 that financed a plug-and-play smart grid technology provider by raising USD 50k to sponsor their activities in Cambodia.

Given our privileged position within the impact investing ecosystem, we are committed – through our Funds Management team – to continue to identify innovative financing solutions, within our mission.





Solar for smart microgrids in Cambodia

Okra is a plug-and-play smart grid technology provider focused on bringing clean energy to last-mile communities that allows the interconnection between households based on the sharing of energy produced. Having won a grant from the SNV Innovations Against Poverty fund to deploy their technology to approximately 1,000 households in Cambodia, Okra requested the support of Kiva to cover the upfront costs associated with the electrification of 250 households.

Acting as a Kiva Field Partner, Nexus was able to help Okra successfully raise USD 50k from the Kiva platform in just 3-days, proving the interest from Kiva investors in projects targeting both clean energy and underserved communities.

By the end of 2019, Okra had already electrified 149 households reflecting a 12,421 kWh of electricity generated, associated with approximately 2 liters of diesel saved or 5.4 kg of CO₂ avoided per kWh generated.



Cambodia



Clean energy



USD 50,000

raised from the Kiva platform



149

households electrified

“Having access to debt finance through Nexus has been great in helping Okra continue to scale it’s operations in Cambodia enabling us to energise more off-grid households with our smart grid software. The Nexus’ team has been very helpful throughout the process and continues to support us by finding ways they can support Okra as we continue to scale globally.”

Afnan Hannan, CEO, Okra



Connecting underserved communities in Cambodia to piped water



Cambodia



Water



USD 500,000

unlocked from Pioneer Facility



1,617 households

connected to clean water

Khmer Water Supply Holding (KWSH) is a privately held company that consolidates small-scale piped water companies in Cambodia through acquisition, standardization and operational expansion. Having already connected 8,000 households to piped water, KWSH has a long-term plan to connect 40,000 households benefiting 200,000 individuals.

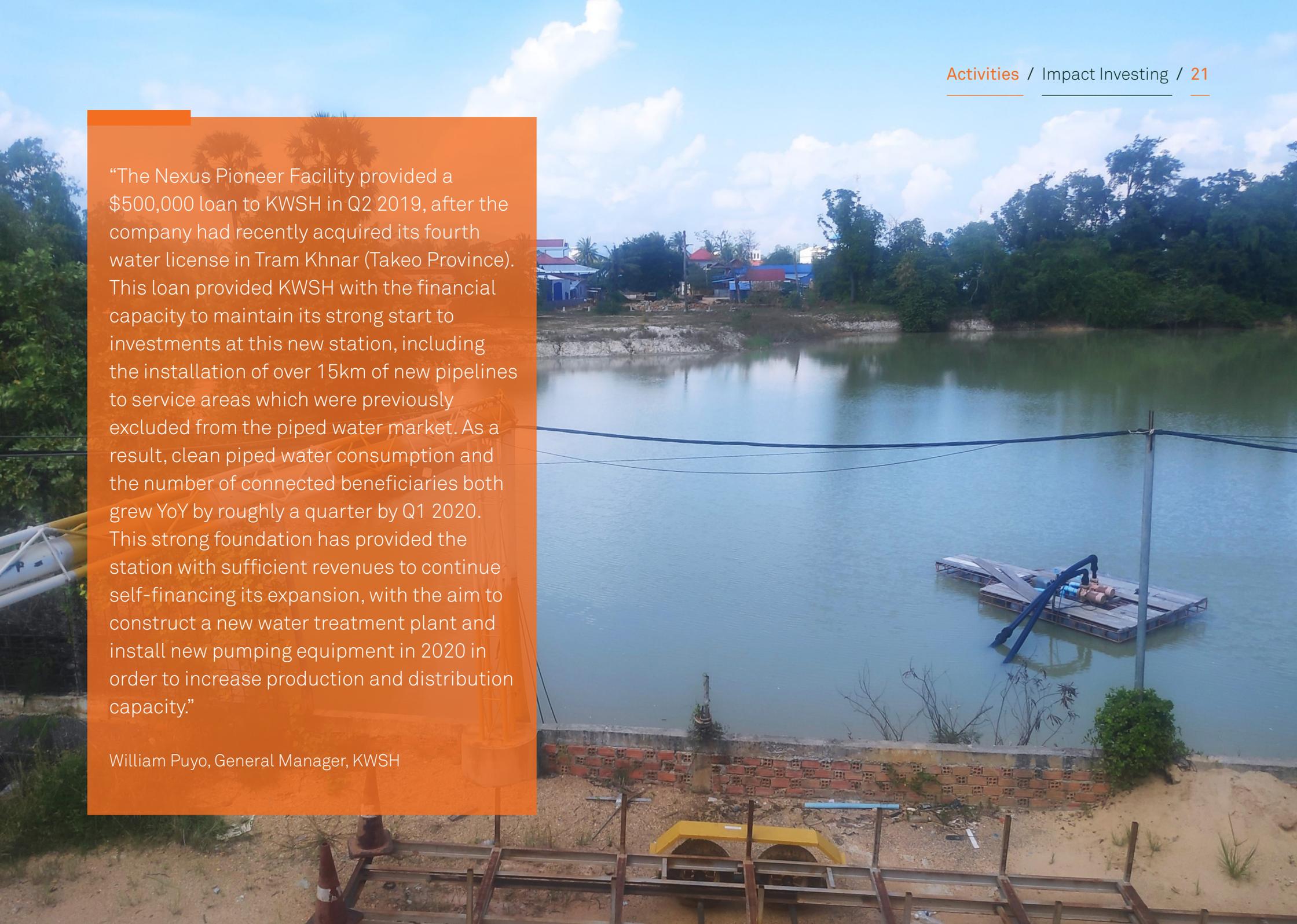
KWSH applied for a USD 500k Pioneer Facility loan as part of their scale-up plan, to acquire small-scale piped water stations, construct water treatment plants, acquire additional skills and purchase new water sources, and purchase and install main and secondary pipelines and other equipment. The debt financing from the Pioneer Facility helped to bridge the challenging time

associated with KWSH's initial fundraising of USD 6M that brought to the table equity investors, grant providers and commercial banks.

During 2019, KWSH added 1,617 new connections to its portfolio and saw average household water consumption rise from 6.89m³ to 11.18 m³. Additionally, KWSH plays other relevant roles within the communities, namely generating awareness on the benefits of clean piped water and facilitating more accommodating billing and payment collections through partnering with local MFIs and mobile money companies to provide easy access to customers to easy payment channels.

“The Nexus Pioneer Facility provided a \$500,000 loan to KWSH in Q2 2019, after the company had recently acquired its fourth water license in Tram Khnar (Takeo Province). This loan provided KWSH with the financial capacity to maintain its strong start to investments at this new station, including the installation of over 15km of new pipelines to service areas which were previously excluded from the piped water market. As a result, clean piped water consumption and the number of connected beneficiaries both grew YoY by roughly a quarter by Q1 2020. This strong foundation has provided the station with sufficient revenues to continue self-financing its expansion, with the aim to construct a new water treatment plant and install new pumping equipment in 2020 in order to increase production and distribution capacity.”

William Puyo, General Manager, KWSH



Climate Funds: 6 years sponsoring carbon finance transition

Vietnam | Laos | Cambodia



Clean energy



Clean cooking



Clean water



over
USD 550,000
deployed



11 companies
supported

The first funds designed and developed by Nexus were called the Climate Funds and aimed to support Nexus’ carbon finance activities by providing companies that sought to issue carbon credits with the necessary capital to go through the carbon credits. These funds, known as the Climate Finance Revolving Fund and the Clean Cooking Loan Fund, have sponsored to date 11 companies and deployed over USD 550k that allowed companies to obtain the needed certification in order to proceed with carbon issuances.

These funds have had the unique characteristic of bringing our team together in servicing companies that aimed to access the carbon credit markets through the provision of funding, technical services, and sales assistance, covering the whole spectrum of the carbon credit cycle.

Even though these funds have not sponsored any additional companies in 2019, five deals were still active. Three of these have already successfully issued carbon credits, two of which Nexus has assisted to monetize these credits through sales, raising the necessary amounts to repay its debt to the Climate Funds.

The end of 2019 brings the end of a cycle for the Climate Funds since these will be entering an evaluation and redefinition phase in 2020. To understand the learnings of successes of these funds throughout their 6 years of operation and to continue to find ways to help companies access the carbon credits markets will be two relevant goals for Nexus’ 2020 mission.

Activities

Consulting

Nexus has extensive experience working with emission mitigation projects by providing carbon services and financial assistance, as well as carbon asset management. The projects that Nexus has supported are clean water, renewable energy and energy efficiency projects in Lao PDR, Vietnam, Indonesia and Cambodia. Over the years, Nexus achieved nearly 4.2 million tonnes of emissions reductions in our projects.

Nexus has certified emissions using CDM and Gold Standard standards and has solid experience in Project Design Document (PDD) writing, developing monitoring and reporting plans and facilitating Local Stakeholder Consultations.

Nexus was hired by a range of organizations/ companies including UNEP, SNV, Dragon Capital and AMRET for various types of consultancy projects that included environmental impact studies, market and feasibility studies, carbon footprint assessments and energy audits, and impact measurements. Most of this work is delivered by Nexus' Technical Services team. The team is comprised of a small group of professionals with diverse experience in engineering, sustainability, finance, agriculture, forestry and environmental sciences. Nexus' team leverages industry best practices to deliver upon these mandates and has strong working knowledge of international standards, which complements our regional knowledge.





Carbon Footprint – EXO Travel Cambodia



As carbon management and corporate sustainability planning become increasingly common practices, more organizations are seeking optimal strategies to lower their environmental footprints. As a first step, to elevate the organization’s sustainability performance, the carbon footprint should be assessed. This assessment generates organizational baseline data, measuring energy use and other sustainability metrics. In 2019, Nexus assisted Exo Travel, a travel tour company, to measure the carbon footprint of its six country offices.

Nexus applies GHG protocol standard to estimate the carbon footprint in which GHG emission from scope 1 (direct emission), scope 2 (indirect emission from purchasing electricity) and scope 3 (other indirect emission) are calculated. This work allows Exo Travel to quantify its carbon footprint per country office and per activity, and to identify measures to reduce it which will save operation costs and lower GHG emission.



SNV report on Biogas Program in Cambodia



To demonstrate our understanding of the regional markets and the importance of access to credit, Nexus partnered with a long-time member, SNV, to analyze the current landscape of funding available to biogas and biodigester projects in Cambodia. Through interviews with key ecosystem stakeholders across the country, including commercial banks and project implementers, Nexus contributed to a broader scoped knowledge product that will be published by SNV in 2020.

The objective of our work was to leverage our organization’s understanding of alternative financing options that could lead to the sustainable development of the biogas sector in Cambodia. The biogas sector has shown promise over the last years as an alternative clean energy source, most applicable to rural communities that are mainly dependent on agricultural activities for livelihood. Our findings show that there is a requirement for a blend of credit mechanisms to spur sustainable growth in the sector.



UN Empower scoping pre-feasibility study in Cambodia



Clean energy

Women's climate change resilience via renewable energy enterprises: baseline and pre-feasibility studies of potential United Nations Environment Program interventions in Cambodia

Nexus for Development has worked closely with the National Committee for Sub-National Democratic Development (NCDD), the UN Environment Program (UNEP) team, and women community leaders to scope and lay the foundations for jointly designed interventions that will scale both the integration of renewable energy technologies into the current livelihoods of women, and to support capacity building and knowledge development for the greater dissemination of clean energy solutions. The geographic focus of the scoping studies and pre-feasibility studies were Pursat and Takeo provinces in Cambodia, and the initial interventions identified feed into one of five programme components that the UNEP and UN Women are seeking to implement in the 2020 – 2021 time frame.

We have identified a scope for leveraging renewable energy technology to support improved livelihoods for women in Cambodia.

These findings have been presented and discussed with national and local stakeholders throughout 2019. Through the next stage of the project's feasibility study we will work closely with already identified partners, with the objective of collecting information to inform how policy can be enhanced to support women entrepreneurs.



Clean Energy Revolving Fund - Handbook



Clean energy

In 2019, Nexus for Development published the Clean Energy Revolving Fund (CERF) handbook. The overall goal of this handbook was to share our learnings from managing CERF. The handbook sought to provide background on the history of the design and set-up of the pilot fund, due diligence processes, lessons learnt, case studies, and to objectively review the challenges that were met in managing CERF. The handbook also aimed to demonstrate the practicalities of financing RE investments and to build the case for why local financial institutions in Cambodia should consider this market opportunity.



It offered suggestions for necessary steps or processes that should be considered when designing RE financing structures.

CERF is a climate change mitigation project; it commenced in 2016 and was scoped to end after three years. The innovative finance model began with an initial investment from the Renewable Energy and Energy Efficiency Partnership (REEEP) with support from the Austrian Government and the Blue Moon Fund (BMF). By providing affordable finance, the CERF catalyzed the adoption of clean energy technologies by Small and Medium Agri-businesses (SMAs) and farmers in Cambodia, which in turn reduced CO₂ emissions (over 168 tonnes of carbon dioxide-equivalent avoided every year), encouraged an early shift away from fossil fuel-based energy (116 MWh of clean energy produced each year), and increased food processing productivity. On average, SMAs save USD 3,500 per year by switching to renewable energy which makes a significant difference for their business. CERF borrowers have reduced their operational cost by up to 34%.



Activities

Ecosystem Engagement

A core part of our work at Nexus is adding value to the ecosystem by sharing insights that we develop through our work implementing projects. Traditionally, this has occurred by convening meetings that revolve around our membership organizations' needs, but more recently the approach has included broader dissemination of learnings through our participation in conference panels, dialogues with like-minded stakeholders, publications, and through the organization of thematic workshops.

Nexus' diversified portfolio and multiple touch points with enterprises that focus on serving low income communities across Southeast



Asia places our organization in a position and with a responsibility to promote models that work to help identify areas that can be improved upon.



LIFT program and the Finance Solutions Map



The training on advanced financial topics targeted to social entrepreneurs was followed by a workshop co-hosted with the Aspen Network of Development Entrepreneurs (ANDE), to increase collaboration and foster mutual understanding between entrepreneurs and financiers.

During this workshop, we launched our Finance Solutions Map, the largest directory of financial schemes available for clean energy, water, and sanitation enterprises in Southeast Asia. Months of research and dialogue with various finance partners resulted in an aggregation of over 125 funds and financial instruments, which are presented through an online tool that entrepreneurs can filter to identify potential funding alternatives for scaling their business.

For the second consecutive year, we organized workshop events in Yangon, Myanmar, bringing together more than 100 ecosystem actors including financiers and social enterprises. The agenda focused on catalyzing access to finance for sustainable energy, water, and sanitation enterprises across Asia.

This event in Yangon and the online resources were part of the Leveraging Innovative Finance Together (LIFT) program, an initiative made possible with the support of WISIONS of Sustainability.



Sharing knowledge across the region

Nexus for Development has been multiplying its interventions around Asia to increase collaboration and foster mutual understanding between entrepreneurs and financiers. Whether as moderator, panelist, jury, speaker, our team brought its expertise in fund management, carbon finance and technical assistance to support local implementers to identify the best financing model for their project.

To both disseminate and encourage the replication of successful financial products, we produced a series of four case studies offering an overview of a financial scheme with a focus on learnings, impact measurement and risk mitigation. Leveraging different formats, Nexus partnered with Social Finance Academy to deliver a virtual training on “Impact Measurement and Management”,



then joined the December installment of TaroWorks’ webinar series to discuss what organizations can do using mobile technology to help turn carbon offsets into cash that helps fund their operations. Thanks to our strong network, we also organized and moderated a breakfast talk on impact investing in

Cambodia and Southeast Asia with the Global Impact Investing Network (GIIN), and a workshop commissioned by Konrad Adenauer Stiftung on scaling up access to renewable energy financing for Small and Medium Agri-Food Business in Cambodia.

Promoting Inclusive Business in Cambodia

Inclusive Business Promotion and *Proposed Inclusive Business Enabling Environment for Cambodia (IBeeC) Strategy*

FIRST INCLUSIVE BUSINESS FORUM FOR CAMBODIA

Wednesday, 7 August 2019, Hotel Sofitel, Phnom Penh

Funded by



Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung

Implemented by

giz

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



Inclusive Business (IB) is a term that was first coined by the World Business Council for Sustainable Development (WBCSD) in 2005. It was integrated into the ASEAN Strategic Action Plan for SME Development (SAPSMED) 2016-2025 and has been implemented over the past years with the support of the United Nations Economic and Social Commission for Asia and the Pacific.

Nexus' involvement in promoting the framework in Cambodia was strongly linked to our interest in working with private sector actors who understand the market opportunity that exists to provide goods, services and improved livelihoods to people and communities at the base of the economic pyramid. As impact investors, we are keen to support IB frameworks that encourage the development

of social enterprises and SMEs with a focus on business models that actively integrate economic growth and positive social impact. This is recognized by our organization as an important component for building sustainable and commercially viable companies.

Our team has joined conference panels including the launch of the inaugural forum for Inclusive Business sponsored by the Cambodian Government's strategy known as Inclusive Business Enabling Environment for Cambodia (IBeeC), in August 2019. Following this inaugural launch in Cambodia, Nexus was invited to the Second ASEAN Inclusive Business Summit in November 2019 to share our perspectives, as regionally focused impact investors, on the importance of nurturing such initiatives in developing economies.





Financial Statements

Nexus' financial performance for the year ending 31 December 2019 concluded with a total comprehensive income of USD 78,022.

The year-on-year improvement was driven by strong project activity and team contributions across the Technical Services, Carbon Asset Management, and Funds Management areas. As an organization, we continued to focus on driving financial discipline with a commitment to becoming more efficient, while ensuring the quality of outputs remained stellar. Total revenues generated in 2019 were USD 497,597 representing a year-on-year decrease of 14%. With the continued focus on implementing cost control measures, our total expenses were USD 419,575 representing a reduction of 23%. This supported an improved ending cash flow position relative to the prior year-end. Our organization's revenues were supported by a solid performance from three main core areas. Revenue generated from Technical Services practice areas was USD 84,710 a decrease of 17% from 2018. Our Carbon Asset Management practice area, which comprised 46% of our total revenues, increased by 4.4%. Funds Management practice area contributed revenues of USD 105,220, representing a 34% decrease from 2018. The decline in total revenues was driven by reduced grant funding, fund management and technical services areas.

Statement of Comprehensive Income

For the Year Ended 31st December 2019

	2019 US\$	2018 US\$
	Unaudited	Audited
Revenue	1,905,617	1,904,502
Cost of sales	(1,534,932)	(1,515,733)
Gross Profit	370,685	388,769
Other income	126,912	180,889
Less: expenses		
Administrative expenses	(32,211)	(106,573)
Employee compensation	(328,739)	(394,473)
Operating expenses	(58,625)	(44,144)
Total comprehensive gain for the year	78,022	24,468

Statement of Financial Position

As at 31 December 2019

	2019 US\$	2018 US\$
	Unaudited	Audited
Assets		
<i>Current assets</i>		
Cash and bank balances	575,820	442,488
Trade and other receivables	564,820	1,068,541
Funds held in trust	953,944	859,113
<i>Non-current assets</i>		
Plant and equipment	-	709
Intangible assets		
Trade and other receivables		
Total assets	2,094,585	2,370,852
Liabilities		
<i>Current liabilities</i>		
Trade and other payables	1,048,120	1,485,951
<i>Non-current liabilities</i>		
Amount due to member	148,207	148,209
Total liabilities	1,196,327	1,634,160
Net Assets	898,257	736,691
Funds		
Accumulated deficit	(56,401)	(134,423)
Reserve fund		
Funds held in trust	954,658	871,114
Total Surplus	898,257	736,691

Report on Funding Received and Distributed

As at 31 December 2019

Funding received		
Funds received from carbon sales	1,534,932	1,515,733
Total grant funding received	116,284	321,583
Total funding repayments from projects	271,515	50,129
Membership and consultancy fees	36,529	32,475
Service provided, and funds distributed		
Carbon funds distributed to members	1,304,589	1,295,082
Technical assistance services provided to members	74,417	101,689
Funds disbursed, and financial services provided	204,297	307,871



www.nexusfordevelopment.org