



FOR IMMEDIATE RELEASE

# Pioneer Facility makes 300,000 USD loan to E-Green in Vietnam

For more information please contact: [pioneerfacility@nexusfordevelopment.org](mailto:pioneerfacility@nexusfordevelopment.org)

Phnom Penh, April 13, 2022 – The Pioneer Facility, an impact fund managed by Nexus for Development, signed its first investment in Vietnam with E-Green, an eco-engineering company that provides biogas-to-energy solutions for farms, enabling them to produce energy from waste.

The Pioneer Facility loan of USD 300,000 will fuel the expansion of E-Green’s installations to 300 biogas-to-electricity systems in nine provinces, reducing greenhouse gas (GHG) emissions by an estimated 300,000 tons of CO<sub>2</sub>e per year, while producing 63 GWh of clean energy per year.

Agriculture represents about 42% of the GDP in Vietnam. With nearly 100 million tons of CO<sub>2</sub>e released annually into the atmosphere, the agriculture sector also accounts for 33% of GHG emissions in the country (energy production accounting for 53%); expanding commercial farms will continue to increase emissions.

Since 2017, E-Green has been supplying biogas-to-energy services and equipment to farms in Vietnam to convert biogas into clean electricity – reducing GHG emissions from the farms while decreasing the national electrical grid’s dependence on coal-fired generators.

In addition to the environmental impact, E-Green’s business approach supports economic and social outcomes:

- Significant energy cost savings compared to using grid electricity: 25% for farmers under the equipment leasing (“ESCO” or energy service company) model, and 70% for farmers who own the biogas generator, resulting in a total savings of USD 1.7 million over the next 3 years;
- The project will also boost employment, creating 300 jobs locally; and
- A gender inclusive scope of activities will be conducted under the Bioenergy for Circular Agriculture (BeCA) project<sup>1</sup>, aiming to improve the lives of 300 women by training them to become part-time biogas operators and increase their incomes.

“The Pioneer Facility loan is a very important step in the journey of E-Green. It is the first official loan at the beginning of the BeCA project of which Nexus is also one of the key partners. The Pioneer Facility loan not only provides financial support to scale our activities but gives a positive

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<sup>1</sup> The BeCA project is a Business Partnerships Platform (BPP) initiative of DFAT under which E-Green will be operating over the next 3 years. It will see the intervention of multiple partners, including SNV as the provider of technical support to E-Green for quality control, capacity building, market linkage, and access to the carbon credit market, all while ensuring a focus on inclusion, gender, and financial sustainability.

signal to all our stakeholders. It also gives E-Green’s team more confidence in our mission and capacity to grow our business and we are grateful to welcoming Nexus as one of our first partners in that journey.”

DUC THO Pham, E-Green CEO

By accessing the Pioneer Facility, E-Green now has the ability to scale up its operations and consolidate its position as a leading biogas-to-energy company in a big, yet untapped Vietnamese market.

### **About Pioneer Facility**

Pioneer Facility is an innovative fund that provides scale-up capital, via working capital or capex loans, to enterprises that offer sustainable energy and clean water solutions to underserved populations in Southeast Asia.

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### **About Nexus for Development**

Nexus for Development is an international not-for-profit organization founded on the principles of sustainable development. We drive access to finance in developing economies across Asia to increase sustainable energy and water resource development, advance low-carbon solutions, and scale local implementers.

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