

Closing the financing gap for social enterprises who create sustainable solutions



## Our mission

To provide affordable debt capital for social enterprises producing and distributing sustainable energy, clean water, and sanitation solutions to low-income populations in Asia.

## Bridging the pioneer gap

At Nexus for Development, we stand behind social entrepreneurs who create sustainable solutions and help developing countries meet growing energy demands. They truly are the new pioneers.

However, these innovators face serious challenges. Nexus understands that a lack of access to debt capital can seriously hinder their ability to grow.

The Pioneer Facility aims to bridge this so-called “Pioneer Gap.”

## The approach

With the Pioneer Facility, Nexus for Development is raising 6.5 million USD to capitalize an innovative fund to support at least 20 social enterprises over the next four years. The Pioneer Facility will combine funds from grants, recoverable grants, and impact finance to provide affordable loans to these enterprises.



2.3 million USD have already been committed to the Pioneer Facility with over 85% in first loss capital.

## Eligibility criteria

The Pioneer Facility will invest in social businesses which meet the following criteria:

- **Technologies:** clean energy, clean water and sanitation technologies benefiting low-income populations, such as clean cookstoves, solar, water purification and waste-to-energy systems;
- **Geographies:** initial focus on Southeast Asia;
- **Impacts:** products and services must contribute to the fight against poverty and climate change;
- **Organization and financing:** growth-stage enterprises that have demonstrated the commercial viability of their business model and can demonstrate a strong business case for future growth.

If you are a social enterprise that meets the criteria, apply with Nexus for Development for a loan.

## General loan terms

The Pioneer Facility's Investment Committee will review all applications and determine final loan terms, but the following are the general terms of a Pioneer Loan:

- No collateral required
- Funds may be used for operating or capital costs for growth
- 150-500,000 USD
- 10% annual interest
- 3 to 5 years term
- Loans disbursed in tranches

## Enabling cost-efficient impact measurement

The facility will build on Nexus for Development's expertise in assessing the feasibility and scalability of low-carbon development projects and measuring their poverty alleviation impacts.

Nexus for Development will support the funded enterprises in developing their own impact assessment monitoring system in order to increase their ability to secure further funding from impact investors.

## Pioneer Facility due diligence process



## The Nexus for Development team

As a cooperative, Nexus for Development helps its members scale up their projects by connecting them to innovative funding sources, including carbon finance and loans. Nexus for Development employs professionals on its multicultural staff, providing services such as technical assistance, financial facilities, access to strategic partnerships, research, and advocacy.

## Key results since 2011

- More than 16 projects supported, including six registered or pending registration under a renowned certification body (Gold Standard);
- Over 2.3 million carbon credits issued and sold, worth 8.5 million USD in project finance;
- Management of three debt facilities with over 15 deals closed.

To find out more about the Pioneer Facility, contact Justin Bergendahl, Impact Investment Manager [j.bergendahl@nexusfordevelopment.org](mailto:j.bergendahl@nexusfordevelopment.org)