



**GLOBAL COMPACT COMMUNICATION OF ENGAGEMENT
(COE)**

SUBMISSION 2019

SMEFUNDS through its activities and sister companies have continued to actively promote the Environment Principle of the Global Compact. The following are details of the activities within the period November 2018-October 2019 Cycle.

GREEN SOCIAL ENTREPRENEURSHIP PROGRAM

SMEFUNDS created the Green Energy Stoves/Biofuels with the aim of enrolling, training and empowering women and youths across Nigeria with benefits of clean cooking stoves/biofuels over the fossil fuel alternatives and provide a demonstration led education, further engage and mobilize other women and youths and to deepen the campaign further to low income households and other community dwellers.

Working with 'ACCESS BANK' on Access Bank Green Social Entrepreneurship Program has deepening the quest to get many entrepreneurs started and acceptability in Ibafo being one of the communities reached has been great. We also have Ikeja and Akute to start concurrently. For the best tracking procedures and tested model is for GEB to work with established local coordinators in every project communities.

CARBON CREDIT NETWORK'S GREEN SUSTAINABILITY AWARDS

The Carbon Credit Network initiative of SMEFUNDS continue to create annual anniversary and awards for the agents of green energy/technology deployment in Nigeria. It is used to celebrate the organization's strides in impacting lives , shifting families from using kerosene which causes health hazards asides accidents to renewable energy products. These products were moved round the country through the intelligent distribution system.

This year, awards were given to high distribution performers who had demonstrated competence and leadership in several ways including monthly carbon rebate earnings' and scale up of mobilization/ expansion efforts.

OUTCOME: The activity was to enlighten Nigerian economic and policy actors on the paradigm shift to renewable energy use for healthier environment and citizens, and strengthen system of scaling green technology distribution in Africa.

GREEN INNOVATION HUB: FACILITATING A BETTER AND SUSTAINABLE NIGERIA THROUGH INNOVATION, CLIMATE ACTION AND SCIENTIFIC RESEARCH:

The Africa Green Innovation Hub will become a popular centre for Research, Design and Development of REAL Climate Smart Technological Innovations that addresses Local, Social, Environmental and Economic challenges being faced by ordinary people. Our approach will be to Identify and Support Native Solutions that are safe, Clean and Sustainable while providing the needed linkages and resources to make it succeed. Result from researches around the world show that many interests and resources to promote causes such as this, abound.

As the developed economies of the world ramp up the momentum towards renewable energy and green economy, the need to position in this direction has become more urgent for Africa than ever before. Emission reduction is the antidote to climate change challenges, of which power generation is the major contributor. Renewable energy deployment is a known panacea for carbon emission reduction, and the new driver for economic growth, especially with respect to small businesses in any economy.

In order to appropriately align efforts of Nigerian economic and policy actors with the global activism in climate change, carbon emission pricing and energy efficiency, a wide consultation and intense awareness is necessary for local action. This is one in a series of actions in this direction. Participants will be drawn from Business, government, civil society, media and academia

The Green Innovation Hub will further lead in pioneering the 1st Native Carbon trading system which will mimic the existing Cap and Trade system under the European Emission Trading Systems. Our goal of making it cheaper for companies and governments to meet emission reduction targets will further demonstrate how local action can stimulate and challenge rest of the world to act Now!

World governments concerned about climate change have passed legislations requiring industries to limit how much carbon dioxide they introduce into the atmosphere e.g. China and Mexico. Individual companies are issued certificates (or credits) that allow them to emit a certain amount of carbon dioxide, and those who do not use all their credits can sell them to companies who want to emit more carbon dioxide than they are allowed. This provides an incentive to companies that can limit (cap) their emissions, since they can profit by selling unused certificates. Companies that can't limit their emissions can purchase credits, so they are not crippled by the government mandates. The result is an overall reduction in emissions.

Already, Carbon Exchange Trade platform offers opportunity to take action against climate change now by offsetting personal carbon emissions. All Carbon credits (STC or REC) are thoroughly verified, assessed and properly certified to make sure that carbon credit purchase represents the true carbon emissions reduction it claims to make.

GREEN WALK' ON WORLD ENVIRONMENT DAY.

The organization collaborated with some stakeholders including Lagos State Ministry of the Environment to mobilize a health-enhancing public walk called 'Green Walk' to commemorate the 2018 World Environment Day in Lagos. The walk created awareness from the metropolitan Ikeja Local Government through the long Computer Village area through the Alausa (LASPAK GREEN AREA) where the participants were received by the Private Sector, CSO, Media and the Lagos State Government.

It was a way of committing itself to the cause of environmental protection and safety while observing the day as in other parts of the world. It was also an opportunity to showcase green products as a demonstration of support towards the World Environment Day. It was equally covered by media houses.

OUTCOME: A great deal of awareness was created among the public on the World Environment issues including Climate Change, Carbon Emission and Renewable Energy.

Speeches were made along the way to draw attention to environmental safety, reducing carbon emission and the introduction of our green energy cook stoves to thousands of households. This was meant to enable homes switch from the use of pollution-causing kerosene stoves

FINANCE FOR DEVELOPMENT - ACCESS TO CLEANER AND SAFER ENERGY IN AFRICA

Having Access to Cleaner and Safer Energy in Africa is a source of serious concern to the organizers as more than 40% of the world population do not have access to cleaner and safer energy and Africa is at the receiving end. It is our strong desire to continue to make possible access to clean, affordable and renewable energy in Africa.

The objectives of the side event are:

To share the organizers success stories with the participants: To enable participants know where we started from and where we are today. To also let them have an idea of how many lives we have impacted in Africa through the distribution of our Clean Cookstoves and Biofuels gel from plant waste.

To create platform to share experiences and learn from other actors from the private sector working in bringing access, finance and education. This will assist in learning why others are failing or succeeding.

To collaborate with other players: This will help in bringing ideas forward quickly. It will also make technical advice available to those who need them.

- * It was unanimously agreed that taking people off fossil fuel usage requires a lot of education, re-orientation, persistence, patience and perseverance. Many people are still not seeing benefits accruable to them as a result of accessing cleaner and safer energy. To some this is due to lack of enough education and to some, group inertia.
- * Considering the people that are most affected by inaccessibility of cleaner and safer energy, financiers should not look at financial return alone, but consider real social impacts of all these projects - how many people's lives are being affected.
- * Since investment in clean, affordable and renewable energy is capital intensive, the support of both international donors, foundations and private sector would be required to scale up.
- * It was recommended that developing countries should effect systemic change which will allow Rule of Law to take its full course and create conducive environment for social enterprise to thrive.
- * It was also recommended that collaboration is key to scaling up through sharing of experiences on capacity building and making financial institutions understand financial instruments used in financing sustainable business.

TRAVELS, LESSONS AND OUTCOMES

The organization created opportunities for agents of green technology distribution through the Carbon Credit Network to attend energy summits around the world to interact and learn more on issues in climate change and renewable energy. The organization was also in various international fora to report its activities in cookstove, biofuel and solar energy deployment in Nigeria. These forums include the West African Energy Summit in Cote d'Ivoire, ECOWAS Renewable Energy Conference in Dakar, Senegal and the Alliance for Clean cookstove meetings. These were opportunities for capacity building and knowledge sharing.

OUTCOME: The outcome was a more robust climate change engagement across the world and a network that has been growing. Consequently, the use of clean energy technology has grown steadily with over 600, 000 homes using the cookstoves. The business leg has also opened an empowerment window for several women entrepreneurs.

GENERAL BUSINESS OPPORTUNITY MEETING (GBOM) SESSIONS

The organization held monthly business opportunity sessions specifically designed to bring new people into the renewable energy movement and business..

OUTCOME: Many people have been signing up to the climate change and renewable energy movement and clean technology business side while equally increasing the income earning opportunity in carbon rebates.

BREAKFAST DIALOGUE ON CLIMATE CHANGE, CARBON EMISSION AND RENEWABLE ENERGY

The organization through the Carbon Exchange Trade continues to hold several engagement platforms throughout 2016 where intellectuals, organizations and businesses interested in climate change and renewable energy solutions, gather to review knowledge and mechanisms of carbon emission reduction and pricing. It has continued to attract professionals and academicians. Mr Innocent Azih of the Carbon Exchange Trade organization is the convener of the dialogue.

OUTCOME: It created and popularized carbon pricing and Carbon Pricing Coalition in Nigeria. It has increased awareness on access to carbon rebate funds and mobilized interest of participants on low-carbon projects.

CARBON CREDIT NETWORK REGIONAL TRAIN

The organization provided a fair-like mobilization of market operators in the various states of the country. It is an avenue to create increased awareness and green energy sensitization across the geopolitical zones of Nigeria.

OUTCOME: The outcome is the multiplication of followers in the green energy programme of the organization and increased following in the climate change mitigation effort as well innovation trainings.

ONEWATTSOLAR

This program empowers small and medium scale businesses who have limited or no access to conventional electricity from public sources. It provides min-grid solar electricity infrastructure to energy-starved businesses and shops on the metered pre-paid basis. 1watt solar partners earn solar credits.

OUTCOME: The small and medium scale businesses are now empowered for improved productivity. Thus increasing and expanding access to Clean and affordable Energy across Nigeria with an expanded capacity of 1,000MW/h solar facility for enterprise owners Across Nigeria.

CLIMATE KIDS CLUB

The organization in collaboration with iRead created the Climate Kids Club. The objective is to imbibe the knowledge of maintaining the environment into the school pupil early and develop young green ambassadors with passion for protect the environment and cut the greenhouse emission into the atmosphere. The Club was deployed in primary and secondary schools and implemented programs to test the knowledge of this young students about the environment.

OUTCOME: There is increased knowledge and awareness among young school children in the pilot schools.

SFM PROJECT TO LOCAL FARMERS & COOKSTOVES BUSINESS AGENTS (PRODUCERS & DISTRIBUTORS/SALES) THROUGH MICRO-FINANCE BANKS/ INSTITUTIONS (MFBs/MFIs) IN NIGERIA

Access to finance by poor and vulnerable groups or the bottom-of-pyramid (BoP) is an important tool for poverty reduction. Such access help to strengthen the livelihoods of the poor by building their asset base, supporting income generating activities and expanding the range of choices available to them.

At the same time, risk mitigating financial products can also protect the poor from losses associated with production, income and productive assets. Globally, the focus is now on financial inclusion and on strategies to make available a range of financial products and services that meet the specific needs of the poor.

To this effect, the Global Environment Facility (GEF) through the United Nations Development Programme (UNDP), Federal Ministry of Environment, Energy Commission of Nigeria (ECN) and other stakeholders are supporting the implementation of a project titled: “Sustainable Fuel Wood Management (SFM) in Nigeria”. Recognizing that the Bottom-of - Pyramid (BoP) segment of the society that the project is targeting may not be able to make 100% down-payment for the SFM services provided to them,

“Financing Models for Sustainable Fuelwood Management” was included as the 4th Component of the project. Under this component, the project is to produce financial products and services suitable for the Bottom - of - Pyramid (BoP), liaise, support and train MFIs/MFBs staffers to disburse grants to scale up sustainable fuelwood and clean stoves among the pilot communities in Cross River, Delta and Kaduna States. Most importantly, the project has provisions for grants to fuelwood value chain actors.

The grants will be in the following forms:

- support to selected Community Based farmer groups to plant hectares of woody energy crops;
- Matching rebates, which involve support for value chain financing schemes for stove/kilns producers. Specifically, these will be based on financing packages developed through in - depth consultations with targeted MFIs;
- Sum set aside as start-up loan and matching rebate to disburse to the value chain financial products and services.

While a number of methodologies have been developed in the Microfinance industry to support the MFIs so that they become economical sustainable entities; the most common is the “micro credit, which allows very small loans to be given to the poor or low-income clients whom the commercial banks do not consider viable as customers.

In general, these individuals lack collateral and therefore cannot meet even the most minimal qualifications to gain access to traditional credit. For this reason, microcredit is often disbursed via a group guarantee, as a group loan, where group members guarantee for each other. More wealthy clients that can offer a small collateral can also qualify for an individual loan.

MFIs personnel are very familiar with micro credits for various businesses like buying and selling of consumables, but are not conversant with the businesses related to sustainable fuelwood management and of cookstoves in particular.

Since the SFM project is envisaging disbursement of loans/grant using market-based approaches, an experienced finance expert (SMEFUNDS) was engaged to facilitate and establish the most appropriate business models for the management and disbursement of grants to local farmers groups, cookstoves business agents through MFIs/MFBs in Cross River, Delta and Kaduna States.

SMEFUNDS is to manage the entire process of interfacing between the project and the fuelwood value chain actors or grant beneficiaries and ensure hitch-free disbursements.

Scope of Work

In partnership with the SFM PMU, facilitate 3-Day consultative meetings with MFIs/MFBs to afore-mentioned objectives in Cross River, Delta and Kaduna States;

- Identify and compile list of MFIs/MFBs willing to participate in the grant disbursement/management;
- Identify and design appropriate financial products (matching rebate, start-up loan) for MFIs/MFBs to test and scaled up;
- Develop MoUs to be signed between the project and MFIs/MFBs
- Develop Grant Disbursement Monitoring & Evaluation Framework
- Ensure MFIs/MFBs keep Loan portfolio and account report
- Produce progress reports at every milestone and comprehensive final reports of the loan disbursement as annex at the end of the assignment.