

# Vita Green Impact Fund

## Update November 2017



[www.VitaGreenImpactFund.com](http://www.VitaGreenImpactFund.com)

The Vita Green Impact Fund was launched in 2016 as an innovative financing platform to provide sustainable energy and water for poor households in Africa and mitigate climate change. The Fund's blend of loan investment and grants are used to develop community impact projects that generate CO<sub>2</sub> emission reductions which are then sold as voluntary carbon credits. The Fund focuses on poor rural households, providing fuel efficient cook stoves, access to clean drinking water, tree planting and solar lighting.

Typically, it takes up to eighteen months from the initiation of energy and water projects to the sale of carbon credits. The Fund has opted to use the Gold Standard accreditation system as this mechanism provides independent validation of CO<sub>2</sub> emission savings and commands a premium price. The VGIF platform is the first of its type, where a not-for-profit organisation has structured a commercial investment opportunity for investment into high impact, low-carbon project work in Africa.

### Key Takeaways

**Green:** Climate Change Mitigation (400,000 tonnes of CO<sub>2</sub> emission savings)

**Impact:** Social, health & livelihood change for 200,000 people in Africa

**Fund:** 10% cumulative return on investment

### Our Mission

*"To reduce poverty, hunger and inequality amongst rural households through knowledge-backed, community-led initiatives leading to sustainable livelihoods"*

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Demonstrations of the improved cookstoves, Lante Kebele, Ethiopia

*“Climate Change will displace 250 million people by 2050”*

– UNHCR, 2008

## Funding

We are delighted to report that the Fund exceeded its 2017 loan target of €2 million by €66,000. This is shown in the table below:

	Fund Target €	Secured in 2016 €	Secured in 2017 €	Balance for 2017 €
Loans	1,500,000	1,000,000	566,000	0
Grants	500,000	436,000	40,000	24,000
Total Funding	2,000,000	1,436,000	606,000	24,000

## Project Implementation

The Green Impact Fund structures its work as Gold Standard projects, termed Voluntary Programmes of Activity (VPAs). Each VPA is structured such that it generates 10,000 tonnes of CO2 emission savings (equivalent to 10,000 carbon credits) per annum for up to seven years. Currently, the Green Impact Fund is working primarily in Eritrea and Ethiopia. To date, 30 VPAs have been completed in the two countries. 22 VPAs were completed in 2016 in Ethiopia and Eritrea. All VPAs will be completed by Q2 2018 after which the Fund will maintain the stoves and water points for a further seven years. In total the number of VPAs completed will be slightly in excess of the Fund target.

	FUND Target VPAs	Completed VPAs 2016	Target 2017	Completed 2017 (So far)	Expected year end (2017)	Target 2018	Total VPAS
Stoves	8	2	2	0	2	2	6
Water	34	20	14	8	6	4	38
Total	42	22	16	8	8	6	44

*“In the last 12 months, Vita Eritrea has fixed 233 communal hand pumps, giving access to clean water to over 200,000 people.”*



BEFORE: Families in Anseba, Eritrea before their well was fixed

## Expenditure

Expenditure was slightly below target for 2016 due to slower than expected start of VPAs. The expenditure in 2017 is expected to be lower than the planned expenditure mainly due to slow income from the sale of carbon credits which has caused us to delay implementation of several projects.

	Actual	2016	Plan	2017
Project costs		937,200		680,000
Admin & Mgt.		170,000		170,000
Total		1,107,200		850,000

## Impact

The impact of individuals and households in rural communities has been both immediate and immense. Based on the VPAs completed so far, the following is the impact:

Item	Impact
Livelihoods impacted (numbers of people)	140,000 impacted by access to clean water 25,000 impacted by improved cook stoves
Litres of clean water	306.6 million litres/annum
Hours saved collecting firewood & water	8.58 million hours
Money saved purchasing firewood	€187,500
Tonnes CO <sub>2</sub> now being reduced/annum	300,000
Incidence of water borne disease	Average of 40% reduction at household level





**AFTER: A newly fixed pump in Eritrea**

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## Carbon Credit Sales

The Green Impact Fund expected to sell 15,000 credits @ €3.00 in 2016. It sold 10,000 credits @ €4.00 per credit from its first water VPA in Eritrea. Sales in 2017 are significantly below plan. This is due to the fact that the time spent from VPA completion, accreditation, credit issuance, marketing and subsequent sale is taking longer than expected. This has not impacted on the viability of the Fund but has impacted on income for 2017 and subsequently on the ability to complete all VPAs in 2017.

However, the good news is we have recently entered a seven-year agreement with Phillips for the sale of 30,000 credits per year @ €3.00 per credit which confirms the interest of the market in the voluntary sale of carbon credits.

## Projection

Based on the fact that the costs for the Impact Fund have been shown to be accurate and that the future prices for carbon credits are expected to remain and possibly increase, the Green Impact Fund expects to repay its loans as per the loan schedules.

## New Fund

In 2018, Vita will launch a new and larger Green Impact Fund in partnership with a reputable Fund Manager. Vita is looking for partners and investors to participate in the new Fund.

## Evidence From The Field

Click the following link <https://www.youtube.com/embed/F6z5Pakfvps> for a video documenting our work in Eritrea .