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February 2011

Partnership cooks up new solution to poverty and climate change

- New cross-sector partnership launched to tackle Indoor Air Pollution at scale in Nigeria.

FORT COLLINS, CO – Envirofit International (a global cookstoves business) and Shell Foundation (an international foundation) have joined forces with the US-based carbon finance business, C-Quest Capital, to kickstart a clean cookstoves industry in Nigeria. Clean cookstoves are the most viable solution to Indoor Air Pollution (IAP), the toxic smoke that claims one life every 16 seconds in the developing world. The partners aim to deliver two million improved cook-stoves to Nigerian households over the next seven years.

Over three billion people in the developing world cook on open fires or inefficient stoves in poorly ventilated homes. The toxic smoke that is produced causes severe lung and respiratory illness and contributes to climate change. As a result, each year nearly two million people die from IAP. The problem is particularly rife in Nigeria – a country that has the largest household wood-burning population in Africa. However the high costs associated with developing affordable “cleaner” stoves that cut these emissions, and getting these to market in a country of Nigeria’s size, has meant that for centuries people have had no widespread solution to this problem.

The partnership between Envirofit, Shell Foundation and C-Quest seeks to solve this problem by using cutting-edge stove technology and carbon financing to distribute stoves throughout Nigeria at prices that consumers can afford. The work will begin in villages in Kano State in the north of the country in March 2011 and is then planned to extend to other parts of the country based on market demand. Importantly the solution has already been validated in India, Kenya, Tanzania and Zambia.

So how will it work?

Envirofit and Shell Foundation have created a global cookstoves business to develop and market affordable clean cookstoves that are up to four times as efficient as open fires – significantly reducing fuel usage, emissions and cooking times. The stoves are specifically designed to meet user’s unique cooking styles and choice of fuel (predominantly wood or charcoal). In three years Envirofit has become the global leader in this new market. Shell Foundation have pioneered new ways to raise consumer awareness of IAP and to explain the need to change their cooking practices. Together the partners have developed innovative distribution mechanisms in India and Africa (in Zambia, Kenya and Tanzania) – working with NGOs, governments and microfinance institutions to reach the rural and urban poor. Having sold over 200,000 stoves since 2007, benefitting over one million people, Envirofit and Shell Foundation will now bring this expertise to Nigeria.

C-Quest is a world-renowned carbon finance business based in Washington, DC. The business will purchase stoves from Envirofit and market them to households across Nigeria. C-Quest will then monetize the reductions in carbon emissions that these clean cookstoves deliver. With each wood cookstove estimated to save over one tonne of carbon per year, this will help bring down the price of clean cookstoves making them accessible to millions more people across Nigeria. The new model builds on recent developments in UN-regulated carbon offset markets. The partners hope that this will encourage new entrants into the clean cookstove sector by ensuring long-term financial-viability, dramatically scaling social and environmental impacts.

The new partnership follows the launch of the Global Alliance for Clean Cookstoves by US Secretary of State Hillary Clinton in September 2010. This pioneering \$250million public-private partnership aims to create a

thriving global market for clean cookstoves by helping remove barriers – such as challenges linked to accessing carbon finance – which currently prevent the sale of clean cookstoves at scale.

Ron Bills, CEO, Envirofit said: ““Envirofit is proud to join C-Quest and our long-standing partners Shell Foundation in the development of this Nigerian social enterprise business. Our stove technology significantly reduces emissions and wood consumption. C-Quest’s expertise in carbon-offsetting can significantly reduce the cost of each stove, whilst retaining margins for distributors to keep the whole industry viable. The availability of carbon revenues allows a lower price which brings high quality, durable clean cookstoves into line with inefficient alternatives and makes it an easy choice for consumers. The success of this project will significantly impact the social, economic and environmental consequences of Indoor Air Pollution in Nigeria.”

Pradeep Pursnani, Business Director, Shell Foundation said: “Carbon finance can be a key enabler to reach families that are suffering the most from IAP. This new and innovative partnership – with each partner bringing unique expertise for a common goal – could be a genuine game-changer. Now the real work can start on the ground. We will help C-Quest develop its business and create new routes to market. This will be no easy feat, but success will de-risk the market and attract more investment into the sector, which will encourage further innovation and deliver better more affordable products to the people who need them. It is a good example of the role business can play in sustainable development.”

Ken Newcombe, CEO, C-Quest Capital said: “We are thrilled to join this partnership. We know that recent developments in carbon finance make it possible to offer superior returns on capital into energy services to the poor – activities that were once solely the domain of development finance. The carbon credits that we will sell on the market will also carry a high social impact which should affect the demand for them. This is the ideal partnership to prove that this concept can work”.

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About Envirofit International

Envirofit is a world leader in the design and production of durable high efficiency cookstoves for wood and charcoal, universally acknowledged as the most efficient way to reduce IAP at scale. Envirofit produces durable clean cookstoves that currently retail for between \$15-30 in India. Compared to traditional cooking fires these reduce emissions, improve fuel efficiency and reduce cooking time significantly. www.envirofit.org

About C-Quest Capital

C-Quest Capital is a carbon finance business dedicated to originating and developing high-quality emission reduction projects around the world, and has pioneered successful carbon finance that allows millions of households to benefit from energy efficient lighting and cooking. C-Quest’s founders were pioneers of the global carbon offset markets and alternative energy development at the World Bank and in the private sector. It aims to use its competency in environmental markets and finance to accelerate the global transition to a low-carbon economy and foster sustainable development. www.cqcllc.com

About Shell Foundation

Shell Foundation is an independent UK registered charity, established by Shell Group in 2000, that catalyses enterprise-based solutions to global poverty and environmental challenges. For ten years the Shell Foundation has been working to catalyse a global clean cookstove industry in order to tackle Indoor Air Pollution at scale in financially-viable ways. A strategic partnership with Envirofit led to the creation of its clean cookstove business in 2007. The Foundation was a founding partner of the Global Alliance for Clean Cookstoves, launched in 2010. www.shellfoundation.org.