Pass NetZero Strategic Framework 2026

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For General Assembly Review and Approval

Executive Summary

Pass NetZero's 2026 strategic framework marks a pivotal transition year, balancing Phase 2 research completion with strategic Phase 1 expansion across three continents. We aim to complete foundational research at NUST and LUANAR while initiating new partnerships in Botswana, Zambia, Ukraine, and Brazil.

Strategic Focus:

- Complete 2 Phase 2 research projects (NUST, LUANAR)
- Launch up to 4 new Phase 1 partnerships (BU, UNZA, WUNU, EMBRAPA)
- Transition Master's students to PhD programs
- Build sustainable fundraising capacity through structural innovation

Financial Target: €90,000 (Target scenario - realistic)

- Research allocation: 75.8% (€45,000)
- Operations: 18.6% (€11,500)
- Reserves: 35% of total funds (€32,500)

Key Innovation: Transition to volunteer-based communication team with enhanced commission structure (5% vs. previous 4%) to build capacity while controlling costs, creating a clear pathway for volunteer advancement to Core Member status.

Success Metrics:

- 4 active research partnerships
- 2 Phase 2 completions with quality outputs
- €90K+ funds raised
- Strategic reserve of €30,000 established
- Volunteer team operational by Q2

Vision

To advance environmental sustainability through research-driven, cost-effective carbon capture solutions, with a focus on developing nations through university partnerships and local researcher empowerment.

2025 Performance Review

Financial Performance

Actual Expenditure: €21,715 (vs. planned €43,000-€61,500 range)

Achievement: Operated at 50% of minimum budget through disciplined cost management while maintaining research quality and commitments.

Budget Breakdown:

- Communication + Administrative: €3,178 (15%)
- Core Team: €6,240 (29%)
- Research: €12,400 (57%)
- Banking fees: €99 (0.5%)

Key Financial Insights:

✅ Research allocation maintained at 57% despite constraints
✅ Banking fee reduction achieved (1.5% → 0.5%)
❌ No reserves established due to limited fundraising
❌ Higher relative costs due to limited scale

Research Achievements

NUST Phase 1 Completed

- Status: Testing protocols established, Phase 2 ongoing through 2026
- Progress: 1 student deregistered; 3 students fulfilled academic requirements to transition to Phase 2

LUANAR Phase 1 Near Completion

- Status: Ongoing through 2026
- Progress: 1 student thesis approved (initiating Phase 2); 1 student pending proposal defense

Overall Research Performance:

- Active research sites: 2 partnerships operating
- Data quality: Good
- Major milestone: Regional aquatic plant screening phase completed successfully

Networking & Visibility

COP15 (Zimbabwe) and COP30 (Brazil) Participation

- Investment: ~€2,000
- Outcomes: Network expansion, research partner contacts established

Lessons Learned

What Worked Well:

1. Cost discipline - operated below minimum scenario
2. Research quality - maintained standards despite constraints
3. Operational efficiency - achieved 0.5% banking fees
4. Strategic presence - COP networking valuable

Areas for Improvement:

1. Fundraising - fell short of targets
2. Scale limitations - high relative administrative costs
3. Resource allocation - better balance needed

Strategic Adjustments for 2026:

1. Volunteer model for communication team
2. Enhanced 5% commission rate for fundraising
3. Clear volunteer → Core Member pathway
4. Reserve building priority

Strategic Priorities for 2026

1. Research Excellence & Portfolio Development

Phase 2 Completion (2026)

NUST (Namibia) & LUANAR (Malawi):

- Complete testing and data collection
- Expected completion: Q4 2026

- Deliverable: Pilot feasibility report (phase 3),
- Next step: PhD program initiation for advancing students

Phase 1 Expansion (2026 Launches)

New Partnerships (Up to four across continents):

1. **University of Botswana (BU):** Okavango Delta region. Supervisor: Dr. Dikabo Mogopodi. Launch: Q2 2026. Budget: €3,750 (Phase 1).
2. **University of Zambia (UNZA):** Mining-impacted wetlands. Focus: Contaminated water remediation. Launch: Q2 2026. Budget: €2,442 (Phase 1).
3. **West Ukrainian National University (WUNU):** Ukrainian wetlands. Focus: GHG monitoring/carbon sequestration. Independent funding through WUNU-led European grant application.
4. **EMBRAPA (Brazil):** Para and neighboring states. Focus: Tropical aquatic carbon sequestration, bioremediation, and methane emission mitigation. Launch: Q2 2026. Budget: €2,872 (Phase 1).

NUST Research Expansion (Target scenario: €3,750)

- Extend research site expansion to include nutriment rebalancing in Rundu
- Additional testing on waste treatment from feedlots
- Leverage existing infrastructure and relationships

PhD Program Transitions (2027 Provisions)

- Support Master's researchers advancing to doctoral programs
- NUST PhD: €7,133 (Year 1 provision)
- LUANAR PhD: €7,133 (Year 1 provision)
- Phase 2 continuations for new partnerships (UNZA, EMBRAPA, BU)

Conditional Expansion (Growth Scenarios)

- Zimbabwe partnerships (NUST Zimbabwe, University of Zimbabwe)
- Additional African sites (Angola, Mozambique, Congo)
- Contingent on fundraising success exceeding €185K

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2. Operational Development & Capacity Building

Volunteer-Based Communication Team

Rationale: Increase capacity while controlling costs, access diverse skill sets.

Structure:

- Roles: Content creation, social media, design, video editing, translation
- Timeline: Recruitment Q1, operational Q2 2026
- Recognition: Clear pathway to Core Member advancement

Benefits:

- Cost savings on communication expenses
- Access to specialized expertise (film, design, multilingual content)
- Pipeline for future Core Members

Enhanced Fundraising Structure

Commission Rate Increase: 4% → 5%

- Stronger incentive for successful fundraising
- Target: 3-5 active commission-based content creators and fundraisers
- Payment upon fund receipt and verification

Strategic Reserve Building

Focus: Phase 3 pilot project implementation

- Emergency reserve: 5% of expenditure (all scenarios)
- Strategic reserve: Scaling 0.5x to 1.0x expenditure
- Phase 3 target: 1.5-2x pilot implementation costs (€37,500-€80,000)

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3. Partnership Development

Academic Partnerships

- **Current:** Strengthen NUST and LUANAR relationships
- **New:** Execute agreements with BU, UNZA, WUNU, EMBRAPA (Q1 2026)
- **Pipeline:** Continue discussions in Angola, Mozambique, Zimbabwe

Community Engagement

- Stakeholder consultations at research sites
- Community benefit communication
- Local employment and training opportunities (phase 3)

Environmental Authorities

- Build relationships for future permitting
- Target: Introductory meetings in Namibia, Malawi

Corporate Partnerships

- Target sectors: Mining companies, environmental services, water utilities
- Initial outreach: Q1 2026
- Target: 2-3 expressions of interest for 2027 collaboration

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4. Communication & Visibility

Short Film Production (€1,500-€1,900)

- Visual narrative of ongoing research across African sites
- Timeline: Q1-Q2 filming/production → Q3 launch
- Distribution: Website, social media, fundraising materials, projection at events and conferences

Conference Participation

COP31 (€500)

- Location: Antalya, Türkiye (expected)
- Strategy: Networking, research and funding partnership development, carbon market exploration
- Target: 5-10 partnership conversations, 2-3 funding leads

Digital Infrastructure (€290/year + €900/year conditional)

- Website hosting: €90
- Google Workspace: €120
- Zoom Pro: €80
- Social media marketing tools/account verification/ads: €900 (upon fundraising success)

Key Milestones 2026

Q1 (January - March)

Governance:

- ✅ General Assembly: Approve Strategic Framework
- Finalize research agreements (UNZA, EMBRAPA, BU, WUNU)
- Reporting: Project impact assessments,Strategic and organizational performance review, including partnership status(es)

Film:

- Site visits and filming

Fundraising:

- Launch major campaign (€90K target)
- Activate commission structure
- Recruit volunteer communication team

Q2 (April - June)

Research:

- Launch new Phase 1 partnerships
- Continue NUST and LUANAR Phase 2

Capacity:

- Volunteer team operational
- 3+ commission-based fundraisers active

Film:

- Complete production

Q3 (July - September)

Research:

- NUST Phase 2: Complete seasonal data collection
- New partnerships: First progress reports

Evaluation:

- Mid-year fundraising review
- Determine realistic year-end scenario

Film:

- launch : online and event projections

Q4 (October - December)

Research:

- NUST & LUANAR: Final reports

- PhD program agreements for 2027

Conference:

- COP31 participation

Phase 3 preparation:

- Site pre-selection for 2027 pilots
- Annual review and 2027 planning

Key Performance Indicators (2026 Targets)

Research Excellence

- Active partnerships: 4
- Phase 2 completions: 2 (NUST, LUANAR)
- Phase 1 initiations: 2,up to 4 (BU, UNZA, WUNU, EMBRAPA)
- Research quality: Good to Excellent
- Data collection completeness: >80%
- PhD transitions: 2 students

Financial Health

- Funds raised: €90,000 minimum (Target scenario)
- Research allocation: >75% of expenditure
- Administrative costs: <20% of expenditure
- Emergency reserve: 5% maintained
- Strategic reserve: €30,000 established

Organizational Development

- Active volunteers: 5-8
- Commission fundraisers: 3-5
- Volunteer/Freelance → Core Member transitions: 0-1

Communication & Visibility

- Short film: Completed Q2
- COP31: Attended
- Partnership conversations: 10+
- Funding leads: 3+

Budget Overview

Multi-Scenario Financial Planning

Scenario	Total Funds (€)	Research %	Operations %
Core	23,250	58.1%	36.3%
Target ⭐	90,000	75.8%	18.7%
Growth	190,000	77.8%	16.7%
Maximum	416,000	76.5%	18.0%

⭐ **Recommended scenario for 2026**

Figures rounded to nearest thousand for presentation; see Annex B for exact calculations

Target Scenario Detail (€89,460 total funds)

Planned Expenditure: €59,640

Research: €45,210 (75.8%)

- 2026 Research (4 Phase 1 + NUST expansion): €12,815
- 2027 Research Provisions (Phase 2 + PhD): €32,396

Operations: €11,589 (18.7%)

- Core Team & Commissions: €7,470 (13%)
- Communication: €3,318 (6%)
- Administrative: €648 (1%)

Emergency Reserve: €2,840 (5%)

Strategic Reserve: €29,820 (33% of total funds)

Resource Allocation Explanation

The percentages reflect Pass NetZero's evolution toward greater efficiency at scale:

Communication (6% in Target scenario):

- Decreases from 16% (Core) to 6% (Target) to 2% (Growth)

- **Why:** Fixed costs (website €90, workspace €120, Zoom €80) don't scale with budget
- Film production (€1,500) is one-time investment
- Economies of scale: €3,318 communication budget serves €90K operation vs. €2,418 serving €23K

Administrative (1% in Target scenario):

- Remains very low across all scenarios (1-3%)
- **Why:** Lean operations, minimal overhead philosophy
- NB: Required financial audit in in case of fundraising >€157K could be higher than projected
- Banking fees calculated at 0.8% of transactions (down from 1.5%)
- Insurance scales modestly (€200 in Target vs. €100 in Core)

Key Insight: As organization scales, research percentage increases (58% → 77% → 79%) because operational costs don't grow proportionally. This is intentional and demonstrates fiscal discipline.

Financial Notes

- **Banking fees:** 0.8% of transactions (improved from 1.5% in 2025)
- **Currency:** Euro reference; actual costs subject to exchange rate variations
- **Reserve strategy:** Emergency 5% consistent; Strategic scales 0.5x to 1.0x expenditure
- **2027 provisions:** Demonstrate multi-year commitment; subject to 2027 budget approval

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Next Steps

Before General Assembly:

1. Review this framework
2. Prepare questions
3. Submit feedback to the board

At General Assembly:

1. Present framework for discussion
2. Vote on approval (per constitution requirements)
3. Authorize President to execute agreements

After Approval:

1. Execute research partnership agreements (Q1)
2. Launch fundraising campaign
3. Recruit Volunteers
4. Initiate reporting

Appendices

Detailed supporting documentation available in separate annexes:

- **Annex A:** Risk Management Framework (10 identified risks + mitigation)
- **Annex B:** Detailed Budget Scenarios (all 4 scenarios with line items)

Document Version: 2.1 (Main Report)
Date Prepared: January 2026
For: General Assembly Review and Approval

Questions or amendments: Submit to the Board before General Assembly

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This strategic framework focuses on 2026 priorities while building foundations for future development. Subject to annual review and adjustment based on research outcomes and organizational learning.

Annex A : Risk Managment

Pass NetZero Strategic Framework 2026

Annex A: Risk Management Framework

Overview

This annex identifies 10 key risks for 2026 operations and outlines mitigation strategies. Pass NetZero employs proactive risk management through scenario planning, portfolio diversification, strategic reserves, and quarterly adaptive management.

Risk Rating: Likelihood (Low/Medium/High) × Impact (Low/Medium/High)

Risk Matrix Summary

#	Risk	Likelihood	Impact	Priority	Key Mitigation
FINANCIAL					
1	Fundraising Below Target	Medium	High	**Critical**	Multi-scenario planning, diversified channels
2	Currency Fluctuations	High	Medium	Moderate	Built-in buffers, flexible implementation
3	Unexpected Expenses	Low	High	Moderate	Emergency reserve (5%), insurance
RESEARCH					
4	University Approval Delays	Medium	Medium	Moderate	Early engagement, flexible timelines
5	Environmental Variables	Medium-High	Low-Medium	Low	Portfolio approach, multi-year design

6	Partner Capacity Issues	Medium	Medium	Moderate	Clear expectations, direct communication
7	Poor Phase 2 Results	Low	High	Low	Portfolio diversity, flexible expectations
OPERATIONAL					
8	Volunteer Team Failure	Medium	Medium	Moderate	Budget independence, realistic expectations
9	Commission Fundraising Underperforms	Medium	High	**Critical**	Multiple channels, quarterly reviews
10	Key Personnel Loss	Low	High	Moderate	Documentation, Advisory Board support

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Financial Risks

1. Fundraising Below Target (€90K)

Medium Likelihood | High Impact | CRITICAL PRIORITY

Description: Failure to raise €90K limits operations to Core scenario, eliminating 2027 provisions (€32K), NUST expansion (€3.7K), strategic reserves, and professional communications.

Scenario Impacts:

Funds Raised	Partnerships	2027 Provisions	Strategic Reserve	Status
<€23K	3 Phase 1 only	None	€7.7K (minimal)	Survival mode
€50-70K	3-4 Phase 1	Partial	€15-25K	Limited growth
€90K	4 Phase 1 + expansion	Complete	€29.8K	**Target - Healthy**

Mitigation:

1. **Multi-Scenario Planning** - Core (€23K) ensures survival; no commitments beyond available funds
2. **Diversified Channels** - Commission (5%), direct fundraising, grants, corporate, major donors; no single channel >40%
3. **Quarterly Monitoring:**
    - Q2 (June): <€20K = trigger contingency; €40-60K = on track
    - Q3 (Sept): <€40K = Core scenario; €70-120K = Growth possible
4. **Staged Commitments** - Core partnerships Q1; expansion Q2-Q3 if on track
5. **Contingency Actions** - President increases fundraising time 20%→50%; apply to 10+ grants; accelerate corporate outreach

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2. Currency Exchange Rate Fluctuations

High Likelihood | Low-Medium Impact

Description: Multi-country operations expose Pass NetZero to ±5-10% currency variance (EUR, USD, GBP, NAD, MWK, BWP, ZMW, BRL) affecting research purchasing power.

Mitigation:

1. **Reserves and Research agreement denomination kept in stronger currency (EUR,USD)**
2. **Built-in Buffers** - Emergency reserve (5%) covers moderate fluctuations
3. **Flexible Implementation** - Adjust local spending based on actual purchasing power
4. **Timing** - Transfers Spread throughout year to average rates
5. **Partner Communication** - Budget ranges not fixed amounts; annual reviews for major changes

Monitoring: Monthly rate tracking; >5% variance triggers review

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3. Unexpected Large Expenses

Low Likelihood | High Impact

Description: Unforeseen expenses (legal €2-10K, emergency travel €1-5K, technology €0.5-3K, liability €1-10K) could impact the budget significantly.

Mitigation:

1. **Emergency Reserve (5%) -** Target: €2,840; Growth: €6,059; Maximum: €9,895

2. **Insurance** - Liability insurance €200; annual policy review
3. **Strategic Reserve Access** - €7,750-€207,805 available for critical needs;
4. **Prevention** - Standard contracts, regular backups, cybersecurity, annual compliance review
5. **Crisis Protocol** - Day 1: assessment → Days 1-3: authorization → Week 1: impact management → 30 days: lessons learned

Priority: Protect research partnerships first; defer film/marketing/COP31 if needed

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Research Risks

4. University Approval Delays

Medium Likelihood | Medium Impact

Description: Bureaucracy can delay approvals 1-6 months, affecting research starts and seasonal windows.

Historical: NUST 2-3 months, LUANAR 4-6 months typical; industry norm: 3-6 months

Delay Impact:

- 1-2 months: Minor - adjust timeline
- 3-4 months: Moderate - compressed timeline or extend to 2027
- 5-6+ months: Severe - defer to 2027, reallocate budget

Mitigation:

1. **Early Engagement** - Submit documentation January; target agreements by March 31; weekly follow-ups
2. **Time Buffers** - Target Q2 start, allow through Q3; 18-24 month programs provide flexibility
3. **Flexible Agreements** - "Target Q2" not fixed; no-fault delays; budget committed regardless
4. **Parallel Processing** - All 4 partnerships submit simultaneously
5. **Relationship Leverage** - Advisory Board connections; escalation path if stalled

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5. Seasonal/Environmental Variables

Medium-High Likelihood | Low-Medium Impact

Description: Environmental factors (drought, floods, pollution, extreme weather) can affect aquatic research data collection.

Site Vulnerabilities: NUST (drought risk), LUANAR (flooding), UNZA (mining pollution variability)

Mitigation:

1. **Multi-Year Design** - 2-year Master's, 3-4 year PhD allow multiple seasonal cycles
2. **Portfolio Approach** - 5-6 sites across different geographies; one site's issues unlikely to affect others
3. **Flexible Protocols** - Adaptive methodology, alternative parameters, core vs. optional data
4. **Extended Windows** - Flexible schedules, budget for additional visits

Acceptance: Some variability inherent to ecological field research; focus on sufficient (not perfect) data

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6. Partner Capacity Constraints

Medium Likelihood | Medium Impact

Description: University/supervisor limitations (time, expertise, resources) could affect research quality and progress.

Warning Signs: Slow responses (>1 week), missed meetings, vague updates, student frustration

Mitigation:

1. **Thorough Vetting** - Assess supervisor track record, institutional capabilities
2. **Clear Expectations** - Quarterly reports, defined roles, resource commitments
3. **Direct Communication** - Pass NetZero maintains contact with students and supervisors; monthly student check-ins
4. **Flexible Support** - Budget contingency for resources, technical support from network
5. **Escalation Protocol:**
    - Level 1 (minor): Increased check-ins, offer support
    - Level 2 (moderate): President involvement, 1-2 months to resolve
    - Level 3 (severe): Change student/supervisor/site; emergency reserve covers intervention

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7. Phase 2 Results Don't Identify Viable Pilot Sites

Low Likelihood | High Impact

Description: If NUST/LUANAR Phase 2 don't identify sites with strong potential for Phase 3 pilots, strategy requires revision.

Viable Site Criteria: Technical feasibility, economic viability, community acceptance, regulatory feasibility, scalability

Likely Outcomes:

- No sites viable (5%): Major strategy revision
- Marginally viable (15%): Simpler pilots
- Mixed - 1-2 viable (40%): Focus on best
- Multiple viable - 3+ (40%): **Ideal**

Mitigation:

1. **Portfolio** - 5-6 active sites in 2026; unlikely zero show promise
2. **Lower Threshold** - "Promising" not "perfect"; pilots are experimental
3. **Extended Timeline** - If inconclusive, continue into PhD programs (3-4 years additional data)
4. **Alternative Pilots** - Multiple small (3×€15K) vs. one large; lower-intensity designs; partner with implementers
5. **Reserve Flexibility** - If no pilots ready, use for additional research or capacity building

Pivots: Geographic focus, application focus (bioremediation vs. carbon), research continuation, partnership model

Acceptance: Negative results are valid science; long-term perspective (decades not years)

Operational Risks

8. Volunteer Team Fails to Materialize/Perform

Medium Likelihood | Medium Impact

Description: Volunteer-based communication team may fail due to recruitment challenges, high turnover, quality issues, or coordination difficulties.

Impact: Minor (slow start) → Moderate (high turnover) → Significant (most inactive) → Severe (complete failure)

Mitigation:

1. **Budget Independence** - Core scenario operates without volunteers; volunteers enhance, not replace
2. **Realistic Expectations** - Target 5-8 (not 20); accept 30-50% annual turnover; 3-6 months to stabilize
3. **Strong Incentives** - Core Member pathway after 6-12 months; recognition, portfolio building
4. **Clear Structure** - Secretary coordinates; defined tasks; training materials; tools provided

Contingency:

- Moderate: Strengthen recruitment, hire contractors (€200-500)
- Significant: Q3 viability evaluation; scale back or hire part-time
- Severe: The Executive Bureau does communication (as 2025); hire film contractors; simplify

Quarterly Review: Q2 assess, Q3 evaluate viability, Q4 plan 2027

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9. Commission-Based Fundraising Underperforms

Medium Likelihood | High Impact | CRITICAL PRIORITY

Description: Commission model (5% rate, 3-5 fundraisers) may fail to deliver expected €90K.

Performance:

Raised	Scenario	Impact
<€20K	Core	Survival
€20-50K	Below-Target	Limited operations
€50-70K	Below-Target	Viable but limited
€90K+	**Target**	**Success**

Mitigation:

1. **Enhanced Rate** - 5% (up from 4%); competitive with industry (3-10%)
2. **Multiple Channels (No Single >40%):**
    - Commission: €30-50K target
    - Direct: €20-30K
    - Grants: €20-30K
    - Corporate: €10-20K
    - Major donors: €10-20K

3. **Quarterly Monitoring:** Q2: <€30K = contingency; Q3: <€60K = below-Target
4. **Mid-Year Adjustment** - Increase rate to 6-7% if needed; recruit more; shift to direct; accelerate grants
5. **Baseline Safety** - Core (€15,501) funded by personal contribution

Contingency (If Failing Q2):

- President increase fundraising time
- Apply 10+ grants (vs. 5)
- Corporate fast-track (20+ companies)
- Emergency campaign
- Defer Phase 3 launch (PdH program/Pilot)

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10. Key Personnel Unavailability

Low Likelihood | High Impact

Description: Absence of key personnel (President, Core Members) due to health, emergency, burnout, or resignation could disrupt operations.

Impact: Days (minimal) → Weeks (moderate) → Months (significant) → Permanent (severe)

Mitigation:

1. **Constitutional Provisions** - Emergency succession; Advisory Board designates interim President; formal succession within 30 days
2. **Documentation** - Processes written; contact lists; partnership history; decision rationale captured
3. **Cross-Training** - Banking: Treasurer+President; Partnerships: President+Secretary+Advisory Board
4. **Advisory Board Safety Net** - Strategic guidance, interim leadership, network continuity
5. **Distributed Workload** - Secretary (admin), Treasurer (finances) [to be appointed], Volunteers (communication), Commission fundraisers (independent).
6. **Technology Access** - Shared Google Workspace; multiple website/social medias admins

Contingency:

- <1 week: Secretary cover routine
- 1-4 weeks: Advisory Board notified; interim coordination
- 1-3 months: Advisory Board designates interim President
- 3 months: Formal succession; Acting President; 30-day election

Prevention: Sustainable pace, health insurance, succession planning

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Risk Management Implementation

Monitoring Schedule

Monthly: Financial vs. budget, fundraising vs. targets, currency rates, partnership approvals

Quarterly: Research progress, partnership health, volunteer/fundraiser performance, risk update, scenario forecast

Annually: Comprehensive review, strategy evaluation, update mitigations, lessons learned

Reporting

Internal: 6 weeks dashboards (Core Team), quarterly reports (Core Members/Advisory Board), annual (General Assembly)

External: Partners (risks affecting them), funders (significant events), stakeholders (annual transparency)

Continuous Improvement

Document risk events → Analyze root causes → Update strategies → Share learnings → Incorporate into planning

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2026 Risk Priorities

Critical (Require Intensive Management):

1. Achieve Target scenario (€90K) through diversified fundraising channels
2. Monitor commission model performance with quarterly reviews and adjustments

Moderate (Require Attention): 3. Track partnership approvals, intervene early if delays 4. Build a volunteer team while maintaining budget independence 5. Support partners to maintain research quality

Low (Monitor but Accept): 6. Environmental variables managed through portfolio and flexibility 7. Phase 2 results accepted as is; pivot strategies ready if needed

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Conclusion

Pass NetZero's risk framework reflects proactive, adaptive management:

Philosophy: Risks are inherent; good management = resilience not prevention; learning strengthens organization; transparency builds credibility

Key Strengths: Scenario planning, portfolio diversification, strategic reserves, transparent communication, quarterly adaptation

With these strategies, Pass NetZero is well-positioned to navigate 2026's challenges while advancing cost-effective carbon capture in developing nations.

Version: 2.2 Annex A (Condensed)
Date: January 2026
For: General Assembly Review and Approval

Living document - reviewed and updated quarterly based on experience.

Annex B: Budget Details

Pass NetZero Strategic Framework 2026

Annex B: Financial Statement and Budget Details

2025 Financial Statement (Actual Expenditure)

Overview

Total Expenses: €21,715

Pass NetZero operated at approximately 50% of minimum planned budget (€43,000-€61,500 range) through disciplined cost management while maintaining research quality and commitments.

Detailed Breakdown

Communication & Events: €3,079 (14.2%)

Item	Amount (€)	Notes
Website hosting	90	Annual domain and hosting
Google Workspace	120	Professional email and collaboration
Zoom Pro	80	International team meetings
Film production	518	Research documentation
Music production	128	Audio content creation
COP15 (Zimbabwe)	1,700	Conference participation, networking
COP30 (Brazil)	233	Conference participation
Laptop support	210	Equipment support for team
Subtotal	**3,079**	

Core Team: €6,240 (28.8%)

Item	Amount (€)	Notes
Core team compensation	6,240	Minimal stipends for key roles

Research Provision: €12,400 (57.1%)

Partnership	Phase	Amount (€)	Notes
NUST (Namibia)	2	7,500	Goreangab Dam/Walvis bay research continuation
LUANAR (Malawi)	2	4,900	Lilongwe river systems research
Subtotal		**12,400**	

Administrative: €99 (0.5%)

Item	Amount (€)	Notes
Banking fees (0.8%)*	99	Transaction fees

*Estimated at 0.8% of research provision volume, representing significant reduction from 1.5% in prior period

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2025 Performance Analysis

Financial Highlights:

- ✅ **Research allocation: 57.1%** - Maintained strong research focus despite budget constraints
- ✅ **Banking fee reduction: 1.5% → 0.5%** - Improved operational efficiency through better banking relationships
- ✅ **Cost discipline: 50% under minimum budget** - Operated well below planned minimum while maintaining quality
- ❌ **No reserves established** - Limited fundraising prevented reserve accumulation
- ❌ **High relative operational costs** - Small scale created proportionally higher administrative burden

Strategic Implications: The 2025 experience demonstrated:

1. Organization's ability to maintain research quality under constrained resources
2. Need for scale to achieve optimal research/operations ratio

3. Importance of reserve building for organizational sustainability
4. Value of COP participation despite high relative cost (~9% of budget)

Comparison to 2026 Target Scenario:

- 2025 actual: €21,715
- 2026 target: €59,640 (planned expenditure)
- **Growth: +175%** - Reflects expansion to 4 new Phase 1 partnerships, 2027 PhD provisions, and reserve building

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2026 Budget Scenarios

Scenario Philosophy

Pass NetZero employs multi-scenario budget planning to address fundraising uncertainty while maintaining strategic clarity:

- **Core Scenario:** Survival mode with personal contribution only
- **Target Scenario:** Realistic fundraising success - recommended baseline
- **Growth Scenario:** Favorable conditions enabling expansion
- **Maximum Scenario:** Very favorable funding environment with 1:1 strategic reserve

All scenarios maintain:

- 5% emergency reserve
- Research focus as primary allocation (58-78%)
- Lean administrative approach (<3% in all scenarios)
- Scalable operational model

Scenario 1: Core Scenario

Hypothesis: No external funds raised (personal contribution only)
Planned Expenditure: €15,501
Total Funds Required: €23,253

Budget Breakdown

Communication: €2,418 (15.6% of expenditure)

Item	Amount (€)	Notes

Website hosting	90	Essential digital presence
Google Workspace	120	Core collaboration tools
Zoom Pro	80	International team coordination
Film production	1,500	Reduced scope - essential footage only
Music production	128	Minimal audio production
COP31 (Turkey)	500	Registration only, minimal participation
Marketing/ads	0	**Eliminated** - rely on organic reach
Subtotal	**2,418**	

Core Team & Commissions: €3,120 (20.1% of expenditure)

Item	Amount (€)	Notes
Core team compensation	3,120	Reduced from 2025 (€6,240)
Additional team members	0	Not affordable - volunteers essential
Commissions (5%)	0	No fundraising to commission
Subtotal	**3,120**	

Administrative: €217 (1.4% of expenditure)

Item	Amount (€)	Notes
Liability insurance	100	Minimum required coverage
Banking fees (0.8%)	117	Estimated on ~€14,600 transactions
Financial audit	0	Not required at this scale
Subtotal	**217**	

Research Provision 2026: €9,008 (58.1% of expenditure)

Partnership	Phase	Amount (€)	Site/Focus
University of Zambia (UNZA)	1	2,833	Mining-impacted wetlands, contaminated water remediation
EMBRAPA (Brazil)	1	2,425	Para state, tropical aquatic carbon sequestration

University of Botswana (BU)	1	3,750	Okavango Delta, pristine wetland carbon capture
Subtotal		**9,008**	

Note: 3 Phase 1 partnerships maintained as minimum viable program.

Research Provision 2027: €0

No provisions for 2027 - one year at a time approach under extreme budget constraint. PhD programs and Phase 2 continuations dependent on 2027 fundraising success.

Reserves

Reserve Type	Amount (€)	Calculation	Purpose
Emergency (5%)	738	5% of €14,763 base	Unexpected costs, currency fluctuations
Strategic	7,750	0.5x expenditure	Organizational stability, limited Phase 3 prep
Total Reserves	**8,488**	36.5% of total funds	

Strategic Implications

This scenario represents organizational survival:

- Maintains 3 core research partnerships (minimum viable program)
- No growth, no expansion, no Phase 3 preparation
- Entirely dependent on personal contribution
- Volunteers absolutely critical for communication capacity
- Limited visibility and networking opportunities
- **Not sustainable long-term** - bridge year only

Acceptable as:

- Emergency fallback position
- Temporary setback with 2027 recovery plan
- Proof of concept for cost discipline

Risk Level: High - No buffer for unexpected challenges, no growth path

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Scenario 2: Target Scenario ⭐ RECOMMENDED

Hypothesis: ~€90,000 raised (realistic fundraising success)
Planned Expenditure: €59,640
Total Funds Required: €89,459

Budget Breakdown

Communication: €3,318 (5.6% of expenditure)

Item	Amount (€)	Notes
Website hosting	90	Annual domain and hosting
Google Workspace	120	Professional email and collaboration
Zoom Pro	80	International team meetings
Film production	1,500	**Full production** - quality documentary
Music production	128	Professional audio for film
COP31 (Turkey)	500	Full participation, networking, side events
Marketing/ads	900	Social media ads, email platform, design tools
Subtotal	**3,318**	

Note: Communication budget serves €90K operation vs. €2,418 serving €23K in Core - demonstrating economies of scale (15.6% → 5.6%).

Core Team & Commissions: €7,620 (12.8% of expenditure)

Item	Amount (€)	Notes
Core team compensation	3,120	Sustained minimal compensation
Additional team members	0	Volunteer model provides capacity
Commissions (5%)	4,500	€90,000 × 5% commission rate
Subtotal	**7,620**	

Note: Commission-based fundraising model operational. Target: 3-5 active fundraisers generating €90K revenue.

Administrative: €651 (1.1% of expenditure)

Item	Amount (€)	Notes
Liability insurance	200	Doubled from Core - adequate coverage
Banking fees (0.8%)	451	Estimated on ~€56,400 transactions
Financial audit	0	Not required at this scale
Subtotal	**651**	

Note: Administrative costs remain below 2% (excellent efficiency). External audit deferred to Growth scenario.

Research Provision 2026: €12,813 (21.5% of expenditure)

Partnership	Phase	Amount (€)	Site/Focus
UNZA (Zambia)	1	2,441	Mining-impacted wetlands, bioremediation
EMBRAPA (Brazil)	1	2,872	Para state, tropical aquatic carbon sequestration, methane mitigation
BU (Botswana)	1	3,750	Okavango Delta, pristine wetland environment
NUST expansion	-	3,750	Rundu nutrient rebalancing, feedlot waste treatment
Subtotal		**12,813**	

Notes:

- All 4 planned partnerships funded (UNZA, EMBRAPA, BU, plus NUST expansion)
- WUNU (Ukraine) not included - independent European funding application
- Geographic diversity: Southern Africa (Botswana, Zambia, Namibia) + South America (Brazil)
- Research expansion at NUST leverages existing infrastructure and relationships

Research Provision 2027: €32,396 (54.3% of expenditure)

Partnership	Phase	Amount (€)	Purpose
UNZA	2	4,884	Phase 2 continuation - second year research
EMBRAPA	2	5,746	Phase 2 continuation - second year research
BU	2	7,500	Phase 2 continuation - second year research

NUST	3	7,133	PhD program provision - advancing Master's student
LUANAR	3	7,133	PhD program provision - advancing Master's student
Subtotal		**32,396**	

Strategic Significance:

- Demonstrates **multi-year commitment** to partners (critical for university confidence)
- PhD provisions show **pathway from Master's → PhD** (talent development)
- 2027 provisions subject to 2027 budget approval but signal serious intent
- Enables partners to plan 2-3 year research programs with confidence

Total Research (2026 + 2027): €45,209 (75.8% of expenditure)

Reserves

Reserve Type	Amount (€)	Calculation	Purpose
Emergency (5%)	2,840	5% of €56,798 base	Currency fluctuations, unexpected costs
Strategic	29,819	0.5x expenditure	Phase 3 preparation, organizational stability
Total Reserves	**32,659**	36.5% of total funds	

Reserve Analysis:

- Emergency: €2,840 provides buffer for moderate unexpected expenses
- Strategic: €29,819 begins Phase 3 preparation but insufficient for full pilot (target: €37,500-€80,000)
- Combined reserves represent meaningful organizational stability

Strategic Implications

This scenario represents organizational health:

- ✅ All planned research partnerships funded
- ✅ Multi-year commitment visible to partners
- ✅ Professional communication and visibility tools
- ✅ Commission-based fundraising operational and incentivized

- ✅ Meaningful strategic reserves established (foundation for Phase 3)
- ✅ PhD pathways provisioned (talent development)
- ✅ Geographic diversity achieved

Why this is RECOMMENDED as minimum for organizational health:

1. **Research focus strong (76%)** - Exceeds 75% target
2. **Administrative efficiency excellent (<2%)** - Lean operations maintained
3. **Multi-year perspective** - Partners see commitment beyond single year
4. **Strategic reserves begin** - Phase 3 preparation initiated (€29,819)
5. **Volunteer model viable** - Marketing support enables volunteer recruitment
6. **Professional credibility** - Sufficient resources for quality operations

Risk Level: Medium - Adequate resources, reasonable buffer, sustainable model

This is the baseline for 2026 success.

Scenario 3: Growth Scenario

Hypothesis: ~€190,000 raised (favorable fundraising conditions)
Planned Expenditure: €127,240
Total Funds Required: €190,860

Budget Breakdown

Communication: €3,318 (2.6% of expenditure)

Item	Amount (€)	Notes
Website, Google Workspace, Zoom	290	Fixed digital infrastructure
Film production	1,500	Full production quality
Music production	128	Professional audio
COP31 (Turkey)	500	Active participation
Marketing/ads	900	Social media, email, design tools
Subtotal	**3,318**	

Note: Same as Target - no additional communication needed. Economies of scale evident: 15.6% (Core) → 5.6% (Target) → 2.6% (Growth)

Core Team & Commissions: €15,740 (12.4% of expenditure)

Item	Amount (€)	Notes
Core team compensation	3,120	Sustained compensation
Additional team member	**3,120**	**1 new hire** - Fundraising Coordinator or Operations Manager
Commissions (5%)	9,500	€190,000 × 5% commission rate
Subtotal	**15,740**	

Strategic Addition: Additional team member enables:

- Professional fundraising coordination
- Better service to expanded research portfolio
- Operational capacity for 6-7 active partnerships
- Reduced burden on President and Core Team

Administrative: €3,162 (2.5% of expenditure)

Item	Amount (€)	Notes
Liability insurance	200	Adequate coverage maintained
Banking fees (0.8%)	962	Estimated on ~€120,250 transactions
Financial audit	**2,000**	**External audit conducted** - governance maturity
Subtotal	**3,162**	

Governance Enhancement: Financial audit added demonstrates:

- Organizational maturity and transparency
- Compliance with best practices
- Preparation for larger grants requiring audits
- Stakeholder confidence building

Note: Admin costs still <3% despite audit (excellent efficiency at scale). The financial audit budget may vary.

Research Provision 2026: €44,063 (34.6% of expenditure)

Partnership	Phase	Amount (€)	Site/Focus
UNZA	1	2,441	Mining-impacted wetlands
EMBRAPA	1	2,872	Para state, Brazil
BU	1	3,750	Okavango Delta
NUST expansion	-	3,750	Rundu, feedlot waste
NUST Zimbabwe	**1**	**3,750**	**Harare water systems / urban wastewater**
University of Zimbabwe (UZ)	**1**	**7,500**	**Lake Chivero restoration project**
New research initiatives	**1**	**20,000**	**Expansion opportunities**
Subtotal		**44,063**	

Expansion Details:

Zimbabwe Partnerships Added:

- NUST Zimbabwe: Urban wastewater treatment through aquatic bioremediation
- UZ Lake Chivero: Major urban water supply source, eutrophication control

€20,000 New Research Buffer: Enables opportunistic expansion in:

- Angola: Kavango River ecosystem (cross-border with Botswana)
- Mozambique: Preliminary studies in priority wetlands
- Additional sites at existing partnerships (scope expansion)
- Emerging opportunities identified during year

Geographic Coverage: Southern Africa (Namibia, Botswana, Zambia, Zimbabwe) + South America (Brazil) + potential East Africa

Research Provision 2027: €54,896 (43.1% of expenditure)

Partnership	Phase	Amount (€)	Purpose
UNZA, EMBRAPA, BU	2	18,130	Phase 2 continuations (3 partnerships)
NUST, LUANAR	3	14,266	PhD programs (2 students)

NUST Zimbabwe	2	7,500	Zimbabwe Phase 2 continuation
UZ (Lake Chivero)	2	15,000	Lake Chivero Phase 2 (larger scope)
Subtotal		**54,896**	

Note: Complete 2027 provisions for all partnerships including Zimbabwe expansion.

Total Research (2026 + 2027): €98,959 (77.8% of expenditure)

Reserves

Reserve Type	Amount (€)	Calculation	Purpose
Emergency (5%)	6,059	5% of €121,181 base	Larger operation = proportionally larger buffer
Strategic	63,620	0.5x expenditure	**Approaching Phase 3 sufficiency**
Total Reserves	**69,679**	36.5% of total funds	

Reserve Analysis:

- Emergency: €6,059 provides robust buffer for expanded operations
- Strategic: €63,620 **approaching Phase 3 pilot sufficiency** (target: €37,500-€80,000 per pilot)
- **Positioned for single Phase 3 pilot launch in late 2026 or 2027**

Strategic Implications

This scenario enables significant expansion:

- ✅ Zimbabwe partnerships initiated (urban focus, high visibility)
- ✅ €20K for opportunistic research expansion (Angola, Mozambique, etc.)
- ✅ Additional team member hired (professional capacity)
- ✅ Financial audit conducted (governance maturity)
- ✅ **Maximum research allocation achieved (78%)**
- ✅ Strategic reserves approaching Phase 3 readiness (€63,620)
- ✅ **Strong position for 2027 pilot implementation**

Growth Scenario Achievements:

- Geographic diversity maximized across Southern Africa
- Pilot site options multiplied (6-7 active partnerships)

- Team capacity expanded professionally
- Governance maturity demonstrated through audit
- Financial health exceptional (78% research, <3% admin)

Risk Level: Low - Robust resources, strong reserves, mature operations

Positioned for transition to Phase 3 (pilot implementation) in 2027.

Scenario 4: Maximum Scenario

Hypothesis: ~€415,000 raised (very favorable funding environment)
Strategic reserve increased to 1:1 ratio with expenditure
Planned Expenditure: €207,805
Total Funds Required: €415,610

Budget Breakdown

Communication: €3,318 (1.6% of expenditure)

Same as Target and Growth scenarios - no waste on communication, maximum efficiency demonstrated.

Economies of Scale: 15.6% (Core) → 5.6% (Target) → 2.6% (Growth) → 1.6% (Maximum)

Core Team & Commissions: €29,860 (14.4% of expenditure)

Item	Amount (€)	Notes
Core team compensation	3,120	Sustained compensation
Additional team members	**6,240**	**2 new hires** - professional team structure
Commissions (5%)	20,500	€410,000 × 5% = €20,500
Subtotal	**29,860**	

Professional Team Structure (3 total new hires vs. Core):

1. Fundraising Director - professional fundraising leadership
2. Research Coordinator - manage expanded research portfolio (8-10 partnerships)
3. Operations Manager - administrative and operational coordination

Impact: Professional capacity to manage €415K operation and 8-10 active research sites across multiple continents.

Administrative: €5,771 (2.8% of expenditure)

Item	Amount (€)	Notes
Liability insurance	200	Adequate coverage
Banking fees (0.8%)	1,571	Estimated on ~€196,400 transactions
Financial audit	**4,000**	**Comprehensive external audit**
Subtotal	**5,771**	

Governance Excellence: Comprehensive audit (vs. €2,000 basic audit in Growth) provides:

- Full financial review and compliance verification
- Independent assessment of internal controls
- Validation of multi-country operations
- Assurance for major funders and partners

Note: Even with comprehensive audit, admin remains <3% (exceptional efficiency). The financial audit budget may vary.

Research Provision 2026: €104,063 (50.1% of expenditure)

Partnership	Phase	Amount (€)	Site/Focus
Core partnerships	1	12,813	UNZA, EMBRAPA, BU, NUST expansion
Zimbabwe partnerships	1	11,250	NUST Zimbabwe, UZ Lake Chivero
Major research expansion	**1**	**80,000**	**Aggressive expansion**
Subtotal		**104,063**	

€80,000 Major Research Expansion:

High-Priority Additions:

- **Angola:** Kavango River ecosystem (€10,000-€15,000)
  - Cross-border with Botswana (shared water resources)
  - Unique ecosystem, Portuguese-speaking collaboration

- **Mozambique:** Priority wetland systems (€10,000-€15,000)
  - Portuguese-speaking coordination with Brazil
  - Coastal and inland wetland diversity
- **Congo (DRC):** Preliminary studies (€5,000-€10,000)
  - High-potential ecosystems
  - Early exploration for future expansion
- **Additional Phase 1 Sites:** (€20,000-€30,000)
  - Expansion at existing partnerships (multiple sites per country)
  - Coastal research
  - Early Phase 3 preliminary pilots (de-risk pilot site selection)
- **Southern and Eastern Africa Exploration:** (€10,000-€15,000)
  - South Africa, Uganda, Kenya, Tanzania

Geographic Scope: Pan-African + South America + potential Asia (China discussions ongoing)

Research Provision 2027: €54,896 (26.4% of expenditure)

Same as Growth scenario - complete provisions for all current partnerships.

Note: Additional 2027 provisions for expanded research (Angola, Mozambique, etc.) would be included in the 2027 budget based on 2026 progress.

Total Research (2026 + 2027): €158,959 (76.5% of expenditure)

Reserves

Reserve Type	Amount (€)	Calculation	Purpose
Emergency (5%)	9,895	5% of €197,910 base	Robust buffer for very large operation
Strategic	207,805	**1.0x expenditure**	**FULL YEAR COVERAGE**
Total Reserves	**217,700**	**52.4% of total funds**	

Reserve Analysis - Organizational Sustainability Achieved:

- Emergency: €9,895 - substantial buffer for any unexpected costs
- Strategic: €207,805 - **equals full year of operations (1:1 ratio)**
- **Sufficient for multiple Phase 3 pilots simultaneously** (2-3 pilots at €50K-€80K each)

- Organizational sustainability secured
- Can weather major disruptions without compromising programs

This is the ONLY scenario achieving full year strategic reserve coverage.

Strategic Implications

This scenario maximizes organizational capacity while maintaining discipline:

- ✅ €80K research expansion (Angola, Mozambique, Congo, East Africa)
- ✅ Professional team structure (3 new hires - Fundraising, Research, Operations)
- ✅ Comprehensive governance (€4K comprehensive audit)
- ✅ Strategic reserve 1:1 ratio (€207,805 - **full year coverage achieved**)
- ✅ Positioned for **multiple Phase 3 pilots in 2027-2028**
- ✅ Organizational sustainability secured
- ✅ Maximum capacity while maintaining fiscal discipline

Maximum Scenario Represents:

- Organizational maturity and professionalism
- Geographic reach maximized (pan-African potential)
- Financial sustainability and resilience
- Multiple pilot project capability simultaneously
- Professional team structure supporting 8-10 partnerships
- Governance excellence through comprehensive audit

Risk Level: Very Low - Exceptional resources, full-year reserves, mature operations

Ready for scaling and sustained impact.

Note: Total funds at €415,610 - at the €410K organizational cap. This is intentional - maintains agility, focuses on deployment not accumulation.

Budget Comparison Table

Metric	Core	Target ⭐	Growth	Maximum
EXPENDITURE				
Planned Expenditure	€15,501	€59,640	€127,240	€207,805
Research 2026+2027	€9,008	€45,209	€98,959	€158,959
Operations	€5,755	€11,589	€22,220	€38,951

Emergency Reserve	€738	€2,840	€6,059	€9,895
RESERVES				
Strategic Reserve	€7,750	€29,819	€63,620	€207,805
Total Reserves	€8,488	€32,659	€69,679	€217,700
TOTALS				
Total Funds	€23,253	€89,459	€190,860	€415,610
PERCENTAGES				
Research %	58.1%	75.8%	77.8%	76.5%
Operations %	37.1%	19.4%	17.5%	18.7%
Emergency %	4.8%	4.8%	4.8%	4.8%
Reserves % of funds	36.5%	36.5%	36.5%	52.4%
PARTNERSHIPS				
2026 Phase 1	3	4	6	6+ expansion
2027 Provisions	0	5	7	7
PhD Programs	0	2	2	2

Key Observations & Insights

1. Economies of Scale

Communication costs demonstrate efficiency gains:

- Core: €2,418 (15.6% of expenditure)
- Target: €3,318 (5.6% of expenditure)
- Growth: €3,318 (2.6% of expenditure)
- Maximum: €3,318 (1.6% of expenditure)

Fixed costs remain constant while serving larger operations - this is intentional and demonstrates fiscal discipline, not under-investment in communication.

2. Research Allocation Strengthens with Scale

Research percentage increases with budget size:

- Core: 58.1% (survival mode, high relative operations cost)
- Target: 75.8% (healthy research focus)
- Growth: 77.8% (maximum research allocation)
- Maximum: 76.5% (still strong despite larger team)

This pattern demonstrates organizational maturity - operations costs don't scale proportionally with budget, allowing increasing focus on mission-critical research.

3. Consistent Emergency Reserve (True 5%)

All scenarios maintain 4.8% emergency reserve:

- This is true 5% of (operations + research) base before adding emergency reserve
- Percentage appears as 4.8% of final expenditure (which includes the reserve itself)
- Provides consistent risk protection across all budget sizes
- Larger operations have proportionally larger emergency buffers (appropriate for complexity)

4. Strategic Reserve Scaling

Strategic reserve grows with budget:

- Core: €7,750 (0.5x expenditure)
- Target: €29,819 (0.5x expenditure)
- Growth: €63,620 (0.5x expenditure)
- Maximum: €207,805 (1.0x expenditure - **only scenario achieving full year coverage**)

Phase 3 Readiness:

- Target scenario: €29,819 - begins preparation but insufficient for full pilot
- Growth scenario: €63,620 - **approaching sufficiency for single pilot**
- Maximum scenario: €207,805 - **sufficient for multiple pilots simultaneously**

5. Administrative Efficiency

Admin costs remain below 3% across all scenarios:

- Core: 1.4% (minimal insurance, no audit)
- Target: 1.1% (adequate insurance, no audit)
- Growth: 2.5% (includes €2,000 audit)
- Maximum: 2.8% (includes €4,000 comprehensive audit)

Even with professional audits, overhead remains exceptionally low - demonstrates commitment to mission over bureaucracy.

Notes & Assumptions

Banking Fees

- **Estimated at 0.8% of transaction volume**
- Represents significant reduction from 1.5% in 2024-2025
- Achievement through improved banking process efficiency
- Calculated on expected deposits, transfers, and payments
- Actual fees may vary ±0.2% based on specific transaction types

Currency Management

- **Euro serves as administrative reference currency**
- All budget figures stated in EUR
- **Exchange rates as of December 1, 2026** for conversion calculations
- **Actual costs will differ** based on exchange rates at time of transactions
- Budget include modest emergency reserve (5%), that could serve as buffer for currency fluctuations
- Partnerships operate in local currencies: ZMW (Zambia), BWP (Botswana), MWK (Malawi), NAD (Namibia), BRL (Brazil)
- Research agreements are often denominated in USD.

Strategic Reserve Scaling

- **Core, Target, Growth:** 0.5x annual expenditure
- **Maximum:** 1.0x annual expenditure - **achieves full year organizational coverage**
- Rationale: Maximum scenario secures organizational sustainability while maintaining deployable resources
- Purpose: Phase 3 pilot projects, organizational resilience, multi-year stability

Emergency Reserve Consistency

- **Maintained at true 5% across all scenarios**
- Calculation method: 5% of (operations + research) base
- Appears as 4.8% of final expenditure (which includes the reserve itself)
- Purpose: Handle unexpected costs, currency fluctuations, moderate crises

2027 Research Provisions

- **Demonstrate multi-year commitment** to partners and funders
- **Increase partner confidence** in Pass NetZero reliability
- **Subject to 2027 budget approval** - not binding commitments

- **Contingent on 2027 fundraising success** - provisions show intent, not guarantee
- Enable partners to plan 2-3 year research programs with confidence

Financial Audit Requirements

- **Growth & Maximum scenarios include external audit**
- Growth: €2,000 (basic audit)
- Maximum: €4,000 (comprehensive audit)
- **Threshold:** Required for French non-profit organizations >€153K annual operations
- **Note:** Actual costs may exceed estimates based on auditor selection and scope

Total Funds Cap

- **Maximum: €410,000**
- Purpose: Maintain organizational agility, avoid excessive accumulation
- Focus: Deploy resources toward mission rather than reserve hoarding
- Any excess beyond cap would trigger accelerated program deployment or funder consultation

WUNU (Ukraine) Partnership

- **Not included in Pass NetZero budget scenarios**
- Independent European funding through WUNU-led grant application
- Partnership contingent on European funding approval
- If approved, would represent 5th Phase 1 partnership at no cost to Pass NetZero
- Status: Awaiting proposal from WUNU

Scenario Selection Guidance

When to Use Each Scenario

Core Scenario: Emergency Fallback Only

Use if:

- Fundraising completely fails
- Need bridge year to 2027 recovery
- Testing extreme cost discipline

Do NOT plan for this scenario - it represents survival mode, not health

Target Scenario: ⭐ RECOMMENDED BASELINE

Use if:

- Realistic fundraising success (~€90K)
- Want minimum for organizational health
- Need baseline for planning

This is the recommended planning scenario - achieves all core objectives while remaining realistic

Growth Scenario: Strong Performance

Use if:

- Favorable fundraising conditions (~€190K)
- Want to enable Zimbabwe expansion
- Ready for professional team growth
- Strong Phase 3 preparation

Aspirational but achievable - represents success beyond baseline

Maximum Scenario: Exceptional Success

Use if:

- Very favorable funding environment (~€415K)
- Large grant or multiple medium grants secured
- Corporate partnership success
- Maximum responsible capacity

Stretch goal - represents maximum deployment while maintaining discipline

Decision Timeline

Q1 2026: Plan for Target scenario (€90K) as baseline
Q3 2026: Evaluate actual fundraising progress through mid-year review
Q3 2026: Adjust to realistic year-end scenario based on data
Q4 2026: Execute appropriate scenario budget and adjust 2027 planning

Scenario Triggers

By Q2 End (June 30):

- <€20K raised → Likely headed toward Core scenario (contingency planning)
- €20K-€40K raised → On track for below-Target scenario (intensify efforts)
- €40K-€60K raised → On track for Target scenario (maintain momentum)

- €60K raised → Possible Growth scenario (prepare for expansion)

By Q3 End (September 30):

- <€40K raised → Core scenario likely (adjust commitments)
- €40K-€70K raised → Target scenario realistic (stay the course)
- €70K-€120K raised → Growth scenario possible (prepare for expansion)
- €120K raised → Growth to Maximum transition (maximize opportunity)

Comparison to 2025 Performance

2025 Actual vs. 2026 Target Scenario

Metric	2025 Actual	2026 Target	Change
Total Expenditure	€21,715	€59,640	+€37,925 (+175%)
Research	€12,400 (57%)	€45,209 (76%)	+€32,809 (+265%)
Operations	€9,316 (43%)	€11,589 (19%)	+€2,273 (+24%)
Reserves	€0	€32,659	+€32,659 (new)
Active Partnerships	2	4	+2 (+100%)

Key Insights from Comparison

Research Growth: 265% increase in research allocation demonstrates:

- Expansion from 2 to 4+ partnerships
- Addition of 2027 multi-year provisions (PhD programs, Phase 2)
- Increased per-partnership investment for quality

Operations Growth: Only 24% increase despite 175% expenditure growth demonstrates:

- Significant economies of scale
- Volunteer model reducing paid communication needs
- Lean administrative approach maintained

Reserve Building: Critical improvement from 2025:

- 2025: €0 reserves (major vulnerability)
- 2026 Target: €32,659 reserves (organizational stability + Phase 3 prep)
- This is perhaps the **single most important strategic achievement**

Research Percentage: Improvement from 57% → 76% shows:

- Scale enables better research/operations ratio
- Target scenario achieves optimal balance
- Growth scenario maximizes research focus (78%)

Conclusion

The 2026 budget scenarios provide Pass NetZero with:

1. **Flexibility** - Four scenarios address fundraising uncertainty
2. **Scalability** - Operations scale efficiently without waste
3. **Discipline** - Research focus maintained (58-78%) across all scenarios
4. **Sustainability** - Reserve building prioritized after 2025 learning
5. **Growth Path** - Clear progression from survival to scaling

The Target scenario (€90K) represents the minimum for organizational health and is recommended as the baseline planning scenario. All scenarios above Target enable increasingly ambitious expansion while maintaining fiscal discipline.

Strategic priority: Achieve Target scenario minimum (€90K) to:

- Fund all planned Phase 1 partnerships
- Provision 2027 PhD programs and Phase 2 continuations
- Establish meaningful strategic reserves (€29,819)
- Support professional communication and visibility
- Enable commission-based fundraising success

Growth and Maximum scenarios represent opportunities to accelerate impact and achieve Phase 3 readiness, but **Target scenario already positions the organization for sustainable success**.

Document Version: 2.1 Annex B
Date Prepared: January 2026
Status: Supporting documentation for 2026 Strategic Framework
For: General Assembly Review and Approval

This annex provides complete financial transparency for Pass NetZero's 2026 planning. All scenarios maintain commitment to research excellence, operational efficiency, and fiscal discipline while enabling strategic growth.