Early Warning System

GCF-FP190

Climate Investor Two (CI2)

Quick Facts

Countries	Bangladesh, Botswana, Brazil, Colombia, Djibouti, Ecuador, India, Indonesia, Ivory Coast, Kenya, Madagascar, Maldives, Morocco, Namibia, Nigeria, Philippines, Sierra Leone, South Africa, Uganda
Financial Institutions	Green Climate Fund (GCF)
Status	Approved
Bank Risk Rating	A
Voting Date	2022-07-20
Borrower	FMO – Dutch Development Bank
Sectors	Agriculture and Forestry, Climate and Environment, Energy, Infrastructure, Water and Sanitation
Investment Type(s)	Grant
Investment Amount (USD)	$ 145.00 million
Project Cost (USD)	$ 1,100.00 million

Project Description

According to Green Climate Fund, Climate Investor Two (CI2) is a fund that aims to support the private sector to develop and construct climate-resilient infrastructure projects in developing countries in the water, sanitation, and ocean sectors – areas which usually do not attract interest from the private sector. The targeted investments under the fund will reduce the effects and consequences of climate change by decreasing greenhouse gas emissions and by increasing the resilience of vulnerable communities. For instance, in the water sector, CI2 will help countries, undergoing, or expected to undergo water stress, adapt to climate change by building infrastructure which sources, transports, and treats the water necessary for both municipal and industrial users. This is GCF's first at-scale private sector programme in the water sector. Through investments in nature-based solutions, CI2 targets cross-cutting climate change mitigation and adaptation outcomes that take advantage of the natural ability of restored ecosystems to sequester carbon and foster ecosystem-based adaptation.

CI2 aims to develop and construct the infrastructure that's required to future-proof parts of the water cycle. The investment thesis differentiates between three different sectors: (i) 'the water sector', (ii) 'the sanitation sector, and the (iii) 'the oceans and ecosystems sector'.

(i) In the water sector, one of the objectives of CI2 in the water sector is to realize climate change adaptation impacts in countries undergoing, or expected to undergo water stress, through building the infrastructure which sources, transports, and treats the water necessary for both municipal and industrial users to be resilient to the localized impacts of climate change.

(ii) In the sanitation sector, the primary objective of CI2 in the sanitation sector is to deliver significant climate change mitigation impacts, through building the infrastructure which sustainably treats and manages solid wastes and wastewater, including, wherever possible, using waste and wastewater as a source for bio-energy generation by constructing waste to energy projects.

(iii) In the oceans and ecosystems sector, CI2 aims to invest in infrastructure for ports, ships, and harbors that contributes to improved ocean health (by reducing greenhouse gas emissions). In addition, it will pursue investments and ecosystem-based approaches to protect, preserve and/or restore riverine, coastland, marine, and wetland ecosystems.

Investment Description

- Green Climate Fund (GCF)

Climate Investor Two (“CI2”) has the mission to develop and construct infrastructure projects in developing countries in the water, sanitation, and ocean sectors that reduce the effects and consequences of climate change by ameliorating GHG emissions and by increasing resilience. To do so, CI2 will deploy an innovative whole-of-life financing approach utilizing two independent but operationally inter-linked funds. The two funds focus on different stages of the project lifecycle; the Development Fund (“DF2”) provides development loans to early-stage projects and their ecosystems, whereas the Construction Equity Fund (“CEF2”) provides equity during the construction phase. With a Green Climate Fund (“GCF”) participation of USD 145 million, the prospective fund sizes are estimated at a USD 100 million DF2 and a USD 1 billion CEF210 (out which 80% would be eligible for GCF proceeds – a USD 80 mln. DF2 and a USD 800 mln. CEF2). GCF participation would enable CI2 to scale significantly and provide scarce, highly additional donor capital to the structure which is required to crowd in further private sector participation.

FMO, the Dutch Development Bank, will act as Accredited Entity for this proposal and as an Executing Entity in respect of specific activities which will be elaborated in the FAA. Climate Fund Managers, a joint venture between FMO and Sanlam, will act as the Fund Manager of Climate Investor Two, and is the first Executing Entity. The DF2 and the CEF2, the two Funds within Climate Investor Two, will act as the second and third Executing Entities.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- FMO (Financial Intermediary)

Contact Information

GCF CONTACTS

General media inquiries:
GCF Communications
Phone +82 32 4458 6338 (KST)
Send e-mail

Request for information
GCF Information Disclosure
Request information about this project

Project complaints and grievances
GCF Independent Redress Mechanism (IRM)
Phone +82 32 458 6186 (KST)

File a complaint
Integrity issues
GCF Independent Integrity Unity (IIU)
Phone +82 32 458 6155 (KST)
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NATIONAL DESIGNATED AUTHORITY

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Economic Relations Division (ERD), Ministry of Finance
Ms. Sharifa Khan

Bank Documents

- Environmental and Social Management System (ESMS) Manual
- Funding proposal
- Project Page

Other Related Projects

- GCF-FP099 Climate Investor One