Early Warning System

IFC-46673

DCM RA ACF

Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-07-17
Borrower	responsAbility Asia Climate Fund S.A., SICAF SIF
Sectors	Climate and Environment, Energy, Finance, Transport
Investment Type(s)	Equity, Fund
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 500.00 million

Project Description

According to the IFC, Asia Climate Fund (ACF) is a structured climate debt fund (in the process of being raised), with a primary focus on renewable energy, energy efficiency, electric mobility and climate tech opportunities focusing in India and other Southeast Asia markets. ACF seeks to raise up to US$500 million to provide senior secured, mezzanine and convertible debt, equity participation notes as well as technical assistance to the underlying Fund investees.

The Fund will provide debt financing (secured debt, sub debt, mezzanine finance, and convertible debt) to corporates in South Asia and Southeast Asia. The Fund will primarily invest into:
(i) captive renewable energy projects such as solar, wind, energy storage etc., primarily in commercial and industrial (C&I) space, (a very limited extent in small sized utility scale projects);
(ii) energy efficiency sector which would support the C&I customers through IoT based energy management systems, industrial waste-water / waste recycling plants, energy efficient heating, cooling and lighting;
(iii) electric mobility sector comprising the value chain of e-mobility such as battery swapping, charging infrastructure, electric vehicle fleet operations, etc.; and
(iv) climate technology sector comprising new CO2 mitigation technology such as circular economy projects, climate smart warehousing, cold chains, industrial waste-water treatment plants etc.

Early Warning System Project Analysis

As stated by the IFC, overall, the E&S risk of the proposed investment is medium, and the project is categorized as FI-2 according to IFC's Policy on Environmental and Social Sustainability.

Investment Description

- International Finance Corporation (IFC)

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.

- Responsability Investments AG (Financial Intermediary) **is owned by** M&G Investment Management Limited (Parent Company)

Private Actors Description

As stated by the IFC, ACF will have multiple shareholders, including IFC, and will be managed by responsAbility Investments AG (“rA”). The first close of the Fund has already been completed in December 2023 together with Germany's development bank KfW, the Dutch development bank FMO and a German Family Office.

rA is a leading impact asset manager specializing in private market investments across three investment themes to directly contribute to the United Nations Sustainable Development Goals (SDGs): (i) Financial Inclusion, to finance the growth of Micro & SMEs; (ii) Climate Finance, to contribute to a net zero pathway; and (iii) Sustainable Food, to sustainably feed an ever-growing population. All of rA’s investment solutions target specific measurable impact alongside market returns.

Since its inception in 2003, rA has deployed over US$ 14 billion in impact investments. With over 268 employees collaborating across eight offices, as of March 2024 rA manages US$ 5 billion in assets across approximately 265 portfolio companies in 72 countries. Since 2022 rA is part of M&G plc, the international savings, and investments business, and contributes to enhancing M&G’s capabilities in impact investing.

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Other Related Projects

- FMO-63058 ResponsAbility Asia Climate Fund SICAV-RAIF