

Inaugural investment nears for climate fund

Arran Brown

28/07/2022

The inaugural investment of the second vintage of a climate-focused emerging markets fund is due in a few weeks, ahead of a second close later this year.

Netherlands-based Climate Fund Managers' second vehicle – <u>Climate Investor Two</u> (CI2) – will finalise the investment for a platform to invest in sanitation and waste-to-energy projects in Sub-Saharan Africa. The value of the investment is up to \$100 million.

The majority of the investment will target greenfield projects, though a smaller number of brownfield upgrades will feature in the initiative.

Later this year, the fund expects to commit around \$30 million in an Asian desalination project.

The news follows a <u>first close at \$675 million in November 2021</u>, which attracted support from the government of the Netherlands, including the Ministry of Foreign Affairs through the Dutch Fund for Climate and Development, and:

- Aegon
- BNG Bank
- European Commission
- FMO
- IMAS Foundation
- KIP
- Nordic Development Fund
- Sanlam

IJGlobal understands a second close at between \$800 and \$850 million will be held in Q4, after which it will have a further year to hit its \$1 billion target which is expected early next year (2023).

Climate Investor Two has set a hard cap at \$1.2 billion.

The second strategy, a follow up to <u>Climate Investor One</u> (CI1) which <u>raised \$850 million</u>, has an expanded mandate represented by the 2 aforementioned deals, which includes a focus on water, sanitation and other types of ocean infrastructure, in addition to renewables.

The fund provides expertise, technology, and financing to infrastructure projects in emerging markets – Africa, Asia and Latin America – by mobilising private sector financing at scale supported by public sector donor funding.

Thank you for printing this article from IJGlobal.

As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.

If you have been given this article by a subscriber, you can contact us through $\underline{www.ijglobal.com/sign-in}$, or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.