

CLIMATE FUND MANAGERS

Fund Manager to the Climate Investor One Funds



Project Disclosure  
Ghoubet Wind Project – Djibouti  
23<sup>rd</sup> May



## Who are our prospective partners?

Climate Investor One (“CI One”) is considering an investment opportunity in the construction of the 61.2 MW Ghoubet Wind Project (“the Project”) located in Djibouti. The project is being developed by Africa Finance Corporation (AFC), Great Horn Investment Holding (“GHIH”), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (“FMO”), and CI One. The Project is expected to reach Commercial Operations Decision (“COD”) by the end of 2020 and will be constructed by Siemens Gamesa.

## What is the funding objective?

CI One’s investment will be used to finance the construction of the Project which will support the government’s ambition of reducing reliance on fossil fuels and energy imports through the implementation of renewable energy projects. In order to achieve this goal, it is necessary to encourage independent power producers into the market with new sources of funding to finance the country’s transition. CI One’s contribution to the Project will support this transition and will help to kickstart the renewable energy market in Djibouti, with this project on course to be the country’s first wind project.

## Why do we want to fund this project?

The project is intended to have a high development impact in terms of local sustainable development. It will bring about an estimated 330 Gwh/year of renewable power to Djibouti. This will increase Djibouti’s energy generation capacity by 40-50%, replacing expensive and polluting fossil fuels. The project is a priority for the government of Djibouti given the growing demand for power, the need to develop domestic renewable energy resources and to gain energy independence. The Project intends to contribute towards the UN Sustainable Development Goals (UN SDGs) through the provision of additional, renewable energy capacity and by creating employment opportunities in a remote area.

## Environmental and social rationale

The E&S risk of the transaction has been classified as category B+ (in accordance with CFM’s and FMO’s risk categorisation) which is equivalent to Category B using the IFC risk categorisation. Adverse E&S impacts are limited and effective mitigation measures in line with international standards are available. The main E&S impacts relate to water availability, community and occupational health and safety during construction, and biodiversity protection during operation. The land occupied by the project is government owned, uninhabited and unused and there will be no physical or economic displacement. All IFC Performance Standards are relevant with the exception of PS7 (Indigenous Peoples). This is not triggered because it has been verified through the ESIA that there are no indigenous peoples present in the project’s area of influence. An ESIA (including an ESMP) has been prepared in line with the IFC Performance Standards. The Project has been awarded an Environmental Permit by the Ministry of Housing, Urban Affairs and Environment.