

CLIMATE FUND MANAGERS
Fund Manager to the Climate Investor One Funds

A photograph of three wind turbines silhouetted against a sunset sky with orange and blue hues. The turbines are partially obscured by a thick layer of white mist or clouds at the bottom of the frame.

Project Disclosure



Who is our prospective client?

Climate Investor One (“CI One”) is considering an investment opportunity in the development of a 48 MW nearshore wind project (“the Project”) located in Tra Vinh province, South Vietnam. The Project is being developed by Samtan Co Ltd (“Samtan”) (a Korean global resource energy business company) and is expected to reach commercial operation before the end of 2020.

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, hydropower and energy imports through the implementation of renewable energy projects. As electricity demand in Vietnam is significantly increasing, the government has stipulated ambitious goals for the wind and solar sector and in 2016 revised Vietnam’s renewable energy targets. Targeted capacity for wind is 800 megawatts (MW) by 2020, 2,000 MW by 2024 and 6,000 MW installed by 2030. To reach these goals the government will need to take measures to expediate wind development. 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.

Why do we want to fund this project?

The Project is a priority for the Government of Vietnam to meet its targets for wind power. The Project will generate an estimated 159 gigawatts per year (GW/year) of renewable power, which will be transferred to the national electricity grid. This generation will result in annual avoided greenhouse gas emissions of 68,627 tonnes of equivalent carbon dioxide each year (tCO₂eq year). The Project will have a high development impact in terms of local sustainable development and will contribute towards Vietnam working towards the Sustainable Development Goals of the United Nations (UN SDGs). Key contributions will be the provision of additional renewable energy capacity and creation of employment opportunities, which is particularly important as the Project is located in a remote area where there are limited opportunities for employment.

What is the environmental and social (E&S) rationale?

The E&S risk of the project has been classified as category B+ (in accordance with CIO’s risk categorisation), which is equivalent to International Finance Corporation (IFC) Category B. An environmental impact assessment (EIA) to meet Vietnamese requirements has been completed and approved. An IFC-compliant environmental and social impact assessment has been completed. Land acquisition is being undertaken as per Vietnamese law by the government. All the IFC Performance Standards are triggered except for PS7 (Indigenous Peoples). An environmental and social management plan has been prepared and will be implemented for the construction phase. A community development programme will guide a series of interventions for delivering positive impacts in the local area.