

# CLIMATE FUND MANAGERS

Fund Manager to the Climate Investor One and  
Climate Investor Two Funds



## Project Disclosure Nafasi-Seriti Arnot Water Treatment Plant



### Disclaimer:

The information as disclosed is indicative and provided on an "as available" basis for general information purposes only and should not be construed as financial, legal or investment advice, nor as a commitment or an offer to arrange or provide any financing. The final decision to provide financing is subject to the terms and conditions of CI2 and the Investment Committees of the CI2 Construction Equity Funds in their sole and absolute discretion.



## **Who is our prospective client?**

Climate Investor Two (CI2) is considering equity investment, through a partnership with Nafasi Water Technologies (Pty) Ltd (“Nafasi”), in a pipeline of projects aimed at treating wastewater from a number of mining operations owned by Seriti Resources (Pty) Ltd (“Seriti”) in South Africa. The first of these projects is a water treatment plant to treat decant water from Seriti’s closed Arnot mining area (“the Arnot project”) in Mpumalanga Province, South Africa.

## **What is the funding objective?**

The CI2 investment will be used for the construction and operation of the Arnot project, which aims to treat contaminated wastewater from a closed coal mining operation in order to mitigate pollution of nearby water resources and increase potable water supply. The Arnot project is projected to treat 6ML/day of which an estimated 2ML/day will be made available to the local municipality with the remainder discharged into a local watercourse, thereby increasing access to potable water for local communities and improving water quality.

## **Why do we want to fund this?**

CI2’s investment will contribute to the South African government’s efforts to improve local water resources and increase water supply. South Africa is identified as a water scarce country, which will only be exacerbated by climate change. The National Water and Sanitation Master Plan identifies acid mine drainage as one of the five top priority water quality issues in the country and the National Water Resources Strategy (2023) identifies mine decant water (acid mine drainage) as both a significant source of pollution of water resources and an important source of water to increase water supply in the country. Treating decant water from the closed Arnot colliery to potable standards will not only improve the quality of water resources and aquatic ecology, but also provide potable water to communities. The investment represents an attractive opportunity for CI2 to contribute positively to climate change adaptation through increased access to water and protection of water resources in a water scarce and water-stressed country.

## **Environmental and social rationale**

This opportunity to invest in the Arnot project is classified as Category B in accordance with CI2’s E&S risk categorisation, which is equivalent to the International Finance Corporation (IFC) E&S risk category B.

Adverse E&S risks and/or impacts are expected to be limited, generally site-specific and largely reversible, and can be effectively managed in line with available international standards. IFC PS 1-4, and 6 are applicable, and the key E&S impacts and risks relate to implementation of an adequate E&S management system and managing potential impacts on biodiversity at the project site. The project does not require any resettlement and there are no communities of Indigenous Peoples in the project area of influence. IFC PS5-7 are therefore not applicable, and IFC PS8 (cultural heritage) is not triggered beyond the standard requirement for ‘chance find’ procedures.

An ESIA (including an ESMP) has been prepared, and an ESMS will be developed and will be implemented for the construction and operation of the Arnot Project.

In case of questions or comments please contact [info@climatefundmanagers.com](mailto:info@climatefundmanagers.com).