

CLIMATE FUND MANAGERS

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



Project Disclosure CA Water – Water Treatment Platform



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 CA Water JSC (“CA Water”), in a pipeline of water supply and distribution projects in Vietnam. The projects will be developed in a phased approach. The first projects will treat, supply and distribute 15,000 cubic meters per day (m³/day) and 10,000 m³/day of water, respectively, in Phu Binh District, Thai Nguyen Province (“Phu Binh Project”) and Thuy Nguyen District, Hai Phong City (“Thuy Nguyen Project”) in the north of Vietnam.

What is the funding objective?

The CI2 investment will be used for the construction and operation of the clean water supply and distribution projects, which will treat and supply 25,000 m³ of clean water per day. In addition to commercial and industrial customers, 146,404 people will benefit from clean water. The projects will positively impact economic development and have climate change adaptation benefits.

Why do we want to fund this?

CI2’s investment will contribute to solutions to address Vietnam’s water crisis and support economic development. Vietnam’s strong economic growth combined with the infrastructural and development shortfalls, create significant demand for water infrastructure investment. Without the clean water supply projects, people will rely on groundwater (e.g. wells) and rainwater. These water sources are typically untreated and do not meet the clean drinking water standards of Vietnam’s Ministry of Health. The projects fit within the mandate of CI2 – Clean Water Supply Project with a Rio Marker score of “2” for Climate Change Adaptation.

Environmental and social rationale

The environmental and social (“E&S”) risk of the Phase 1A projects has been classified as Category B (in accordance with CI2’s risk categorisation) which is equivalent to International Finance Corporation (IFC) Category B.

E&S risks and/or impacts are limited, generally site-specific and largely reversible which can be effectively managed in line with available international standards. IFC PS 1-4 and PS6 are applicable. An IFC-compliant environmental and social impact assessment (ESIA) has been completed. Private land was acquired/leased through negotiated transactions. The ESIA collected socio-economic data and reviewed the land acquisition process. The main E&S impacts and risks relate to construction activities (i.e. health, safety and labour, particularly when contracting labour through third parties), land acquisition and compensation, conversion of land, community health and safety and stakeholder management. An environmental and social management plan (ESMP) is being implemented to manage potential E&S risks. CA Water has an IFC-compliant environmental and social management system (ESMS).

In case of questions or comments please contact info@climatefundmanagers.com.