

Climate Fund Managers invests in South Africa green methanol project

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Climate Fund Managers has signed a development funding agreement with Green eFuels Producers (GeFP) to support the development of a green methanol production facility in the Vaal Special Economic Zone of Gauteng Province.

Climate Investor 3 Fund (CI3) – through its affiliate SA-H2 Fund – has committed up to \$4 million in development funding to support project development, including technical and engineering design, environmental and social impact assessments, permitting and commercial structuring to advance the project toward financial close, which is targeted for H2 2027.

The agreement also enabled CI3 to participate in equity funding for up to \$26 million.

The green methanol facility is expected to process around 90,000 tonnes of municipal sewage sludge and produce about 14,300 tonnes of green methanol annually. A 10MW electrolyser will use renewable energy, including 50MW of co-located solar and additional wind power, which will be procured through South Africa's wheeling framework.

The project is expected to commence operations in 2029.

Mphokolo Makara, chief executive of SA-H2 Fund Managers, said: "By transforming sewage into a productive resource, [the project] addresses a key waste management challenge while supporting local jobs and strengthening South Africa's industrial base through a just transition. It demonstrates how circular economy solutions can play a practical role in decarbonising hard-to-abate sectors."

Chris Heinermann, co-founder of GeFP, added: "This investment is a major milestone for our project and a strong endorsement of our vision to produce green methanol using innovative, circular solutions. This project will contribute to decarbonising hard-to-abate industries while addressing local wastewater challenges, creating jobs, strengthening local value chains and generating long-term value for the Vaal region."

[CI3](#) is an unlisted, closed-ended investment fund managed by Climate Fund Managers (CFM) that leverages concessional capital from governments and development finance institutions (DFI) to mobilise commercial and private sector investment into emerging markets, including Africa, Asia and Latin America. The fund has a target size of around €950 million (\$1.1bn) and is expected to reach final close by the end of 2027.

[SA-H2](#) is an unlisted, close-ended fund co-managed by Climate Fund Managers, Development Bank of Southern Africa, Industrial Development Corporation of South Africa, Invest International and Sanlam. The fund invests in South Africa with a focus on green hydrogen, cleantech and climate tech. It also engages in investments within the renewable energy sector. The fund has a target size of \$1 billion.

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