


# Climate Investor Three fund backs South African waste-to-methanol plant

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- CFM's SA-H2 Fund invests up to USD 4m in Green eFuels Producers
- Fund to also participate in equity funding for up to USD 26m
- Financial close targeted for 2H27, operations scheduled for 2029

## Press Release:

### Climate Investor Three Fund Invests in Green eFuels Producers to Develop South Africa's First Wastewater-to-Green-Methanol Plant

- **Climate Investor Three, through its affiliate SA-H2 Fund, has committed up to USD 4 million to develop a pioneering waste-to-fuel project located in the Vaal Special Economic Zone of Gauteng Province, South Africa**
- **The project is expected to produce an estimated 14,300 tonnes of green methanol annually from municipal sewage sludge**
- **Once operational, the project is expected to avoid approximately 118,950 tCO<sub>2</sub>e emissions annually, while creating up to 300 construction jobs and 60 permanent roles**

Climate Investor Three, through its affiliate SA-H2 Fund, a blended finance facility managed by Climate Fund Managers in partnership with Invest International, has signed a Development Funding Agreement with Green eFuels Producers (GeFP) to support the development of a first-of-its-kind green methanol production facility in Gauteng, South Africa.

The facility will process approximately 90,000 tonnes of municipal sewage sludge per year sourced from the Sebokeng Wastewater Treatment Works. Renewable energy, including 50 MW of co-located solar power and additional wind power, procured through South Africa's wheeling framework, will be used to power a 10 MW electrolyser to produce green hydrogen. This will enable the production of approximately 14,300 tonnes of green methanol annually, creating a circular waste-to-fuel solution. Once operational, the project is expected to avoid approximately 118,950 tonnes of CO<sub>2</sub> equivalent emissions per year, based on projected annual green methanol production volumes and preliminary lifecycle assessment modelling<sup>1</sup>. It will also create up to 300 construction jobs and 60 permanent operational roles.

Climate Investor Three/ SA-H2 Fund is a USD 750 million (~12.7 billion ZAR) target blended finance facility focused on energy transition and the green hydrogen value chain in Southern Africa. The fund is managed by Climate Fund Managers, a climate-focused blended finance investment manager operating in emerging markets across Africa, Asia and Latin America, in partnership with Dutch national promotional institution, Invest International. The fund is supported by public and private sector investors, including the European Commission under the EU-South Africa Global Gateway Investment Package, Invest International, South Africa's Public Investment Corporation (PIC), the Industrial Development Corporation of South Africa (IDC), the Development Bank of Southern Africa (DBSA) and Sanlam.

The fund has committed up to USD 4 million (~ZAR 65.8 million) in development funding to support project development, including technical and engineering design, environmental and social impact assessments, permitting and commercial structuring required to advance the project towards financial close. The agreement also secures the fund's right to participate in equity funding for up to USD 26 million (~ZAR 430 million). Financial close is targeted for H2 2027, with commercial operations expected to begin in 2029.

Wastewater treatment facilities generate sewage sludge as a by-product. Managing this material sustainably is a growing challenge for utilities in South Africa. By converting it into green methanol, the project diverts waste from conventional disposal pathways while creating a valuable fuel.

Methanol is a widely used industrial chemical, essential in producing plastics and other materials. While conventional methanol is typically produced from fossil fuels, green methanol is made using renewable energy and sustainable carbon sources such as biogenic waste and captured carbon dioxide. As a result, it is emerging as a low-carbon alternative fuel in sectors such as shipping, power generation and aviation – industries that are difficult to decarbonise.

In addition to producing sustainable fuel, the project will return approximately 50,000-60,000 cubic metres of industrial-grade water annually to the local water utility, reinforcing its circular waste-to-value model and supporting improved water security and resource resilience in the Vaal region. The project will also support a Community Development Programme focused on skills development and socio-economic upliftment in the Vaal region.

Mphokolo Makara, CEO of SA-H2 Fund Managers, said: “This project demonstrates the effects of energy transition for industrial operations in the real economy – turning everyday waste into a valuable low-carbon fuel. By transforming sewage into a productive resource, it 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 Green eFuels Producers, said: “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.”

European Commissioner for International Partnerships Jozef Síkela commented: “The EU stands with its long-term partner, South Africa, to support its green transition. Through our EUR 12 billion EU-South Africa Global Gateway Investment Package, announced at the Global Gateway Forum last October, and its unique 360-degree approach, we are working together to unlock opportunities for cleaner growth, skilled jobs, local value chains and innovation, while also strengthening Europe’s energy and economic security. This green methanol project will help deliver lasting benefits for South Africa.”

The project supports South Africa’s Hydrogen Society Roadmap, Nationally Determined Contributions and broader decarbonisation objectives. This pioneering hydrogen-based waste-to-value initiative lays the foundation for a Green Methanol Corridor, enabling scalable green fuel infrastructure across the country.

This marks Climate Investor Three/ SA-H2’s second development funding investment in South Africa, following its investment in Hive Hydrogen’s Coega green ammonia plant in the Eastern Cape Province in 2025, highlighted by the President of the European Commission, Ursula von der Leyen, and President Cyril Ramaphosa at [the Global Gateway Forum](#), which took place in Brussels in October 2025. It also represents the first external institutional investment in GeFP, supporting the company’s plans to develop scalable green methanol infrastructure that can be deployed across South Africa.

#### **About GeFP:**

Green eFuels Producers (GeFP) is an innovative South African project developer spearheading the production and export of green methanol as part of a green (re)industrialisation drive. Anchored in Gauteng, South Africa’s economic powerhouse, GeFP has selected the province as the launchpad for scaling the Green Methanol Corridor, a regional initiative aimed at connecting green methanol production hubs with global and local offtake markets. [www.gefp-holdings.com](http://www.gefp-holdings.com)

#### **About Climate Fund Managers:**

Climate Fund Managers is a climate-focused blended finance investment manager operating in emerging markets across Africa, Asia and Latin America. It raises and deploys blended climate finance funds, working in partnership to deliver climate-resilient solutions at scale and pace. With over USD 2.8 billion in assets under management, its private equity and private credit facilities address key areas of climate change mitigation and adaptation, including: renewable energy; energy transition and green hydrogen; water, waste and maritime; and sustainable cities and the built environment. Climate Fund Managers currently has over 50 active projects across its Climate Investor One, Two and Three equity funds and has recently expanded into private credit through the GAIA Climate Loan Fund. Its funds are supported by public and private sector organisations, with public capital deployed strategically to balance risk and mobilise private sector capital, enabling investment across the project lifecycle – from

development to construction and operation. Established in 2015, Climate Fund Managers is a joint venture between the Dutch development bank FMO and Sanlam InfraWorks of the Sanlam Group in South Africa, with offices in The Hague, Cape Town, Singapore and Bogotá. [www.climatefundmanagers.com](http://www.climatefundmanagers.com)

#### About Invest International:

Invest International is a joint venture between the Dutch Government and FMO, with a mandate to provide financing to companies and projects that contribute to the achievement of the SDGs worldwide, while contributing to the earning capacity and resilience of the Dutch economy. Invest International plays a catalysing role in establishing green hydrogen corridors between emerging markets and North-Western Europe, to create sustainable economic development in export countries, contribute to the energy transition and strengthen the Netherlands as a provider of specialised technological and logistical services. [www.investinternational.nl](http://www.investinternational.nl)

#### About the European Union:

The European Union (EU) is an economic and political union of 27 European countries. It is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. It acts globally to promote sustainable development of societies, environment and economies, so that everyone can benefit. The EU has contributed €50 million to Climate Investor Three as part of the Global Gateway, the European strategy for sustainable and trusted infrastructure for people and the planet that will mobilise up to €400 billion of investments for high-quality projects globally, taking into account the needs of partner countries and ensuring lasting benefits for local communities. The total EU contribution to CFM-managed funds is EUR 178 million to date plus a EUR 205 million EFSD+ guarantee, making them the largest public investor in CFM operations. [https://european-union.europa.eu/index\\_en](https://european-union.europa.eu/index_en)

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