

The consortium's proposal:

Climate change poses an unprecedented threat to humanity in the 21st century. With notable shortfalls in funding and a dominant focus on climate mitigation by global financing parties to date, [Dutch development bank *Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.*](#) ("FMO") is partnering with [Climate Fund Managers](#) ("CFM"), [World Wildlife Fund Netherlands](#) ("WWF") and [SNV Netherlands Development Organisation](#) ("SNV") to manage the Dutch Fund for Climate and Development (DFCD).

The Netherlands-based consortium will

- (i) provide finance and Technical Assistance (TA) to projects with a focus on climate change adaptation;
- (ii) mobilise external private sector funding at scale; and
- (iii) align directly with DFCD Theory of Change.

The consortium will be structured with three separate but operationally linked 'Facilities' each with a unique role across the project lifecycle; each with a unique thematic sub-sector focus:

The [Origination Facility](#) is positioned exclusively for project identification and (pre-) feasibility development activities with a cross DFCD thematic subsector focus. This window will seek to leverage the landscape strategy for activity sourcing and develop opportunities into viable business cases for the two investment windows. The Origination Facility will provide donations and TA for its activities.

- DFCD Theory of Change Outcomes: All through its early-stage project graduation strategy.

The [Land Use Facility](#) targets investments that have graduated from the Originating Facility in sectors relating to agroforestry, sustainable land use and climate resilient food production. The Land Use Facility has at its disposal the full range of financial instruments to provide growth finance to companies, including donations, equity and debt.

- DFCD Theory of Change Outcomes: Climate-resilient land use and ecosystems; Climate-resilient food security; Lower GHG emissions; Climate-resilient water supply and sanitation; Improved wellbeing, economic prospects, livelihoods, inclusion.

The [Water Facility](#) will also target investments that have graduated from the Originating Facility in sectors related to water, sanitation and environmental protection. The Water Facility will contribute to the development, construction and operational phases of investments. To achieve this the Water Facility will provide development donations, equity for construction and operational debt to projects. It will utilize the proven fund structure of Climate Investor One and will target a €50 million Development Fund, a €500 million Construction Equity Fund and a €500 million Refinancing Fund.

- DFCD Theory of Change (ToC) Outcomes: Climate-resilient water supply and sanitation; Climate-resilient land use and ecosystems; Improved wellbeing, economic prospects, livelihoods, inclusion; and Lower GHG emissions.

A substantial allocation of investments will be reserved for OECD DAC Least Developed Countries (LDCs) and other Netherlands development cooperation priority countries.

Investments made by the consortium parties will seek to improve the wellbeing, economic prospects and livelihoods of vulnerable groups – particularly women and

children – and, enhance the health of critical ecosystems – from water basins to rivers, tropical rainforests, marshland and mangroves. The consortium's activities will also help protect communities and cities from the increasing frequency of extreme weather events and benefit depleting biodiversity in areas that provide people with water, food, medicine and economic opportunity.

In addition, the consortium has been established to overcome two prohibitive market barriers for financing climate adaptation, and to a lesser extent, climate mitigation projects in the focus countries.

Available Funding:

Recognizing an estimated USD 3.5 trillion is required for developing countries to implement climate pledges to prevent potentially catastrophic and irreversible effects of climate change, the consortium will utilize the full EUR 160 million of DFCD funding to directly mobilise between EUR 500 million – EUR 1 billion in institutional and other commercial capital during the lifetime of the DFCD.

Originating Bankable Projects:

The consortium will demonstrate that as a collective it can achieve greater environmental and developmental impact than the sum of its parts. The consortium will adopt an innovative 'landscape' strategy for deal origination and execution, with consortium parties actively sourcing and developing investment opportunities for other consortium parties in-and-around, as well as downstream, the vicinity of their own investment activities. This will be achieved through transparent, collective knowledge sharing at consortium level; demonstrating that four complementary institutions – a DFI, a private sector investment manager, an environmental NGO and a social development NGO – can operate harmoniously to achieve climate resilient economic growth in DFCD target countries.