

# MITIGATING CLIMATE CHANGE TOGETHER

*Investing in energy efficiency  
and renewable energy*

Including:  
**GCPF ANNUAL REPORT**

**20**  

---

**15**



**GLOBAL CLIMATE  
PARTNERSHIP FUND**  
managed by responsAbility

# FACTS AND FIGURES

*Key figures about the Global Climate Partnership Fund*

**19**

partner institutions  
financed

**4.4 m**

metric tons of projected CO<sub>2</sub>  
emission reductions from  
projects financed to date

**21**

projects supported during  
2015 by the Technical  
Assistance Facility

**15**

investment countries

**USD  
286 m**

invested in  
partner institutions

**53 %**

average CO<sub>2</sub> emission  
reductions of projects

---

As of 31.12.15

# ACHIEVEMENTS IN 2015

## *Fund growth and diversification*

The Global Climate Partnership Fund (GCPF) enjoyed a successful year, significantly increasing its investment volume and the number of partner institutions. This expansion contributes to the improvement of the diversification and the risk-return profile of the Fund. Key achievements in 2015 include:

- **Invested volume growth of USD 56 m:** Fund volume increased from USD 230 m at the end of 2014 to USD 286 m at the end of 2015, representing growth of 24 % year on year.
- **Four new partner institutions in three new investment countries:** Costa Rica, Dominican Republic and Kenya.
- **Increased exposure to existing counterparties:** Pan Asia Bank in Sri Lanka, Şekerbank in Turkey, Banco Atlántida in Honduras and Banpro in Nicaragua.
- **Increase of 1.3 m metric tons in projected CO<sub>2</sub> emission reductions** from projects financed to date, bringing the total to 4.4 m metric tons of CO<sub>2</sub>. This represents growth of 41 % year on year.

– **16 Technical Assistance projects:**

During the year, 16 projects were approved by the Technical Assistance Committee, mainly for building capacity for green lending in financial institutions.

---

[Read more  
on pages 48 / 49](#)

In 2015, the Fund also put a strong emphasis on the quality assurance of its impact reporting. To this end, the Fund conducted internal reviews of its CO<sub>2</sub> impact and initiated an external review of the methodology used to calculate this impact.

On the investment side, the Fund plans to further increase geographical diversification and its investment volume in 2016. On the investor side, the Fund aims to mobilise additional private investors by issuing notes or A shares. At the same time, the Fund will seek to ensure that its financing continues to reach eligible projects across the globe.

---

[Read more  
on pages 40 / 41](#)

---

[Read more  
on pages 46 / 47](#)

# CONTENTS



## ABOUT THE FUND

Facts and figures	2
Achievements in 2015	3
GCPF mission and targets	5
Green growth outlook	6
How GCPF works	8
Eligible projects	10
<b>01 Nicaragua: Financing a captive solar plant</b>	<b>12</b>
Opportunities for investees	14
Investment universe	16
<b>02 Mongolia: Renewable energy investment project</b>	<b>18</b>
Project assessment and monitoring	20
<b>03 Bangladesh: Energy efficiency in the textile industry</b>	<b>24</b>
Investing in the Fund	26
Interview with GCPF	28
Investment manager	31
Fund principles	32
Fund set-up	33
Technical assistance	34
Social and environmental management system	35
Legal notice / contact information / disclaimer	36

## GCPF ANNUAL REPORT 2015

Funding situation	38
Investment portfolio	40
Partner institutions	42
Energy and CO <sub>2</sub> emission reductions	46
Technical assistance	48
Financial statements	50
Legal notice / contact information / disclaimer	55





*"The public and private sector need to act in concert in order to prevent dangerous climate change. Smart climate finance leverage can help steer global investment flows in the right direction. I very much welcome the growing responsibility the private sector has shown recently in the international debate – now actions matter."*

**Dr. Barbara Hendricks,**  
Federal Minister, German  
Federal Ministry for the  
Environment, Nature  
Conservation, Building  
and Nuclear Safety (BMUB)

**OeEB,**  
Development Bank  
of Austria

*"GCPF is a perfect platform to bring together partners to finance sustainable solutions."*

## MISSION & TARGETS OF GCPF

GCPF is an innovative public-private partnership dedicated to contributing to the mitigation of climate change through the reduction of greenhouse gas emissions. It focuses on financing energy efficiency and renewable energy projects for SMEs and private households in developing countries, primarily in cooperation with local financial institutions. The Fund also finances projects directly. Investments should contribute significantly towards energy savings and the reduction of greenhouse gas emissions. Therefore, the Fund has set a threshold for any energy efficiency project that it finances to reach at least a 20% reduction in projected emissions.

On the renewable energy (RE) side, the Fund targets small to medium sized projects that are beyond the reach of the traditional RE financing providers due to their small size and perceived lower bankability. GCPF attempts to maximize its impact by prioritizing countries with the most significant greenhouse gas emissions and the highest potential to increase efficiency.

# 20 %

minimum CO<sub>2</sub> emission  
reductions for energy  
efficiency projects

# GREEN GROWTH OUTLOOK

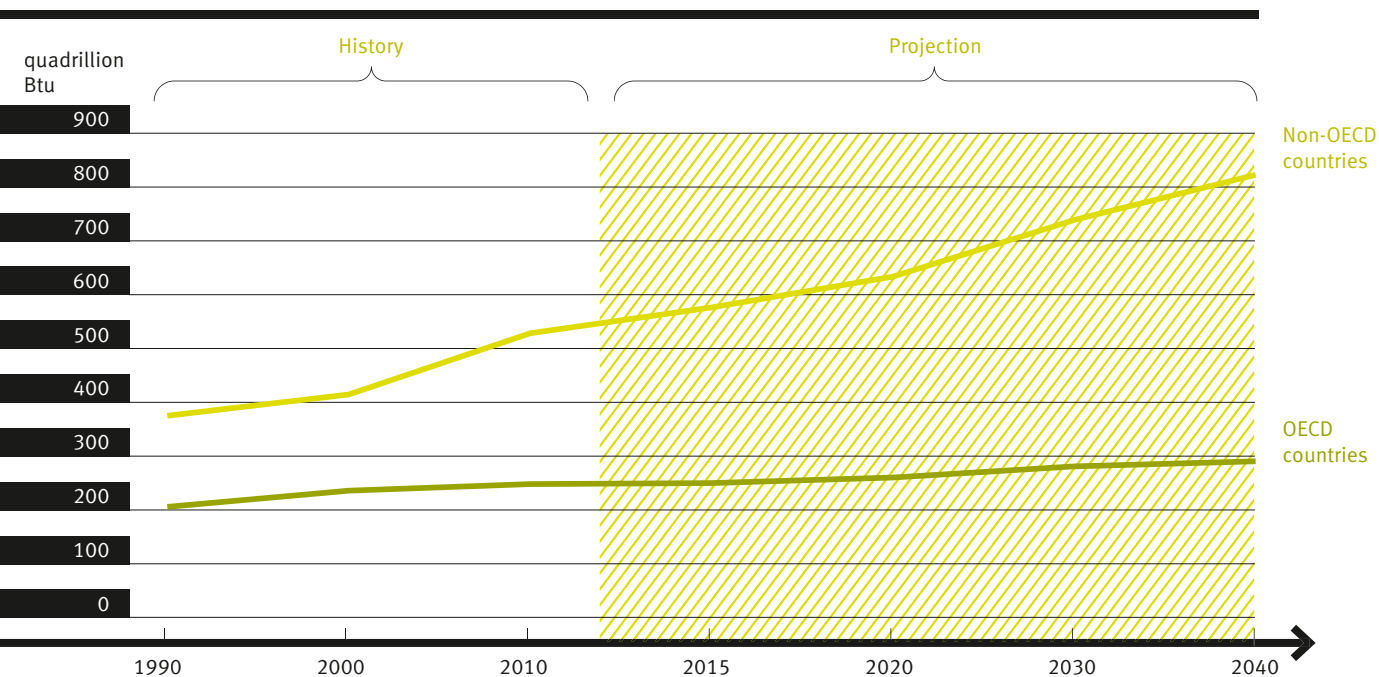
*The market opportunity*

## DEVELOPING COUNTRIES DRIVE ENERGY DEMAND AND CO<sub>2</sub> EMISSION GROWTH

Developing economies are expected to account for the vast majority of growth in global energy demand – and therefore also for an increasing amount of CO<sub>2</sub> emissions – over the coming

decades. Strong population growth, economic growth and a shift from agricultural to industrial economies are contributing to this fundamental change.

World energy consumption, 1990 – 2040



Source:  
Based on US Energy  
Information Administra-  
tion, International Energy  
Outlook 2013

## RENEWABLE ENERGY POTENTIAL IN DEVELOPING COUNTRIES

Renewable electricity (RE) generation accounted for 90% of new power generation facilities that came online in 2015<sup>1</sup>. An increasing amount of RE generation occurs in developing countries, with non-OECD members expected to attract over half<sup>2</sup> of the USD 230bn in average annual investments in new renewable capacity up to 2020<sup>3</sup>.

The policy drivers for RE in developing countries – energy diversification, local pollution and fast-growing power demand – remain robust. For consumers, RE generation for self-consumption is often a reliable and affordable source of energy, especially given the declining costs of renewable generation and sometimes unreliable grid connections. The impact of the fall in oil prices on global renewable power deployment is lower than is often believed as power is generally generated from coal and natural gas.

## ENERGY EFFICIENCY POTENTIAL IN DEVELOPING COUNTRIES

Non-OECD economies have a higher energy intensity than OECD economies, partially because they tend to be more focused on energy-intensive sectors such as industry.<sup>4</sup> Achieving the same output with less energy is key to sustainably meeting fast-growing energy demand.

Capturing the global energy efficiency opportunity will require global investments of around USD 50bn a year for the next decade<sup>5</sup>.

# 92 %

of CO<sub>2</sub> emissions growth until 2030 is projected to originate from non-OECD countries.<sup>6</sup>

# 40 %

of greenhouse gas reductions required by 2050 to cap global warming below 2°C can be achieved through energy efficiency.<sup>7</sup>

# 35 %

increase in non-OECD countries' share of global clean energy investments between 2004 and 2015.<sup>8</sup>

1 Preliminary data for 2015. IEA, 16 March 2016.

2, 3 IEA, Medium-Term Renewable Energy Market Report 2015

4, 7 IEA, Medium Term Energy Efficiency Market Report 2015

5 McKinsey & Company, 'Energy efficiency: A compelling global resource' 2010

6 IEA, World Energy Investment Outlook 2014

8 Bloomberg New Energy Finance, 'Clean Energy Investment By the Numbers – End of Year 2015'

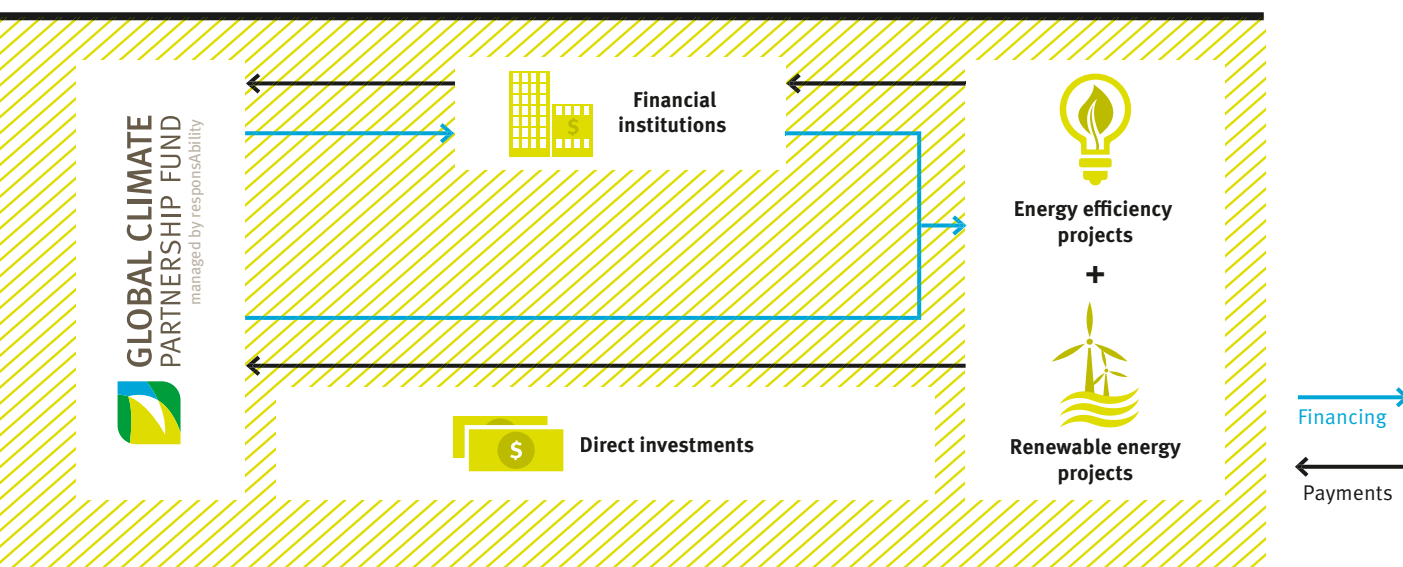
# HOW GCPF WORKS

*Financing climate change mitigation*

## HOW FINANCING REACHES ELIGIBLE PROJECTS

Both public and private investors invest in GCPF. The Fund uses this financing to invest in energy efficiency and renewable energy projects, both through financial institutions and directly.

The cash flow from the borrowers' interest payments enables interest payments to investors, who also enjoy an environmental impact return.







01

**Two types of projects funded:**

- 01 Renewable energy
- 02 Energy efficiency



02

**FINANCIAL INSTITUTIONS**

GCPF partners with financial institutions in developing countries to develop green lending programmes and provides dedicated funding to this end. The potential for energy efficiency and renewable energy is fragmented across hundreds of millions of residential, commercial and industrial buildings and devices. By partnering with financial institutions, the Fund can support projects that it cannot access directly.

GCPF supports financial institutions in the process of learning how to assess market potential, structure relevant products and evaluate the bankability of these projects, usually through Technical Assistance programmes (see page 34). In this way, the Fund contributes to market-making and to the development of financial systems that encompass green lending beyond the immediate financing provided by the Fund.

**DIRECT INVESTMENTS**

GCPF may also lend directly to projects that cannot obtain funding from local financial institutions due to their complexity. The Fund focuses on small to mid-sized projects as larger projects typically have good access to funding. The ability to provide long tenors is key for direct investments.

The Fund may invest directly in both renewable energy and energy efficiency projects, such as fuel replacement projects, upgrades of factory production lines, and combined heat and power generation.

Co-investment with direct funding from GCPF is also possible for projects that GCPF partner financial institutions are not able to finance on their own.

**17**financial institution  
partners**2**

direct investment partners

# ELIGIBLE PROJECTS

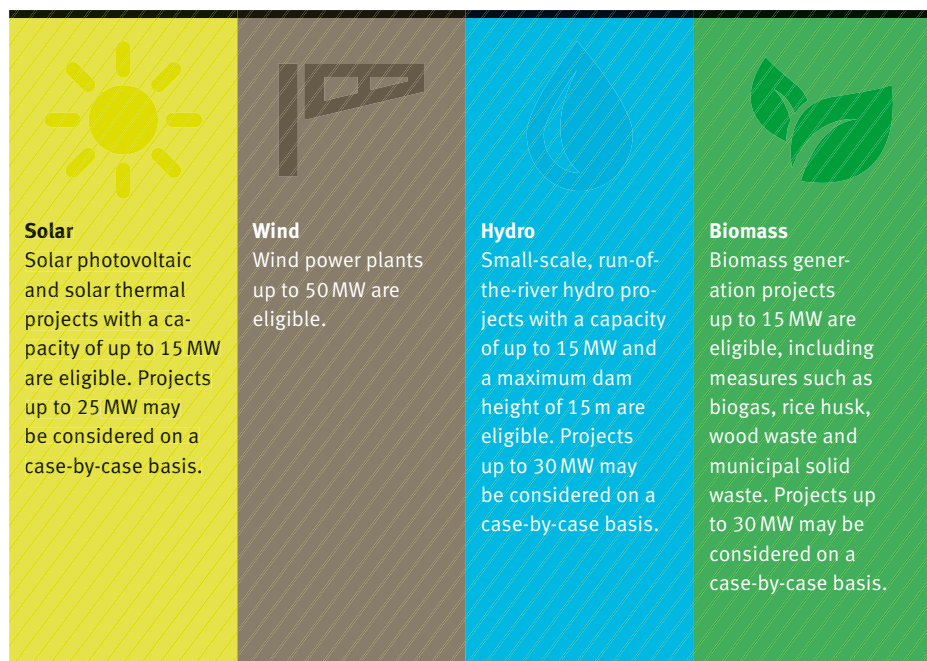
## *Renewable energy and energy efficiency projects*

Projects across a range of sectors and requiring different loan sizes are eligible for GCPF funding, provided that they comply with the requirements of GCPF's Social and Environmental Management System (see page 35). Projected CO<sub>2</sub> savings of at least 20% are a key criterion for energy efficiency projects.

### Examples of potentially eligible projects

Size of loans →

Sectors		RETAIL, MICRO AND SMALL ENTERPRISES	SMALL AND MEDIUM-SIZED ENTERPRISES	LARGE ENTERPRISES
	Agriculture	<ul style="list-style-type: none"> <li>– Drip irrigation</li> <li>– Solar-powered water pumps</li> </ul>	<ul style="list-style-type: none"> <li>– Agricultural equipment</li> <li>– Tractor replacement</li> </ul>	<ul style="list-style-type: none"> <li>– Solar PV plant to power food processing factory</li> </ul>
	Building	<ul style="list-style-type: none"> <li>– Lighting upgrades</li> <li>– Solar thermal heaters</li> </ul>	<ul style="list-style-type: none"> <li>– Heating, cooling and ventilation systems</li> <li>– Lighting upgrades</li> </ul>	<ul style="list-style-type: none"> <li>– Building retrofits</li> <li>– Insulation</li> </ul>
	Consumer appliances	<ul style="list-style-type: none"> <li>– Air conditioners</li> <li>– Fridges</li> </ul>		
	Industrial	<ul style="list-style-type: none"> <li>– Bakery ovens</li> <li>– Sewing machines</li> </ul>	<ul style="list-style-type: none"> <li>– Production equipment</li> <li>– Office equipment</li> </ul>	<ul style="list-style-type: none"> <li>– Industrial equipment upgrades</li> <li>– Commercial refrigeration</li> </ul>
	Renewable energy	<ul style="list-style-type: none"> <li>– Solar home systems</li> </ul>	<ul style="list-style-type: none"> <li>– Power generation for self-consumption, e.g. solar PV</li> <li>– Biogas digesters</li> </ul>	<ul style="list-style-type: none"> <li>– Hydro</li> <li>– Biomass</li> <li>– Wind</li> <li>– Solar PV</li> </ul>
	Transport	<ul style="list-style-type: none"> <li>– Hybrid cars</li> </ul>	<ul style="list-style-type: none"> <li>– Fuel conversion from diesel to natural gas</li> </ul>	<ul style="list-style-type: none"> <li>– Fleet upgrades</li> </ul>



## ENERGY EFFICIENCY PROJECTS

In addition to providing funding to local financial institutions, which then on-lend to energy efficiency projects, GCPF may invest directly in small-scale energy efficiency projects that reduce energy consumption or greenhouse gas emissions by at least 20%.

Projects must be in a late development stage or fully authorized in order to be eligible for direct investment.

## RENEWABLE ENERGY PROJECTS

All commercially-proven renewable energy generation technologies are, in principle, eligible for GCPF funding except for the production of bioliquids or biofuels.

The Fund finances both retail-size projects such as home solar systems (via financial institutions and energy access companies) and small-scale renewable power generation projects (via financial institutions and directly).

# 01. NICARAGUA

## *Financing a captive solar plant*

### Transition to green energy

Nicaragua has a tropical climate with large amounts of rainfall and sunshine – ideal conditions for the production of renewable energy. However, 40 % of energy needs are met using imported oil – a situation that the government wants to change by promoting alternative energy sources. Astro Nicaragua S.A. shows how this can be done.

### Home-made power

A total of 25 companies are currently based in the Astro Nicaragua industrial park, which covers an area of 55 hectares. Astro Nicaragua meets 27 % of their energy needs using solar energy. The photovoltaic system has an installed capacity of 2.52 MW and generates electricity from dawn to dusk. The investment was partially financed by a 'Green Line' loan from the GCPF partner BanPro and the cost will be recuperated through energy savings within eight years.

"Thanks to solar electricity, we now use thousands fewer barrels of diesel."



One of the 45 employees at Nicaraguan Tackle, a firm in the industrial park that produces fishing tackle for export to the US.



Energy production at the Astro Nicaragua industrial park: 27 % of the electricity supplied to 25 companies is generated by these two solar fields.



**0.6 MWh**  
annual electricity consumption  
per capita in Nicaragua.

**99 %**  
of energy produced in Nicaragua is targeted to  
come from renewable sources by 2020.

**27 %**  
of Astro Nicaragua's energy needs  
are met by solar generation.

**25**  
years is the linear  
guarantee for the  
solar panels:  
They should still  
achieve 80 % of their  
output at the end  
of that period.

**8,000**  
solar panels generate 2 MWh of renew-  
able energy per year at Astro Nicaragua.



Nicaragua in Central America offers the ideal conditions  
for the generation of renewable energy.



# OPPORTUNITIES FOR INVESTEEES

*How the Fund supports banks and developers*

The Fund finances both financial institutions and renewable energy and energy efficiency projects in developing countries. Partners of the Fund can access the longer loan tenors, flexible funding schedules and versatile instruments

needed to drive the market forward. In addition, access to Technical Assistance enables the Fund's partners to become leaders in the green investment sector.

## FINANCIAL INSTITUTIONS

- Dedicated funding in the form of senior or subordinated debt at competitive terms
- Mid to long-term financing (usually between 5 – 10 years)
- Total facilities usually between USD 10 m and USD 30 m, with flexible funding schedules
- Financing of up to 49.9 % of tier 1 capital and / or 25 % of total assets

## RENEWABLE ENERGY AND ENERGY EFFICIENCY PROJECTS

- Direct funding primarily in the form of senior debt
- Maturities of up to 10 years
- Typical deal size of between USD 5 m and USD 10 m
- Equity or mezzanine debt, provided in smaller amounts where this strengthens the funding package

## Benefits for investees

**Banco Promerica de la Republica Dominicana,**  
GCPF partner institution

*"Banks looking to grow in the energy efficiency market need long-term funding to be able to finance projects with longer payback periods. Partnering with GCPF has given Şekerbank access to this type of finance, which we are mainly using to finance building insulation and solar thermal projects."*

**Şekerbank, Turkey,**  
GCPF partner institution

*"While green lending has recently been introduced into our strategy, it is still a new area for the bank. The consultants provided by GCPF's Technical Assistance Facility have been invaluable in supporting us in assessing the market potential, identifying potential opportunities, and structuring a new dedicated product."*

### STRATEGIC POSITIONING

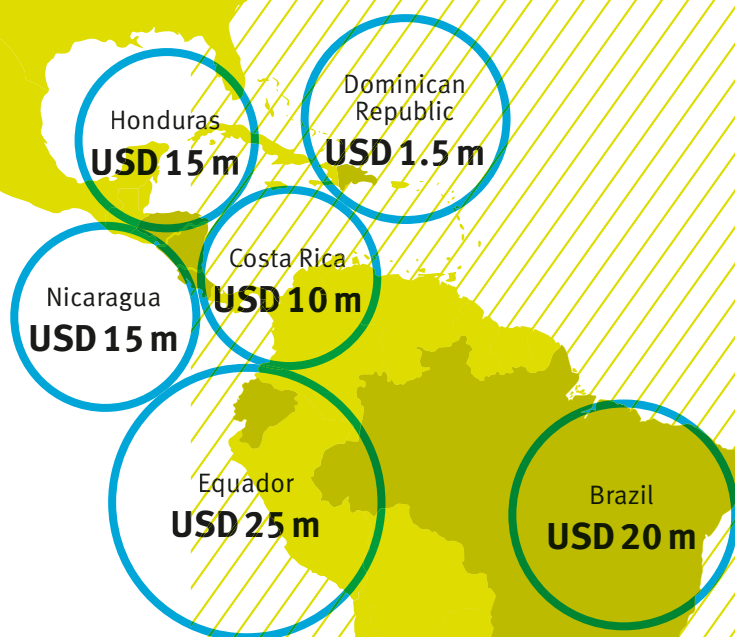
Banks that can position themselves as leaders in the green lending market benefit from a key branding advantage in increasingly competitive markets.

### LONG MATURITIES

The long-term benefits of green investments are undisputed – but often remain out of reach because of a lack of long-term funding. Therefore, GCPF loans tend to have maturities of 5 to 10 years, which make such projects feasible in local financial markets.

### TECHNICAL ASSISTANCE

GCPF's Technical Assistance Facility is designed primarily to promote green lending activities by supporting the Fund's partners in creating successful products and projects (see page 34).



## FUND PARTNER INSTITUTIONS

**Bangladesh** | Senior loan to The City Bank and Southeast Bank

**Brazil** | Senior loan to Banco Pine

**Costa Rica** | Senior loan to Banco Promerica Costa Rica

**Dominican Republic** | Senior loan to Banco Multiple Promerica de la República Dominicana

**Ecuador** | Subordinated loan to Banco Pichincha, senior loan to Banco ProCredit

**Honduras** | Senior loan to Banco Atlantida

**India** | Senior loans to RBL Bank and SREI Infrastructure Finance

**Kenya** | Senior loan to Chase Bank

**Mongolia** | Senior loan to XacBank

**Nicaragua** | Senior loan to Banpro

**South Africa** | Senior loan to Cronimet photovoltaic plant and subordinated loan to Hidoplex to fund energy efficient installations for telecommunications operators

**Sri Lanka** | Senior loan to Pan Asia Bank

**Turkey** | Senior loan to Şekerbank

**Ukraine** | Senior loan to Ukreximbank

**Vietnam** | Senior loan to VietinBank



# INVESTMENT UNIVERSE

*USD 286 m invested in 15 countries globally*

# 02. MONGOLIA

*Renewable energy investment project*



## Nomadic herders

With more than 250 days of sunshine per year, Mongolia is known as the 'land of the eternal blue sky'. Covering an area of 1,566,000 km<sup>2</sup>, it is home to 3 million inhabitants. Around 800,000 of them live as nomads, moving with their herds of cattle in search of new pastures. Until the start of the new millennium, most of them had no access to electricity.

## Tents with electricity

In 2000, the Mongolian government launched its National 100,000 Solar Ger Electrification Programme. Today, 70 % of nomads use mobile solar energy systems, which can power electrical appliances such as freezers, milking machines or LED televisions. The GCPF partner XacBank provides distribution firms with loans that they can use exclusively to import and sell solar systems and solar-powered appliances.

"Access to light, refrigeration and modern communications thanks to solar energy."

Welcome to the temporary home of the Ganbaatar family on the vast Mongolian steppe.



Connected with the world: With solar technology, even nomads can enjoy modern conveniences.



# 1347 g

of CO<sub>2</sub> is emitted per kWh of electricity generation in Mongolia – one of the highest levels worldwide.

# 6.9 metric tons

of CO<sub>2</sub> per capita was produced in 2011 in Mongolia, where the main energy source is coal.

# 25 %

of Mongolia's population consists of nomadic herders



# 74 %

of these nomads now have access to electricity thanks to solar technology.

# 5.5 – 6 kWh / m<sup>2</sup>

is the amount of incoming solar radiation experienced daily over two-thirds of the country.

Solar systems and solar-powered appliances: The distribution specialist Purevdorj uses loans to import products.

# PROJECT ASSESSMENT AND MONITORING

*How loan eligibility is ensured*

---

**33,819**

loans disbursed to eligible  
projects since the Fund's  
inception

To ensure that GCPF-funded projects meet the eligibility requirements outlined on pages 10–11, projects are subject to an ex-ante assessment and ex-post monitoring, according to the process defined in the GCPF Project Assessment and Monitoring Framework. This framework is based on the GHG Protocol for Project Accounting, one of the highest-quality standards in carbon accounting of climate change mitigation projects. The framework includes additional elements of internal and external quality control, with some requirements adapted to facilitate implementation by financial institution partners. The GCPF Project Assessment and Monitoring Framework has been reviewed by South Pole Group, a leading developer of certified emission reduction projects.

The investment manager's carbon reporting team reviews all loans reported by partner institutions. This responsibility team consists of two engineers with broad experience in the design and construction of energy efficiency and renewable energy projects as well as guaranteed energy saving projects. Partner institutions are continually assisted in the practical implementation of the GCPF reporting requirements.

With several thousand sub-loans financed by GCPF every quarter, reporting and eligibility approval need to be efficient and error-proof, yet pragmatic enough for GCPF's challenging operating environment. The GCPF reporting tool is a central component of this process.







## CARBON REPORTING TOOL

GCPF-funded projects are reported through CO<sub>2</sub>rA, a proprietary and user-friendly online tool that has been independently reviewed for accuracy and consistency. The built-in dashboard shows partner institutions their on-lending progress and energy and CO<sub>2</sub> reductions.

# 01

User-friendly online tool for reporting.

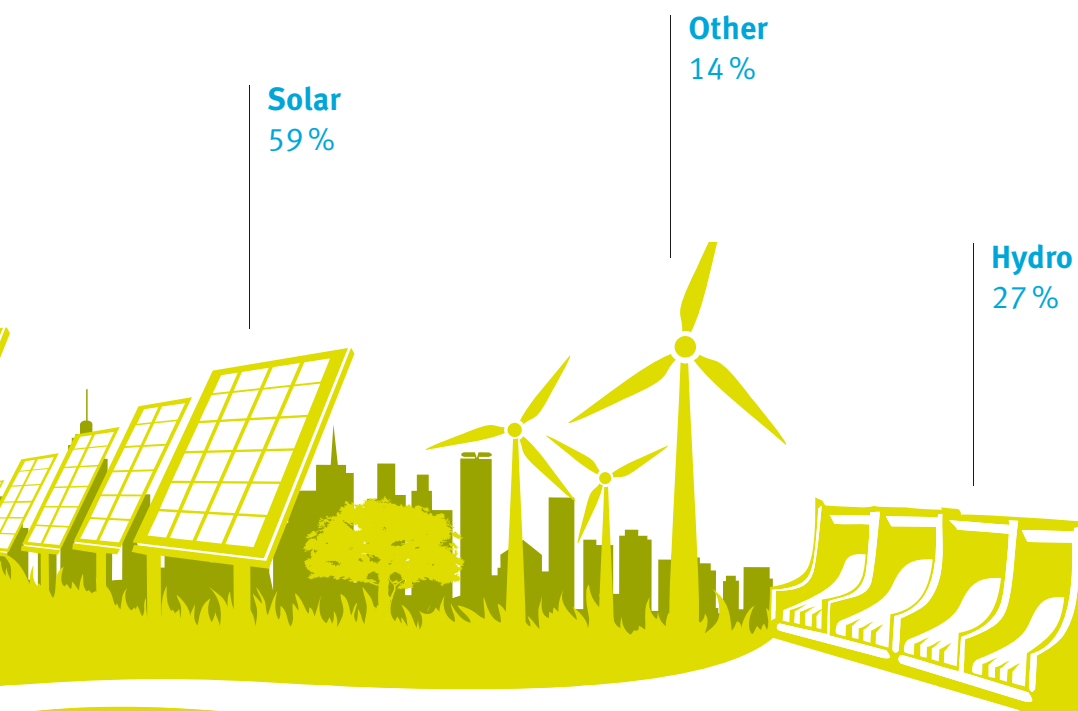
# 02

Support from an engineering team based in Zurich.

# 03

Technical assistance available for initial energy audits.





% of total USD invested  
in renewable energy  
generation projects by  
technology

*Minimum CO<sub>2</sub>  
emission reductions  
of energy efficiency  
projects:*

**20 %**

## MEASURING CO<sub>2</sub> EMISSION REDUCTIONS

Given the wide variety of eligible projects, the measurement and monitoring of emission reductions has to strike the right balance between accuracy and practicality of implementation and is therefore adapted according to the size and nature of the project.

For example, reporting of small, standardized energy efficiency projects such as air conditioners is based on the equipment model. Larger, complex projects require a detailed energy analysis, which the Fund may finance through the Technical Assistance Facility.

The carbon reporting tool automatically converts energy savings into greenhouse gas emission reductions using consistent data sources for emission factors such as the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).

TYPE OF INVESTMENT	LOAN SIZE	BASIS FOR ELIGIBILITY EVALUATION	EXAMPLES
Energy efficiency/ standardized investments	< USD 150,000	– Carbon reporting tool	<ul style="list-style-type: none"> <li>– Lighting systems (e.g. LED lamps)</li> <li>– Vehicle replacement (e.g. hybrid taxis, tractors, buses, etc.)</li> <li>– Replacement of air conditioning systems</li> <li>– Drip irrigation systems</li> <li>– Fuel replacement projects (e.g. conversion from diesel to natural gas)</li> </ul>
Energy efficiency/ non-standardised investments	<ul style="list-style-type: none"> <li>› USD 150,000</li> <li>&lt; USD 500,000</li> </ul>	<ul style="list-style-type: none"> <li>– Technical data</li> <li>– Cost / benefit energy analysis</li> </ul>	<ul style="list-style-type: none"> <li>– Upgrade of building envelope (e.g. thermal insulation)</li> <li>– Commercial refrigeration systems</li> </ul>
Energy efficiency/ comprehensive investments	› USD 500,000	<ul style="list-style-type: none"> <li>– Technical data</li> <li>– Detailed energy analysis</li> </ul>	<ul style="list-style-type: none"> <li>– Upgrade of production lines in manufacturing plants</li> <li>– Mechanical and electrical retrofit of large buildings</li> </ul>
Renewable energy (RE)	No minimum or maximum loan size	<ul style="list-style-type: none"> <li>– Technical data</li> <li>– Mandatory detailed business plan</li> </ul>	<ul style="list-style-type: none"> <li>– Hydropower: typically up to 15 MW</li> <li>– Biomass: typically up to 15 MW</li> <li>– Solar power: typically up to 15 MW</li> <li>– Wind power: up to 50 MW</li> <li>– Small-scale RE such as residential biogas digesters, solar water heaters, home solar systems</li> </ul>



# 03. BANGLADESH

## *Energy efficiency in the textile industry*

Commended for its social and environmental standards: Vintage Denim has 2,300 employees.



"A lot of energy-intensive work is needed to produce the popular vintage look."

### Environmentally friendly growth

The growth of Bangladesh's economy is mainly driven by the textile industry, which employs around 4 million people. To compete successfully, firms must control their costs – while meeting ever stricter requirements for working conditions and environmentally friendly practices defined by international buyers.

### A good reputation as a pioneer

Vintage Denim Studio Ltd. exports 100% of its products. To reduce energy consumption, the company has replaced old washing and drying equipment, making the process 26% more energy efficient. It obtained a loan from the GCPF partner City Bank Ltd., which has positioned itself as a pioneer in green finance – with the support of a targeted programme in this area financed by the GCPF Technical Assistance Facility.

Driver of the economy: Bangladesh's textile industry employs around 4 million people.



**5,000**

companies operate in the textile industry in Bangladesh.

**87**

of these 5,000 textile companies are clients of City Bank Ltd.

**USD 50 bn**

is the volume of sales the industry wants to achieve by 2021 – compared to USD 30 billion today.



**26 %**

is the amount of energy saved by Vintage Denim Ltd.

**USD 2.46 m**

is the loan amount for more energy-efficient equipment.

The lengthy washing and drying process to produce a fashionable look: Vintage Denim Ltd. exports 100 % of its products.

# INVESTING IN THE FUND

*A public-private partnership*

## FUND STRUCTURE

Notes	Private noteholders
	A and B shareholders
Senior tranche A-shares	
Mezzanine tranche B-shares	<b>responsAbility</b> (B-shares only)
	C shareholders
Junior tranche C-Shares	

Built as a public-private partnership, GCPF offers a platform that unites different parties towards a common goal. GCPF funds itself across three share classes and notes: Class C shares are designed to correspond to the expectation of the governments or donors and represent the Fund's first-loss equity.

Class B and Class A shares are of a more commercial nature and are currently held by development banks and the investment manager. The Fund leverages these share classes with private funding through the issuance of notes and Class A shares.

## Benefits for investors

*"Given the ever-growing relevance of climate finance, KfW is proud to have supported the Global Climate Partnership Fund since 2009."*

**Dr. Norbert Kloppenburg,**  
Member of the Executive Board, KfW

*"As an institutional investor, we decided to invest in GCPF as we view it as an attractive environmental investment with a stable financial risk/return profile thanks to the risk cushion provided by DFIs and governments. Moreover, GCPF is a strong example of international climate finance in action."*

**Dr. Andreas Kretschmer, CEO,**  
**Ärzteversorgung Westfalen-Lippe,**  
Investor in GCPF

### KEY BENEFITS FOR PUBLIC INVESTORS

- Contribute to a financially sustainable vehicle for climate change mitigation
- Multiplied impact for each USD invested as capital is reused several times
- Funding leveraged by attracting private sector finance

### KEY BENEFITS FOR PRIVATE INVESTORS

- Stable returns
- First-loss risk cushion provided by more junior share classes
- Six-year track record



# INTERVIEW WITH GCPF

Claudia Arce chairs the Board of the GCPF and is Director for South Asia at KfW Group. Antoine Prédour and his team, who work for the investment manager responsAbility, translate the fund's strategy into specific investments. A conversation held in Zurich.

***"GCPF creates  
new business  
opportunities for  
our partners."***

## **Which aspects of GCPF make you particularly proud?**

**CA** I'm proud of the fact that six years ago, GCPF was the first global fund of its kind. There were no other comparable funds in the renewable energy and energy efficiency arena that featured investments worldwide. Making investments across four continents has always been – and remains – a big challenge. Today, our fund is still one of the leaders in its peer group. We have a solid track record of investing in quality and getting the risk/return balance right. We bring plenty of experience to the table and can build on a global network to source partners.

**AP** I'm proud that this fund creates new business opportunities for our partners, who are mainly local banks. Thanks to GCPF, many of them are becoming aware of the enormous business potential in this sector, while having a positive impact on the climate.





### What are the drivers of this potential?

**AP** Pollution, the need for energy diversification, and the fact that renewable energy is quickly becoming more affordable. But the core driver remains rapidly increasing energy demand, principally in developing economies. It's crucial for the Earth's climate that environmentally-friendly technologies are utilized in these developing regions.

### You mentioned challenges. What kinds of obstacles do you have to overcome?

**CA** The biggest challenge is to find ways of transforming the almost unlimited potential of climate change mitigation ideas into concrete projects – real investments, not benchmark trackers or third-party funds. We are essentially creating new markets in economies that depend heavily on fossil energy sources. We also have to manage notable regional differences; think of the variety of legal and political conditions in our markets, for instance. Moreover, while some local financial intermediaries instantly connect with our investment ideas, others take longer to convince. Last but not least, our projects include a huge array of environmentally-friendly technologies. It takes specialist knowledge and time to make an informed judgment about them.



*"I'm proud of the fact that GCPF was the first global fund of its kind."*



*[Climate / change / mitigation / finance]:  
noun: (technical term):  
Funding for activities  
that reduce greenhouse  
gas emissions.*

*[Climate /  
partnership / fund]:  
noun: (technical term):  
Joint public and  
private investment  
fund for climate  
change mitigation.*

**AP** We have two overarching goals, each with their own set of challenges. First, we aim to invest in projects where not only every participant but also the climate comes out a winner. Getting such ambitious concepts off the ground requires negotiating skills, knowledge, and tenacity. Second, we need capital that is available for the long term to ensure our fund's economic sustainability. We can only achieve that goal by building a strong record, thinking big and leveraging the excellent reputations of both our shareholders and responsibility.

**AP** For our investees, the support we offer to get green lending programmes off the ground is key. Where partner banks have little experience of lending in this sector, we deploy consultants to guide them on-site. This is funded through the GCPF's Technical Assistance programme. Moreover, we offer long loan tenors, which is vital for projects with longer payback periods. Yes, I'd say our clients know that GCPF is unique.

**You describe GCPF as a unique investment fund. Would your stakeholders agree?**

**CA** The public-sector investors certainly would. Public funds are limited. By partnering with us, they help attract private capital to climate change mitigation projects. Public shareholders – who provide extensive capital protection for private investors in the fund – see the impact of their investment multiplied due to inflows of capital from non-public sources. That is certainly unique.

# INVESTMENT MANAGER

*responsAbility Investments AG: a world leader in development investments*

responsAbility Investments AG, founded in 2003, is a leading asset manager in the area of development investments. Headquartered in Zurich, Switzerland, and with local offices across 4 continents, responsAbility today employs over 250 specialists who look after 12 investment vehicles and 523 investee clients from the finance, energy and agricultural sectors across 95 countries.

As the world's leading private sector investor in microfinance, responsAbility has developed strong and long-standing working relationships with financial institutions in emerging economies. responsAbility-managed investment vehicles provide equity and debt financing to institutions ranging from non-governmental organizations to major commercial banks with a strong focus on micro, small and medium-sized companies. As such, they have been instrumental in driving these institutions' growth and further development.

responsAbility has increasingly expanded its investment universe to cover the entire value chain of the sustainable agriculture sector as well as sustainable energy investments in developing countries. This includes debt and equity investments in areas such as renewable energy generation, energy access for underserved sections of the population or, in the case of GCPF, investments in energy efficiency and renewable energy generation projects that are financed either directly or through local financial institutions.

responsAbility takes pride in the strong local networks it has established across its funds' investment countries. More than half of its specialists are based in local offices in Nairobi, Mumbai, Bangkok, Hong Kong and Lima. These networks allow responsAbility to actively reach out to existing and new partner financial institutions and project developers to further expand GCPF's portfolio – and thus make a vital contribution to climate-neutral growth in developing countries.

---

**USD  
3 bn**

responsAbility's assets under management (2015).

---

**314**

financial institutions in the client portfolio (2015).

# FUND PRINCIPLES

*A long-term view*

---

## 4.4 m

metric tons of projected  
CO<sub>2</sub> emission reductions  
from projects financed  
to date

---

## USD 228 m

disbursed by partner insti-  
tutions to eligible projects  
since inception of the Fund

### SUSTAINABILITY

For GCPF, sustainability is about combining economic and ecological principles to create a lasting impact in both fields. GCPF takes the following measures to achieve sustainability:

- By financing economically sound investments, the Fund's capital is reused several times, thus increasing its impact.
- Through the introduction or enhancement of innovative climate change-oriented loan products by local banks, GCPF helps financial sectors to expand into the green energy financing space.
- By proving the economic sustainability of the Fund's set-up, and by reporting convincing impact achievements, GCPF is establishing itself as an attractive investment opportunity for both public and private investors.

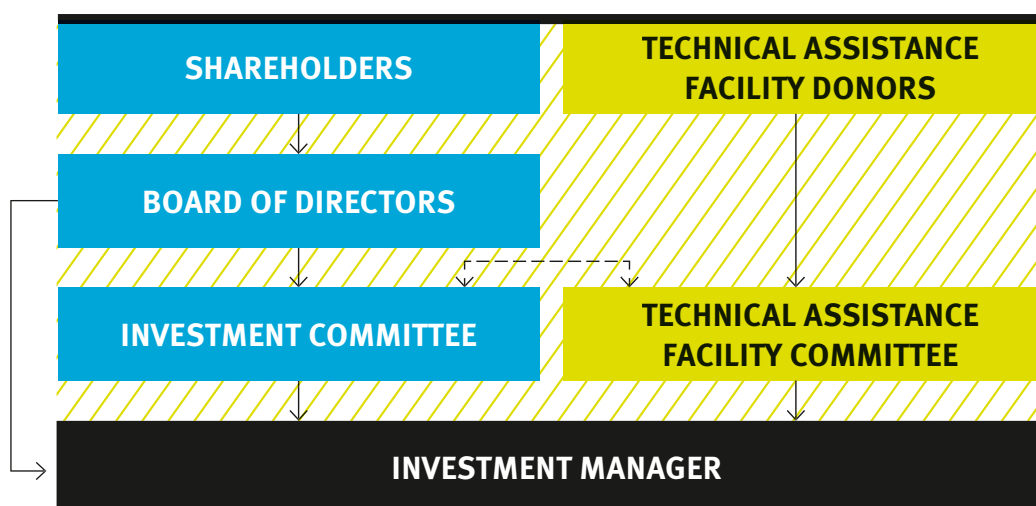
### ADDITIONALITY

Additionality is the concept that the Fund creates 'additional' emissions reductions that would not have occurred without the Fund. Consequently, GCPF provides resources to areas that are currently lacking appropriate funding.



# FUND SET-UP

*Ensuring transparency and accountability*



## BOARD OF DIRECTORS

The Fund's shareholders appoint the Board of Directors, which oversees the Fund's activities and is responsible for strategic decisions. The Board of Directors is the legal representative of the Fund. In compliance with GCPF's founding documents and applicable laws and regulations, it has the exclusive power to administer and manage the Fund.

The Board of Directors comprises Claudia Arce (Chairperson), Constanze Kreiss and Ritu Kumar.

## INVESTMENT COMMITTEE

The Board of Directors appoints the Investment Committee, which approves the investment decisions proposed by the investment manager and monitors the other activities of the investment manager.

The Investment Committee comprises Claudia Loy (Chairperson), Judith Brandsma and Ritu Kumar.

## INVESTMENT MANAGER

The investment manager conducts the Fund's business on behalf of the Board of Directors and the Investment Committee, and manages the Technical Assistance Facility. responsAbility Investments AG serves as investment manager. The company is one of the world's leading independent asset managers specialising in development-related sectors of emerging economies.

# TECHNICAL ASSISTANCE

*Tailored support for investees*

The GCPF's Technical Assistance Facility (TAF) supports the green lending activities of partner institutions, thus enabling the sustainable development of this market in the countries where GCPF operates.

GCPF's partner financial institutions face numerous challenges when launching energy efficiency/renewable energy (EE/RE) financing operations. These range from low awareness and understanding of EE/RE within financial institutions and among end clients to a lack of experience in identifying and evaluating the risk and return of EE/RE investment opportunities. Technical Assistance is therefore vital to develop green lending in these markets.

For example, technical assistance can fund a specialized team of consultants to support the employees of partner financial institutions in the market research, product design and marketing set-up of sustainable energy products. Other areas of possible intervention include improvements to the social and environmental management systems (SEMS) of partner institutions and feasibility studies for potential direct investments.

The TAF is sponsored by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and the Development Bank of Austria (OeEB). As a perpetual support element of the Fund, it also regularly receives a share of the Fund's net profit.

## TECHNICAL ASSISTANCE FACILITY (TAF) SET-UP

The TAF is set up independently from the Fund. Its activities are overseen by the TA Committee (TAC), which acts at arm's length from the Fund. The TAF is managed by a dedicated team within the investment manager – responsAbility Investments AG. It initiates TA projects in close cooperation with GCPF investees. TA services are implemented by third-party consulting service providers who are selected through a tender process.

**TAC Chairperson: Constanze Kreiss**

**TAC member: Ritu Kumar**

# SOCIAL AND ENVIRONMENTAL MANAGEMENT SYSTEM

GCPF manages social and environmental risks in operations by applying the highest recognized standards. The Fund's Social and Environmental Management System (SEMS) outlines the specific performance requirements with which all directly or indirectly funded projects must comply. The SEMS details how the Fund assesses compliance with environmental and social management requirements throughout the pre-screening phase, the due diligence process and the subsequent monitoring over the course of the investment. In particular, investees must comply with a Social and Environmental Exclusion List and adhere to locally applicable social and environmental laws and the IFC Performance Standards. The SEMS outlines corrective actions to be taken in case of discrepancies between the observed status quo and the requirements and defines social and environmental reporting standards for the Fund's stakeholders. The SEMS screening reflects the following dimensions:



## 01 Human rights

## 02 Labour standards

## 03 Environmental impact and impact on communities

## 04 Corruption

For an overview of the current social and environmental status of GCPF's partner institutions, see pages 42 – 45.

## LEGAL DISCLAIMER

The information contained in this document (hereinafter 'information') is based on sources considered to be reliable but its accuracy and completeness are not guaranteed. The information is subject to change at any time and without obligation to notify investors. Unless otherwise indicated, all figures are unaudited and are not guaranteed. Any action derived from this information is always at the investors' own risk. This document is for information purposes only and is not an official confirmation of terms. The value of an investment and any income from it are not guaranteed. Changes in the assumptions may have a substantial impact on the return. Past performance is no indication of current or future performance, and the performance data do not take account of the commissions and costs incurred on the issue and redemption of shares. Based on the Issue Document, expenses and fees will be charged in particular for administration and investment management services.

The Global Climate Partnership Fund (GCPF) is an investment company with variable capital governed by the laws of the Grand Duchy of Luxembourg and is subject to the Law of 13 February 2007. The Fund is reserved to certain Eligible Investors as defined in the Issue Document. The current Issue Document can be obtained at the registered office of the Fund. This information is not intended as an offer or a recommendation or an invitation to purchase or sell financial instruments or financial services and does not release the recipient from making his/her own assessment. In particular, the recipient is advised to assess the information, with the assistance of an advisor if necessary, with regard to its compatibility with his/her own circumstances in view of any legal, regulatory, tax, investment-related and other implications. Investments held by the financial product described in this document are associated with a higher risk than investments in more developed markets or countries. Investors are expressly made aware of the risks described in the Issue Document and the lower liquidity and greater difficulty in determining the value of the Fund's investments (which are generally unlisted and

not traded) and must also be prepared to accept substantial price losses including the entire loss of their investment. The investment manager and/or the members of its Board of Directors and employees may hold shares in the financial product (or any related investments) mentioned in this document and may add to or sell these positions from time to time. Additionally, the members of the Board of Directors and employees of the investment manager may serve as members of Boards of Directors of the investments in which the financial product is invested. This document is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under applicable law. The financial product specified in this document is and will not be licensed for distribution in the United States of America. As a result, it may not be offered, sold, or delivered there. Neither the present document nor copies thereof shall be sent or taken to the United States of America, or issued in the US or to a US person (in the terms of Regulation S of the United States Securities Act of 1933, in the respective current version). The distribution of the Issue Document and the offering of the Shares and Notes may be restricted in certain jurisdictions. This product is not authorized for distribution to the public in Switzerland. The present document is therefore strictly limited to internal use and may not be passed on to any third party, unless (i) such third party has solicited so on its own initiative, or (ii) such third party is a qualified investor under the terms of the Swiss Federal Act on Collective Investment Schemes and related regulations.

This publication is protected by copyright law. All rights are reserved, in particular with respect to translation, reproduction, communication, copying of images and tables, broadcasting, microfilming or reproduction by other means, as well as storage on data processing equipment, even where such use only applies to excerpts. Reproduction of this publication or parts thereof is permissible only within the scope of statutory provisions.

---

### Contact information

[www.gcpf.lu](http://www.gcpf.lu)  
[info@gcpf.lu](mailto:info@gcpf.lu)

---

### Publisher

Global Climate Partnership Fund,  
 SA SICAV-SIF  
 14, Boulevard Royal,  
 2449 Luxembourg



# MITIGATING CLIMATE CHANGE TOGETHER

*Investing in energy efficiency  
and renewable energy*

GCPF ANNUAL REPORT

20  
—  
15

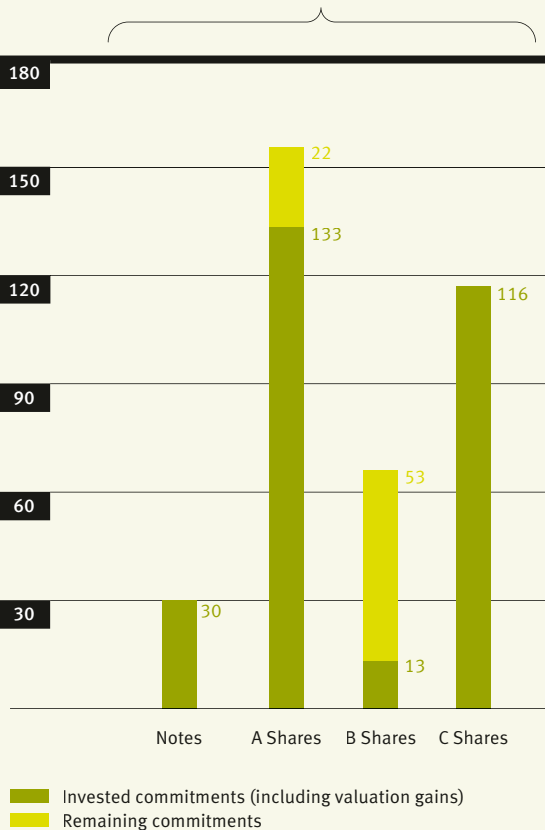


**GLOBAL CLIMATE  
PARTNERSHIP FUND**  
managed by responsAbility

# FUNDING SITUATION

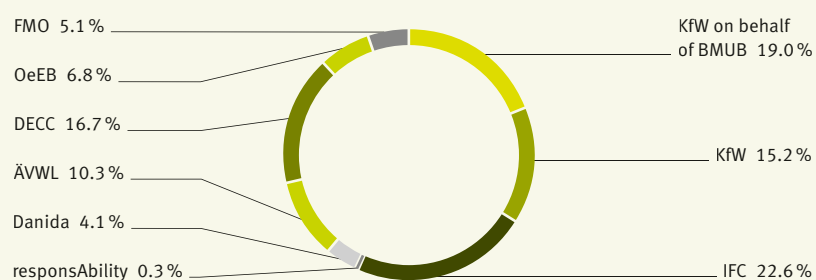
## Split of commitments and subscriptions according to share class/notes

Figures in USD million

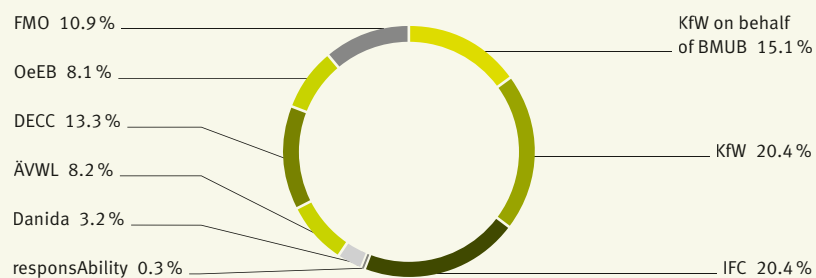


As of the end of 2015, funding commitments to GCPF totalled USD 367 m, of which USD 292 m were subscribed. During the year, Dutch development bank FMO became a shareholder of the Fund. For more information on the Fund structure, see page 26.

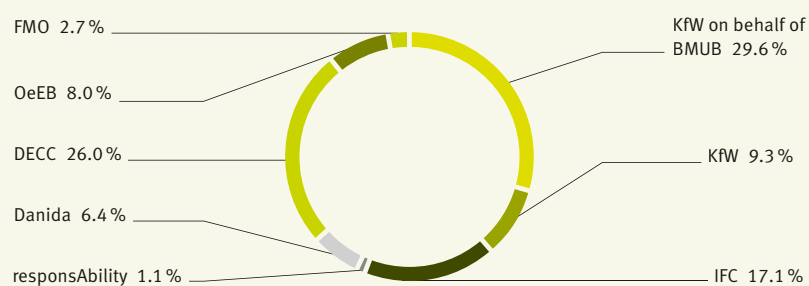
### Investor structure based on invested capital



### Current split of investments committed to GCPF



### Shareholder structure based on voting rights



# INVESTMENT PORTFOLIO

Şekerbank	30	Banpro	15
Ukreximbank	30	The City Bank	15
Vietinbank	25	XacBank	15
Banco Pine	20	Banco ProCredit	10
Pan Asia Bank	20	Banco Promerica Costa Rica	10
RBL Bank	20	Southeast Bank	5
Chase Bank	20	Cronimet	1.55
SREI Infrastructure Finance	18	Banco Multiple Promerica de la República Dominicana	1.5
Banco Atlantida	15	Hidoplex	0.26
Banco Pichincha	15		
<b>Total USD m</b>		<b>286.3</b>	

**Disbursed investments  
by partner institution**  
Outstanding amount  
(USD m)

India	38	Kenya	20
Turkey	30	Honduras	15
Ukraine	30	Nicaragua	15
Ecuador	25	Mongolia	15
Vietnam	25	Costa Rica	10
Brazil	20	South Africa	1.8
Sri Lanka	20	Dominican Republic	1.5
Bangladesh	20		
<b>Total USD m</b>		<b>286.3</b>	

**Disbursed investments  
by country**  
Outstanding amount  
(USD m)



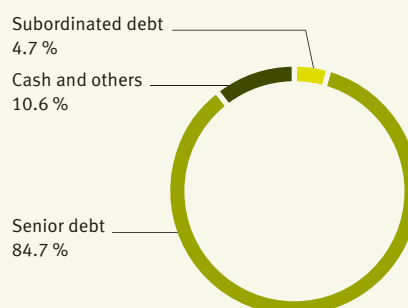
GCPF's invested volume grew by USD 56 m to USD 286 m in 2015, up 24 % year on year. Contributing to this were USD 36.5 m and USD 40 m of disbursements to new and existing counterparties, respectively, with repayments accounting for the difference between the amount disbursed and the growth in investment volume. Beyond currently outstanding

investments, GCPF has a further USD 98 m committed to partner institutions as of year-end. In 2015, the Fund made new commitments amounting to USD 124 m – of which some were drawn-down during the year. The investment portfolio was further diversified geographically and now covers 15 countries across 4 continents.

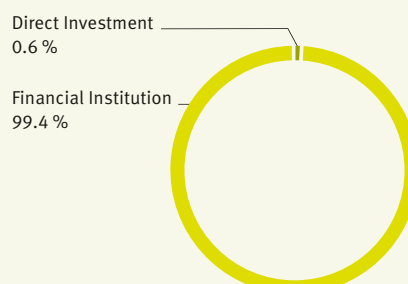
#### Disbursed investments by currency



The Fund's portfolio consists only of USD exposures and bears no direct currency risk. Financial institutions now account for 99.4% of the portfolio. All new additions were senior loans to financial institutions. GCPF targets a higher share of direct investments, which will further improve risk diversification.



#### Disbursed investments by financial instrument



#### Disbursed investments by type of partner institution

# PARTNER INSTITUTIONS

## Institution Information

Financial institution	Country	Types of projects funded	Disbursements to GCPF eligible projects since inception (USD)
Banco Atlantida	Honduras	Small hydro projects ranging from 3 – 9 MW	11,974,000
Banco Pichincha	Ecuador	Energy-efficient appliances such as washing machines and fridges	42,910,805
Banco Pine	Brazil	Energy efficiency measures for industrial processes, including replacement of cane-crushers in a sugar mill and pumping systems	8,963,752
Banco ProCredit	Ecuador	Mainly small to mid-sized SME loans for replacement of equipment, ranging from baking ovens to sewing equipment, workshop machines, tractors and taxis	7,364,430
Banpro	Nicaragua	Projects across multiple sectors, ranging from commercial air conditioner replacements, industrial process upgrades, fuel-efficient cars and small-scale to 1MW solar projects	10,469,496
Chase Bank	Kenya	Not applicable – GCPF partner as of December 2015	—
Pan Asia Bank	Sri Lanka	Hybrid cars account for 100 % of the reported green lending portfolio	21,453,432
Banco Promerica Costa Rica	Costa Rica	Solar PV projects. GCPF partner as of October 2015	202,310
Banco Multiple Promerica de la República Dominicana	Dominican Republic	Not applicable – GCPF partner as of December 2015	—
RBL Bank	India	Mainly efficient pumping and drip irrigation systems for smallholder farmers	9,094,300
Şekerbank	Turkey	Mainly building insulation projects, and some tractors and solar thermal installations for agricultural clients	48,615,713

## Country Information

Compliance with GCPF's social and environmental exclusion list and maintenance of a social and environmental management system	Population (m)	GDP at PPP per capita (USD)	GDP growth 2015, % (constant prices, local currency)	Total CO <sub>2</sub> emissions (thousand metric tons)	CO <sub>2</sub> emissions per capita (metric tons)
Confirmed as of 31 December, 2015	8	4,861	3.5	8,400	1.0
Confirmed as of 31 December, 2015	16	11,168	-0.6	39,500	2.5
Confirmed as of 31 December, 2015	206	15,690	-3.0	452,400	2.3
Confirmed as of 31 December, 2014	16	11,168	-0.6	39,500	2.5
Confirmed as of 31 December, 2015	6	4,972	4.0	4,200	0.7
Confirmed as of 31 December, 2015	45	3,245	6.5	11,700	0.3
Confirmed as of 31 December, 2015	21	11,119	6.5	13,700	0.7
Confirmed as of 31 December, 2015	5	15,317	3.0	7,100	1.5
Confirmed as of 31 December, 2015	10	14,770	5.5	19,700	1.9
Confirmed as of 31 December, 2015	1,295	6,209	7.3	1,868,600	1.5
Confirmed as of 31 December, 2015	76	20,276	3.0	283,800	3.8



# PARTNER INSTITUTIONS

## Institution Information

Financial institution	Country	Types of projects funded	Disbursements to GCPF eligible projects since inception (USD)
Southeast Bank	Bangladesh	Energy efficiency projects in the ready-made garment sector, financing equipment such as label weaving machines, dryers, irons and washing machines	3,490,882
SREI Infrastructure Finance	India	No projects funded as of year-end	—
The City Bank	Bangladesh	Energy efficiency projects in the ready-made garment sector, financing equipment such as label weaving machines, dryers, irons and washing machines	4,298,729
Ukreximbank	Ukraine	Renewable energy projects, principally solar PV, as well as industrial process loans	30,000,000
Vietinbank	Vietnam	Mainly industrial process upgrades in the pharmaceutical, plastic and agricultural industries	13,646,735
XacBank	Mongolia	A variety of projects, mainly linked to the building sector such as insulation and windows, mortgages for energy-efficient housing and boiler replacement projects	12,942,323
<b>Direct Investments</b>			
Cronimet	South Africa	Off-grid solar PV installation for a chromium mine in South Africa. The installation produces part of the electricity that would otherwise be generated by diesel generators	2,830,000
Hidoplex	South Africa	Proposed set of renewable energy projects for a telecom provider	260,000



## Country Information

## Compliance with GCPF's social and environmental exclusion list and maintenance of a social and environmental management system

## Population (m)

## GDP at PPP per capita (USD)

## GDP growth 2015, % (constant prices, local currency)

Total CO<sub>2</sub> emissions (thousand metric tons)CO<sub>2</sub> emissions per capita (metric tons)

Confirmed as of 31 December, 2015

159

3,609

6.5

59,600

0.4

Confirmed as of 31 December, 2015

1,295

6,209

7.3

1,868.600

1.5

Confirmed as of 31 December, 2015

159

3,609

6.5

59,600

0.4

Confirmed as of December 31, 2015

45

7,989

-9.0

265,100

5.8

Confirmed as of 31 December, 2015

91

6,019

6.5

130,100

1.4

Confirmed as of 31 December, 2015

3

12,268

3.5

18,700

6.6

Confirmed as of 31 December, 2015

54

13,197

1.4

420,400

7.9

Confirmed as of 31 December, 2015

54

13,197

1.4

420,400

7.9

Source: World Bank, 2014 figures

IMF World Economic Outlook, predicted 2015 figures

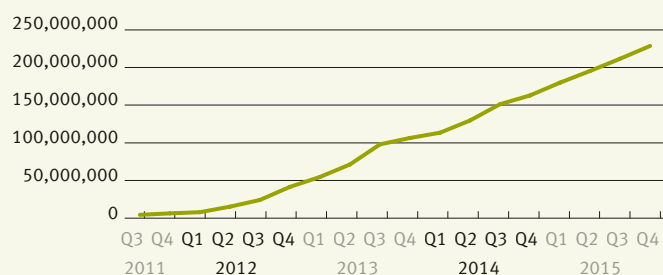
IMF World Economic Outlook, predicted 2015 figures

OECD (2016) Air and GHG emissions, 2013 figures

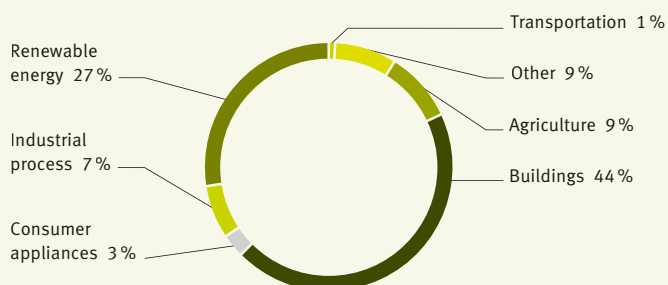
OECD (2016), Air and GHG emissions, 2013 figures

# ENERGY AND CO<sub>2</sub> EMISSION REDUCTIONS

Cumulative value of disbursed sub-loans, since inception<sup>1</sup> (USD)



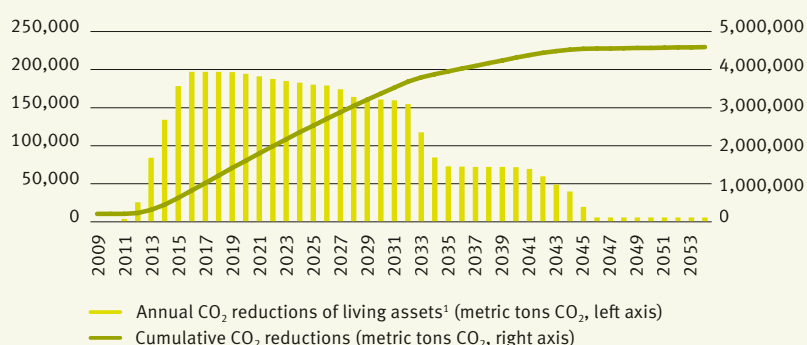
Annual CO<sub>2</sub> reductions by technology since inception<sup>1</sup>



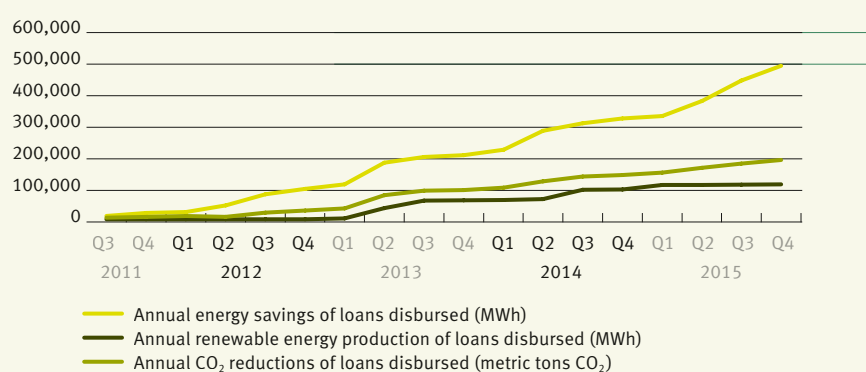
In 2015, GCPF's partner institutions disbursed more than 8,300 new sub-loans, an increase of 33% from the end of 2014. From inception until the end of 2015, the Fund disbursed nearly 34,000 sub-loans with a cumulative total value of over USD 228 m.

Total expected lifetime energy savings for all projects completed since the Fund's inception amount to more than 14.3 m MWh. The sub-loans disbursed in 2015 contributed over 4.7 m MWh to this total, an increase of 49% from the end of 2014.

### Projected lifetime CO<sub>2</sub> savings of financed assets



### Annual energy savings, renewable energy production and CO<sub>2</sub> reductions of portfolio<sup>1</sup>



As of the end of 2015, the total expected lifetime CO<sub>2</sub> reduction for all projects financed by the Fund since inception amounts to 4.4m metric tons of CO<sub>2</sub>. Projects financed in 2015 contributed almost 1.3m metric tons of CO<sub>2</sub> to this total, an increase of 41% from the end of 2014.

In the second quarter of 2015, following an internal review, the carbon impact figures were restated due to errors in the estimation of the carbon reduction of two projects financed in 2012 that have substantial impact. As a result,

the total expected lifetime CO<sub>2</sub> reduction for all projects financed by the Fund since its inception changed from 5.6m metric tons of CO<sub>2</sub> to 3.1m metric tons of CO<sub>2</sub> (as of the end of 2014). The Fund has initiated an external review of the portfolio to verify the currently reported figures. This review is expected to be completed in the second quarter of 2016.

<sup>1</sup> Only includes financed assets that have not reached their service lifetime, i.e. assets still generating savings.

# TECHNICAL ASSISTANCE

## Approved TA Facility amounts since inception per country

Bangladesh	28 %	Paraguay	3 %
Dominican Republic	12 %	Tanzania	3 %
Kenya	11 %	China	2 %
Azerbaijan	10 %	Ghana	2 %
Global	9 %	Philippines	2 %
Sri Lanka	8 %	South Africa	2 %
Ecuador	4 %	Mongolia	1 %
India	4 %		

The amount of funds approved for new Technical Assistance (TA) projects grew rapidly in 2015 as a result of increased engagement with GCPF partner institutions to overcome the issues they encounter when implementing green lending.

Sixteen new projects worth a total of USD 1.7 m were approved during the year. Of these, six projects support partner institutions in developing their sustainable energy lending activities. Six projects support the reporting of sub-loans to the Fund through funding environmental and social impact assessments and energy audits.

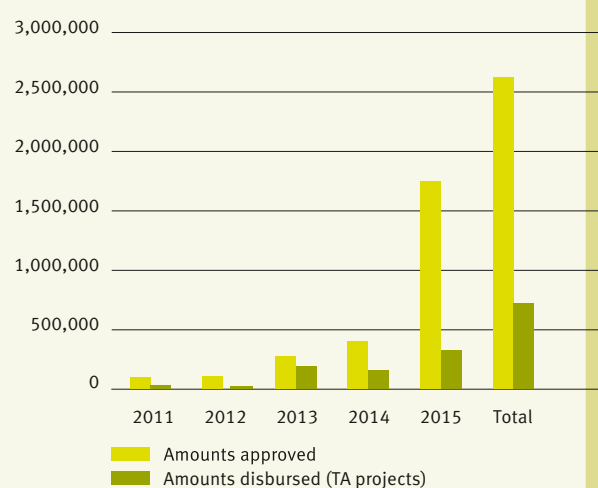
Two projects improve the social and environmental management systems of partner institutions, and two projects independently review the CO<sub>2</sub> impact reported to date and the methodology and tools used for calculating CO<sub>2</sub> emission reductions by the Fund.



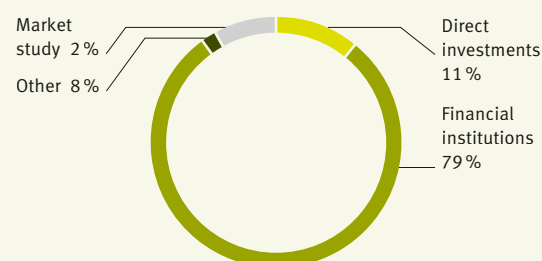
Financial institutions remain the largest beneficiary of TA funds since inception, in line with the Fund's strategy of building capacity for sustainable energy lending within financial institutions. In terms of location, the country that has the largest amount of TA funding approved is Bangladesh, where two partner institutions currently receive TA support for the development of their sustainable energy lending operations and improvements to their social and environmental management systems.

In total, the Technical Assistance Committee has approved USD 2.6 m for 34 projects since 2011. Due to the competitive tendering process, the contracted amounts for consultancy services were mostly below the expected and approved project budgets. Consequently, total committed funds are less than total approved funds, at USD 2.3 m as of the end of 2015. As TA projects have a term of up to one year and consultants are paid upon approval of deliverables, disbursements remain substantially below the approved amounts.

**Approved and disbursed amounts per year since inception in USD**



**Approved amounts since inception per type of TA beneficiary**



# FINANCIAL STATEMENTS

## *Balance sheet*

### STATEMENT OF FINANCIAL POSITION As of 31 December 2015 (in USD)

	2015	2014
<b>NON-CURRENT ASSETS</b>		
Loans and advances to partner institutions	283,451,214.30	229,895,928.58
	<b>283,451,214.30</b>	<b>229,895,928.58</b>
<b>CURRENT ASSETS</b>		
Derivative financial instruments	75,021.90	136,638.65
Interest receivable	685,654.37	1,596,745.65
Other receivables and prepayments	61,461.18	36,880.43
Cash and cash equivalents	33,087,219.58	32,276,006.58
	<b>33,909,357.03</b>	<b>34,046,271.31</b>
<b>Total assets</b>	<b>317,360,571.33</b>	<b>263,942,199.89</b>

**STATEMENT OF FINANCIAL POSITION**  
**As of 31 December 2015 (in USD)**

<b>CURRENT LIABILITIES</b>		
Distribution payable to holders of Class A and Class B shares	3,864,552.88	3,359,468.66
Accrued fund management fees	1,728,718.51	1,763,625.13
Accrued Technical Assistance Facility contribution	513,064.77	488,792.18
Direct operating expenses payable	480,256.11	433,173.65
Other payable	20,000,000.00	–
Structuring fees payable	100,000.00	20,216.18
	<b>26,686,592.27</b>	<b>6,065,275.80</b>
<b>NON CURRENT LIABILITIES</b>		
Net assets attributable to holders of redeemable ordinary shares		
Class A shares	132,925,372.76	97,950,248.76
Class B shares	13,475,124.38	13,475,124.38
Notes	30,000,000.00	30,000,000.00
	<b>176,400,497.14</b>	<b>141,425,373.14</b>
<b>EQUITY</b>		
Share capital	116,097,611.60	116,097,611.60
Profit brought forward	353,939.35	214,240.34
Profit for the year	(2,178,069.03)	139,699.01
<b>Total equity</b>	<b>114,273,481.92</b>	<b>116,451,550.95</b>
<b>Total liabilities and equity</b>	<b>317,360,571.33</b>	<b>263,942,199.89</b>

# Income Statement

## STATEMENT OF COMPREHENSIVE INCOME As of 31 December 2015 (in USD)

	2015	2014
<b>INCOME</b>		
Interest income	10,406,868.51	8,619,177.26
Other income	392,500.00	378,811.00
Realised foreign exchange gains	25,882.71	23,687.25
<b>Total income</b>	<b>10,825,251.22</b>	<b>9,021,675.51</b>
<b>EXPENSES</b>		
Loan loss allowance	(2,600,00.00)	(260,000.00)
Net fair value movement on derivative financial instruments	(161,684.25)	(191,782.44)
Fund management fees	(3,762,535.53)	(2,543,507.70)
Technical assistance facility contribution	(513,064.77)	(488,792.18)
Direct operating expenses	(1,134,255.59)	(1,102,257.10)
Other operating expenses	(734,195.11)	(714,027.41)
Realized foreign exchange losses	(16,894.27)	(8,958.96)
Withholding taxes	(216,137.85)	(213,182.05)
<b>Total expenses</b>	<b>(9,138,767.37)</b>	<b>(5,522,507.84)</b>
<b>Total operating profit before taxes and distribution</b>	<b>1,686,483.85</b>	<b>3,499,167.67</b>
Distribution to holders of redeemable ordinary shares	(3,864,552.88)	(3,359,468.66)
<b>Profit for the year</b>	<b>(2,178,069.03)</b>	<b>139,699.01</b>
Other comprehensive income for the year (net of tax)	–	–
<b>Total comprehensive income for the year (net of tax)</b>	<b>(2,178,069.03)</b>	<b>139,699.01</b>

## Statement of Changes in Net Assets

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE ORDINARY SHARES AND EQUITY As of 31 December 2015 (in USD)

	CLASS A SHARES		CLASS B SHARES		CLASS C SHARES		COMBINED NET ASSETS ATTRIBUTABLE TO SHAREHOLDER
	Net assets attributable to shareholders	Number of shares	Net assets attributable to shareholders	Number of shares	Net assets attributable to shareholders	Number of shares	
<b>As of 31 December 2014</b>	<b>97,950,248.76</b>	<b>652.98</b>	<b>13,475,124.38</b>	<b>539.00</b>	<b>116,451,550.95</b>	<b>2,317.70</b>	<b>227,876,924.09</b>
Issue of redeemable ordinary shares	34,975,124.00	233.17	–	–	–	–	34,975,124.00
Redemption of redeemable ordinary shares	–	–	–	–	–	–	–
Issue of equity	–	–	–	–	–	–	–
Redemption of equity	–	–	–	–	–	–	–
<b>As of 31 December 2015</b>	<b>132,925,372.76</b>	<b>886.15</b>	<b>13,475,124.38</b>	<b>539.00</b>	<b>116,451,550.95</b>	<b>2,317.70</b>	<b>262,852,048.09</b>
Increase in net assets attributable to holders of redeemable ordinary shares from transactions in shares	–	–	–	–	–	–	–
Decrease in net assets attributable to holders of redeemable ordinary shares from transactions in shares	–	–	–	–	–	–	–
Operating gain before tax and distribution	3,216,938.27	–	647,614.61	–	(2,178,069.03)	–	1,686,483.85
Distribution payable to holders of class A and class B shares	(3,216,938.27)	–	(647,614.61)	–	–	–	(3,864,552.88)
<b>As of 31 December 2015</b>	<b>132,925,372.76</b>	<b>886.15</b>	<b>13,475,124.38</b>	<b>539.00</b>	<b>114,273,481.92</b>	<b>2,317.70</b>	<b>260,673,979.06</b>



# Cash Flow Statement

## STATEMENT OF CASH FLOWS As of 31 December 2015 (in USD)

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	(2,178,069.03)	139,699.01
<b>Adjustments to reconcile profit for the year to net cash flows:</b>		
Net fair value movement on derivative financial instruments	61,616.75	299,560.44
Loans to partner institutions (loss) allowance	2,600,000.00	260,000.00
<b>Working capital adjustments:</b>		
Net (increase) / decrease in other receivables and prepayments	(24,580.75)	(24,816.95)
Net (increase) / decrease in interest receivables	911,091.28	(1,479,116.77)
Net increase / (decrease) in distribution payable to holders of Class A and Class B shares	505,084.22	815,937.98
Net increase / (decrease) in fund management fees	(34,906.62)	529,531.68
Net increase / (decrease) in technical assistance facility contribution	24,272.59	(108,810.61)
Net increase / (decrease) in direct operating expenses payable	47,082.46	(443,731.26)
Net increase / (decrease) in other payable	20,000,000.00	–
Net increase / (decrease) in structuring fees payable	79,783.82	20,216.18
<b>Net cash flows from / (used in) operating activities</b>	<b>21,991,374.72</b>	<b>8,469.70</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (increase) in loans to partner institutions	(56,155,285.72)	(37,835,285.72)
<b>Net cash flows used in investing activities</b>	<b>(56,155,285.72)</b>	<b>(37,835,285.72)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received on shares issued	34,975,124.00	5,239,511.50
Cash paid on shares redeemed	–	(4,000,000.00)
<b>Net cash flows from financing activities</b>	<b>34,975,124.00</b>	<b>1,239,511.50</b>
Net (decrease) / increase in cash and cash equivalents	811,213.00	(36,587,304.52)
Cash and cash equivalents at 1 January	32,276,006.58	68,863,311.10
<b>Closing cash and cash equivalents at 31 December</b>	<b>33,087,219.58</b>	<b>32,276,006.58</b>

## LEGAL DISCLAIMER

The information contained in this document (hereinafter 'information') is based on sources considered to be reliable but its accuracy and completeness are not guaranteed. The information is subject to change at any time and without obligation to notify investors. Unless otherwise indicated, all figures are unaudited and are not guaranteed. Any action derived from this information is always at the investors' own risk. This document is for information purposes only and is not an official confirmation of terms. The value of an investment and any income from it are not guaranteed. Changes in the assumptions may have a substantial impact on the return. Past performance is no indication of current or future performance, and the performance data do not take account of the commissions and costs incurred on the issue and redemption of shares. Based on the Issue Document, expenses and fees will be charged in particular for administration and investment management services.

not traded) and must also be prepared to accept substantial price losses including the entire loss of their investment. The investment manager and/or the members of its Board of Directors and employees may hold shares in the financial product (or any related investments) mentioned in this document and may add to or sell these positions from time to time. Additionally, the members of the Board of Directors and employees of the investment manager may serve as members of Boards of Directors of the investments in which the financial product is invested. This document is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under applicable law. The financial product specified in this document is and will not be licensed for distribution in the United States of America. As a result, it may not be offered, sold, or delivered there. Neither the present document nor copies thereof shall be sent or taken to the United States of America, or issued in the US or to a US person (in the terms of Regulation S of the United States Securities Act of 1933, in the respective current version). The distribution of the Issue Document and the offering of the Shares and Notes may be restricted in certain jurisdictions. This product is not authorized for distribution to the public in Switzerland. The present document is therefore strictly limited to internal use and may not be passed on to any third party, unless (i) such third party has solicited so on its own initiative, or (ii) such third party is a qualified investor under the terms of the Swiss Federal Act on Collective Investment Schemes and related regulations.

This publication is protected by copyright law. All rights are reserved, in particular with respect to translation, reproduction, communication, copying of images and tables, broadcasting, microfilming or reproduction by other means, as well as storage on data processing equipment, even where such use only applies to excerpts. Reproduction of this publication or parts thereof is permissible only within the scope of statutory provisions.

---

### Contact information

[www.gcpf.lu](http://www.gcpf.lu)  
[info@gcpf.lu](mailto:info@gcpf.lu)

---

### Publisher

Global Climate Partnership Fund,  
SA SICAV-SIF  
14, Boulevard Royal,  
2449 Luxembourg

The Global Climate Partnership Fund (GCPF) is an investment company with variable capital governed by the laws of the Grand Duchy of Luxembourg and is subject to the Law of 13 February 2007. The Fund is reserved to certain Eligible Investors as defined in the Issue Document. The current Issue Document can be obtained at the registered office of the Fund. This information is not intended as an offer or a recommendation or an invitation to purchase or sell financial instruments or financial services and does not release the recipient from making his/her own assessment. In particular, the recipient is advised to assess the information, with the assistance of an advisor if necessary, with regard to its compatibility with his/her own circumstances in view of any legal, regulatory, tax, investment-related and other implications. Investments held by the financial product described in this document are associated with a higher risk than investments in more developed markets or countries. Investors are expressly made aware of the risks described in the Issue Document and the lower liquidity and greater difficulty in determining the value of the Fund's investments (which are generally unlisted and

### CONTACT

info@gcpf.lu  
www.gcpf.lu

