

Claudia Arce  
Chairperson of the Board of Directors  
Global Climate Partnership Fund SA  
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L-2449 Luxembourg

-  Energieberatung
-  Energiekonzepte
-  Anlagenplanung
-  Erneuerbare Energien

## Letter of Confirmation

Dear Mrs. Arce,

This letter is to confirm that Energie Consult, a consulting company offering advisory service on energy efficiency and renewable energy in international development projects, has successfully conducted an independent review of the Global Climate Partnership Fund's CO<sub>2</sub> impact reported for the existing GCPF portfolio.

The Global Climate Partnership Fund is an innovative public-private partnership dedicated to contribute to the mitigation of climate change through a reduction of greenhouse gas emissions. It focuses on financing energy efficiency and renewable energy investments 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 / renewable energy project that it finances to reach at least a 20% reduction in projected emissions.

The assignment was commissioned on behalf of the GCPF's Technical Assistance Facility – through a competitive tender process – as requested by the GCPF Board of Directors. The experts involved in the review have experience in carbon monitoring, energy auditing and in energy efficiency credit lines and have advised a wide range of international and local financial institutions.

The objective of the review was to assess whether the reported CO<sub>2</sub> savings are reasonably accurate, taking into account the difficulties to obtain accurate data by GCPF partner financial institutions in their operating environment, and to provide recommendations on how to improve accuracy in the future. The reviewed loan portfolio comprised 32,000 loans with a loan amount of USD 211 million and annual reported CO<sub>2</sub> savings of nearly 200,000 tons.

The review was one of the most comprehensive reviews of energy efficiency loan portfolios known to date. Considering the complexity of CO<sub>2</sub> monitoring in energy efficiency credit lines, the accuracy level is mostly good. A major cause of inaccuracies is GCPF partner institutions' insufficient technical knowledge of the financed projects and of the CO<sub>2</sub> monitoring process.

Recommendations were made to tackle such issues. Some of the suggested actions have already been started. This includes for example; making reporting simpler; developing the reporting tool to be even more user friendly; and providing continuous technical assistance to GCPF partner institutions. In order to improve the accuracy further and increase awareness and expertise on assessing energy efficiency loans and on calculation of savings, it is recommended that partner institutions are more intensively supported. In particular, new partner institutions should be trained and get assistance by consultants.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Klaus Haars', with a stylized, flowing script.

Klaus Haars  
Managing Director, Energie Consult