

Ulrike Lassmann
Chairperson of the Board of Directors, GCPF
Global Climate Partnership Fund SA
SICAV-SIF, 14 Boulevard Royal
L-2449 Luxembourg

November 10th 2020

Letter of Confirmation

To the GCPF Board of Directors,

This letter is to confirm that South Pole, a global leader in sustainability solutions offering advisory services in the area of emission reduction project development, project due diligence and related consultancy including impact measurement, has conducted an independent external review of the Global Climate Partnership Fund's carbon impact reported for loans disbursed during the period 2016 – 2019.

The Global Climate Partnership Fund (GCPF or the Fund) is an innovative public-private partnership dedicated to contributing to the mitigation of climate change through the reduction of greenhouse gas emissions, with responsAbility Investments AG acting as the Investment Manager (IM). The Fund focuses on financing energy efficiency and renewable energy projects for SMEs and private households in developing countries, primarily in cooperation with local financial partner institutions or through direct investments in utility-scale projects. As outlined in the Project Monitoring and Governance Assessment Framework (the Framework), investments should contribute significantly towards energy savings and the reduction of greenhouse gas emissions, meeting a threshold of at least a 20% reduction in energy savings and emission savings.

Via GCPF's Technical Assistance Facility, South Pole was mandated by the IM as an External Reviewer to conduct a review of loans disbursed between 2016-2019, as part of the impact verification process outlined in the Framework. The objectives of the review were the following:

1. Review and verify that the reported carbon dioxide (CO²) emissions of GCPF's existing portfolio are correct.
2. Assess whether the methodology established by the GCPF's Framework are consistently followed and applied throughout the calculations
3. Assess whether efforts by the IM (including Technical Assistance support) are contributing to increase accuracy and facilitate reporting.

To analyze the accuracy of the carbon emissions reported by GCPF, the more than 40,000 sub-loans disbursed between 2016 and 2019 were assessed using a risk-based approach to identify reporting values with highest likelihood of being inaccurate for further in-depth assessment. The

review concluded that the emission reductions reported for the sub-loans reviewed are correctly calculated and are within an acceptable degree of error. Although minor corrective actions have been identified and highlighted, these findings lie within the recommended materiality threshold of 2.0% and do not represent a material impact to GCPF's reported emission savings.

To assess consistent application of GCPF's Framework, the methodology applied for the analysis of sub-loans was reviewed against the Framework itself. The IM's data collection and management tool (CO2rA) enables this assessment to be readily performed. The calculation of CO₂ savings has been found to be in accordance with the GCPF carbon reporting principles, following the GHG Protocol for Project Accounting. All sub-loans reviewed finance projects or technologies that meet the Fund's eligibility criteria.

Lastly, interviews with selected GCPF partner institutions were held to assess the IM's efforts in supporting the reporting of sub-loans. Evidence of tailored support was observed, and it is clear from the assessment that such efforts are effective in reducing reporting risk. Such support included technical assistance, financed studies and training, but also continued backstopping support by the IM's in-house Energy Specialists. Moreover, the "four-eye" system introduced by the IM whereby reporting and verifications roles are split between the Energy Specialists and Carbon Impact Specialists enables reporting risk to be narrowed down even further, thus reducing the margin of error.

The review concluded that the support provided by the IM has facilitated reporting and substantially reduces the risk of reporting error, thereby enabling partner institutions to increase reporting accuracy.

The review also provided some recommendations, outlining opportunities to improve beyond the high standards that have already been achieved by GCPF and the IM, such as enhancing the guidelines for baseline definition and monitoring, as well as developing best-practice case studies or examples. It is worth noting that some of these recommendations have already been accounted for by the IM as reflected in the updated 2020 Project Assessment and Monitoring Governance Framework.

Sincerely,



Renat Heuberger, CEO
November 9, 2020



Martin Christen, Director
November 9, 2020

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