

## **CLEAN ENERGY LOCAL CURRENCY FUND – GREEN FUND**

### **RUBICOLA PRE-ISSUANCE ASSURANCE STATEMENT**

#### **Scope and objectives**

FundCo Capital Managers Limited (“Fund Manager”) is considering the issuance of a Clean Energy Local Currency Fund (“CELCF” or “The Fund”) and has submitted the Verification against the Climate Bonds Standard (CBS). The Fund has initiated a Program, to issue multiple Certified deals over ten years, which identified a potential large portfolio of eligible projects. The initial issuance amount proposed in the prospectus is N5,000,000,000, a first in a series under a Programmatic Certification.

The Fund Manager intends to use the proceeds of the Fund to finance nominated projects and assets within the Renewable Energy – Solar category.

Rubicola Consulting Nigeria Ltd (“Rubicola”) was contracted by the Fund Manager to provide pre-issuance verification of the Fund as an independent and approved verifier under the Climate Bonds Initiative’s Climate Bonds Standard. Our objective is to provide an assessment that the Fund has met the criteria of the Climate Bonds Standard and the associated Technical Criteria as set out below. No assurance is provided regarding the financial performance of the Fund, the long-term environmental benefits or the value of any investments in the Fund.

The scope of this Rubicola opinion is limited to the Climate Bond Standard (CBS) Version 3.0 (“the Standard”) and the Sector Criteria for Solar (version 2.1).

#### **Responsibilities of the Management of CELCF and Rubicola**

The Fund Manager of CELCF has provided the information and data used by Rubicola during the pre-issuance verification, and will remain solely responsible for it and for the creation and maintenance of all accounting and other records supporting the content of the data provided to us. The Fund Manager is also responsible for ensuring their compliance with the requirement of the Standard.

This report is solely for your use in connection with the purpose specified above and as set out in our engagement letter. No part of this report is to be copied or distributed to any other party except as permitted under the terms of our agreement. We do not accept any liability or responsibility to any third party save where terms are expressly agreed in writing.

Our statement represents an independent opinion and is intended to inform CELCF management and other interested stakeholders in the Fund as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by CELCF. Rubicola is not responsible for any aspect of the nominated assets

referred to in this opinion and cannot be held liable if the estimates, findings, opinions, or conclusions are incorrect. Thus, Rubicola shall not be held liable if any of the information or data provided by CELCF management and used as a basis for the assessment were not correct or complete.

## **Basis of Opinion**

Rubicola has conducted the verification against the CBS v3.0 and Sector Technical Criteria for Solar (version 2.1) through the creation and execution of a verification protocol addressing each requirement of the CBS v3.0 and the Sector Technical Criteria for Solar. The detail of the areas covered in the Rubicola verification is summarised in Schedule 2 below.

## **Work Undertaken**

Our work constituted a high-level review of the available information, based on the understanding that the information was provided by CELCF in good faith. Our procedures were performed solely to assist you to satisfy your obligation to obtain a report from a CBI Licensed Verifier on your statement of conformance with the pre-issuance requirement of the Standard. Our procedures, did not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be to report conformance with the pre-issuance requirement of the Standard.

We have not performed an audit or other tests to check the veracity of the information provided to us. The work performed to form our opinion included:

- Creation and execution a Climate Bonds Standard Protocol, adapted to include the relevant Sector Technical Criteria for the Fund nominated projects and assets, as described above and in Schedule 2
- Assessment of the documentary evidence provided by the Fund Manager on the Fund and supplemented by a high-level desktop research and interview with key personnel from the Fund Manager
- Discussion with the Fund Manager and review of relevant documentation
- Documentation of findings against each element of the criteria
- Review and quality assurance of work done

Had we performed additional procedures or had we performed an audit or review of the Fund Manager's pre-issuance reporting in accordance with generally accepted auditing standards, other matters might have come to our attention that we would have reported to you. This report relates only to the testing of the Fund Manager's compliance with the pre-issuance requirements of the Standard.

## Findings and Rubicola's opinion

Rubicola has performed the Pre-Issuance Verification of CELCF's Green Fund. It is Rubicola's responsibility to provide an independent verification statement on the compliance of CELCF's Green Fund with the Climate Bonds Standard.

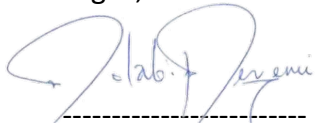
Rubicola conducted the verification in accordance with the Climate Bonds Standard Version 3 and with International Standard on Assurance Engagements 3000 *Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included: a) checking whether the provisions of the Climate Bond Standard were consistently and b) appropriately applied and the collection of evidence supporting the verification.

Rubicola's verification approach draws on an understanding of the risks associated with conforming to the Climate Bond Standard and controls in place to mitigate these. Rubicola planned and performed the verification by obtaining evidence and other information that Rubicola considers necessary to provide limited assurance that CELCF meets the requirements of the Climate Bond Standard.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the CELCF is not, in all material respects, in accordance with the Pre-Issuance requirements of the Climate Bonds Standard Version 3 and Associated Solar Technical Criteria.

## For Rubicola Consulting Nigeria Ltd

Lagos, 4 October 2022



Joseph Owolabi

Director, Green Bond Assurance

Rubicola Consulting

## About Rubicola



Rubicola is the first approved Verifier in Africa. Our purpose is creating a sustainable world. We assist organisations in developing roadmaps to create sustainable business by identifying climate risks and opportunities. Rubicola is a pioneer in green finance advisory and assurance in Africa, other emerging markets and around the world. Through our offices in Africa, North America and Australia we support companies and governments in securing green finance for renewable energy generation, efficient mass transportation programs, afforestation, wildlife preservation schemes etc.

## SCHEDULE 1: PORTFOLIO OF NOMINATED ASSETS

Schedule as at 30 September 2022. Data confirmed by the Fund Manager to relate only to the CELCF Climate Fund.

Asset Type	Location	Primary Issuer's Name	Project Name	Project Value (NGN 'bn)
Solar	Nigeria	FundCo Capital Managers Limited	GVE Projects Limited	1.8
Solar	Nigeria	FundCo Capital Managers Limited	SOLAD Integrated Power Solutions Limited	1.5
Solar	Nigeria	FundCo Capital Managers Limited	Prado Power Limited	1.0
Solar	Nigeria	FundCo Capital Managers Limited	ACOB Lighting Technology Limited	0.7
<b>TOTAL</b>				<b>N 5.0 bn</b>

## SCHEDULE 2: VERIFICATION CRITERIA

### Summary criteria of assertions of compliance with the Climate Bond Standard v3.0

The criteria against which the Fund Manager and its nominated projects and assets have been reviewed prior to inclusion in the Fund are grouped under the requirement as detailed within the Climate Bond Standard Version 3.0 including

## Part I: General requirements

Area	Requirement
Project Nomination	The Climate Fund issued specify the projects or physical assets with which it is associated
Use of Proceeds	Proceeds must be allocated to Nominated Project(s)
Non-Contamination	Issuers are permitted a grace period to allocate or re-allocate funds to Nominated Project(s)
Confidentiality	Information disclosed to the Verifier and the Climate Bonds Standard Board may be subject to confidentiality agreements
Reporting	Reporting on use of proceeds and nominated projects and assets

## Part II: Low Carbon Contribution – Eligible projects and physical assets

Nominated projects and assets include financing of or investments in equipment and systems which enable the mitigation of greenhouse gasses

Area	Requirement
Solar Energy Generation	Solar electricity generation facilities

## Part C: Fund Structures

Area	Requirement
Project Holding	The Issuer of a Climate Fund with Nominated Projects linked to a portfolio of assets must continue to hold eligible assets at least equal to the Fair Market Value at the time of issuance of the original principal
Settlement Period	Climate Fund issuing entities must demonstrate that the proceeds of a Climate Fund have been allocated to the Nominated Project(s) within 24 months after the Fund is issued
Ear marking	The Issuer of the Fund shall maintain the earmarking process to manage and account for funding to the Nominated Projects & Assets.