*Calling for the GCF board*

*to develop and adopt a fossil fuel-free, ethical investment policy for its own assets*

March 16, 2017

Dear Members and Alternate Members of the Board:

We write to urge you to develop and adopt an investment policy for the treasury of the United Nations Green Climate Fund that maintains its current fossil fuel-free status and is consistent with international best practice for environmental, social, and governance (ESG) standards. To that end, in approving a competitive process for the selection of the Permanent Trustee at its 16th meeting next month, the Board should require that the Permanent Trustee be able to implement the GCF’s investment policy.

Ensuring that GCF assets do not cause climate change, do no harm, and contribute to the global public good is essential to the mandate of the GCF itself. The Review of the Interim Trustee presented at B.15 noted that the Fund should explore means to maintain a de-carbonized investment portfolio with income generated through green investments. Such an investment policy is equally necessary to ensure compliance with the Paris Agreement, specifically Article 2, which, among others, calls for “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.” Further, in an age of climate crisis, exposure to investments in high-carbon, environmentally unsustainable sectors and practices poses systemic financial risk to the GCF, not to mention reputational and physical risk.

Increasingly, institutional investors are shifting their investments in recognition of these risks. As of December 2016, 688 institutions and nearly 60,000 individuals have committed to fossil fuel divestment, reaching an asset value conservatively estimated at USD $5 trillion. The largest sectors committing to divestment are pension funds and insurance companies.[1] This includes divestment from all fossil fuels by the city of Oslo and the divestment of $4 billion in commercial bank assets by Amalgamated Bank in the United States.

In addition, many investors are also investing in climate solutions, such as renewable energy and clean tech. For instance, the 155 foundations of DivestInvest Philanthropy have committed to divest from fossil fuels and invest in the clean energy economy. The GCF should be at the forefront of this increasingly mainstream paradigm shift in investment, rather than lagging behind it.

The GCF currently has the advantage of not having invested its assets in fossil fuels, so disentanglement from fossil fuel investment is not necessary. However, the Board must not only ensure that this fossil fuel-free status is maintained, it must go a step further. We therefore request that the Board’s decision at B. 16 on a competitive process for the selection of the Permanent Trustee:

-Requires institutions that seek to become the Permanent Trustee to manage the investment of GCF financial assets according to the mandate of the GCF and Paris Agreement. To be considered, candidates must commit to implementing an ethical, fossil-free investment policy, and preferably be able to demonstrate socially and environmentally responsible asset management.

-Requests the Secretariat to develop an investment policy, in consultation with civil society and other stakeholders, that prohibits investments in fossil fuels and is consistent with the UN Principles for Responsible Investment.

We look forward to working with you on this important matter and welcome the opportunity to showcase the GCF as a world leader in environmentally and socially responsible asset management.

Sincerely,

[350.org](http://350.org/) Australia

350 Ghana Reducing our Carbon (G-ROC), Ghana

[350.org](http://350.org/), USA

3BL Associates, Bahrain

Abibimman Foundation-Tema, Ghana

ActionAid International

Adivasi Mulvasi Astitva Raksha manch, India

Aksi! for gender, social and ecological justice, Indonesia

All Nepal Peasant's Federation (ANPFa), Nepal

All Nepal Womens Association, Nepal

Alliance Sud, Switzerland

American University Washington College of Law, USA

ARENA, Regional

Asia Pacific Forum on Women, Law and Development (APWLD), Asia-Pacific

Asian Peoples Movement on Debt and Development, Regional

Asociación Ambiente y Sociedad, Colombia

Ballina Coastcare Inc., Australia

Bangladesh Jatiyo Sramik Jote (Trade Union), Bangladesh

Bangladesh Krishok Federation (Farmers), Bangladesh

Bank Information Center, USA

BankTrack, Netherlands

Bankwatch Romania Association, Romania

Both ENDS, The Netherlands

Bulig Visayas, Philippines

Bürgerinitiative Umweltschutz Lüchow- Dannenberg, Germany

Campaign for a Life of Dignity (KAMP), Philippines

Campaign for Climate Justice Nepal

CARE International

Caritas Norway

CEE Bankwatch, Czech Republic

Center for Biological Diversity, USA

Center for Environment, Bosnia and Herzegovina

Center for Environmental Justice (CEJ), Sri Lanka

Center for Indigenous Peoples' Culture of Peru (CHIRAPAQ), Peru

Center for International Environmental Law, USA

Centre for Natural Resource Governance, Zimbabwe

Centre for Transport and Energy, Czech Republic

Centre of Research and Development in Upland Area, Vietnam

Centro para la Autonomía y Desarrollo de los Pueblos Indígenas CADPI, Nicaragua

CESTA, El Salvador

Change Partnership, Belgium

Changemaker, Norway

CHIRAPAQ Centro de Culturas Indígenas del Perú

Church of Norway Council on Ecumenical and International Relations, Norway

Church World Service, USA

Climate Action Network (CAN) Europe

Climate Action Network Canada

Climate Action Now, Canada

CliMates, France

CNCD-11.11.11, Belgium

Coal Action Network, UK

Community Development Library (CDL-Bangladesh)

Corporate Europe Observatory, EU

Crude Accountability, USA

Debt Watch, Indonesia

Derecho, Ambiente y Recursos Naturales, Peru

DIGNIDAD Alliance, Philippines

Earth Action, Inc., USA

Earth in Brackets, USA

Ecological Society of the Philippines

EEECHO, USA

EquityBD, Bangladesh

Ethiopian Charities and Societies Forum, Ethiopia

Finance & Trade Watch, Austria

Focus Association for Sustainable Development, Slovenia

Focus on the Global South, Regional

Forest Peoples Programme, UK

Forests of the World, Denmark

ForUM for Development and Environment, Norway

Freedom from Debt Coalition (FDC), Philippines

Friends of the Earth Canada

Friends of the Earth Japan

Friends of the Earth Malaysia

Friends of the Earth US

Friends of the Earth-CEPA, Slovakia

Friends of the Earth-Ghana

Fundar, Centro de Análisis e Investigación, Mexico

GEFONT - trade union federation, Nepal

GegenStroemung – CounterCurrent, Germany

GenderCC - Women for Climate Justice, Germany

Gitib, Philippines

GLOBAL 2000, Austria

Global Justice Now, UK

Green 13, Canada

Greenpeace, Global

Heinrich Böll Stiftung North America

HELVETAS Swiss Intercooperation, Switzerland

Himalaya Niti Abhiyan, India

Human Rights Alliance Nepal

Indian Social Action Forum, India

Institute for Agriculture and Trade Policy, USA

Institute for Essential Services and Resources, Indonesia

Institute for Policy Studies, USA

Interamerican Association for Environmental Defense (AIDA), Regional

International Climate Development Institute (ICDI), Taiwan

International Rivers, Global

International Work Group for Indigenous Affairs (IWGIA), Denmark

[International-Lawyers.Org](http://international-lawyers.org/), Switzerland

Iowa Interfaith Power & Light, USA

Jagaran Nepal

Janathakshan, Sri Lanka

Japan Center for a Sustainable Environment and Society (JACSES), Japan

Jatam Indonesia

KAU - Anti Debt Coalition, Indonesia

Kerala Independent Fishworkers Federation, India

KRUHA - Peoples Right to Water Coalition, Indonesia

KyotoUSA

Labour, Health and Human Rights Development Centre, Nigeria

LDC Watch, Global

Les Amis de la Terre France

Les Amis de la Terre Togo

Maleya Foundation, Bangladesh

Market Forces, Australia

Maryknoll Office for Global Concerns, USA

Micronesia Conservation Trust, Federated States of Micronesia

Migrant Forum in Asia (MFA), Regional

Milieudefensie, Netherlands

mines, minerals & PEOPLE (mm&P), India

Mom Loves Taiwan Association, Taiwan

Monitoring Sustainability of Globalisation (MSN), Malaysia

Mormon Environmental Stewardship Alliance ("MESA"),               USA

Nadi Gati Morcha, India

National Federation of Hawkers Bangladesh

National Federation of Women Hawkers, India

National Hawkers Federation, India

Norwegian Church Aid, Norway

Nuclear Information and Resource Service, USA

Oil Change International, USA

Our Rivers Our Life, Philippines

Overseas Development Institute, UK

Oxfam, Global

Pacific Environment, USA

Pakistan Fisherfolk Forum, Pakistan

Pakistan Kissan Rabita Committee (Farmers), Pakistan

Pan African Climate Justice (PACJA), Africa

ParyavaranMitra, India

PHE Ethiopia Consortium, Ethiopia

Philippine Movement for Climate Justice (PMCJ), Philippines

Physicians for Social Responsibility- Philadelphia, USA

Polski Klub Ekologiczny-FoE Poland

Population and Sustainable Development Alliance, Denmark

Pro Natura - Friends of the Earth Switzerland

Rainforest Foundation Norway

Reacción Climática, Bolivia

River Basin Friends, India

Rural Reconstruction Nepal

Russian Social-Ecological Union / Friends of the Earth Russia

Sagip Sierra Madre Environmental Society, Inc. (SSMESI), Philippines

Sanlakas Philippines

Save Lamu, Kenya

Save the Children Australia

Sawit Watch, Indonesia

SEAFISH for Justice, Regional

Sierra Club, USA

Society for Development Alternatives, India

Solidaritas Perempuan (Women), Indonesia

South Asian Alliance for Poverty Eradication (SAAPE), Regional

Spire, Norway

Students for a Just and Stable Future, USA

SUPRO, Bangladesh

Sustainable Population Australia

Task Force Detainees of the Philippines (TFDP)

Tebtebba (Indigenous Peoples' International Centre for Policy Research and Education), Philippines

The Climate Justice Project, USA

The Development Fund, Norway

The Environment Council of Central Queensland, Australia

The Norwegian Grandparents Climate Campaign, Norway

Third World Network, Malaysia

Trade Union Policy Institute (TUPI), Nepal

Umeedenoo, Pakistan

Unitarian Universalist Service Committee, USA

University of Waterloo, Canada

Unnayan Onneshan, Bangladesh

Urgewald, Germany

Utah Moms for Clean Air, USA

VOICE, Bangladesh

WALHI Wahana Lingkungan Hidup Indonesia       I

Wetlands International,                Global

WILPF  -Norway

WISE, World Information Service on Energy, Netherlands

WomanHealth Philippines

Women's Environment and Development Organization (WEDO), USA

Worldview-The Gambia

WWF International

WWF Switzerland

Zambia Climate Change Network, Zambia

Zero Carbon Ontario, Canada