

December 1, 2011

Dear Members of the Transitional Committee:

We are civil society organizations and social movements deeply concerned about the current direction of the Green Climate Fund (GCF). We worry that it may be turned into a ‘Greedy Corporate Fund’ serving the interests of the corporate and financial sectors, instead of financing activities to save the planet and protect the poor in developing countries. We are especially concerned with proposals for establishing a private sector facility in the Green Climate Fund (GCF) that could allow multinational corporations to directly access GCF financing for activities in developing countries, bypassing those countries’ governments.

We believe that the role of the private sector in the GCF must be decided, managed, regulated and incentivized at the national and sub-national levels in line with countries’ preferences and needs, not corporate bottom lines. **We therefore strongly object to any resources going from the Green Climate Fund directly to the private sector, particularly through the establishment of a private sector facility.**

An effective global climate fund must support people in developing countries, in both the public and private sectors, to fight against climate change. Therefore, we expect the GCF to contribute to sustainable, vibrant local economies in developing countries. The GCF’s purpose is **not** to subsidize multinational corporations or financial institutions.<sup>1</sup> However, as currently written in the final report of the Transitional Committee for the Design of the Green Climate Fund to the Conference of Parties, the Fund could do just that: “The Fund will have a private sector facility that enables it to directly and indirectly finance private sector mitigation and adaptation activities at the national, regional and international levels.”

Few adaptation measures in developing countries will be attractive to the private sector, as they will not generate revenue. Some key mitigation programs, including efforts to encourage energy access for the poor, may also not be financially lucrative. Yet it is investment in these public goods on which the GCF must focus. A private sector facility could instead lead to the diversion of scarce climate finance resources away from investment in public goods toward private sector subsidies for profit-making endeavors.

**Further, the Green Climate Fund should avoid being linked with carbon markets and other risky financial instruments.** For example, carbon derivatives markets have been plagued with market and environmental integrity scandals, and have not offered strong prices and sustained revenues. Rather, carbon prices have been extremely volatile and, as of late, very low. A private sector facility linked to carbon markets will not provide a reliable stream of finance to developing countries for adaptation and mitigation. Further, according to the UN Climate Convention, finance is to be provided in the form of grants and concessional loans.

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<sup>1</sup>For example, from 2008 to 2010, 63 percent of all International Finance Corporation investment in low income countries went through multinational corporations from OECD countries.

The GCF is critically needed to support developing countries in confronting the climate crisis. However, it must not serve to subsidize transnational corporations or financiers; the GCF must not have a private sector facility.

Thank you for your urgent consideration of these pressing matters.

Sincerely,

International

ActionAid  
Asia Pacific Forum on Women, Law and Development  
BankTrack  
CEE Bankwatch Network  
European Network on Debt and Development (EURODAD)  
Feminist Task Force  
Focus on the Global South  
Friends of the Earth International  
Global Alliance for Incinerator Alternatives (GAIA)  
Jubilee South - Asia/Pacific Movement on Debt and Development  
Medical Mission Sisters, Sector Asia  
Pan African Climate Justice Alliance (PACJA)  
Social Watch  
Third World Network

Argentina

ATTAC Argentina  
El Otro Medio

Australia

AIDWATCH

Austria

Center for Encounters and Active Non-Violence     Austria  
GLOBAL 2000

Barbados

Caribbean Policy Development Centre

Belgium

11.11.11- Coalition of the Flemish North-South Movement

Bolivia

Centro de Mujeres Candelaria  
Fundación Solon  
Plataforma Boliviana Frente al Cambio Climático / Bolivian Climate Change Platform  
Red de Comunicaciones Apachita

Canada

Friends of the Earth Canada  
Social Justice Committee of Montreal

Chile

Colectivo VientoSur

China

Greenpeace  
Natural Resources Defense Council (NRDC)

Denmark

K.U.L.U.-Women and Development

Ecuador

Colectivo de Mujeres Acción Política por la Equidad  
Ecuador Decide

El Salvador

CESTA Friends of the Earth El Salvador  
Red de Acción Ciudadana frente al Libre Comercio e Inversión - SINTI TECHAN

France

AITEC  
ATTAC  
Les Amis de la Terre

Georgia

The Greens Movement of Georgia/Friends of the Earth-Georgia

Germany

Urgewald  
World Future Council

Ghana

Friends of the Earth-Ghana

India

Bharatiya Krishak Samaj  
Toxics Watch Alliance

Indonesia

Bia'lii, Asesoría e Investigación, A.C  
CAPPA  
KRuHA

Risma Umar of Solidaritas Perempuan

Italy

ANOLF PIEMONTE

CRBM

Fair

ISCOS Piemonte

MAIS NGO

Japan

ATTAC Japan

Finance GreenWatch

keisukenagoshi

Kenya

Daughters of Mumbi Global Resource Center

Jamaa Resource Initiative

Liberia

Sustainable Development Institute

Mali

IRPAD/Afrique

Mauritius

FoE Mauritius

Mexico

Alianza Mexicana por la Autodeterminación de los Pueblos (AMAP)

Bia lli, Asesoría e Investigación, A.C.

Centro Mexicano de Derecho Ambiental Mexico

ECOMUNIDADES

Marea Creciente Mexico/Revuelta Verde

Red Mexicana de Accion frente al Libre Comercio RMALC

Netherlands

ASEED

Both ENDS

Commission for Filipino Migrant Workers (CFMW)

Transnational Institute (TNI)

Transnational Migrant Platform (TMP)

X minus Y Solidarity Fund

Norway

Norsk Bonde og Småbrukarlag Norge

The Norwegian Forum for Environment and Development

### Paraguay

Base Investigaciones Sociales  
SOBREVIVENCIA, Friends of the Earth Paraguay

### Philippines

Asian Indigenous Women's Network  
IBON Foundation  
Kalikasan Peoples Network for the Environment  
Legal Rights and Natural Resources Center - Kasama sa Kalikasan / Friends of the Earth  
Philippines Peoples Movement on Climate Change  
Tebtebba (Indigenous Peoples' International Centre for Policy Research and Education)

### South Africa

Earthlife Africa Jhb  
South Durban Community Environmental Alliance  
South East African Climate Consortium Student Forum  
Umphilo waManzi

### South Korea

Korea Federation for Environmental Movements

### Spain

ACUL  
Amigos de la Tierra  
Área de Justicia y Solidaridad de CONFER  
ATTAC Spain  
Comisión 0,7% PIB de Daimiel  
Ecodes  
Ecologistas en Acción  
ENTREPUEBLOS  
Fundacion IPADE  
Hegoa Instituto de Estudios sobre Desarrollo y Cooperación Internacional  
MRC de Ciudad Real  
Observatori del Deute en la Globalització  
Ong AFRICANDO  
Plataforma 0,7 Extremadura  
Repsolmata  
Salicor  
Unión Sindical Obrera  
UNIÓN UNIVERSAL DESARROLLO SOLIDARIO  
Xarxa de l'Observatori del Deute en la Globalització (ODG)

### Sri Lanka

Centre for Environmental Justice

## Switzerland

Berne Declaration

International-Lawyers.org

Alliance Sud - the Swiss Coalition of Development Organisations

## Togo

Les Amis de la Terre – Togo

## Uganda

National Association of Professional Environmentalists/FoE Uganda

## United Kingdom

Corner House

Earthworks

FERN

Friends of the Earth England, Wales and Northern Ireland

Friends of the Earth Scotland

Jubilee Debt Campaign

Jubilee Scotland

Platform

War on Want

World Development Movement

## United States

Africa Faith and Justice Network

Amazon Watch

Americans for Informed Democracy

California Environmental Law Project

Center for Biological Diversity

Center of Concern

Columban Center for Advocacy and Outreach

Corporate Ethics International

Earthjustice

EcoEquity

Environmental Investigation Agency

Environmental Justice Climate Change Initiative

Faith Action Network of Washington

Friends of the Earth US

Gender Action

Human Nature

Jubilee San Diego

Jubilee USA Network

International Forum on Globalization

Institute for Agriculture and Trade Policy

International Rivers

Labor Network for Sustainability  
Maryknoll Office for Global Concerns  
Missionary Oblates  
New Rules for Global Finance  
North Carolina Wasted Awareness and Reduction Network  
Oil Change International  
Pacific Environment  
Public Citizen  
Rainforest Action Network  
School Sisters of Notre Dame, Central Pacific Province - Shalom/JPIC Office  
SERR - Servicios Ecumenicos para la Reconciliacion y la Reconstruccion  
Sunseed Eco-Education Ministries  
Sustainable Energy & Economy Network, Institute for Policy Studies  
SustainUS  
'Ulu Foundation  
Unitarian Universalist Association of Congregations  
U.S. Bangladesh Advisory Council  
Voices for Progress  
Jubilee NW Coalition USA

Uruguay

Instituto del Tercer Mundo