

19 April 2012

Dear Deputy Prime Minister Wayne Swan, Minister of Finance Jim Flaherty, Minister for Development Cooperation Christian Friis Bach, Minister of Finance François Baroin, Federal Minister of Economic Cooperation and Development Dirk Niebel, Minister of Finance Jun Azumi, Minister of Strategy and Finance Jaewan Bahk, Minister of Finance Jan Kees de Jager, Minister of International Development Heikki Holmås, Minister of Economy and Competitiveness Luis De Guindos, Minister of Finance Anders Borg, Federal Councillor and Minister of Economic Affairs Johann N. Schneider-Ammann, Secretary of State for International Development Andrew Mitchell and Secretary of the Treasury Timothy Geithner:

With the Durban agreement concluded, the operationalization of the Green Climate Fund (GCF) is underway. We are eager to see the GCF fully functional as the primary international climate fund operating in a timely, effective, equitable, transparent, and environmentally sound manner. We believe that the GCF has the potential to make a marked shift in assisting developing countries in the fight against climate change, with important provisions on gender equity, national ownership by recipient countries, participation by civil society, and environmental and social safeguards.

However, a significant hurdle remains: finding sufficient resources to capitalize the GCF in as fast a time frame as possible. While it is true that the GCF is not yet ready to receive substantial sums of money, the aim is for it to be fully operational in 2013. Thus, having funds pledged and delivered will be crucial to guaranteeing its early effectiveness.

We are therefore writing to urge you to pivot away from provision of funds for the World Bank's Climate Investment Funds (CIFs) and similar initiatives under the multilateral development banks and to commit to redirecting these monies toward the GCF.

From the start, the CIFs were designed to sunset: the CIFs *"will take necessary steps to conclude its operations once a new financial architecture is effective."*<sup>1</sup> Countries should adhere to the sunset clause and actively support the GCF as the primary international financial institution for climate finance. New contributions to the CIFs could create a disincentive for the early operationalization of the GCF, encourage expansion of the CIFs, and prolong their operation.

In order to apply lessons learned from the CIFs to the GCF, we also urge a fully independent review of the CIFs' overall performance, as well as their programs and projects. To ensure that the assessment is truly independent, this review should be conducted by a board of experts not associated with the World Bank or regional development banks, including their own independent evaluation bodies. The review should focus on key areas that the CIFs were intended to address, including:

- How, in practice, country ownership has been implemented, whether projects were integrated into national strategies, and whether the CIFs have been effective in engaging diverse stakeholders, including civil society and affected communities and populations, including women;

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<sup>1</sup>[http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Strategic\\_Climate\\_Fund\\_final.pdf](http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Strategic_Climate_Fund_final.pdf);  
[http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Clean\\_Technology\\_Fund\\_paper\\_June\\_9\\_final.pdf](http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Clean_Technology_Fund_paper_June_9_final.pdf)

- Whether projects were ‘transformational,’ in particular the extent to which financing and engagement by the CIFs measurably improved the ability of domestic policy and regulatory frameworks to put in place, implement, and scale up long-lasting mitigation and adaptation strategies and activities;
- The extent to which the CIFs have led to concrete sustainable development impacts for impoverished and marginalized communities, and contributed to building local economies, as well as an assessment of any negative environmental or social impacts;
- The extent to which the CIFs have leveraged truly additional investment from the private sector and an assessment of risk borne by the public sector; and
- The extent to which transparency and accountability were guaranteed in implementation of projects and results.

As we approach the first meeting of the GCF board, we urge you to ensure that the GCF is fully functional as soon as possible, and that continued funding of the CIFs do not undermine this effort. We thank you for your attention to these pressing matters.

Yours sincerely,

11.11.11- Coalition of the Flemish North-South Movement (Belgium)  
 Accountability Counsel (United States)  
 ActionAid (International)  
 Alliance Sud (Switzerland)  
 Asia Pacific Forum on Women, Law and Development (Thailand)  
 Beyond Copenhagen Coalition, India  
 Both ENDS (The Netherlands)  
 Bretton Woods Project (United Kingdom)  
 Brot für alle (Switzerland)  
 BUND - Friends of the Earth Germany  
 CAFOD (United Kingdom)  
 CARE International (Denmark)  
 CASES (Australia)  
 CDM Watch (Belgium)  
 Center for Biological Diversity (United States)  
 Center for Participatory Research and Development (Bangladesh)  
 Centre for Environment and Development (Cameroon)  
 Centre for Environmental Justice/Friends of the Earth Sri Lanka  
 Centre National de coopération au développement, CNCD-11.11.11 (Belgium)  
 Christian Aid (United Kingdom)  
 Church of Sweden  
 Climate Action Network Canada - Réseau action climat Canada  
 Climate & Development Network (Africa)  
 Coalición Clima España (Spain) – (Amigos de la Tierra, Ecologistas en Acción, Fundación Ecología y Desarrollo, Greenpeace, SEO/BirdLife, WWF, Green Cross España, Acción Natura, CCOO, CEAR, Coordinadora de ONGD, Globalízate, Intermon Oxfam, IPADE, Inspiraction, Manos Unidas, Movimiento por la Paz, AFILIS (asociación para el fomento de iniciativas locales sostenibles), CiMA (científicos por el medio ambiente), Coordinadora Estatal de Ciencias Ambientales, Red de Universidades por el Clima, Sociólogos sin Fronteras, ADICAE, ASGECO, CECU, FUCI, Hispacoop, OCU, Asociación de Scouts de España, Attac)

DanChurchAid (Denmark)  
Diakonia (Sweden)  
Earth Peoples (United States)  
Ecologistas en Acción (Spain)  
Equity and Justice Working Group Bangladesh  
Fairtrade Foundation (United Kingdom)  
Fastenopfer (Switzerland)  
FoE Japan  
Forests of the World (Denmark)  
Forum Syd (Sweden)  
Friends of the Earth Canada  
Friends of the Earth, England, Wales and Northern Ireland  
Friends of the Earth Sierra Leone  
Friends of the Earth Sydney (Australia)  
Friends of the Earth US  
Gender Action (United States)  
Germanwatch (Germany)  
Global Alliance for Incinerator Alternatives (International)  
Greenovation Hub (China)  
Greenpeace (International)  
Halifax Initiative (Canada)  
Heinrich Böll Foundation North America  
Hivos (The Netherlands)  
IBIS (Denmark)  
IBON International and the Peoples Movement on Climate Change (International)  
Institute for Climate and Sustainable Cities (Philippines)  
Intercultural Resources (India)  
International Forum on Globalization (United States)  
International Rivers (United States)  
International Trade Union Confederation (Belgium)  
International-Lawyers.org (Switzerland)  
Jagrata Juba Shangha (Bangladesh)  
Jamaa Resource Initiatives (Kenya)  
Jeunes Volontaires pour l'Enviornnement (Togo)  
Jeunes Volontaires pour l'Enviornnement-RDC (Democratic Republic of Congo)  
Jubilee USA Network  
Justice and International Mission Unit, Uniting Church in Victoria and Tasmania (Australia)  
JVE Niger  
KFEM/FoE Korea  
KOO (Austria)  
KRuHA (People's Coalition for the Right to Water) (Indonesia)  
Labor Network for Sustainability (United States)  
Les Amis de la Terre – France  
Maryknoll Office for Global Concerns (United States)  
MAUDESCO/Friends of the Earth Mauritius  
mines minerals & PEOPLE (India)  
National Association of Professional Environmentalists (Uganda)  
Naturvernforbundet (Friends of the Earth Norway)

Norwegian Church Aid (Norway)  
Norwegian Coalition for Debt Cancellation (SLUG) (Norway)  
Oxfam (International)  
Oxford Climate Policy (United Kingdom)  
Réseau Action Climat-France  
Sierra Club (United States and Canada)  
Solidarity Workshop (Bangladesh)  
Sustainable Energy & Economy Network, Institute for Policy Studies (United States)  
Sustainlabour (Spain)  
Tearfund (United Kingdom)  
The Social Justice Committee of Montreal (Canada)  
The World Development Movement (United Kingdom)  
Third World Network (Malaysia)  
VOICE (Bangladesh)  
WISE, World Information Service on Energy (Netherlands)