

CSO Comments on the Selection of Permanent Trustee (BM16, April 2017)

We strongly urge that in its decision on a competitive process for the selection of the Permanent Trustee, the Board should require institutions that seek to become the Permanent Trustee to manage the investment of GCF financial assets according to an ethical, fossil-free investment policy.

We also reiterate our call, which is also in support of what some Board members have already called for themselves, that the Board directs the Secretariat to develop an investment policy, in consultation with civil society and other stakeholders, which prohibits investments in fossil fuels and is in line with international best practice for environmental, social, and governance standards.

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.

Further, the GCF currently has the advantage of not having invested its assets in fossil fuels, so disentanglement from fossil fuel investment is not necessary.

This is not rocket science. 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 GCF should be at the forefront of this increasingly mainstream paradigm shift in investment, rather than lagging behind it.