

July 12, 2023

36th Board Meeting of the Green Climate Fund (GCF)

GCF Observer Network of Civil Society, Indigenous Peoples, and Local Communities

INTERVENTION

Intervention on RAPL011: Corporacion Andina de Fomento (CAF)

Access the document: <https://www.greenclimate.fund/document/gcf-b36-03-add03>

CAF sells itself as the green bank for Latin America, while providing huge amounts of funding for the exploitation and infrastructure of gas projects and concerningly, still considers fossil gas a transitional fuel that will aid the way towards the clean energy transition. But gas is a fossil fuel with methane, a gas with enormous warming potential, as its main component. And methane leaks throughout the entire gas production and supply chain have proven to be far more serious than previously understood. In addition, the exploitation of gas is also tremendously harmful to the environment, especially when it is extracted using fracking techniques, which is the case of the gas from Vaca Muerta in Argentina, which if developed could take us way beyond our carbon budget, and is one of the projects the CAF is supporting. Giving more life and sustenance to the gas business as an energy source will create interests that, once established, would be difficult or impossible to cut in the short and medium term, which will serve as an obstacle, not an aid, to the clean energy transition.

We question how CAF is shifting its overall portfolio while considering gas as a transitional fuel in favor of a green transition, and investing in such harmful projects that will exacerbate the climate crisis. We also call for strong conditions proving a commitment to exit from such investment support as a prerequisite for re-accreditation, as this can help the GCF realize the paradigm shift it seeks.

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