

*DRAFT STATEMENT- HIGH LEVEL MINISTERIAL DIALOGUE ON CLIMATE FINANCE*

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Let me start with by saying that Sweden remains fully committed to the collective goal of mobilising 100 billion USD per year by 2020. We have been actively engaged in the development of the Roadmap, which we welcome as a clear sign of commitment from all donor countries.

Before Paris, Sweden pledged to substantially increase - nearly double - its contributions to multilateral climate funds in 2016, compared to 2015. I am proud to be able to say that it is now clear that we will achieve - and even exceed - this goal! Public finance for adaptation is of particular importance, and that is why Sweden made additional contributions to the Least Developed Countries Fund and the Adaptation Fund in 2016 - and will do so also in 2017.

Sweden is still the largest donor per capita to the Green Climate Fund (GCF) and the Global Environmental Facility (GEF), but would be happy to see others aspiring to that position! By being a forerunner in climate finance Sweden hopes to inspire others.

Yet we are fully aware that the challenges posed by climate change are daunting and we need to further increase developing countries' access to climate finance - both public and private. A recent report from the New Climate Economy initiative has shown that significant investment is needed in both traditional and natural infrastructure over the next 15 years: around US\$ 90 trillion, which is more than the entire current stock. The global South will account for roughly two-thirds of global infrastructure investment, and has great opportunities to "leapfrog" the inefficient, sprawling and polluting systems of the past.

We must thus work together, and continue to build upon the positive spirit from Paris. By bridging the divide between developed and developing countries we can develop a global agenda for catalysing the global transition towards low-emission, climate-resilient development.

Let me give you three examples of how we in Sweden work to scale up climate finance:

**1) Getting policies and incentives right.** We politicians must create an enabling environment that leverages the necessary private finance to ensure the fulfilment of the Paris Agreement and the Sustainable Development Goals. Sweden has for a long time worked with e.g. carbon tax and green electricity certificates in order to steer investments in the right direction. My Government has set an ambitious national target - that we shall become one of the first Fossil Free welfare countries in the world. In order to achieve this, we have also worked to get how broad political agreements across the aisle, e.g. to set a target of 100% renewable electricity by 2040. Stability over time gives clear signals and enables the private sector to dare to make their long-term investments. Sweden is doing this at home, and we are also supporting capacity building in developing countries, the phase out of fossil fuel subsidies, etc. to enable this change of direction across the globe.

**2) Innovative finance.** Sweden is already and has the ambition to remain a leader in innovative climate finance. Just a recently, an agreement was signed between the Asian Development Bank (ADB) and Sweden's International Development Cooperation Agency, Sida. Through this agreement Sida offers a guarantee with triple-A rating which allows the ADB to increase its clean energy loans by an estimated 500 million USD over a 10 year period. The private sector in Sweden is also in the forefront regarding to green bonds - another innovative financial instrument that can help to significantly scale up global climate financing.

**3) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.** This [Article 2, paragraph 1(c)] is a key paragraph in the Paris agreement, and Sweden is trying to make use of every opportunity to fulfil it - e.g. within the Multilateral Development Banks. The Green Climate Fund can also play an important role in this endeavour. At the GCF Board, Sweden has been championing rules that push accredited entities into shifting their overall portfolio to climate-friendly investment. We are also pushing to ensure that the financial assets of the GCF are placed in climate-friendly investments,

Collaboratively and by learning from each other, we can scale-up climate finance and widen the field!