

Submission by Sweden on the first draft of the Strategic Plan

Overall comments

We strongly support the overarching vision for the GCF, as currently expressed in the draft strategic plan, to develop into a **center of gravity for international climate financing** and a global role model for transformative climate action, guided by policies that reflect the need to **scale up** by mobilizing financing not least from the private sector, to **increase quality** and to **maximize impact** without changing the business model of the fund and to accomplish greater **efficiency** in the fund's decision making processes. Words in capital letters should be more prominently expressed throughout the document and defined as the guiding principles for the strategic plan.

The strategic plan should make clear that it is not a choice of either or. We need to focus on small island states and least developed countries, providing support to the people most vulnerable to **adapt to the impacts of climate change**. At the same time, we need to focus on **mitigation**, pursuing projects with the greatest potential to curb green house gas emissions, including in middle income countries.

For this we need to be able to **prioritize among incoming funding proposals based on clear principles that need to be part of the strategic plan**, among those the ability to mobilize financing at scale from the private sector as well as the ability to accomplish transformative change by promoting sector reforms.

We also need the strategic plan to provide clear guidance on accreditation, allowing us to **prioritize** more strategically **among incoming accreditation proposals**, based on who is best suited to support the GCF in fulfilling its mandate as well as to contribute to institutional capacity building providing incentives to shift entities overall investment portfolios in line with the goals of article 2.1 of the Paris agreement.

Structure

* The structure of the strategic plan could be vastly improved if it were to build on the proposed structure of the integrated results and management framework presented in Annex III and if it sought to integrate defined principles in Annex III into the Theory of change currently described under section 3.2.

* While we strongly support the proposed four portfolio outcome areas in Annex III (which are echoed by the so called enablers under section 1.3 on page 15), we notice some inconsistency in how they are formulated in different parts of the document.

* Operating targets from the report of the replenishment need to be reflected in the strategic plan.

Detailed comments

* **GCF's role and added value** vis-à-vis other climate financing channels, including bilateral actors, need to be clarified and areas for synergies and enhanced cooperation need to be further developed. Efforts in that regard have been made in the report from the replenishment and should be included in the strategic plan.

* Focus needs to be on developing GCF into a **center of excellence for international climate financing** rather than a knowledge hub for climate related issues in general where the GCF instead should draw on its network of partnership organizations. Greater priority thus needs to be given on the leverage effect of GCF and on mobilizing funding, not least from the private sector and contributing to shifting international financing flows where the role of the GCF is significantly greater than contributing to knowledge transfer

only, as is currently indicated by the fourth of the so called enablers listed under section 1.3. We are thus seeking for a redefinition of enabler 4 with greater emphasis given on the GCF's role in shifting international financing flows, not only through GCF-financing funding proposals but also through GCF's work with institutional capacity support.

* Building on this, the strategic plan should strive to clearer elaborate on the GCF's role in moving from the billions to the trillions, GCFs work with governments, IFIs, pension funds, insurance companies and other actors with interest in long-term climate financing. How can the GCF mobilize financing (grants, loans, guaranties and other capital forms in a more systematic, effective and synergetic manner? **Such a role is currently missing in the multilateral climate financing architecture!** Such a chapter should also seek to define what additional skills, capacities and capabilities that are needed and would be more ambitious than what is currently reflected on e.g. page 10, 11, 13 and 17 on GCF's mission as well as on page 20 and clearer reflect the urgency in scaling up climate financing.

* In regard to the **eight thematic areas** proposed, greater prominence should be given to the **nexus climate change, oceans and biodiversity** (suggested language is included in the attached document). Also, the importance of energy efficiency could be stressed further. Furthermore we propose that it is further elaborated on how these areas link to paradigm shift in a country context, highlighting the need to choose GCF-financed interventions on their ability to achieve sector reform which ought to be defined as an additional guiding principle when prioritizing among incoming funding proposals as it is through sector reform that transformative impact is achieved.

* Since speed is of essence given the enormous task this fund is given, measures to further increase the **efficiency** of the Board and increased delegation of authority to the Secretariat needs to be given higher priority and should be included in the strategic plan.

* We are missing reference to the need of a **conflict analysis** in all GCF-operations. The need for doing-no-harm as an overarching principle for all GCF operations ought to be referred to in the strategic plan, e.g. under 2.2.5 on page 29 which also speaks about gender.

For additional comments please be referred to the attached document.

With kind regards

Lars Roth