



NEW ZEALAND

Submission on issues to be addressed in the 2025 Sharm el-Sheikh Dialogue workshops as mandated in FCCC/PA/CMA/2024/L.5, para. 5. March 2025

Context

1. The Sharm el-Sheikh Dialogue (SeSD) in 2025 should enable a decision at COP 30 on quality, enduring work on Article 2.1(c) of the Paris Agreement.
2. To best achieve this, the SeSD would benefit from focusing on topics not yet addressed and/or those critical for taking decisions on future work at COP 30. The SeSD should also ensure participation from a diverse range of stakeholders that can bring concrete experience and enable constructive, solution-oriented discussions.
3. New Zealand proposes the first workshop in 2025 focus on capacity building and the special circumstances of Small Island Developing States (SIDS) and Least Developed Countries (LDCs). We propose the second workshop focus on transparency and inclusivity.
4. New Zealand congratulates the co-Chairs on their reappointment and welcomes the opportunity to submit views on the issues to be addressed as part of the SeSD in 2025. The outcomes of the SeSD will be critical for deliberations at COP 30 on enduring work on Article 2.1(c).
5. This submission provides New Zealand's views on topics for workshops to be held in 2025, relevant actors to include, and other processes to take into account.

Topics for the SeSD workshops in 2025

6. New Zealand proposes two topics for each of the SeSD workshops in 2025. These topics would address issues that have not been covered in the SeSD so far (e.g. inclusivity) and provide for deeper dives into critical issues that require dedicated focus (e.g. capacity building) or further attention (transparency, and the special circumstances of SIDS and LDCs) to support decisions at COP 30 on enduring, quality work on Article 2.1c of the Paris Agreement.

First Workshop

7. **Capacity building for the implementation of Article 2.1(c):** capacity building at multiple levels of government systems is required to effectively enhance and align climate finance flows, particularly in developing countries. Covering this topic in the first workshop of 2025 would

usefully identify specific capacity building needs of different countries and regions, and approaches to addressing them.

8. **Implementing Article 2.1(c) in the context of SIDS and LDCs:** The small economies and administrations of many SIDS and LDCs create uniquely challenging contexts for increasing finance flows and making them consistent with low emissions and climate resilient development. These include cost of capital, fiscal space, and administrative capacity. Covering this topic in the first workshop of 2025 would focus on this specific challenge and identify approaches to overcoming these barriers. We understand that capacity building is particularly important for SIDS and LDCs – it would be complementary to cover both these topics in the first workshop of 2025.

Second Workshop

9. **Transparency of implementation of Article 2.1(c) of the Paris Agreement:** this topic should address monitoring progress towards making finance flows consistent with low GHG emissions and climate resilient development at both global and micro levels. This would include issues such as tackling greenwashing, data availability, convergence on scenario analysis methodologies, and comparability of policy frameworks e.g. taxonomies for green and transition finance. It should also consider how transparency infrastructure within the UNFCCC can or could support this, in conjunction with external arrangements.
10. **Making climate finance flows gender responsive and socially inclusive, including with regard to Indigenous Peoples, workers, and people with disabilities:** to promote sustainable development, implementation of Article 2.1(c) must be inclusive. This is a cross-cutting issue of significant importance across all climate finance work and should feature prominently in the SeSD. Effectively tracking and reporting on these elements is often challenging, and so this would fit well alongside transparency as a workshop topic.

Relevant stakeholders for inclusion in the workshops

11. It is vital that participation in the SeSD workshops is as open and inclusive as possible. To that end, we support the provision of robust virtual participation options in both workshops, including facilities such as virtual breakout groups with whiteboarding tools.
12. Broad participation in the workshops will be crucial. There should be both actors representing sources of finance that need to be aligned with climate action, and actors designing policy/initiatives to encourage or enforce that alignment. This will enable the workshops to serve their purpose – i.e. practical, solutions-oriented discussions on aligning financial flows, rather than negotiations. There should be a significant focus on sharing best practices and successful approaches and identifying common challenges and opportunities across different national and regional contexts.
13. Representatives should come from both developed and developing countries, including SIDS and LDCs, and with regional balance. The workshops should also take into account gender balance and

facilitate the participation of Indigenous Peoples and other most affected communities – including with interpretation where necessary. This is important not just for the topic we propose on inclusivity, but all workshops.

14. To that end, we would suggest the inclusion of representatives of organisations such as:
- Insurance companies;
 - Multilateral Development Banks;
 - Financial regulators;
 - Networks of financial institutions working to align their portfolios with low greenhouse gas emissions and climate-resilient development;
 - National finance ministries and other government representatives working on green finance policies;
 - Global finance flow data trackers and aggregators;
 - Institutional investors e.g. state pension funds;
 - Providers of capacity building related to aligning financial flows;
 - Indigenous Peoples organisations and communities;
 - Organisations focused on financial inclusion.
15. Experts and non-party stakeholders should also not be limited to giving presentations – they should be involved as active interlocutors with Parties in all aspects of the dialogue.

Other processes to take into account in 2025

16. New Zealand suggests that the co-Chairs take into account related processes occurring within the United Nations system while organising the SeSD in 2025. In particular:
- **The 4th International Conference on Financing for Development (FfD4)** will address many issues relevant to the implementation of Article 2.1(c) and its complementarity with Article 9. The FfD4 conference will take place between the two SeSD workshops, and we suggest that co-chairs pay mind to preparatory work for that conference as well as potential opportunities for FfD4 to feed into the SeSD in the second half of the year.
 - **The Baku to Belém Roadmap to 1.3T (B2BR)** is yet to have its scope defined, but will likely have some overlap with the SeSD. The co-Chairs should consider opportunities for the SeSD outputs to feed into the Roadmap, but also ensure the two are not conflated. Article 2.1(c) covers all finance flows and is broader than the scope of the B2BR. The space for negotiations on Article 2.1(c) at COP30 should not be prejudiced by the B2BR.
17. New Zealand also suggests the co-Chairs take into account the ongoing work of relevant major processes outside the United Nations. These include groups such as the Glasgow Financial Alliance for Net Zero and the International Sustainability Standards Board, whose work is critically relevant to the achievement of Article 2.1(c). They will be embarking on new work plans for 2025 and opportunities to involve them, or highlight their progress in the SeSD, should be encouraged.