

**The United Kingdom of Great Britain and Northern Ireland's submission to the United Nations Framework Convention on Climate Change on the Sharm el-Sheikh Dialogue on the scope of Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement.**

provided in line with the mandate given in December 2024<sup>1</sup>.



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<sup>1</sup> -/CMA.6 - Sharm el-Sheikh dialogue on the scope of Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement

The United Kingdom welcomes the ongoing discussions of the Sharm el-Sheikh Dialogue on Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement (SES Dialogue). This submission outlines UK views on the focus of the SES Dialogue in 2025.

## **1. Context and Purpose**

Article 2, paragraph 1(c) is the orienting goal in the Paris Agreement for scaling up all climate investments. It must work to guide efforts towards achieving alignment of financial flows with climate objectives and support finance mobilisation both domestically and internationally.

In order to scale up finance in line with needs, we need to increase efforts to mobilise and align all finance flows, whilst recognising the challenges in making progress on implementation at international and regional levels. Through the UNFCCC, we must consider how to address these challenges, including how to build markets for sustainable growth in developing countries, especially lower-income and the most climate vulnerable countries.

Following the extension of the mandate of the SES Dialogue at CMA5<sup>2</sup>, CMA7 is mandated to take a decision on Article 2, paragraph 1(c).

The United Kingdom believes the outcome of deliberations should include a decision to take forward follow-up deliberations, including on a non-burdensome means to track progress of implementation of Article 2, paragraph 1(c). To that end, the focus of the SES Dialogue in 2025 should be how we can collectively deliver a step change to enable the UNFCCC to capture real world action and shape direction on greening financial systems.

To support this, and facilitate discussions beyond 2025, the objectives for the SES Dialogue this year should be to build on previous discussions and deliver the following by CMA7:

1. Common understanding of approaches for implementation of Article 2, paragraph 1(c), including the full scope of finance flows and related actions (public, private, domestic and international), the role Parties have in implementation, and where additional actions are required;
2. An understanding of the concerns Parties, in particular developing country Parties, have expressed regarding the potential impacts of implementing Article 2, paragraph 1(c), and consideration of the actions required to respond to these issues.

SES Dialogue deliberations throughout 2025 should build on and seek to address the deliberations at CMA6. These include the recognition of the challenges relating to a lack of common *interpretation* of the scope of Article 2, paragraph 1(c), of the Paris Agreement and the manner and importance of its implementation.

## **2. Topics and Stakeholders**

The SES Dialogue has already taken steps to identify examples of approaches to Article 2, paragraph 1(c) that integrate sustainable development considerations; the role of the international financial system; as well as transparency considerations relating to the full implementation of Article 2, paragraph 1(c). To give Parties a holistic understanding of approaches to implementing Article 2, paragraph 1(c), the SES Dialogue needs to identify

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<sup>2</sup> Paragraph 8, 9/CMA5

further measures, both international and domestic, whilst recognising challenges and concerns, including those raised in previous SES Dialogue workshops. Additionally, to understand where additional actions are required it will be key to identify the role of the UNFCCC in delivering Article 2, paragraph 1(c).

Given this, the UK proposes that the 2025 workshops focus on these issues and are organised in the following format:

**Workshop 1: Identifying measures that work across the system domestically and internationally to facilitate climate investment and the broader implementation of Article 2, paragraph 1(c).**

- Discussion topics:
  - o Transition planning aligned with the objectives of the Paris Agreement, including the outcomes of the first Global Stocktake, in a just and equitable manner;
  - o Enabling policy and regulatory environments and addressing barriers to implementation, such as a lack of investment opportunities;
  - o The role of prudential regulators;
  - o Engaging the private sector;
  - o National pathways and their consideration in the financial sector;
  - o Knowledge sharing, skills pipelines and capacity building.

**Workshop 2: UNFCCC influence in the delivery of Article 2, paragraph 1(c).**

- Discussion topics:
  - o Narrowing down the scope of the implementation of Article 2, paragraph 1(c), building on discussions in 2024 workshops;
  - o Reporting and tracking process, including the implementation of transparent reporting and improving the granularity of data, thereby building on the transparency measures and priorities discussed in 2024 workshops;
  - o Identifying a clear role for the UNFCCC in the successful implementation of Article 2, paragraph 1(c), including commencing discussions on how to progress discussions in the long term beyond 2025.

**Representatives from the following groups should contribute to the discussions and be invited to speak on panels:**

- Those involved in development and implementation of their country's transition plans;
- Those involved in country platforms and bottom-up approaches to the delivery of finance at country and regional levels e.g. representatives from the Global Clean Power Alliance and Just Energy Transition Partnerships;
- National and international financial regulators;
- Think tanks and experts, including representatives from the Independent High-Level Expert Group on Climate Finance;
- Multilateral Development Banks;
- Export credit agencies;
- Development finance institutions;
- Private sector leads (including asset owners, asset managers, insurance);
- Civil society organisations;
- Climate scientists.

### **3. Strengthening the Sharm el-Sheikh Dialogue in 2025**

The SES Dialogue in 2025 should strengthen its efforts from 2024. The UK encourages the co-chairs to consider the following proposals:

**Inclusivity:** The UK welcomes the intention of the co-chairs of the SES Dialogue to enhance the dialogue's inclusivity and representation. Where possible, additional insights from women and girls, children and youth, persons with disabilities, Indigenous Peoples, local communities, migrants, climate-vulnerable communities and people in vulnerable situations alongside other relevant communities and groups that receive climate finance, would add valuable perspectives. We further call on the co-chairs to take best efforts to ensure gender and geographical balance in speakers at the workshops in 2025.

**Organisation for effective participation:** To facilitate full engagement in the SES Dialogue, the UK would welcome the publication of a focussed and detailed agenda and details of the date, time and location of workshops well ahead of the workshops being held. This will enable stakeholders to plan participation in the workshops. Workshops should be organised at times which maximise the involvement of relevant stakeholders. Such measures would further facilitate improved engagement between Parties and stakeholders attending the workshops.

**Submissions:** The UK has welcomed this opportunity to submit its views. Where they judge it to be beneficial, the co-chairs should be empowered to invite submissions ahead of the workshops or on relevant specific topics to enable the workshops to have targeted discussions.

**Outputs:** Whilst the annual report provided helpful insights into SES Dialogue discussions in 2024, the 2025 report should identify areas of convergence to formulate clear recommendations for adoption by the CMA and for consideration in future discussions relating to Article 2, paragraph 1(c).

**Linking with other processes:** Discussions in the SES Dialogue and the relevant outputs could consider and be informed by the following processes:

- The delivery of the "Baku to Belém Roadmap to 1.3T". The UK considers the implementation of the scaling up of financing to developing country Parties for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035 to overlap with the scope of delivery of Article 2, paragraph 1(c).
- Deliberations should make use of the increased evidence base, including the Sixth Biennial Assessment and Overview of Climate Finance Flows and its recommendations; and research from the Independent High-Level Expert Group on Climate Finance endorsed by the previous four COP Presidencies.
- The work of the SCF, including preparations for the Seventh Biennial Assessment and Overview of Climate Finance Flows.
- The Global Stocktake, in particular addressing issues related to Article 2, paragraph 1(c) identified in the first Global Stocktake and how Article 2, paragraph 1(c) contributes to achieving the agreed outcomes of the first Global Stocktake.

In this final year of the SES Dialogue, it is key we make progress on this important issue. The outcome decided at CMA7 will be central to our ability to continue to make progress towards the goals of the Paris Agreement. Detailed deliberations on this matter will ensure the co-chairs are well-placed to make a series of substantive recommendations for Parties to adopt at CMA7 and facilitate a clear way forward on Article 2, paragraph 1(c).