

**Submission by the Republic of Ghana on behalf of the Africa Group of Negotiators
(AGN)**

On

**Views on the Organisation of the Veredas Dialogue on Article 2, Paragraph 1(c) and its
Complementarity with Article 9 of the Paris Agreement**

The Africa Group of Negotiators (AGN) submits the following views on the organisation and substantive focus of the Veredas Dialogue.

I. Framing and Context

CMA 4 (decision 1/CMA.4 paragraph 68) launched the Sharm el-Sheikh dialogue between Parties, relevant organisations and other stakeholders to exchange views and enhance understanding of the scope of Article 2, paragraph 1(c) of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement. CMA 5 and CMA 6 (9/CMA5, paragraphs 8-14 and 14/CMA6) decided to continue and strengthen the Sharm el-Sheikh dialogue, including the operationalisation and implementation of Article 2, paragraph 1(c) in 2024-2025.

Further to this, CMA 7 decided to launch the Veredas Dialogue to provide a platform for continued deliberations on Article 2, paragraph 1 (c) of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement.

The interpretation and operationalisation of Article 2, paragraph 1(c) of the Paris Agreement, will have important implications for the global financial architecture and for developing countries, including those in Africa. It is therefore essential that this provision be considered within the full context of Article 2 and in complementarity with Article 9. The AGN notes with concern that, in the absence of the full operationalisation of Article 9.1, meaningful complementarity with Article 2, paragraph 1(c), cannot be realised in a credible or realistic manner.

Article 2 of the Paris Agreement establishes an integrated framework comprising mitigation ambition, adaptation and resilience, financial alignment, and equity. Article 2, paragraph 1(c) of the Paris Agreement should be understood as an enabling provision that supports the achievement of mitigation and adaptation goals in the context of sustainable development and poverty eradication.

Article 2, paragraph 2 of the Paris Agreement anchors implementation in equity and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), in light of national circumstances. For the AGN, this principle provides essential interpretive guidance. Efforts to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development must, therefore, be undertaken in a manner that reflects Parties differentiated starting points, development priorities, and structural vulnerabilities, as well as within the context of the obligations outlined in Article 9, particularly paragraph 1, of the Paris Agreement.

African countries contribute minimally to global greenhouse gas emissions, yet face disproportionate climate impacts and elevated financing costs, which introduce significant and unpredictable risks to socio-economic development pathways across the continent.

In this context, initiatives aimed at making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development must be carefully designed and implemented. Such initiatives should avoid unintended consequences such as capital withdrawal, risk re-pricing, or restrictive investment standards that could exacerbate existing financial constraints. These initiatives must also consider existing debt vulnerabilities, be designed so as not to exacerbate indebtedness risks, and enhance fiscal space recognising the continued critical role of grant-based and highly concessional finance for developing countries.

The AGN also underscores the continued centrality of Article 9.1. While Article 2, paragraph 1(c) addresses the consistency of finance flows, it does not replace or modify the obligations of developed country Parties to provide financial resources. Complementarity between Articles 2, paragraph 1(c) of the Paris Agreement and Article 9 of the Paris Agreement must remain clear and operational, as well as taking into consideration financial commitments of Annex I Parties under article 4 of the UNFCCC

The Veredas Dialogue must therefore address these foundational concerns directly and substantively.

II. Proposed Focus Areas for Discussion

1. Application of Article 2.1(c) Consistent with Equity and CBDR-RC

The Dialogue should clarify how Article 2.1(c) can be operationalised in a manner consistent with Article 2.2 and Article 4 of the UNFCCC. Making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development should support nationally determined development pathways, recognising diverse economic structures and transition starting points.

In the African context, efforts to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development should advance sustainable development, industrialisation, energy access, and poverty eradication, while enabling progressive enhancement of supported ambition in adaptation, mitigation, and technologies transfer. These efforts must not, in any way, supersede national financial systems, nor impose obligations or additional burdens on domestic financial and banking institutions.

2. Operationalisation that Supports Developments

There is a need for practical solutions to ensure that implementation of Article 2, paragraph 1(c) strengthens development pathways. Operationalisation of Article 2, paragraph 1(c) should demonstrably contribute to reducing structural barriers to finance in developing countries.

The Dialogue should consider practical approaches to:

- Lower the cost of capital;
- Expand access to concessional and long-term finance;
- Support financing for transitional and development-critical sectors;

- Ensure that climate risk methodologies and taxonomies are proportionate and responsive to national circumstances.

Particular attention should be given to ensuring that efforts to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development do not inadvertently increase sovereign borrowing costs or restrict financing options in ways that constrain just and orderly transitions. Operationalisation must be grounded in national circumstances and country-led strategies.

3. Complementarity with Article 9 and Means of Implementation

The AGN emphasises that Article 9 remains fundamental to the implementation of architecture of the Paris Agreement. Efforts to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development and financial provision serve distinct but complementary roles. These efforts to make financial flows consistent cannot substitute for, dilute, or reinterpret obligations related to the provision of public and concessional finance, including those under article 4 of the Convention, maintaining strict differentiation while pursuing complementarity. For African countries, predictable and accessible support remains indispensable for implementing mitigation and adaptation actions, strengthening resilience, addressing loss and damage, and pursuing sustainable development pathways.

The Dialogue should reaffirm that efforts to make financial flows consistent must reinforce — and not substitute for — commitments related to the provision and mobilisation of finance, as well as technology development and capacity-building.

Maintaining clarity on the distinct and complementary roles of Articles 2.1(c) and 9 is essential to sustaining trust and strengthening multilateral cooperation.

4. Addressing Structural Financial Asymmetries

The Dialogue should consider how Article 2, paragraph 1(c) can contribute to reducing transition risks, reduce cost of transition finance and catalyze new financial flows for a just transition. . Article 2.1(c) presents an opportunity to contribute to equitable and fair capital allocation patterns that inherently include low-cost financing, arrangements that reduce indebtedness and avert unintended consequences. Systemic reforms should aim to correct climate finance obligations of developed countries, market failures, undue credit ratings, expand concessional instruments, and enhance the catalytic role of multilateral development banks

The Dialogue could explore how alignment efforts may:

- Increase operationalization of concrete climate actions to fully implement NDCs,
- Strengthen the catalytic role of vertical climate funds and multilateral development banks;
- Expand grant-based and where possible highly concessional instruments;
- Improve risk off taking and enhancing risk appetites to increase finance flows
- Reform credit rating arrangements
- Support domestic and regional financial market development in Africa.

- Address required reforms in the global financial system to unlock new finance streams to cover the full and incremental costs of the transition
- Consider how to maneuver transitional risks and shocks in an equitable manner by advancing financial safety nets and avoiding unintended consequences such as debt distress in the process of transitioning

Such measures would enhance the credibility of efforts to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development and ensure that they contribute to inclusive and equitable global transformation, while ensuring realistic supported climate action at a national and sub-national level.

III. Structure and Approach to the Veredas Dialogue

The AGN emphasises that the Veredas Dialogue must remain firmly Party-driven, transparent, and accountable to the UNFCCC process.

In accordance with paragraph 14 of Decision 11/CMA.7, the COP30 Presidency will appoint two Co-Chairs for the Veredas Dialogue, one from a developed country Party and one from a developing country Party. The Co-Chairs should set the agenda for the Veredas Dialogue and the Xingu Finance Talks, using the agreed safeguards as a basis for the discussions and drawing on submissions from Parties and observers. In doing so, they should ensure that the topics selected do not duplicate discussions previously undertaken under the Sharm el-Sheikh Dialogue.

Noting that the Co-Chairs will be appointed for a one-year term, the Africa Group recommends that they propose a three-year work programme to provide greater structure and predictability to the discussions, particularly in light of the broad range of issues to be considered under the Veredas Dialogue, compile an annual report on the deliberations under the Veredas Dialogue for consideration by the COP.

Furthermore, discussions under the Veredas Dialogue should not pre-empt issues that are under consideration in other areas of work, particularly those under the work programme on climate finance, including the work programme on climate finance, including Article 9.1 of the Paris Agreement in the context of Article 9 of the Paris Agreement as a whole.

In line with Decision 11/CMA.7, the annual meeting held in conjunction with the subsidiary bodies must serve as the central forum for Party deliberation. This space must prioritise structured exchanges among Parties on legal interpretation, equity considerations, and means of implementation.

Engagement with non-Party stakeholders through the Xingu Finance Talks should be complementary and solutions oriented. However, such engagement must not dilute Party leadership or shift the focus toward investor-centric priorities at the expense of development considerations.