



**SUBMISSION BY CANADA:
Sharm el-Sheikh dialogue on Article 2, paragraph 1(c), of the Paris Agreement and its
complementarity with Article 9 of the Paris Agreement**

Canada welcomes the opportunity to provide its perspective on the organization, scope and focus of the second Sharm el-Sheikh dialogue on Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement on October 3-4, 2023, in Geneva Switzerland.

Canada's submission in June 2023¹ and its previous submission, in May 2022², both to the Standing Committee on Finance, provided views on options for approaches and guidelines for implementing Article 2.1c. Both submissions stressed that while many countries and organizations are making independent progress on Article 2.1c, there is an absence of guidance under the CMA process. Additionally, Canada continues to express its view that the scope of Article 2.1c is broader than Article 9 and has the ability to have a much greater impact on climate action, thus separate but complementary to climate finance commitments. In this way, conversations on Article 2.1c can be held alongside those related to climate finance, without undermining their respective processes.

As such, Canada views the Sharm el-Sheikh dialogues as an important opportunity for Parties and non-Parties to come together and exchange perspectives on the various approaches, challenges and opportunities in implementing Article 2.1c. Additionally, Canada welcomes the organization of the second Sharm el-Sheikh dialogue alongside the Building Bridges Conference on sustainable finance, which will further dialogue across public and private sector actors on Article 2.1c.

This submission will set out expectations for the role of the Chair and dialogue participants, as well as provide views on the recommended focus and structure of the dialogue and expected outcomes that will inform the report prepared by the Secretariat for consideration by the CMA at its fifth session.

Role of Chair and participants

Canada welcomes the UNFCCC Code of Conduct³ and encourages participants inform themselves and adhere to its principles. Canada requests that the Chair ensure the Code of Conduct is followed closely to ensure that participation is inclusive and respectful, where each participant is treated with fairness and dignity and efforts are taken to ensure equal participation of men and women, including allowing an equal amount of time for participants to speak. Simple rules of intervention should be followed such as ensuring each participant has an opportunity to speak once before others intervene in break-out group and panel discussions.

The decision to hold the dialogues in a hybrid format is a positive step toward ensuring broad participation from a diverse range of actors. Efforts should also be made to ensure that rights-holders and

¹ [202307101039---Canada_SCF_2.1c_2023_EN.pdf \(unfccc.int\)](#)

² [202205131611---Canada_submission_on_Article_2.1c_EN_May_2022.pdf \(unfccc.int\)](#)

³ [UNFCCC Code of Conduct](#)

actors from often underrepresented groups, such as Indigenous People, are included in discussions. While noting important logistical constraints exist, particularly for in-person participation, Canada requests that the Chair and in-person participants maintain timely efforts to follow the programme to give online participants ample time to participate in sessions on time.

Dialogue Focus and Structure

Canada recommends the provisional programme of the second Sharm el-Sheikh dialogue include a keynote presentation on the potential outcomes of Article 2.1c, using factual scenario analysis to summarize its transformative impact on adaptation, and GHG emissions reductions. By underscoring the urgency of this work, Canada hopes the Sharm el-Sheikh dialogue focuses on the various actions that can be taken by both public and private sector actors to implement Article 2.1c, including how governments can guide private actors to transform their operations and investments in line with science-based pathways, and the enabling conditions that the public sector can implement to support this transformation. Moreover, it will be important to hear from the private sector on how guidance and actions on Article 2.1c could impact and influence their decision-making when addressing climate risk within their portfolios. As such, Canada recommends that the second dialogue include participants and speakers from private sector organizations including financial institution members of the Glasgow Financial Alliance for Net Zero (GFANZ) to share their expert experience, on their work to support Article 2.1c. Expert discussions could include financial institution efforts to engaging clients on the managed phase-out of high-emitting assets, the development of credible transition plans towards net-zero and in mobilizing capital towards emerging markets and developing economies.

As appropriate, discussions under the Sharm el-Sheikh dialogue should complement existing work taken by the SCF on Article 2.1c, including its reports mapping available information relevant to Article 2.1c and its synthesis of views regarding ways to achieve Article 2.1c, in order to enhance understanding around implementation of Article 2.1c.

Proposed outcome of dialogue

Canada views this dialogue as a critical opportunity to lay the foundation for an agenda item on Article 2.1c at CMA5. Canada reiterates its position on the need to create a permanent space for discussion at CMA5. The Sharm el-Sheikh dialogues have demonstrated the importance of having a space to discuss Article 2.1c of the Paris Agreement. Ultimately, work towards achieving Article 2.1c will need to be carried out by Parties and non-Parties, taking into account their different circumstances and capabilities. However, guidance will need to be available to all, including bottom-up commitments and reporting metrics through which to measure progress on implementation. The report prepared by the Secretariat will should emphasize the value of having a permanent space to discuss progress and implementation.

Conclusion

Canada reiterates its appreciation to the Chair and UNFCCC Secretariat for organizing the Sharm el-Sheikh dialogues. Canada looks forward to the summary report produced by the Secretariat on the outcomes of these dialogues and to continuing discussions at COP28. Canada is eager to continually participate in discussions on this important topic and offer support where needed.