

Key takeaways from three years of discussions under the Sharm el-Sheikh Dialogue

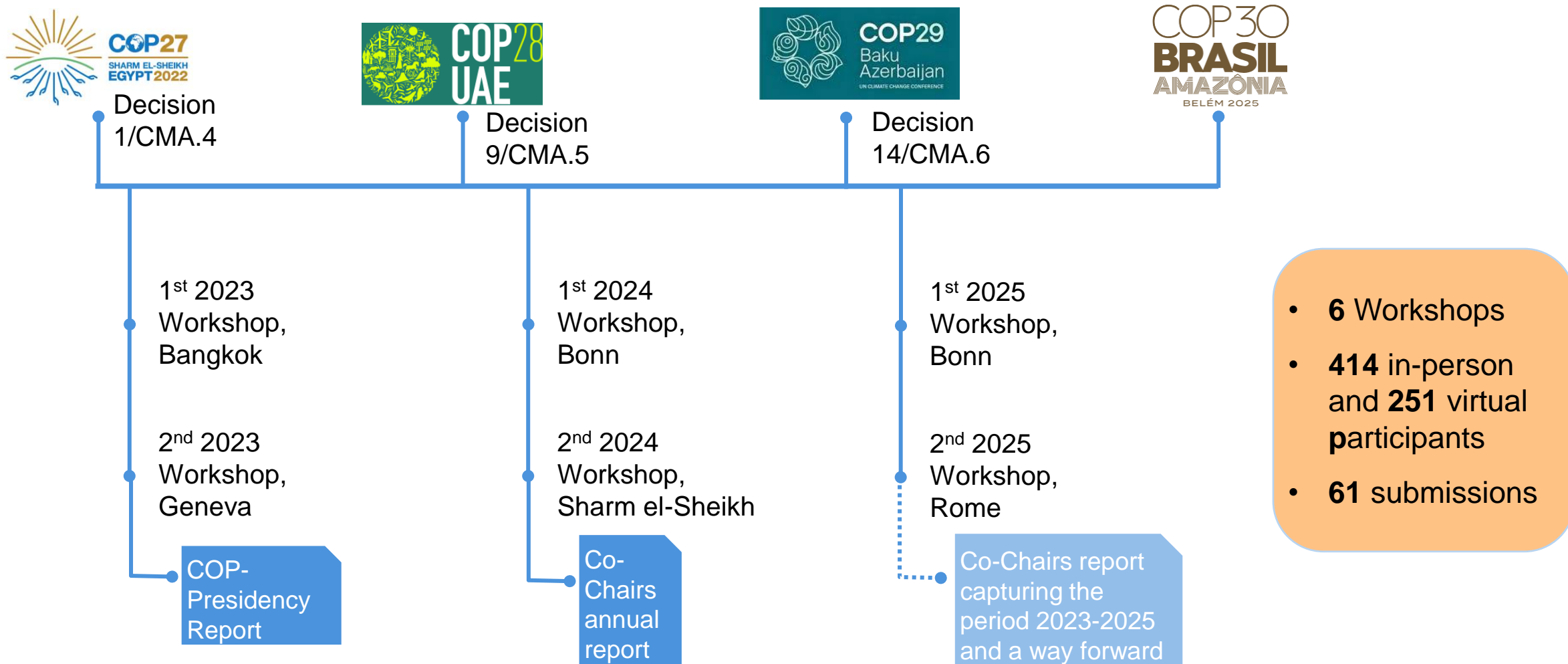
2nd Workshop in 2025

Gabriela Blatter and Ambassador Mohammad Nasr, co-chairs of the Sharm el-Sheikh dialogue on the scope of Article 2, paragraph 1(c) of the Paris Agreement and its complementarity with Article 9

6 September 2025
Rome, Italy



Journey so far



Key topics discussed across the 5 workshops

2023

- WS1** • Scope and complementarity of Art. 2.1(c) and Art. 9
- WS2** • Intended and unintended consequences
- Actors involved in implementation



2024

- WS1** • Making finance flows consistent with adaptation and climate resilience objectives
- Linking climate consistent and scaled-up finance flows with broader sustainable development objectives
- WS2** • Evolution of the financial system
- Metrics, methodologies and approaches for tracking progress
- Avoidance of greenwashing and maladaptation



2025

- WS1** • Building capacities for nationally determined financial sector development
- Transition planning for low GHG emission and climate resilient development pathways in diverse national contexts
- Opportunities to support NCQG implementation



Key takeaways on the scope of Article 2.1(c) and its complementarity with Article 9

- **Scope** applies to
 - ❖ Public and private flows, across domestic and international contexts,
 - ❖ Country-specific implementation allowing for nationally determined approaches and timelines,
 - ❖ Mitigation as well as adaptation and resilience, whereas Parties and non-Party stakeholders have less experience with adaptation and resilience.
 - Convergence on need for **systemic transformation of financial systems** to achieve the long-term goals of the Paris Agreement, engaging all actors as needed to ensure investments support climate goals and do not undermine them.
 - The implementation of Article 2.1(c) and Article 9 should **support the delivery of climate commitments**.
 - **Access to information** is crucial for Article 2.1(c) implementation, e.g. models, data and scenarios.
 - **Complementarity** with Article 9
 - ❖ Support provided and mobilized under Article 9 can and should contribute to country-driven efforts to pursue Article 2, including through support for approaches to implement Article 2.1(c),
 - ❖ No dilution or replacement of commitments under Article 9,
 - ❖ Enhance equity, support just transitions, build capacity, consider unintended consequences.
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Key takeaways on the scope of Article 2.1(c) and its complementarity with Article 9

Challenges

- Different understandings and variety of definitions in use
- Data and methodology gaps
- Limited information available
- Significant geographic, regional and sectoral differences in benefitting from global climate finance flows
- Management of real vs. perceived risk
- Greenwashing and credibility of voluntary commitments
- Fragmentation and lack of coordination between actors within and across jurisdictions

Opportunities

- Collaboration, knowledge sharing and capacity building
- Enhanced transparency including through interoperable standards
- Enhanced policy coherence through whole of government approaches
- Promoting inclusive and just transitions aligned with SDGs and poverty eradication
- Unlocking and aligning investments with national priorities through more clarity for private sector collaboration



- **What can Parties and non-Party stakeholders do to overcome these challenges and seize these opportunities?**
- **How, if at all, could the UNFCCC process facilitate and guide further action in this regard?**

Thank you

