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MESSAGE FROM THE CO-CHAIRS OF THE SHARM EL-SHEIKH DIALOGUE ON THE SCOPE OF ARTICLE 2, PARAGRAPH 1(c) AND ITS COMPLEMENTARITY WITH ARTICLE 9 OF THE PARIS AGREEMENT

I am pleased to transmit to the Parties and observers to the Convention, the Kyoto Protocol and the Paris Agreement, United Nations and related organizations and specialized agencies, intergovernmental and non-governmental organizations admitted as observers and other non-Party stakeholders, a message from the co-chairs of the Sharm el-Sheikh dialogue on the scope of Article 2, paragraph 1(c), and its complementarity with Article 9 of the Paris Agreement.

The message is contained in the annex.

Yours sincerely,

Daniele Violetti
Senior Director, Programmes Coordination
Director a. i. Means of Implementation division

Distribution: To Parties and observer States through their national focal points and diplomatic missions accredited to the Federal Republic of Germany, as well as United Nations organizations, admitted observer organizations and other non-Party stakeholders.



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Annex

Dear colleagues,

This message is intended to inform Parties, relevant organizations and stakeholders on the approach by the co-chairs for the organization of the Sharm el-Sheikh Dialogue throughout 2024-2025, building on the previous work conducted under the dialogue in 2023 and taking into account the CMA mandate for continuation and strengthening of the dialogue¹ and the submissions received in response to the call for submissions until 31 March 2024.²

In 2024, the co-chairs will conduct the following work under the Sharm el-Sheikh dialogue:

- Organize, with the support of the secretariat, two workshops with a view to engaging a broad range of relevant stakeholders and to prepare a report on each workshop. The first workshop is planned to being organized in conjunction with the 60th session of the Subsidiary Bodies, in Bonn, Germany, and further information will be provided in due course. The second workshop will be taking place in the second half of the year, at a location and date to be announced as soon as possible;
- Prepare a report on the deliberations under the Sharm el-Sheikh dialogue in 2024 for consideration at CMA 6.

The facilitation of engagement and interaction of a broad range of stakeholders in the dialogue workshops continues to be a central aspect to the organization of work in 2024 and 2025. The co-chairs, with the support of the secretariat, will endeavour to ensure inclusiveness of participation and engagement in the dialogue workshops across the dimensions of regional, societal, and gender representation as well as ensuring broad representation of all actor groupings involved for low emissions and climate resilient development, including representatives from the public and private financial and non-financial sectors.

Based on the views expressed by Parties and non-Party stakeholders over the course of 2023 and 2024, including through the most recent submissions, a number of potential topics and issue areas have been suggested by Parties and non-Party stakeholders for discussion during the dialogue in 2024. These are clustered by theme in Table 1.

¹ Decision 9/CMA/5, paras 8-12

² Paragraph 11of decision 9/CMA.5.



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Table 1

List of topics identified in submissions to be discussed during the Sharm el-Sheikh Dialogue in 2024

Understanding of Article 2, paragraph 1(c) of the Paris Agreement Exchange of best practices and apacity building for operationalization and implementation of Article 2. Demonstration of implementation case studies in different country and regional contexts, discussing best practices and concrete examples at the domestic and immensuring adaptation and ensuring climate-resilient inance flows and financial systems Demonstration of Article 2, paragraph 1(c) Enhancing daptation and ensuring climate-resilient inance flows and financial systems Opportunities and options for implementation of Article 2, paragraph 1(c), at the domestic, paragraph 1(c), including the development and addressing countries Ensuring sustainable developing countries Copportunities for scaling-up finance flows consistent with the Paris Agreement and addressing double for the Paris Agreement for achieving Article 2, paragraph 1(c), including the void and private and public investments, green and sustainable development and addressing better than the paris Agreement for achieving Article 2, paragraph 1(c), including the void and private and public investments, green and sustainable development and addressing and shifting finance, international and private financial institutions including alignment methodologies; Options for safeguards to reduce impacts and ensure quitable and different actors therein such as government, ministries of finance, international and private financial institutions including mineration of Article 2. (a) Nairobi Declaration, C30 and associated taskforces, cc) and their interaction with the Paris Agreement and UNFCC process for achieving Article 2. (a) Nairobi Declaration, C30 and associated taskforces, cc) and their interaction with the Paris Agreement and understanding of the scope of non-consistent finance flows for distinctive specific circumstances,	List of topics identified in submissions to be discussed during the Sharin ef-Sheikh Dialogue in 2024		
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ministries of finance, international and private financial institutions including MDBs, central banks and regulators and international initiatives (Bridgetown 2.0, Nairobi Declaration, G20 and associated taskforces, etc) and their interaction with the Paris Agreement and UNFCCC process for achieving Article 2. 1(c) Transparency and credibility of efforts for achieving Article 2, paragraph 1(c), including the avoidance of greenwashing and maladaptation Addressing and shifting finance flows not consistent with the goals of the Paris Agreement Enhancing understanding of the scope of non-consistent finance flows (covering both emissions-intensive and maladaptive flows) and country-driven options for disincentivising harmful incentives across dimensions of policies, enabling frameworks, trade and investment treaties	Ensuring sustainable development and addressing potential negative impacts and consequences from Article 2, paragraph 1(c), including the adoption of safeguards	context- or country specific circumstances, addressing high costs of capital and technology costs, fossil fuel dependencies, impacts on subnational and local level, on specific country groupings and on vulnerable communities; SDG alignment methodologies; Options for safeguards to reduce impacts and ensure equitable and differentiated approaches to Article 2.1(c), potential linkages to	
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flows not consistent with the goals of the Paris Agreement (covering both emissions-intensive and maladaptive flows) and country-driven options for disincentivising harmful incentives across dimensions of policies, enabling frameworks, trade and investment treaties	Transparency and credibility of efforts for achieving Article 2, paragraph 1(c), including the avoidance of greenwashing and maladaptation	private and public sector efforts, improving efforts for tracking progress on implementation of Article 2.1(c), including discussing the role of the ETF for	
Others Carbon credits and markets	Addressing and shifting finance flows not consistent with the goals of the Paris Agreement	(covering both emissions-intensive and maladaptive flows) and country-driven options for disincentivising harmful incentives across dimensions of policies,	
	Others	Carbon credits and markets	

In accordance with the mandate, the series of workshops under the Dialogue in 2024 and 2025 will aim to exchange views between Parties, relevant organizations and stakeholders on and enhance



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understanding on the scope of Article 2, paragraph 1(c) of the Paris Agreement, and its complementarity with Article 9, including with regard to the operationalization and implementation of Article 2, paragraph 1(c).

Taking into account the views expressed, the workshops in 2024 will address key topic areas through exchanging case-study examples, best practices and experiences from implementation in a bottom-up approach from the local, national and regional level to the international level. With this we aim to enable participants to identify commonalities and divergences in the scope of Article 2, paragraph 1(c) and its complementarity with Article 9, through concrete examples of its operationalization and implementation.

The main focus of the first workshop will be on adaptation investments and the consistency of financial flows with a climate-resilient development pathway as well as linkages to broader sustainable development co-benefits and impacts. The workshop will build on concrete examples and actions taken and facilitate a sharing of experiences and best practices among the various stakeholders. The main focus of the second workshop will be on the role of the international financial system and of different actors within and outside the Paris Agreement, and transparency and credibility with a focus on the avoidance of greenwashing and maladaptation.

A detailed programme and agenda for each of the workshops, including experts and speakers will be announced through notifications and on the respective event webpage, in time before each meeting. We will aim for an inclusive and interactive format for each of the workshops.

Based on the outcomes of the work in 2024, the approach and areas for discussion for the workshops in 2025 will be identified in early 2025.

Finally, we would like to reiterate our intention to undertake the Sharm el-Sheikh dialogue in an open, inclusive, and transparent manner to ensure participatory representativeness. As such, we will continue to be available for consultations with any Party or regional group of Parties, upon request and can be reached at ClimateFinance@unfccc.int.

Yours sincerely,

Ambassador Mohamed Nasr Co-Chair Gabriela Blatter Co-Chair

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Sharm el-Sheik dialogue on the scope of Article 2, paragraph 1(c), and its complementarity with Article 9 of the Paris Agreement in 2024-2025