



WWF Submission on the organization of the “Veredas Dialogue”

February 2026

In response to the invitation by Parties, as agreed at CMA 7, WWF is pleased to submit the inputs below to inform the organization of the Veredas Dialogue on the implementation of Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9.

As the overarching perspective, WWF recommends:

Addressing the alignment of financial flows across public policy frameworks, financial institutions, and real-economy investment decisions within the Veredas Dialogue. It should address how (1) governments set the enabling conditions, (2) financial actors allocate capital at scale, and (3) corporations ultimately implement transitions.

On process and organization, WWF recommends:

Continuing the Veredas Dialogue within the UNFCCC framework, ensuring inclusive participation, adequate preparation, structured stakeholder engagement, transparent synthesis outputs, and a strengthened high-level component through the Xingu Finance Talks to support practical implementation of Article 2.1(c) in complementarity with Article 9

On indicative areas for further consideration, WWF recommends:

That discussions under the Veredas Dialogue prioritise clarifying Paris-consistent financial alignment, addressing systemic market and regulatory barriers, grounding implementation in equity and just transitions, and advancing complementary reforms of the international financial and tax architecture to enable effective implementation of Article 2.1(c).

I – Context and purpose

In decision FCCC/PA/CMA/2025/L.11, adopted at CMA 7, Parties decided to hold deliberations under the Veredas Dialogue on the implementation of Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9, building on the Sharm el-Sheikh dialogue and taking into account the concerns and safeguards identified by Parties. Parties further recognized that there is no common interpretation of the scope of Article 2.1(c) or the manner of its implementation and agreed that the Veredas Dialogue should consider challenges and opportunities in implementing Article 2.1(c) and its complementarity with Article 9, including those identified under the Sharm el-Sheikh dialogue during 2023–2025. Parties also invited submissions from Parties and relevant stakeholders on the organization of the dialogue.

WWF welcomes the continuation of the Veredas Dialogue as agreed at CMA 7, and in particular the explicit acknowledgement of concerns and safeguards related to the interpretation and implementation of Article 2.1(c). This recognition is essential to ensuring that the dialogue proceeds in a facilitative, inclusive, and trust-building manner, and that it supports - rather than undermines - equity, national policy space, and the delivery of climate finance under Article 9. At the same time, after three years of discussions on Article 2, paragraph 1(c), in conjunction with Article 9 under the Sharm el-Sheikh dialogue, the Veredas Dialogue provides a timely and useful opportunity to shift the focus toward the practical challenges and opportunities of implementation.

While the urgency of aligning global financial flows with the goals of the Paris Agreement is evident, in the last eleven years, countries have made differently shaped progress towards this goal. For a successful shift of all financial flows, an inclusive and interactive process is key, which can only be ensured, if all parties' starting points are considered in the Dialogue.

This submission is addressed to Parties, co-facilitators of the Veredas Dialogue, and the UNFCCC Secretariat, with the objective of informing the organization and conduct of the dialogue in line with the CMA 7 mandate.

II – Overarching perspective

From a WWF perspective, the Veredas Dialogue should address the alignment of financial flows across public policy frameworks, financial institutions, and real-economy investment decisions. The dialogue should address how (1) governments set the enabling conditions, (2) financial actors allocate capital at scale, and (3) corporations ultimately implement transitions. Hence, progress requires coherent action across all three in industrialized as well as in developing countries.

The outcomes of coordinated action among these actors should not impose additional burdens through rising debt distress in developing and least developed countries. Instead, they should contribute to expanding fiscal space, safeguarding national budgets, and strengthening countries' capacity to invest in their own sustainable development priorities. Financial reforms and instruments must also include robust social and environmental safeguards to prevent measures that could lead to human rights violations, particularly affecting Indigenous Peoples and other local communities, ensuring that the transition is not only effective but also just and equitable.

Operationalising Article 2.1(c) in support of the 1.5°C temperature limit and resilience requires far-reaching changes in how the financial system allocates capital and manages climate-related risks. It means reforming the incentives and rules that guide financial decisions rather than just expanding “green” finance. At the same time, such efforts must clearly reinforce - and not substitute for- the obligations of developed countries under Article 9 to provide climate finance and must respect the safeguards and concerns articulated by Parties.

There is a clear link between discussions under Veredas Dialogues and discussions on enabling of Article 9.1, but it should not serve as a way to limit discussions to just obligations of developed countries. On the contrary, both enabling of Article 9.2 as well as broader economic transition should be the part of the overall work to keep Paris Agreement goals alive and achievable, while also considering the ongoing processes of the global financial architecture reform.

III – Suggested process and organization of the Veredas dialogue

In WWF's view, the formula for the meetings under Sharm el-Sheikh dialogue forms a good basis for the continuation of the discussions. To ensure the continuation of a transparent and inclusive process, WWF recommends the following:

- **Streamlining with existing processes within the UNFCCC:** The sessions of the Dialogue should take place during (or back-to-back with) sessions of Subsidiary Bodies of the UNFCCC (SB 64 and COP 31). There is a possibility of having additional dialogues – but this in previous years limited participation both from Parties and Observers. Tackling this hurdle will be important for inclusiveness for all stakeholders.
- **Sufficient preparation time:** There should be a call for submissions on topics for each of the incoming sessions of the dialogue, with both enough time to prepare a meaningful input, as well as enough time to prepare the sessions. Therefore, there should be no workshops before the Bonn SB session in 2026.
- **Inclusive Engagement Beyond Governments:** The dialogue should create space for meaningful engagement with civil society, international financial institutions, development banks, financial regulators, and other relevant actors, while remaining clearly Party-led. Such engagement is essential to address system-level barriers and to ensure that insights from the dialogue can influence real-world financial decision-making, and to help inform current discussions on reforming the international financial architecture, ensuring that the climate finance agenda both shapes and is shaped by emerging rules to green the global financial system.
- **Iterative Outputs and Transparency:** Regular synthesis notes and informal outputs should continue to capture areas of convergence and divergence. These outputs can progressively inform Parties' understanding and help identify elements that may, over time, warrant consideration in a more formal UNFCCC setting, without prejudging outcomes.
- **Alignment with Xingu Finance Talks:** Considering the CMA decision requesting the Presidency to convene the Xingu Finance Talks under the Veredas Dialogue, WWF expects these talks to serve as a meaningful annual high-level round table that enables open and constructive exchange among Parties and non-Party stakeholders, starting at COP31 in 2026. WWF sees value in the Xingu Finance Talks fostering practical, solution-oriented discussions that bring together policymakers, academia, international financial institutions, and private-sector actors to jointly explore challenges and opportunities in implementing Article 2.1(c) in a way that complements and reinforces the delivery of climate finance under Article 9.

IV – Indicative Areas for Further Consideration under the Veredas Dialogue

The following areas are proposed as indicative priorities to guide discussions under the Veredas Dialogue, with a view to advancing practical understanding of the implementation of Article 2.1(c) in a manner consistent with the 1.5°C goal, equity, and sustainable development.

- **Clarifying What “Alignment” Means for the 1.5°C Goal:** A core task of the dialogue should be to deepen shared understanding of how financial flows - public and private, domestic and international - can become consistent with pathways compatible with limiting warming to 1.5°C and building climate resilience. This includes exploring how to phase out finance that locks in high-emission and climate-vulnerable development, while scaling up finance that supports transformational solutions.
- **Addressing Systemic Barriers to Alignment:** Workshops should examine structural constraints that inhibit alignment, including misaligned incentives, high cost of capital, short-term risk perceptions,

debt pressures, and regulatory gaps. Addressing these barriers is critical to enabling markets and institutions to support Paris-aligned outcomes at scale. Mandatory climate- and nature-related disclosure, Paris-aligned taxonomies and prudential integration of climate and nature risks provide system-level tools that the Dialogue could examine as nationally determined options for implementing 2.1(c).

- **Ensuring Equity and Just Transitions:** Alignment efforts must be grounded in equity and climate justice. The dialogue should explore how financial alignment can support just transition pathways, protect vulnerable communities, and contribute to sustainable development, while avoiding unintended negative impacts on developing countries' fiscal and development priorities.
- **Taking into account the reform of the international financial architecture:** Discussions under the UNFCCC highlight the need to approach the reform of the international financial architecture as an enabling condition for the effective implementation of Article 2.1(c) of the Paris Agreement. Parties are encouraged to advance an integrated agenda that aligns debt relief, MDB reform, and liquidity support with low-emissions and climate-resilient development pathways. Priority actions include improving the effectiveness and predictability of sovereign debt restructuring; considering the use of automatic suspension clauses in debt instruments in the event of climate-related shocks; and further exploring debt-for-climate swaps to expand fiscal space while supporting nationally determined priorities. In parallel, reform of MDBs should focus on scaling up concessional finance, deploying guarantees and risk-sharing instruments, and ensuring adequate replenishment of concessional windows, particularly for countries with limited fiscal capacity and high climate vulnerability. Addressing the latter, scaling finance for nature within climate mitigation and in particular adaptation finance and locally led, ecosystem-based solutions should also be covered within Veredas discussions on "Paris-consistent" financial flows.
- **Linking to ongoing UNFCITC reform:** WWF further recommends strengthening coherence between UNFCCC discussions and other multilateral processes, notably the ongoing negotiations on a UN Framework Convention on International Tax Cooperation (UNFCITC). As the convention is under development, it provides a timely opportunity to integrate climate finance, fiscal space, and sustainable development considerations into its rationale and design. This includes advancing the fair allocation of taxing rights; strengthening mutual administrative assistance through enhanced cooperation among tax authorities; and promoting coordinated action to address illicit financial flows, tax avoidance, tax evasion, and harmful tax practices. Such an approach would support domestic resource mobilization, expand fiscal space for climate action in developing countries, and reinforce the role of the UNFCCC as a political compass guiding broader financial system reforms toward equity, resilience, and alignment with the objectives of the Paris Agreement.

V - Conclusion

The Veredas Dialogue has the potential to become an important cornerstone of the current climate discussions. A central task of the dialogue is to deepen shared understanding of how financial flows - public and private, domestic and international - can be made consistent with pathways compatible with limiting warming to 1.5°C and building climate resilience. This requires focused consideration of how to phase out finance that locks in high-emission and climate-vulnerable development, while scaling up finance for transformational, low-emission and climate-resilient solutions, in a manner that is equitable and responsive to national circumstances.

The effectiveness of the Veredas Dialogue would be further strengthened by greater coherence across public policy frameworks, financial institutions, and real-economy action, as well as by clearer linkages with climate finance discussions under Article 9, the Just Transition Work Programme, and broader

international efforts to reform the global financial system. Enhanced coordination with parallel multilateral processes, including work on international financial architecture reform and negotiations on a UN Framework Convention on International Tax Cooperation, can help expand fiscal space, support just transitions, and align financial systems with the objectives of the Paris Agreement.

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