

**Submission on**  
**on behalf of Like-Minded Developing Countries**

**The Veredas Dialogue on the implementation of Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement.**

CMA7 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 (2023–2025) and taking into account the concerns and safeguards outlined in paragraph 3 of the same decision.

**Introduction**

1.1 The LMDCs submission responds to Para 19 of CMA7 decision on the **Sharm el-Sheikh dialogue that *Invites Parties, the UNFCCC constituted bodies, the operating entities of the Financial Mechanism, international financial institutions, observers and other stakeholders, particularly from the private sector, to submit views on the organization of the Veredas Dialogue via the submission portal by 28 February, on an annual basis.***

At the outset, there is no common interpretation on the scope or manner of implementation of Article 2.1 c of the Paris Agreement, “making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development”. CMA 7 has also recognised this. The goal should be understood in the context of the objective, as stated in the chapeau of Article 2.1. This article is to be implemented in a manner that corresponds with the principles outlined in Article 2.2, and the means of implementation, detailed in subsequent articles - Article 4, 7, 9, 10 and 11.

In this context, it is important to underscore that Article 2.1(c) does not create new obligations for developing countries, nor does it dilute the existing commitments of developed countries under the Convention and its Paris Agreement, particularly with respect to finance, technology transfer and capacity-building. It is also important that the implementation of Article 2.1(c) does not give rise to unilateral measures, green conditionalities, taxonomy standards, or trade-related measures that could disproportionately impact developing countries.

The objectives set out in Article 2 are to be implemented in a nationally determined manner. Any interpretation of Article 2.1(c) must therefore reflect the development priorities and **fiscal constraints of developing countries**, facing significant development and poverty eradication challenges.

This approach should promote sustainable development, and preserve the broader development objectives, including ensuring food security. The subparagraphs of Article 2.1 delineate the goals that must be pursued within this overarching framework. The discussion in Article 2.1(c) cannot be viewed in isolation; it must also encompass the foundational principles for implementing Article 2, namely CBDR-RC (Common but Differentiated Responsibilities and Respective Capacities), equity, and the national circumstances highlighted in Article 2.2. Furthermore, it is essential to consider the other articles that establish the commitments (as stated in Article 4, including Article 4.5, and in Article 7, including Article 7.13, which mandates support from developed countries to developing nations), as well as the means of implementation set out in Articles 9, 10, and 11.

CMA 7 has also acknowledged the concerns and the need for safeguards raised by Parties in the context of the implementation of Article 2, paragraph 1(c), of the Paris Agreement, including:

(a) The need to pursue all three long-term goals of the Paris Agreement together, so that implementation of Article 2, paragraph 1(c), of the Paris Agreement will facilitate the collective achievement of the goals articulated in Article 2, paragraph 1(a–b);

(b) That Article 2, paragraph 1(c), of the Paris Agreement is complementary to and no substitute for the provision and mobilisation of financial support to developing countries under Article 9 of the Paris Agreement;

(c) That efforts for making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development are nationally determined, taking into account country-driven strategies and the bottom-up nature of the Paris Agreement, respecting national sovereignty and taking into account different national circumstances, time frames and approaches of Parties, in particular developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change;

(d) The need to ensure that collective efforts for and deliberations on implementing Article 2, paragraph 1(c), are undertaken in a facilitative, enabling, non punitive and non-prescriptive manner;

(e) The need to ensure transparency and to avoid creating an additional burden for Parties, including with regard to reporting and implementation;

With this context, LMDCs' views and suggestions for the organization of the Veredas Dialogue in 2026 are as follows:

#### **A. Organisation of workshops in 2026 –**

i. The Veredas Dialogue (VD) should be held in conjunction with the meetings of the Subsidiary Bodies to ensure broader and more inclusive participation by Parties. However, unlike in previous years—when the Sharm el-Sheikh Dialogue (SeSD) was conducted in parallel with SB negotiations—it would be more appropriate to allocate a dedicated and sufficient number of days to the VD to ensure continuity for participants and allow adequate time for deliberation. Experience shows that when sessions in such dialogues are constrained by limited time, views are often not captured comprehensively.

ii. The VD format should ensure that the topics selected for deliberation reflect a balance in discussions and consideration of the priorities across a wide variety of topics. Within each topic, balance should also be ensured in the context-setting presentations. These presentations should be carefully selected not only for their alignment with the thematic focus of the discussions, but also for their adequate reflection and application of the safeguards mentioned. Such considerations are particularly important given the wide divergence of views among Parties regarding the interpretation and implementation of Article 2.1(c).

iii. Furthermore, it is important that the guiding questions for discussions under the VD are not leading in nature, but rather exploratory, so as to allow participants to reflect objectively on the issues without being compelled to align with any particular position.

#### **B. Topics and issues that would be most relevant for the workshops in 2026 -**

While the SeSD has deliberated on various issues, such as financing transition pathways and the international financial architecture, other key issues require more in-depth discussion now. We have shared some key issues in our submissions to SeSD. However, in view of the fact that VD provides a renewed opportunity to discuss matters that received much less coverage under SeSD, the LMDCs would like to share them through this submission, as follows:

**i. Interpretation of Article 2.1 c in the context of the chapeau of Article 2 and given Article 2.2, which underscores the principles of equity and common but differentiated responsibilities, in the light of country circumstances:** The Paris Agreement mandates a response to climate change grounded in the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), in light of different national circumstances. Article 4.1 explicitly recognises that emissions peaking will take longer for developing country Parties, allowing them the flexibility to adopt differentiated pathways to reach a peak. These differentiated pathways are guided by the foundational principles in Article 2.2, which require the entire Agreement — including all elements of Article 2.1 — to be implemented in a manner that reflects equity, CBDR-RC, and national circumstances. Since financial flows follow countries' chosen pathways toward low greenhouse gas emissions and climate-resilient development, the operationalisation of Article 2.1C cannot be uniform or prescriptive. Instead, it must fully respect the differentiated responsibilities, timelines, and development priorities enshrined in Articles 2.2 and 4.1. Article 2.1(c) refers to global financial flows and systemic alignment, and should not be interpreted as imposing economy-wide alignment obligations on developing countries' domestic public expenditures

For developing countries, it is therefore essential that discussions in VD explicitly address and safeguard these **differentiated pathways**. This would allow adequate reflection of the Para 3c of CMA 7 decision on safeguards and ensure that efforts to make finance flows consistent with the Paris Agreement goals support, rather than constrain, equitable and sustainable development, poverty eradication, and just and equitable transitions in the Global South.

**ii. Role of Article 9 in implementing Article 2.1c** - Countries pursue the objectives of the Paris Agreement, in accordance with the principles of equity and CBDR-RC and in a nationally determined manner. However, the extent of finance required in line with Articles 2.1(a) and 2.1(b) by 2030 runs into the trillions for developing countries. Given that developing countries face limitations in accessing affordable finance from international sources, the VD must discuss the particular role of the developed countries' public sector, as under Article 9, specifically 9.1, in providing and mobilising financial resources for climate action in developing countries. Finance flows under Article 9 act as a catalyst for the financial sector by addressing the risks of developing countries' projects and improving their bankability. Although the theme of this dialogue includes a component on its complementarity with Article 9, discussions on Article 2.1c have so far been heavily grounded on approaches for financing climate action at the national level, with minimal consideration of international public support provided by developed countries. The focus needs to be on enabling finance flows from developed to developing countries, allowing countries to follow their nationally determined pathways within the bounds of their NDC commitments, without compromising the development needs. This issue has remained largely unaddressed in past years and warrants greater attention under the VD.

**iii. Enhanced access to climate finance** – Barriers to access to climate finance from operating entities have been a long-standing issue for developing countries. Despite the commitment made by developed countries at COP 15 in Copenhagen (2009) to mobilize USD 100 billion per year by 2020, an amount that was already inadequate relative to developing country needs, delivery fell short, and the goal was subsequently extended through 2025 at COP 21 in Paris. For the post-2025 period, Parties agreed at COP 29 in November 2024 on a new collective quantified goal (NCQG) of at least USD 300 billion per year by 2035 for developing countries for climate action.

Operating entities (OEs) play an important role in financing climate actions in developing countries, essentially de-risking their climate-related projects for other financial actors. Due to limited access, complex processes, and a lack of transparency, the execution of climate projects in developing countries is hindered. The VD should play a critical role in surfacing systemic bottlenecks in OEs, amplifying developing country experiences with access to finance, and exploring practical, implementation-oriented solutions to enhance access to climate finance. In particular, it is important to examine how operating entities can better address adaptation finance gaps, avoid creating additional reporting or compliance burdens for developing country Parties, address barriers related to lengthy and burdensome accreditation procedures, co-financing requirements among others .

**iv. Enhancing grant and concessional finance for climate resilient development** – studies suggest that temperatures reached 1.1 degrees by 2011 and breached 1.5 degrees in 2023, in which case the importance of climate-resilient development cannot be overemphasised. Climate-resilient development goes beyond mitigation and adaptation efforts, as it requires a significant scaling up of climate-resilient physical infrastructure, strengthened systems for food and water security, and the integration of climate risk considerations into core development planning. It entails protecting lives and livelihoods, ecosystems, and economic assets from the impacts of increasing climate variability and extremes, while ensuring that development gains in developing countries are sustained over the long term. The workshop, therefore, must consider means to increase low-cost funding for adaptation and climate-resilient development from developed countries to developing countries, in line with the principles and provisions of the Paris Agreement.

\*\*\*\*