

**Veredas Dialogue submission by**  
**United Nations Environment Programme Finance Initiative (UNEP FI)**  
**in consultation with the**  
**Transformational Finance for Climate Group**  
*(A working group of the Making Finance Work for Climate initiative)*

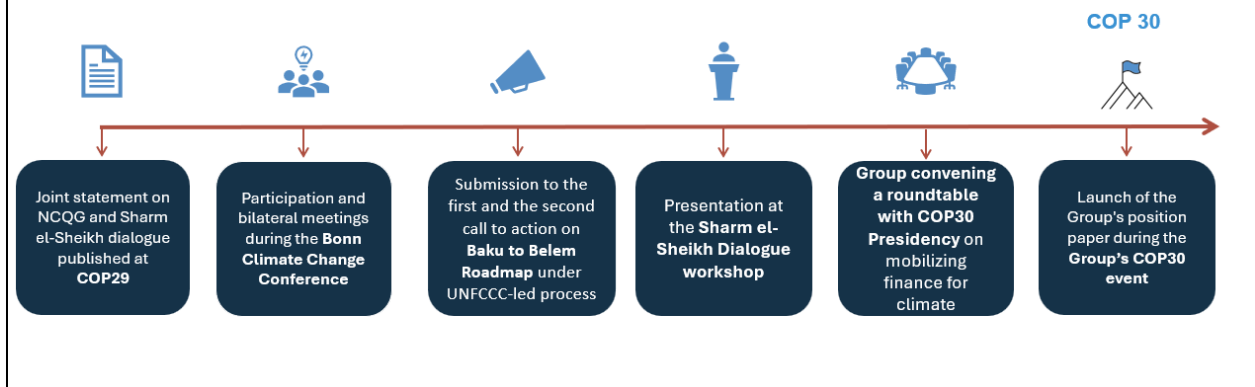
**UNEP Finance Initiative (UNEP FI)** brings together a large network of banks, insurers and investors that catalyzes action across the financial system to deliver more sustainable global economies. For more than 30 years the Initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda, establishing the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance challenges. More than 500 banks and insurers with assets exceeding USD 100 trillion are individually implementing UNEP FI's Principles for Responsible Banking and Principles for Sustainable Insurance.

UNEP FI is also a member of the **Transformational Finance for Climate Group (Group)**. Formed as an action from the Making Finance Work for Climate initiative launched at COP29, the Group brings together thousands of leading public and private financial actors from developed and developing countries, representing more than 40% of global financial assets. Members also include International Development Finance Club (IDFC), Finance in Common System (FiCS) General Secretariat, Principles for Responsible Investment (PRI), and Mainstreaming Climate in Financial Institutions Initiative.

The Group works closely with Green Climate Fund (GCF), Network for Greening the Financial System (NGFS), Net Zero Asset Owners Alliance (NZAOA), and Net-Zero Export Credit Agencies Alliance (NZECA), making it a unique platform for coordinated action and consolidated input into global finance processes.

The Group actively contributes to different COP and multilateral processes such as the NCQG, the Sharm el-Sheikh Dialogue, the Standing Committee on Finance and the Baku to Belém Roadmap, through policy engagement, joint publications, and participation in corresponding events.

## Transformational Finance for Climate Group: Advancing the Baku to Belem Roadmap and Sharm el-Sheikh Dialogue



Recognizing the inclusive, participatory, and transparent approach to Veredas Dialogue, UNEP FI in consultation with the Group welcomes the opportunity to contribute its perspectives within this submission.

## Proposed priorities for the Veredas Dialogue

### Principal priority for 2026-28

#### Veredas Dialogue as a bridging platform for systemic alignment of processes on climate finance

##### I. Objective and scope

We propose that one of the objectives of the Veredas Dialogue could be focused on strengthening cross-coordination across the CMA mandated processes, UNFCCC constituted bodies and relevant COP Presidency-led initiatives, with a view to promoting coherence, complementarity and greater visibility of nationally determined approaches to implementing Article 2.1(c).

- **Engagement with UNFCCC processes.** This could include cross-coordination with the Standing Committee on Finance (SCF) in relation to its work on the quality of climate finance. Enhanced alignment with the SCF's Biennial Assessment and future SCF reporting on NCQG implementation, including regarding the impacts, results and outcomes, could help strengthen the evidence base on finance flow consistency and support the collective achievement of NCQG while helping clarify linkages between Article 2.1(c) and Article 9.

- **Engagement with other relevant initiatives.** This could include engagement with the COP30 Presidency’s Baku to Belém Roadmap to USD 1.3 trillion. Ensuring that political mobilization efforts, systemic finance alignment discussions and technical processes move in the same direction may help reduce fragmentation and avoid mixed signals.

By reinforcing coherence across institutional boundaries, the Veredas Dialogue could serve as a practical connector across the climate finance landscape and as such inform preparation towards the second Global Stocktake in 2028.

## II. Operationalization

The priority above could be operationalized, in complementarity to other formats planned under the Veredas Dialogue, through Xingu Finance Talks, as per the CMA.7 Decision on the SeS dialogue<sup>1</sup>.

We propose the following objectives for the Xingu Finance Talks:

- **Operationalize cross-coordination of the financial sector** by convening a group of senior representatives from across the public and private financial architecture, and international organizations, with support from academia and civil society, to engage in dialogue with Parties.
- **Draw on financial system practice** to inform Parties’ dialogue under the Veredas Dialogue on aligning financial flows with Article 2.1(c) and in complementarity with Article 9, considering themes identified in the SeS dialogue, including adaptation and resilience, just transition pathways, unintended consequences, data and methodological gaps, credibility and progress tracking, fragmentation, coordination, and the visibility of nationally determined approaches.
- **Strengthen complementarity of engagements of the Xingu Finance Talks’ stakeholders across different processes**, including the CMA-mandated processes (Sharm el-Sheikh Dialogue, NCQG), UNFCCC constituted bodies (Standing Committee on Finance), COP Presidency-led initiatives (Baku to Belem Roadmap), discussions held under the Coalition of Finance Ministers for Climate Action (CFMCA) and other relevant processes/formats/initiatives.
- **Create a feedback loop**, with Xingu Finance Talks outcomes reported annually to the CMA alongside the dialogue co-chairs’ report, thereby reinforcing transparency and enabling meaningful input to inform the Second Global Stocktake.

In this way, the Xingu Finance Talks could provide a high-level strategic interface that connects technical discussions with institutional decision-making, reduces fragmentation and supports coherent progress towards Article 2.1(c) and its complementarity with Article 9.

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<sup>1</sup> FCCC/PA/CMA/2025/L.11

### III. Value proposition

UNEP FI, in consultation with the Transformational Finance for Climate Group (Group), can offer the Xingu Finance Talks a practical bridge between policy ambition and financial system implementation, supporting the Veredas Dialogue’s objective of systemic alignment across processes on finance for climate.

Key elements of the value proposition:

- **Bridging multilateral climate finance processes with financial system practice.** Building on its role in supporting multilateral processes on climate finance, including CMA-mandated processes (Sharm el-Sheikh Dialogue, NCQG), UNFCCC constituted bodies (Standing Committee on Finance), COP Presidency-led initiatives (Baku to Belem Roadmap), discussions held under the Coalition of Finance Ministers for Climate Action (CFMCA), UNEP FI, in consultation with the Group, can provide an integrated perspective on strengthening both the quality and quantity of climate finance.
- **Financial system-wide convening capacity.** Drawing on its globally diverse membership of banks and insurers, and leveraging the Group’s member organizations with established networks across private finance (Principles for Responsible Investment, PRI and Net Zero Asset Owners Alliance, NZAOA) and public finance (International Development Finance Club, IDFC and Finance in Common System, FiCS), and across both public and private financial institutions (Mainstreaming Climate in Financial Institutions), as well as cooperation with the Network for Greening the Financial System (NGFS) and the CFMCA, UNEP FI, in consultation with the Group, is well placed to support the Xingu Finance Talks in embracing a whole-of-financial system approach. This can help ensure inclusive, system-wide and regionally balanced participation, enabling informed discussion of financial sector practices aligned with both countries’ strategies and priorities and Article 2.1(c) and its complementarity with Article 9.
- **Analytical and conceptual coherence expertise.** The Group’s work on transformational finance, including its COP30 position paper [Transformational Finance for Climate: Unlocking Systemic Effects](#), outlines foundations and a shared theory of change for a more strategic and impactful use of finance to address systemic barriers and leverage catalytic finance for the implementation of countries’ strategies and priorities, in line with Article 2.1(c). Combined with practitioner insight from commercial banks, insurers, institutional investors and public development banks, this perspective can help efforts to identifying structural barriers to the deployment of efficient investments and support more coordinated, country-led and transformational financial action.

Through its convening capacity, analytical expertise and direct engagement with financial institutions, UNEP FI, in consultation with the Group, stands ready to contribute to the Xingu Finance Talks. In doing so, it can help anchor discussions in practical financial system experience and support coherent, system-level progress towards aligning finance flows with Article 2.1(c) and ensuring complementarity with Article 9.

## Priority for 2026

### Convening of the Xingu Finance Talks

#### I. Foundations

**Objective.** In line with the CMA.7 Decision, the Xingu Finance Talks aim to convene an annual high-level roundtable that enables an open and cooperative exchange among Parties and non-Party stakeholders, including academia, international financial institutions and the private sector. The dialogue focuses on identifying practical approaches to advance the implementation of Article 2.1(c) of the Paris Agreement, while exploring its complementarity with Article 9.

We propose to focus the the Xingu Finance Talks on advancing shared understanding of systemic challenges and opportunities affecting finance flow alignment, while fostering coordination and reducing fragmentation across institutions and initiatives. This format could enable reflection on adaptation and resilience, just transition pathways, unintended consequences, data and methodological gaps, credibility and progress tracking, and the visibility of nationally determined approaches to Article 2.1(c). Through this exchange, it would promote greater coherence between financial system practice and broader climate policy objectives.

The Xingu Finance Talks will be convened annually by the COP Presidency, in consultation with the dialogue co-chairs. They serve a facilitative, enabling and non-prescriptive role, fostering strategic exchange and promoting complementarity to support the systemic alignment of financial flows.

**Format.** Participation of non-Parties could include a group of high-level representatives with a balanced representation from relevant institutions, bodies and initiatives, building on the recommendations by SeS co-chairs in their 2025 report, including: UNEP FI together with other private sector networks (for example: PRI and NZAOA) to provide practical market insights, Multilateral Development Banks and all other categories of Public Development Banks including at national level (for example: Finance in Common System – FiCS / International Development Finance Club – IDFC) to focus on joint approaches to financial flows, NGFS, multilateral financial organizations and civil society.

**Reporting.** The convener could prepare a concise annual report summarising key insights, areas of convergence and suggested directions for further work, the report is presented annually to the CMA for consideration and it is submitted alongside the annual report prepared by the dialogue co-chairs.

#### II. Operationalization

The Xingu Finance Talks could serve as a strategic interface between financial system actors and Parties, providing structured input to the Veredas Dialogue and helping translate financial system experience into the dialogue’s deliberations.

To ensure an effective and focused launch, UNEP FI, in consultation with the Group, proposes that the first session of the Xingu Finance Talks to concentrate on two strategic themes:

1. **Systemic alignment and bridging across processes.** Making finance flows consistent with low-GHG and climate-resilient development pathways, while contributing to broader efforts to scale and improve the effectiveness of climate finance under Article 2.1(c) and its complementarity with Article 9. Particular attention on how participation of non-Party stakeholders across CMA-mandated processes (Global Stocktake, NCQG) UNFCCC constituted bodies (SCF) and COP Presidency-led initiatives (Baku to Belem Roadmap) can be better aligned, thereby supporting the Veredas Dialogue as a bridging platform.
2. **Systemic challenges and practical solutions.** Examination of key systemic challenges and opportunities affecting finance flow alignment both at global and country level, including for example adaptation and resilience, just transition pathways, unintended consequences, data and methodological gaps, credibility and progress tracking, and the visibility of nationally determined approaches under Article 2.1(c).

Discussions should remain strategic, practical and implementation-oriented, drawing on perspectives from public development banks, private financial institutions, multilateral finance organizations, central banks, standard setters and civil society.

In 2026, the first session of the Xingu Finance Talks could include two roundtable discussions:

#### **Roundtable I: Systemic Alignment on Climate Finance**

- **Veredas Dialogue as a Bridging Platform.** To explore how the expertise and insights generated through the Xingu Finance Talks, spanning CMA-mandated processes, UNFCCC constituted bodies and COP Presidency-led initiatives, can be more effectively channelled into and leveraged by the Veredas Dialogue, and vice versa. The aim is to identify practical pathways through which contributions from international financial institutions, supervisory bodies, standard setters and private sector networks can strengthen deliberations on Article 2.1(c) and its complementarity with Article 9, while reducing fragmentation and enhancing coherence across processes.
- **Relevance of Article 2.1(c) for investment mobilization in EMDEs.** To reflect on how discussions on aligning capital flows with Article 2.1(c) can be framed and advanced in ways that respond more directly to the development priorities, investment needs and economic realities of emerging markets and developing economies. The focus would be on identifying approaches that strengthen the practical value proposition of alignment efforts, including by linking finance flow consistency with access to capital, investment

mobilization, resilience building and sustainable growth pathways, including through stronger complementarities between Article 2.1(c) alignment efforts and the mobilization of climate finance under Article 9.

### **Roundtable II: Challenges and Practical Solutions in EMDEs**

- **Prioritisation discussion:** Of the list of key topics, including but not limited to: adaptation and resilience, just transition pathways, unintended consequences, data and methodological gaps, credibility and progress tracking, and the visibility of nationally determined approaches to Article 2.1(c), participants could identify a limited group of the most critical challenges affecting finance flow alignment in EMDEs.
- **Deep Dive into Solutions:** Focused exchange on practical and coordinated responses to the group of prioritized challenges. Discussion on how to best allocate international and national finance to lift barriers to implementation at scale. Discussion on how to characterize and incentivize the Transformational finance for climate.

### **Preparatory Arrangements**

To support efficient delivery, we propose to establish a preparatory group to assist the COP Presidency and dialogue co-chairs in shaping the first session of the Xingu Finance Talks. This group could include representatives from key stakeholder categories, as discussed above, working in coordination with the Veredas Dialogue co-chairs and the UNFCCC Secretariat. The Group's role would be preparatory and facilitative, focused on: (i.) defining the thematic focus, (ii.) ensuring balanced and regionally diverse participation, (iii.) preparing concise background inputs, (iv.) supporting the reporting.