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News Flash

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per year finance deal to developing countries**



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The UN Climate Change Conference (COP29) closed on Sunday, November 24 with a new finance goal to help countries to protect their people and economies against climate disasters, and share in the vast benefits of the clean energy boom.

With a central focus on climate finance, COP29 brought together nearly 200 countries and 55,000 delegates in Baku, Azerbaijan, and reached a breakthrough agreement that will:

- (a) Triple public finance to developing countries, from the previous goal of USD 100 billion annually, to USD 300 billion annually by 2035.
- (b) Secure efforts of all actors to work together to scale up finance to developing countries, from public and private sources, to the amount of USD 1.3 trillion per year by 2035.



Known formally as the New Collective Quantified on Climate Finance (NCQG), it was agreed after two weeks of intensive negotiations and several years of preparatory work, in a process that requires all nations to unanimously agree on every word of the agreement.

"This new finance goal is an insurance policy for humanity, amid worsening climate impacts hitting every country," said Simon Stiell, Executive Secretary of UN Climate Change. "But like any insurance policy – it only works – if premiums are paid in full, and on time. Promises must be kept, to protect billions of lives." "It will keep the clean energy

boom growing, helping all countries to share in its huge benefits: more jobs, stronger growth, cheaper and cleaner energy for all.”

The International Energy Agency (IEA) expects global clean energy investment is set to exceed USD 2 trillion for the first time in 2024. The new finance goal at COP29 builds on significant strides forward on global climate action at COP27, which agreed an historic Loss and Damage Fund, and COP28, which delivered a global agreement to transition away from all fossil fuels in energy systems swiftly and fairly, triple renewable energy and boost climate resilience.

COP29 also reached agreement on carbon markets – which several previous COPs had not been able to achieve. These agreements will help countries deliver their climate plans more quickly and make faster progress in halving global emissions this decade, as required by science. Important agreements were also reached on transparent climate reporting and adaptation as summarized below.

Stiell also acknowledged that the agreement reached in Baku did not meet all Parties' expectations, and substantially more work is still needed next year on several crucial issues. “No country got everything they wanted, and we leave Baku with a mountain of work to do,” said Stiell. “The many other issues we need to progress may not be headlines but they are lifelines for billions of people. So this is no time for victory laps, we need to set our sights and redouble our efforts on the road to Belem.”

The finance agreement at COP29 comes as stronger national climate plans (Nationally Determined Contributions, or NDCs) become due from all countries next year. These new climate plans must cover all greenhouse gases and all sectors, to keep the 1.5°C warming limit within reach. COP29 saw two G20 countries – the UK and Brazil – signal clearly that they plan to ramp up climate action in their NDCs 3.0, because they are entirely in the interests of their economies and peoples.

“We still have a very long road ahead, but here in Baku we took another important step forward,” said Stiell. “The UN Paris Agreement is humanity’s life-raft; there is nothing else. So here in Baku and all of the countries represented in this room we’re taking that journey forward together.”

Article 6 of the Paris Agreement

A notable achievement during the past two weeks was the progress made on carbon markets. After nearly a decade of work, countries have agreed on the final building blocks that set out how carbon markets will operate under the Paris Agreement, making country-to-country trading and a carbon crediting mechanism fully operational.

On country-to-country trading (Article 6.2), the decision out of COP29 provides clarity on how countries will authorize the trade of carbon credits and how registries tracking this will operate. And there is now reassurance that environmental integrity will be ensured up front through technical reviews in a transparent process.

On day one of COP29, countries agreed standards for a centralized carbon market under the UN (Article 6.4 mechanism). This is good news for developing countries, who will benefit from new flows of finance. And it is particularly good news for least developed countries, who will get the capacity-building support they need to get a foothold in the market.

This mechanism, known as the Paris Agreement Crediting Mechanism, is underpinned by mandatory checks for projects against strong environmental and human rights protections, including safeguards that ensure a project can't go ahead without explicit, informed agreement from Indigenous Peoples. It also allows anyone affected by a project to appeal a decision or file a complaint.

Under the text agreed on Article 6.4, there is a clear mandate for the UN carbon market to align with science. It tasks the Body getting this market up and running to consider the best available science across all work going forward.

The work on carbon markets doesn't stop in Baku. The Supervisory Body setting up the new carbon crediting mechanism has been handed a long 2025 to-do list by Parties and will continue to be accountable to them.

Transparency

Transparent climate reporting made big strides forward in Baku, building a stronger evidence base to strengthen climate policies over time, and helping to identify financing needs and opportunities. To date, 13 Parties have now submitted their first Biennial Transparency Reports (BTR) – due from all Parties by the end of the year. Andorra, Azerbaijan, the European Union, Germany, Guyana, Japan, Kazakhstan, Maldives, Netherlands, Panama, Singapore, Spain, and Türkiye have led the way on transparent climate reporting, and set an example for others to follow. The list of received BTRs is continuously being updated here.

In addition, all transparency negotiating items concluded successfully at COP29, with Parties expressing their appreciation for the timely completion of the Enhanced Transparency Framework (ETF) reporting tools, the technical trainings, and the support provided to developing countries for reporting under the ETF that took place in 2024.

Adaptation

COP29 was an important moment for adaptation, with the delivery of several key outcomes. The COP decision on matters relating to the least developed countries (LDCs) contains a provision for the establishment of a support programme for the implementation of National Adaptation Plans (NAPs) for the LDCs. Parties extensively discussed the second five-year assessment of progress to formulate and implement NAPs, and will continue that in June 2025.

A High-Level Dialogue on National Adaptation Plans convened ministers from least developed countries and small island developing States, financial experts and

international donors to address the growing urgency of climate adaptation. Their discussions focused on innovative financing, technical support, and accelerated action to meet the 2025 submission deadline for NAPs. The event concluded with a strong call to action to expedite NAPs and translate plans into tangible outcomes.

The outcome on the global goal on adaptation sets a clear path forward on the road to COP30 for the indicators work programme, providing a process for experts to continue their technical work before passing the baton to Parties. COP29 also launched the Baku Adaptation Road Map and Baku high-level dialogue on adaptation to enhance the implementation of the UAE Framework. Finally, the outcome raises ambition by agreeing to continue unpacking transformational adaptation moving forward.

COP29 took a decisive step forward to elevate the voices of Indigenous Peoples and local communities in climate action, adopting the Baku Workplan and renewing the mandate of the Facilitative Working Group (FWG) of the Local Communities and Indigenous Peoples Platform (LCIPP). The adopted decision acknowledges the progress made by the FWG in fostering collaboration among Parties, Indigenous Peoples and local communities, and underscores the leadership of Indigenous Peoples and local communities in addressing the climate crisis.

Civil society participation, children and youth

The decisions taken at COP29 also reemphasize the critical importance of empowering all stakeholders to engage in climate action; in particular under Action for Climate Empowerment (ACE). Parties recalled the importance of integrating ACE elements into national climate change policies, plans, strategies and action, and noted the secretariat's compendium of good practices for integrating ACE elements into NDCs.

In parallel with the formal negotiations, the Global Climate Action space at COP29 provided a platform for governments, businesses and civil society to collaborate and showcase their real-world climate solutions. An overview and summary of these can be found [here](#).

The High-Level Champions, under the Marrakech Partnership for Global Climate Action, launched their 2024 Yearbook of Global Climate Action at COP29, showing that climate action by non-Party stakeholders, including businesses, investors, sub-national actors and civil society, is driving progress towards the goals of the Paris Agreement, and that their engagement is more crucial than ever.

COP29 Closing Statement by the UN Secretary General

As the UN's Secretary General Antonio Guterres underlined in his closing statement, "COP29 comes at the close of a brutal year – a year seared by record temperatures, and scarred by climate disaster, all as emissions continue to rise. Finance has been priority number one. Developing countries swamped by debt, pummelled by disasters, and left behind in the renewables revolution, are in desperate need of funds. An agreement at

COP29 was absolutely essential to keep the 1.5 degree limit alive. And countries have delivered.

I had hoped for a more ambitious outcome – on both finance and mitigation – to meet the great challenge we face. But this agreement provides a base on which to build. It must be honoured in full and on time. Commitments must quickly become cash. All countries must come together to ensure the top-end of this new goal is met.

COP29 also builds on progress made last year on emissions reductions and accelerating the energy transition. And it reaches agreement on carbon markets.

This was a complex negotiation in an uncertain and divided geopolitical landscape. I commend everyone who worked hard to build consensus. You have shown that multilateralism – centred on the Paris Agreement – can find a path through the most difficult issues.

I appeal to governments to see this agreement as a foundation – and build on it. First, countries must deliver new economy-wide national climate action plans – or NDCs – aligned with 1.5 degrees, well ahead of COP30 – as promised. The G20 countries, the biggest emitters, must lead.

These new plans must cover all emissions and the whole economy, accelerate fossil fuel phase out, and contribute to the energy transition goals agreed at COP28 – seizing the benefits of cheap, clean renewables.

The end of the fossil fuel age is an economic inevitability. New national plans must accelerate the shift, and help to ensure it comes with justice.

Second, we need swift action to deliver on commitments made in the Pact for the Future. Particularly on effective action on debt; increasing concessional finance and improving access; and substantially increasing the lending capacity of the Multilateral Development Banks, with adequate recapitalization”.

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