

COP29 Climate Summit 2024

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Context

At the **COP29 climate conference** in **Baku**, countries made a historic decision to advance an agreement for a **global carbon market** under the Paris Agreement. While this step is seen as a breakthrough, **climate finance** remains unresolved, with developing nations stressing the need for substantial, updated funding.

What is COP?

- **Conference of Parties (COP):** The main decision-making body of the **United Nations Framework Convention on Climate Change (UNFCCC)**.
 - **UNFCCC Background:** Established in 1992, it unites **198 members** (197 countries + the European Union) to combat climate change.
 - **Annual Meetings:** Each year, COP gathers to assess emissions, track progress, and shape climate policies.
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Key COP Milestones

1. **Kyoto Protocol (1997, COP3):**

- **Binding emission reductions** for developed countries.
- Goal: Reduce emissions by **4.2% from 1990 levels by 2012**.

2. **Copenhagen Accord (2009, COP15):**

- Introduced **2°C warming limit** and **climate funding** for vulnerable nations.
- Fell short of producing a binding treaty.

3. **Paris Agreement (2015, COP21):**

- **Landmark target:** Limit warming to below **2°C** (ideally **1.5°C**).
- Established **Nationally Determined Contributions (NDCs)** for each country.

4. **Glasgow Pact (2021, COP26):**

- Introduced pledges to reduce **coal usage** and phase out **fossil fuel subsidies**.

5. Loss and Damage Fund (2023, COP28):

- Created to support nations affected by **climate disasters**.
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Criticisms of COP

• Failure to Deliver Climate Finance:

- Despite pledging **\$100 billion annually** by 2020, developed countries have not met this goal.
- A **2021 UN report** projects that developing countries will need **\$6 trillion per year through 2030** to meet climate goals.

• Insufficient Emission Reductions:

- Although COP summits have led to emission pledges, **current efforts are not enough**.
 - The **IEA's COP28 report** warns that existing pledges risk exceeding the **1.5°C warming threshold**.
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Agreement on Global Carbon Markets at COP29

• Global Carbon Market Overview:

- Defined under **Article 6** of the **Paris Agreement**.
- Allows trading of **carbon credits** as a financial incentive for reducing emissions.

• Article 6 Mechanisms:

1. **Article 6.2:** Enables two countries to **trade carbon credits bilaterally**.
2. **Article 6.4:** Proposes a **UN-managed centralised system** for countries and companies to offset carbon emissions.

• Progress at COP29:

- **New operational standards for Article 6.4** were adopted, allowing the **global carbon market** to move forward.
- This breakthrough sets the stage for full implementation of Article 6, which had faced **years of deadlock**.

• Significance of this Milestone:

- **Carbon markets** were the final part of the Paris Agreement awaiting full implementation.
- The agreement will allow countries to **meet climate goals more affordably and efficiently**.

Challenges Ahead at COP29

1. Lack of Consensus on Climate Finance:

- A key issue is the **New Collective Quantified Goal (NCQG)**, which aims to replace the unmet **\$100 billion** target.
- **G77-plus China** (over 130 developing countries) rejected the initial finance draft and demanded revisions.

2. Demands from Developing Nations:

- Developing countries seek **\$1 trillion annually from 2026**, with G77 calling for **\$1.3 trillion**.
- They insist the finance should be **new, predictable, and non-debt-inducing**.

India's Role in Shaping COP29

- **Finance as a Priority:** India highlighted the NCQG as a priority, calling for substantial financial commitments for the **Global South**.
- **Focus on Adaptation for Vulnerable Communities:** India and G77 allies advocate stronger support for **adaptation** in high-risk communities.
- **Commitment to Emission Goals:** India's NDC aims to **reduce emissions intensity by 45% from 2005 levels** and create an **additional carbon sink of 2.5-3 billion tonnes by 2030**.

Conclusion

- **COP29 President Mukhtar Babayev** stated that **Article 6** could reduce global climate action costs by **\$250 billion annually** through **cross-border cooperation**.
- Effective carbon markets can help countries, including **India**, achieve climate goals, supporting global efforts to combat climate change.

