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# COP 29: Key Takeaways



The 29th Conference of the Parties (COP29) to the United Nations Framework Convention on Climate Change, held in Baku, Azerbaijan, from November 11th to 24th, 2024, brought together nearly 200 countries to address pressing climate issues. The summit concluded with a contentious Climate Finance Deal and New Carbon Market Regulations.

## Carbon Market Regulations

COP29 marked progress in establishing frameworks for carbon credit trading under Article 6 of the Paris Agreement. These regulations set the stage for both bilateral carbon trading between countries and a global crediting mechanism. The new policy aims to ensure environmental integrity and transparency in carbon markets, potentially attracting investment into developing nations for carbon-reducing projects.



## Carbon Market Participation

The finalization of Article 6 of the Paris Agreement at COP29 indeed marks a significant milestone for international carbon markets as it allows countries like Andorra, Azerbaijan, Germany, Guyana, Japan, Kazakhstan, the Maldives, the Netherlands, Panama, Singapore, Spain, and Türkiye to lead in transparent climate reporting and participate in the newly operational carbon markets.

## Nationally Determined Contributions (NDCs)

Countries are required to submit updated Nationally Determined Contributions (NDCs) by February 2025. These plans will outline strategies for reducing emissions and adapting to climate change effects. Notably, the UK announced intentions to cut greenhouse gas emissions by 81% by 2035 relative to 1990 levels, while Brazil set targets to reduce emissions by 59% to 67% by 2035 compared to 2005 levels. The UAE committed to reducing emissions by 47% by 2035 compared to the 2019 baseline. These NDCs will be vital in shaping the world's climate change strategy.





## Cooling Initiatives

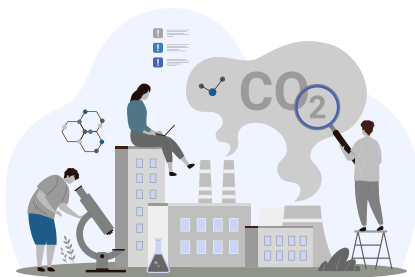
The UK pledged \$15 million to fast-track sustainable cooling technologies, aiming to reduce emissions and protect vulnerable communities from extreme heat impacts. As co-chair of the Global Cooling Pledge, Brazil emphasized sustainable cooling as a priority for climate mitigation and adaptation efforts. Countries such as Cambodia, Costa Rica, Dominican Republic, Ghana, Japan, Kenya, Nigeria, Singapore, and Vietnam announced intentions to incorporate sustainable cooling into their updated Nationally Determined Contributions (NDCs).



While COP29 achieved significant agreements on climate finance and carbon markets, it underscored ongoing challenges in international climate negotiations.

## Climate Finance Agreement

One of the most critical outcomes of COP29 was the agreement on a new climate finance goal. Developed nations committed to providing \$300 billion annually by 2035 to assist developing countries in combating climate change impacts. Though this figure represents a tripling of the previous \$100 billion pledge, it fell short of the \$1.3 trillion annually that many developing nations had advocated for. Consequently, the agreement has been met with disappointment and criticism from developing countries, which had been advocating for \$1.3 trillion annually. India labelled the deal an "optical illusion," while Nigeria and Malawi also expressed dissatisfaction, calling the amount inadequate.



The COP29 Presidency launched several renewable energy pledges aimed at increasing energy storage capacity, expanding grids, and fostering a global clean hydrogen market.

## Global Energy and Grids Pledge



COP29 observed several countries committing to increase global energy storage capacity sixfold by 2030 compared to 2022 levels and achieve 25 million kilometers of grid infrastructure by 2030, with an additional 65 million kilometers by 2040. Countries like the United States, United Kingdom, Germany, Brazil, United Arab Emirates, Saudi Arabia, Uruguay, Belgium and Sweden have endorsed the pledge, which is crucial for supporting the expansion of renewable energy infrastructure and ensuring energy security.

## Green Energy Zones and Corridors Pledge

This pledge focuses on promoting green energy interconnectedness, particularly in Central Asia. Azerbaijan, with the support of strategic partnership of Kazakhstan and Uzbekistan, announced the Central Asia-Azerbaijan Green Energy Corridor to transport renewable energy across the Caspian Sea.

## COP29 Hydrogen Declaration

The COP29 Presidency aims to catalyze a global clean hydrogen market, as part of its efforts to catalyze a global clean hydrogen market, building on COP28's commitments to accelerate low-carbon hydrogen production. The declaration calls for scaling up hydrogen by focusing on demand creation, standards and certification, finance, capacity building, trade, R&D, and sustainability.

The upcoming COP30, scheduled to take place in Belem, Brazil, from November 10 to 21, 2025, is anticipated to address unresolved issues from COP29 and build upon the progress made during that conference.