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COP29: Baku, Azerbaijan: The Finance COP

The 29th Conference of Parties (COP29) of the United Nations Framework Convention on Climate Change (UNFCCC) will be convened in Baku, Azerbaijan from 11th to 22nd November 2024. This COP has been characterized as “the Finance COP” since it will discuss and put in place a new finance goal to replace the \$100 Billion annual commitment for mitigation and adaptation which under the Paris Agreement expires in 2025.

There were several important international, inter-regional and regional meetings leading up to COP29 which hopefully have set a platform for a successful COP29. Among these meetings was the Bonn, Germany, Annual Climate Conference which has become an important stop on the way to the annual COP. It is hoped that the recently concluded United Nations Summit of the Future will also have a positive influence on this COP. The Azerbaijan Presidency has indicated that it is committed to ensure that this COP in addition to making progress on climate finance will also registers movement on emission reduction and increase the utilization of renewable energy.

Discussions and negotiations on climate finance have dominated all recent COPs and that trend will undoubtedly continue in Baku. A major focus of the COP will be the negotiation of a new finance goal, a New Collective Quantified Goal, (NCQG) to replace the US\$100 billion annual commitment of the Paris Agreement. The adequate capitalization of the recently operationalized Loss and Damage Fund will be high on the agenda and be part of the package.

Other issues emanating from COP28 will be the submission of more ambitious Nationally Determined Contributions (NDCs) by countries, acceleration of the transition to renewable energy sources and the implementation of the outcomes of the Global Stocktake (GST). One of the major outcomes of COP28 was “a just transition from fossil fuel”.

It is interesting that the “just transition from fossil fuel”

has not been given a prominent place in the priorities of the Presidency. It is to be remembered, however, that Azerbaijan is a petrostate and it is possible that this may have conditioned its approach to identifying priorities.

A New Collective Quantified Goal to replace the goal established under the Paris Agreement will be a very challenging achievement. The feedback coming from negotiations thus far has not been positive. In addition, there are strong indications that many big players from the financial sector are opting to stay away from this COP for a variety of reasons. The point has been made eloquently that the wars in Ukraine, Gaza, Lebanon, and a potentially widening Middle East conflict have created not only a drain on global resources but also lingering uncertainty.

The Presidential Elections in the United States and the contrasting positions of the major candidates on the issues of Climate Change and multilateral action have created a wait and see attitude for some stakeholders which will no doubt affect the COP. The United States being among the major emitters of greenhouse gases and a global leader remains critical to positive outcomes. Many critical actors are already looking beyond COP29 to COP30 which will be held in Brazil.

The Paris Agreement has also been challenged by some developed countries in that they are suggesting approaches to the financing framework which is an affront to the principle of “common but differentiated responsibility”. The strategy of attempting to widening the contributors to the financing of climate change is not entirely new and some developed countries are intent to have the Gulf countries and China become formally part of the group of contributing countries.

Over the last few years, the attendance of delegations, experts, United Nations staff, journalists, climate activists, NGOs and civil society has grown sharply. It is expected that even with the threat that some stakeholders

are rumored not to attend that attendance is estimated to be over 50,000 participants. There are some commentators that argue that with these numbers it is difficult to negotiate and make progress and efforts should be explored to make the COP process more efficient. There are, of course, some challenges with any approach that would drive decision making into a smaller group that would, by its very nature, exclude several voices.

Drama is always part of the COP process. There are some dark clouds hovering as we approach this COP. The hope is that the members of the international community, developed and developing countries, continue to see the need to confront the existential threat that is climate change and make progress before we arrive at the point of no return.

Francis Anthony McBarnette, CCLCS Fellow